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EXECUTIVE SUMMARY

The Audit and Management Studies Division of the Department of Justice conducted a management review of Staffing and Compensation (i.e., Pay and Benefits) within Human Resources Operations in Headquarters and within selected Regional offices (B.C., Ontario and Quebec) of the Department of Justice. This report presents the findings of that study.

This study was originally to be conducted during the period September 2001 through March 2002. However, significant changes affecting the management, the structure, and the delivery model for human resources services were implemented in the Human Resources Directorate early in the autumn of 2001. This deferred the start of this review by approximately three months. Planning for this review began anew in November of 2001 and field work for this study was conducted over the latter part of 2001 and over the first four months of 2002.

Objectives

The objectives of this management study, as stated in the terms of reference, are to:

- Assess the appropriateness of workload indicators and service standards for the two key HR operational functions: Staffing and Compensation
- Measure workload relative to these functions in the regional offices (includes NCR and CFC)
- Measure the appropriateness of reporting to senior management
- Assess the appropriateness of the organizational structures in place supporting these functions
- Assess the appropriateness of the linkages between Headquarters and regional offices, and the level of functional direction provided
- Quantify the level of resources dedicated to the key HR operational functions, including contracted resources.

General Observations

This section presents an executive overview of the recommendations of this study.

Overall, the review finds that the Staffing and Compensation functions are appropriately structured and organized in the Department of Justice. Communication with the clientele of Staffing and Compensation tends to be informal and ad hoc as opposed to structured and systematic. Communication between Headquarters and regional office is similarly informal and on an "as required" basis. Meaningful workload indicators and service standards are not in place for either function although work has begun to develop both.

Workload has grown substantially for both Staffing and Compensation particularly in the National Capital Area. The resourcing of these two functions has not kept pace with this growth in workload, seriously compromising the ability of both Staffing and Classification to provide an adequate level of service.

The key findings of this review are presented below The work and the rationale for each recommendation is presented in subsequent chapters of the report.

Assess the Appropriateness of Workload Indicators and Service Standards for the two key HR Operational Functions: Staffing and Compensation

Meaningful workload measures and service standards are not in place although some work has been done in both areas Client interest in service standards appears to be minimal. Useful service standards can be built only if reliable and meaningful workload measures are in place. Reliable and meaningful workload measures cannot be built and put in place unless there is a reliable data capture system to feed the indicators. A reliable data capture system depends upon the integrity and accuracy of the data entered into the system and upon commitment on the part of service providers to enter data consistently, reliably and in a timely manner. In Justice, at the time of the review, work was being conducted simultaneously on all these fronts and not necessarily in an integrated manner.

This review recommends that work with respect to workload indicators and service standards be coordinated nationally (to avoid the use of different measures in different parts of the Department, to avoid "re-inventing the wheel" in different parts of the organization, and to facilitate the eventual roll-up and reporting of data on a consistent national basis.)

A proper sequence of work could be as follows:

1) Restore data integrity to PeopleSoft.
2) Establish national data entry standards for Staffing and Compensation.
3) Monitor and enforce the data entry standards.
4) Identify the different kinds of transactional and non-transactional work done by both Staffing and Compensation that Justice would like to track in terms of the volume of transactions and in terms of the amount of effort involved in each type of transactions (both at the level of the individual transaction and in the aggregate for that particular type of transaction.) Code each type of transactional and non-transactional work (if such coding does not presently exist within PeopleSoft.). This should be at a gross level of detail.
5) Build, if necessary, the time capture module that enables the service providers to account for time spent on different kinds of transactions (i.e., the "billable hours" concept except in this case, one would want to track both billable and non-billable hours, in other words, account for all of the service provider's time).
6) Develop the reporting capability (if not already present in PeopleSoft) that allows for the generation of reports that provide data on workload and work effort by organizational element, by geography, by transaction type, and by service provider.
7) Use the information from step six for resource justification and workload re-balancing.
8) Develop a few, simple, meaningful, measurable and quantifiable service standards that are based on analysis of workload and of work effort. In developing service standards, ensure that readily available data can be used to measure whether standards are met. Avoid developing any standards that require the gathering of data not already resident in or not easily extracted from PeopleSoft. Develop service standards only if clients are interested in receiving such information or if management in HR is interested in using service standards as a quality control tool. This review recommends posting performance results against service standards on the web as opposed to distributing e-mail reports to clients. This way, HRD can track client interest in service standard performance data by monitoring by the number of "hits" on the site.
9) If, two years after implementation, it can be shown that workload indicators have influenced resource allocation decisions, and have been used in re-balancing work loads, their use should be continued. Similarly, if two years after implementation it can be shown that service standards are of interest to clients and that functional management does assess performance against these standards, their use should also be continued. If, on the other hand, workload indicators and service standards have not been used in this manner, they should be discontinued and the resources allocated to these purposes re-directed to other productive purposes.

For reasons of efficiency in developing indicators, and for consistency in reporting and rolling up information nationally, workload indicators for both Staffing and Compensation should be uniform throughout Justice. Staff involved in developing workload measures and indicators should work as a national team that includes regional representation.

Measure Workload Relative to these Functions in Headquarters and the Regional Offices (includes NCR and CFC)

Growth in the workforce of the Department has had very significant implications for Staffing and Compensation workload no where more so than in the National Capital Region.

Over the last decade and the last three years in particular HR NCR-Operations experienced explosive growth in its Staffing workload. During the 2000/2001 fiscal year, the HR NCR-Operations accounted for 67.6% of all Staffing actions. Over the last three fiscal years for which complete data is available (1998/99 through 2000/01), the total transactional Staffing workload for HR NCR-Operations increased from 1802 actions to 3930 actions, an increase in workload of 118%.

Transactional Staffing workloads have grown more modestly in the three Regions selected for this study. A summary of three year increase is presented below:

- HR NCR-Operations 118%
- B.C. 8%
- Ontario 16%
- Quebec 36%

With respect to Compensation, increases in baseline workload are easier to calculate as there is a "one to one" relationship between number of employees in the workforce and the number of pay accounts administered by the function. Therefore, baseline Compensation workload in the NCR for NCR HR-Ops has increased by 138%. Over the corresponding period of time, the number of Full Time Equivalent (FTE) resources allocated to Staffing and Compensation in NCR HR-Ops have not grown, but rather have in fact declined. Evidence in this regard is anecdotal as records indicating resourcing levels dating back ten years do not exist. Changes in organization structure of HRD and in the responsibilities of PEs within those structures have also changed over the years, making it impossible to determine by how many those resources have declined.

Measure the Appropriateness of Reporting to Senior Management

The review finds that reporting to senior management is satisfactory. The lack of regular and systematic reporting of Staffing and Compensation information does not mean there is a lack of information or communication. This review found that client management is sufficiently informed of the status of Staffing transactions and that there is no requirement to share Compensation information. Throughout all areas subject to review, all Staffing resources communicate regularly with the clientele. Implementation of workload indicators and service standards, may provide opportunities for regular and systematic reporting of non-transactional information to senior management. This should also provide HR program management with the information it requires to monitor and evaluate workloads, to assess productivity, and quality of service, and to justify resource allocations.

Presently, HR program level information (e.g., national statistical roll-ups) and analytical information (e.g., demographic profiles, HR volumetrics, etc.) are produced by the Strategic Policy and Planning Division of HRD on an annual and on an "as requested" basis. The quality of the information produced by this research unit (that was examined in this review) is of a very high standard. The review notes however that this group is stretched to the limits of its capacity by such research and by providing case advice to operational colleagues. The Strategic Policy and Planning Division produces high quality work that supports Staffing and Compensation operations (e.g., instruments delegation, template offers, and other tools) but is unable to do so in a timely manner or as extensively as needed by operations due to the ongoing high demand for ad hoc research. While outside the scope of this review, the review suggests that management consider augmenting the resources of this unit in terms of number and classification.

Assess the Appropriateness of the Organizational Structures in Place Supporting these Functions

For all organization elements examined, the review found organizational structures that were logical from the perspectives of organizing work, serving clients and providing career ladders for staff where possible (career ladders are difficult to create in small regional offices).

The very small size of regional HR service units makes these units particularly vulnerable to the loss of specialist staff. Where turnover in critical positions in Pay and Benefits can be anticipated due to reasons such as retirement, consideration should be given to temporary incremental Staffing in order to train replacements.

Presently, HR NCR Ops provides HR services to the Federal Treaty Negotiations Office. In effect, this client organization located entirely within B.C., receives its HR services from an HR service unit located entirely within Headquarters. The review team was told that the only rationale for this arrangement is that the B.C. HR service unit is not resourced to service this client. Co-location of service units with client units generally results in better quality of service. Therefore, the review recommends that consideration be given to transferring HR service responsibility for the Federal Treaty Negotiations Office to the B.C. Region HR Service unit and resourcing that HR service unit accordingly.

The review recommends the permanent resourcing and indeterminate Staffing of two Pension Specialist positions within the Compensation Section of HR NCR-Ops.

In conducting benchmarking for this review, the review team found a high degree of variability in the classifications of Managers of Compensation across different departments. This position is critical to the organization and delivery of high quality Pay and Benefits services and the retention of an effective manager in this function is important. Therefore the review recommends an examination of the classification of the position of the Manager of the Compensation Section within HR NCR-Ops which may be under-classified relative to similar positions in other organizations.

Assess the Appropriateness of the Linkages Between Headquarters and Regional Offices, and the Level of Functional Direction Provided

The review finds that there is little need for interaction between regional and Headquarters operational service units and recommends against setting up regular communications mechanisms (as has been done in the past) where these is no requirement to do so.

The principal requirement for communications is between policy and operations, rather than between operational units in Headquarters and in the field. The review notes that the many of the operational staff both in Staffing and classification are relatively inexperienced and that as a result, the policy unit spends substantial time and effort responding to queries from operational staff in training or staff lacking sufficient operational experience. This points to a need for HRD to build a professional development program for its junior Staffing and Compensation specialists to supplement the on-the-job training efforts undertaken by operational management. The review notes that the policy unit is not adequately resourced to take on this additional responsibility.

Quantify the Level of Resources Dedicated to the Key HR Operational Functions, Including Contracted Resources

With respect to Staffing in HR NCR OPS, the review finds a resourcing shortfall and recommends resourcing increases in the order of ten to twelve FTEs. The review finds that the most pressing requirement for additional resourcing is to be found in the Executive and Senior Complement Services Group.

The review finds that with respect to Compensation in HR NCR OPS the present workload for the present configuration of the Headquarters Compensation unit is sufficient to warrant at least four additional FTEs and that the resources of this section should be augmented accordingly.

Compensation work has a cross-verification component and as a result, any Compensation Unit requires a minimum of two Compensation Advisors to Function appropriately. The B.C. and Quebec Regions both meet the caseload threshold to warrant two Compensation Advisors and both have two. Quebec runs the risk of not being able to perform verification work as one of the two positions will become vacant through an anticipated retirement. A substantial amount of training is required for a Compensation Advisor to become effective. Qualified and experienced Compensation Advisors are in such short supply across the Public Service that many departments have been unable to recruit such staff and as a result have resorted to training their own Compensation Advisors. Therefore, it is unlikely that a fully qualified successor can be recruited for the Quebec Region and the Region will likely need to train a successor.

Specific Recommendations

- That useful, simple and quantifiable workload indicators and service standards be implemented for both Staffing and Compensation.
- That a formal resource allocation review be conducted to determine the extent of additional resourcing required for Staffing and Pay and Benefits particularly in Headquarters.
- That the information generation resources of the Policy and Research functions be increased in order to sustain other HR functions and client demand for information on HR activities. This would also be useful in supporting any service standards and workload indicator initiatives undertaken by HRD.
- That the Department consider transferring HR service responsibility for the Federal Treaty Negotiations Office (which is entirely located in B.C. Region and presently serviced by HR

NCR Ops) to the B.C. Region HR Service unit and that the B.C. Region HR Service unit be resourced accordingly.

- That two Pension Specialist positions within the Compensation Section of HR NCR-Ops be permanently resourced and indeterminately staffed.
- That the classification of the position of the Manager of the Compensation Section within HR NCR-Ops be reviewed.
- That temporary positions to recruit and train successors be put in place where the departure of Compensation Advisors can be anticipated due to reasons such as retirement.
- That resources in Compensation in HR NCR OPS be increased by at least four additional FTEs (not including the two FTEs for pensions).
- That resources for Staffing in HR NCR OPS be increased by up to ten FTEs.
- That in Regions where only two resources are allocated to Compensation and where the departure of one of these resources can be forecasted, a additional and temporary incremental resource be allocated for the training and development of a replacement Compensation Advisor.

The management response to the recommendations contained in this report was provided by the Acting Director General, Human Resources on September 9, 2002.

1. BACKGROUND

This chapter provides background on Staffing and Compensation and the organization of these functions within the Department of Justice. This information provides a contextual backdrop for interpreting and understanding the observations and recommendations made later in this report.

1.1 Staffing and Compensation Defined

The next two sections provide an overview of the Staffing and Compensation functions in the Department of Justice.

1.1.1 Staffing Defined

The term "Staffing" is used in the public service to describe the function of acquiring and deploying the staff resources that a department or agency requires to function. Sometimes called "Resourcing", the activities of Staffing include the recruitment, promotion, transfer, secondment, demotion, and release of staff. Appointments to positions (or levels) within the public service are made by the Public Service Commission (PSC) under authority invested in it by the *Public Service Employment Act*. The authority conferred by this Act to make appointments is exclusive to the PSC; no other entity has authority to make appointments in the public service. The Act also confers upon the PSC the power to delegate its Staffing authority to departments and agencies. The PSC has used this provision in the Act to substantially and widely delegate its authority to make appointments. The Department of Justice is one of the delegated recipients of the PSC's authority to staff. Through regulations made pursuant to the Act, the PSC controls the terms, conditions, manner and means by which departments such as Justice exercise delegated Staffing authority. Various competitive and non-competitive processes are employed to effect appointments in the public service. The Staffing system in the public service is managed and administered by human resources management specialists (typically titled Staffing Advisors and classified within the PE group). The regulatory and procedural framework of the Staffing function in the public service is sufficiently complex as to require Staffing specialists to

undertake specialized training and to receive substantial on-the-job experience in order to become proficient in their work. Approximately two years of such training and full-time on-the-job experience are required to gain an acceptable level of operational proficiency.

The baseline volume of work for the Staffing function is created by regular attrition and turnover (i.e., resignations, promotions, transfers, retirements, etc.) in the workforce of a department. "Spikes" in Staffing workload occur when changes are made in the programming or in the structure of a department or agency. Re-organizations, the implementation of new programs, and organizational mergers and consolidations can significantly increase work volumes for the Staffing function.

Recent experience in other departments (e.g., DND, Industry Canada and elsewhere) indicates that there is a chronic shortage of qualified, experienced and proficient Staffing practitioners at the "working level" (PE-3, PE-4) and at the first supervisory level (PE-5) across the public service in the National Capital Area. Consequently, the recruitment and retention of Staffing specialists is an issue of concern for many departments. Justice is affected by this shortage.

1.1.2 Compensation Defined

"Compensation" is the term used in the public service to describe the provision of pay and benefits services (including pension-related services) to employees in the public service. Often referred to as "Pay and Benefits", Compensation is a function of human resource management in the public service that is partially aligned with Finance due to the expenditure-related nature of Compensation work.

In terms of policy and regulation, Compensation is separate and distinct from Staffing. The *Financial Administration Act* designates Treasury Board as the Employer in the public service, and makes Treasury Board accountable for establishing Compensation policy in the public service. Most rates of pay, certain benefits, and certain terms and conditions of employment are determined through collective bargaining between the Treasury Board Secretariat (acting as agent for the Employer) and various public service unions (such unions having acquired the right to serve as bargaining agents and having acquired the right to represent certain groups of public service employees through the certification provisions of the *Public Service Staff Relations Act*). Negotiations within this collective bargaining regime can be bilateral (i.e. between TBS and individual bargaining agents) or multi-lateral (i.e., through the National Joint Council, an organization that provides multiple federal employers and multiple public service unions with a collective forum to reach agreement on broader matters that transcend the interests of a single

employer and a single bargaining agent, matters such as workforce adjustment, medical/dental packages, etc.). Negotiated settlements with respect to Compensation and terms and conditions of employment are recorded in collective agreements and in National Joint Council Decisions. Compensation for unrepresented groups, or for groups excluded from collective bargaining, is unilaterally determined by the Treasury Board.

TBS prescribes pay and benefits administrative policy for the public service. The Department of Public Works and Government Services (PWGSC) provides the systems and the infrastructure that departments use to deliver pay and benefits services to their employees.

At the departmental level, the Compensation system is managed and administered by departmental Compensation specialists (typically referred to as Compensation Advisors and classified within the AS group). Each Compensation Advisor handles a "case load" of pay accounts. There is one pay account for each employee in the public service. The size of the case load managed by an individual Compensation Advisor is variable, depending upon the experience of the Advisor and on the level of activity within that case load. For example, a caseload consisting of one hundred hourly rated employees working on a shift schedule will likely generate more work (calculation of shift premiums, overtime, etc.) than will a case load of one hundred salaried employees working regular days.

Compensation Advisors make various types of adjustments required to the pay and benefits packages of departmental employees on a bi-weekly cycle by feeding departmental information concerning required adjustments into the government's centrally administered pay system, operated by the Department of Public Works and Government Services.

The policy and procedural framework for the administration of the Compensation function in the public service is complex. Compensation specialists require specialized training and substantial on-the-job coaching and direct supervision to become proficient at their work. Approximately two years of such training and experience are required to gain an acceptable level of proficiency. During this period of training and development, a Compensation Advisor is not able to handle a full caseload. Neither is the supervisor responsible for training and developing novice Compensation Advisors able to manage a full case load.

The baseline volume of work for the Compensation function is driven by the bi-weekly pay cycle and by attrition, turnover and movement (i.e., resignations, promotions, transfers, retirements, etc.) within the workforce of the Department. There are predictable upward "spikes" in Compensation workloads caused by events such as the ratification of new collective agreements

and annual performance pay adjustments. When such events occur, Compensation Advisors make wholesale adjustments to pay accounts under pressure of deadlines.

As is the case for Staffing, there is also a chronic shortage of qualified, experienced and proficient Compensation practitioners at the "working level" (AS-2) and at the first supervisory level across the public service in the National Capital Area. The shortage of Compensation specialists is more severe than the shortage of Staffing specialists, leading a few departments (e.g., Department of National Defence) to launch special recruitment and development programs. Consequently, the recruitment and retention of Compensation specialists is an issue of considerable concern for the Human Resource branches of many departments. Justice is affected by this shortage.

1.2 Separate and Distinct Policy Regimes for Staffing and Compensation

While both Staffing and Compensation are functions of human resources management, they are not integrated in any sense within the public service. These two functions operate under separate and distinct legislative and regulatory bases; they have separate and distinct policy and procedural frameworks; and they are overseen by different central agencies. As a consequence, Staffing and Compensation are functions that are managed, organized and administered as entities separate and distinct from one another and that operate largely independently of each other within the typical human resources management organization at a departmental level. This is true for Justice and for the public service in general.

1.3 Separate and Distinct Treatment Within this Report

While the objectives of this management study are identical for both functions, the distinct and separate nature of the two functions had implications for the planning and conduct of this study. This study was planned and executed as essentially two studies, with some common elements. Findings and observations presented in this report are similarly separated.

1.4 How Staffing and Compensation Services are Organized and Delivered Within Justice

1.4.1 At the Headquarters Level

Within Justice at Headquarters, the Human Resource Management function is organized, managed and delivered by the Human Resources Directorate (HRD). HRD is the corporate entity and the departmental authority for human resources management in the Department of Justice. HRD is managed by a Director General who reports to the ADM, Corporate Services.

HRD has essentially two components. The first is a corporate component that conducts HR research and planning and that establishes HR policy for the Department. The second is an operational component that delivers HR services to Justice management and staff (located mostly but not exclusively within the geography of the National Capital Region).

Staffing and Compensation services for the staff of Justice in the NCR are provided by this second component, called the Human Resources Operations Division (HR NCR-Operations). HR NCR-Operations is a division of HRD and has approximately 65 of the Directorate's 110 staff. The work of HR NCR-Operations is, as its name indicates, purely operational in nature. HR NCR Operations has neither corporate nor national policy responsibilities. As a provider of HR operational services to the management and staff of Justice located mostly within the National Capital Area, HR NCR-Operations differs little, in terms of its responsibilities, from Regional HR Service units located in Justice's Regions across Canada. In fact, HR information data bases within Justice typically reference HR NCR-Operations transactions as the NCR region. Services offered by HR NCR-Operations extend beyond Staffing and Compensation and include the following:

- Compensation
- recruitment and Staffing
- staff relations
- classification
- career development for Executives and senior complements
- employment equity
- official languages

HR NCR-Operations has no responsibility for training, learning and professional development. In Justice, responsibility for training, learning and professional development resides with the Director of Professional Development; a position that reports entirely to a different Assistant Deputy Minister.

The clientele of HR NCR-Operations numbers approximately 2600 (of which approximately 450 are Senior LAs or EXs). This clientele is dispersed over 14 locations across the National Capital Region and in certain cases beyond the National Capital Region.

HR NCR-Operations is sub-divided into two Units, each headed by a Director, both of whom report to the Director General of HRD.

The organization structure and service delivery model of HRD (and HR NCR-Operations) changed significantly in the last months of 2001 as the HR Directorate reorganized itself to better control costs and work volumes and to better address service quality and service delivery issues. The new structure of the Directorate has two components:

- A Policy and Planning component (with approximately 40 staff)
- A revamped HR NCR-Operations.

Within the new structure of HR NCR-Operations, it is intended that the primary mode of client access will be via a front line telephone service. This mode of service access has been identified and selected by Directorate management as a means of being more responsive to the needs of its clients. Management expects that this front line telephone service will be a more effective way of coordinating and channeling large volumes of incoming work. At the time this report was written, the front line telephone service was not operational but was expected to be in place in the 2002/03 fiscal year and to be staffed with at least two individuals. At the time this report was written, clients continued to access HR NCR-Operations by telephone, e-mail, regular mail, facsimile, and “walk-in”.

While the new model of client access had not been implemented at the time of the review, the new organizational model for HR NCR-Operations had just been implemented. In this new model, the work of HR NCR-Operations is divided between two units. One of the units (designated herein as “Unit 1") provides HR services to all Headquarters staff who are not part of the Senior LA or EX population (app. 2150). The second Unit (designated herein as “Unit 2”) provides HR services nationally to the department’s entire Senior LA and EX population (app. 450), regardless of their location.

The work of Unit 1 is sub-divided between two teams (each having identical responsibilities and each headed by a Team Leader at the PE-5 level); the two teams being distinguished only by different client portfolios. In the other unit, Unit 2, there is a single Team Leader (PE-5) and

work within that team is organized and distributed based on the classification group and level of the clientele.

There are a total of 19 Human Resource Specialists (PEs), including the three Team Leaders.

Compensation (with a staff of approximately 20) is a distinct section within Unit 1. While located organizationally within Unit 1, the Compensation Section provides Compensation services to the clients of both Units 1 and 2.

There are some exceptions to the service delivery model described above, these being the Canadian Firearms Centre, the Federal Treaty Negotiations Office, and the Crime Prevention Centre.

The first exception to the service delivery model, the Canadian Firearms Centre (CFC), had a staff of approximately six hundred at the time this report was written. CFC has undergone and is undergoing rapid expansions and contractions across Canada as it acquires organizational units from other departments such as the Royal Canadian Mounted Police (RCMP) and Human Resources Development Canada (HRDC) and as it divests itself of certain of its organizational units through alternative service delivery initiatives. The size of the CFC workforce rises or falls significantly with each of these transactions. Organizational change of this magnitude creates large volumes of Staffing and Compensation work. To provide CFC with the level of human resource management advice and support it needs on a continuing basis, HRD has created, and co-located within CFC-Ottawa a sub-team of three seconded Human Resource Specialists (PEs) and two CFC HR Administrative Support staff (CRs) to provide dedicated HR service. This HR team provides Staffing, staff relations and classification services to CFC. Compensation services for CFC staff in Ottawa, Newfoundland and parts of Miramichi are provided by NCR HR-Operations. A second CFC "owned and operated" HR Unit consisting of two PEs and two AS-2s Compensation Advisors is being established by CFC in Edmonton to provide it with dedicated HR and Compensation capability in anticipation of a possible shift of CFC-Ottawa operations to that location.

The second and third exceptions to the general HR service delivery model described above are the Federal Treaty Negotiations Office (staff of 48) and the Crime Prevention Centre (staff of 200). Both Units 1 and 2 provide service to the Federal Treaty Negotiations Office which is entirely located in the B.C. Region. Both Units 1 and 2 also service the Crime Prevention Centre (with staff located in offices across Canada).

1.4.2 At the Regional Level

Each Region has its own "locally owned and operated" HR service unit. Each regional HR service unit has its own Staffing and Compensation service delivery capability. This management review concerned itself only with HR service units located in the B.C., Ontario and Quebec Regions although such units exist in additional locations. Regional HR service units are funded by line/program management at the regional level and as a consequence of this, these units are not consistent from one Region to another in terms of their structure, composition or service offerings. Regional HR service units are functionally accountable to HRD (as the Department's HR policy centre) but they are not part of the HR Directorate and do not report "in line" to HRD. Regional HR service units are managed by a Director of Human Resource Management (although use of the title “Director” varies from region to region) and this position typically reports to the head of the Regional Office. From time to time, there is a requirement for Regional HR service units to co-ordinate their work with HR NCR-Operations. Work requiring such co-ordination includes the provision of HR services to Senior LAs and EXs, the “roll-up” of performance pay data, and the co-ordination of certain Staffing and classification actions (e.g., LA-3C and EXs) for which the regional level does not hold delegated Staffing or classification authority. In large measure, Regional HR service units operate independently of HRD.

2. OBJECTIVES, SCOPE AND METHODOLOGY

2.1 Objectives

The objectives for this management review as stated in the terms of reference are to:

1) Assess the appropriateness of workload indicators and service standards for the two key HR operational functions: Staffing and Compensation
2) Measure workload relative to these functions in the regional offices (includes NCR)
3) Measure the appropriateness of reporting to senior management
4) Assess the appropriateness of the organizational structures in place supporting these functions
5) Assess the appropriateness of the linkages between Headquarters and regional offices, and the level of functional direction provided
6) Quantify the level of resources dedicated to the key HR operational functions, including contracted resources.

2.2 Scope

Functionally, the scope of this management review extends to two elements of human resources management, those being Staffing and Compensation (Pay and Benefits).

Organizationally, the scope of this management review extends to an examination of these functions in:

- Headquarters (NCR), including the Canadian Firearms Centre (CFC); and
- Selected Regional Offices in B.C., Ontario and Quebec.

2.3 Methodology

2.3.1 Framework for this Management Review

The first task of the review team was to devise the tests that the team would apply to assess the objectives set out in the terms of reference. A series of interview questions and tests were developed to test each of the review objectives.

2.3.2 Workload Analysis and Measurement. A Methodological Challenge for this Review

Objectives 1, 2 and 6 for this management study required the review team to examine the volume and complexity of Staffing and Compensation work and to review the measures and indicators of work in order to comment on the adequacy of the resource levels allocated to do the work. Workload standards and workload measurement provide a factual basis for:

- Making decisions on how many and what kind of resources (resource inputs) to allocate to the work.
- Making judgements about the productivity and efficiency of those resources in accomplishing that work (resource outputs).

In order to make fact-based decisions on resource requirements (inputs) and to make fact-based judgements on whether resources have been productively and efficiently used (resource outputs), an organization must be able to:

1) Identify and categorize for both Staffing and Compensation the different types of work (transactional and non-transactional). This provides the framework for the collection of workload data as well as the framework for the eventual analysis of that data.
2) Determine the level of effort, required on average, to satisfactorily perform and complete each unit of work for each kind of work (transactional and non-transactional). This provides the basis for forecasting resource requirements and the standard for eventually determining whether resources have been productively and efficiently used.
3) Track and record the data by:
   - The volume (or incidence) of work performed by work type.
   - The amount of effort invested (resource input expressed in time) for each work type, at the level of the individual unit of work and in the aggregate,
   - The actual resource (employee) who completed the unit of work.
4) Analyze that data:

- To make judgements concerning the adequacy of resource inputs. (Given workload volumes, did we allocate enough resources to get the job done to an acceptable defined standard?)
- To compare actual average actual time taken to complete work against the standard for that type of work (Did the resources we allocated to the job work productively and efficiently?).

This analysis provides the basis for making judgements and drawing conclusions on whether sufficient resources have been budgeted and allocated to do the work (inputs) and whether those resources have produced results at a satisfactory level (outputs).

In the Department of Justice, information is collected on volumes of transactional work for Staffing and classification. Information is not collected on work that does not generate a transaction. None of the rest of steps 1 through 4 above are done in Justice. Therefore, there is no basis at present on which Justice can make workload measurement/workload assessment-based decisions concerning resource requirements (inputs). Nor is Justice in a position to draw conclusions concerning the productivity (outputs) or efficiency of Staffing and Compensation on the basis of workload analysis. The absence of such information also makes it impossible for Justice to meaningfully benchmark or compare itself to other organizations in terms of inputs, outputs or performance for Staffing and Compensation. Justice is not alone in this regard. On the "resource input" side of the equation (except for "average Compensation caseload") there are no commonly accepted or standard measures or metrics of workload or workload indicators for either Compensation or Staffing in the public service. Other than tracking certain transactional work volumes by type, the principles of activity based costing have never been applied to Compensation or to Staffing in the public service in general. As is the case with Justice, other departments track and report the number of different kinds of Staffing and Compensation transactions that have taken place in a given year, but they are not able to track, breakdown or report on the actual amount of effort (resources) invested by a human resource professional to complete these transactions in total or by type of work. A considerable amount of the work of Staffing and Compensation is not tracked at all (work such as career counseling or pension counseling) because it does not produce a transaction. Hence it is not recorded, becomes "invisible" in a systems sense, and skews resource allocation decision making. The absence of meaningful workload information meant that the review team did not have available to it any information that would permit it to comment fully, objectively or factually with respect to review objectives numbers 1, 2 and 6.

Obviously, this lack of information posed a considerable methodological challenge for this review. To deal with this, the review team had to create surrogates or proxies for workload and for workload indicators for both Staffing and Compensation.

2.3.3 Approaches to Data Collection

The review team used a variety of methods to collect data for this review. These methods included interviews with departmental HR and line staff, interviews with HR specialists in other departments, documentary review, statistical review, and benchmarking.

3. OBSERVATIONS AND RECOMMENDATIONS

This chapter presents observations and recommendations with respect to each of the objectives of the management review.

3.1 Assess the Appropriateness of Workload Indicators and Service Standards for Staffing and Compensation

3.1.1 Observations

Workload indicators are measures used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Workload indicators are used to justify current resource allocations, to justify requests for additional resources, to track productivity and to rebalance workload among existing resources.

Service standards are commitments that service providers make to clients to deliver services within certain parameters of time, cost, quantity or quality. Service standards can be formal (i.e., organizationally sanctioned) or informal. Service standards are used by functional management to convey to clients what service levels can be reasonably expected. Clients use service standards as a means of holding service providers accountable for the delivery of services to levels specified in the standards.

Workload indicators and service standards are co-dependent. A service provider cannot realistically commit to deliver services to a client to a certain standard unless the service provider knows how much work effort is involved in delivering a particular type of service, can forecast how many units of each type of work there are to be done, and knows the amount and availability of resources at its disposal to accomplish that work. Therefore meaningful service standards cannot be developed and implemented unless meaningful workload measures have been previously developed and implemented.

Not all kinds of work are suitable for the development and use of finely detailed workload indicators. Measures of work can be developed and applied most effectively where work is homogeneous and uniform in nature, with little variability in how that work gets done, and with little variability in how much effort is required to perform that work. The Staffing function is particularly unsuitable for the use of finely detailed workload measures for two reasons: the high degree of variability within a given Staffing process (and consequently the variability of the attendant effort), and secondly, the myriad number of different processes that exist within the Staffing function (making the administration of workload measures an arduous and time consuming task). For example, the effort involved in conducting a closed competition varies depending upon the area of competition, the number of applicants, the depth of the screening process, the number of candidates found to meet the mandatory requirements, the availability of board members, the nature of the assessment tools used, the number of interviews, whether the selection is appealed, whether the appeal is successful, etc. The same high degree of variability exists for other kinds of Staffing actions. Developing meaningful workload indicators and maintaining them requires an investment of time and a significant commitment to sustained, on-going effort. Few organizations willingly develop and commit to maintaining workload measures unless there is a realistic expectation of a return on the investment of that effort. In the case of Staffing (and for pay and benefits to a lesser degree) the heterogeneity and variability of the work make reliable, detailed workload indicators very difficult to develop, costly to maintain, and difficult to interpret and apply. It is questionable whether there is a sufficient return on investment to warrant the development of detailed workload indicators for functions such as Staffing and pay and benefits. Simplicity of administration and ease of use suggests that workload indicators for Staffing and for pay and benefits should be developed only at a gross level of detail (e.g. how many closed competitions and how much effort) rather than at fine level of detail (e.g. how many screening processes within closed competitions and how much effort associated with screening processes).

A useful framework of workload indicators and measures is predicated upon the existence of a simple, reliable and flexible data capture process, upon a willingness on the part of service providers to feed data faithfully and accurately in the data capture system, and upon a Human Resource Information System (HRIS) that can accommodate both transactional and level of effort information. In the case of Justice, the HRIS system that would serve this purpose is PeopleSoft. At the time of the review, HRD was addressing data integrity issues with respect to information contained in PeopleSoft.

Meaningful workload measures, a system to capture and track workload, timely data entry, and data integrity are the prerequisites for meaningful service standards. Service standards, as mentioned above, are formal or informal commitments that service providers make to clients to

deliver services within specific and measurable parameters of time, cost, quantity or quality. Taking accountability as a service provider for the time, cost, quality and quantity of a service assumes that the service provider controls all of the work inputs and the work processes that lead to the work output. In the case of Staffing, this is not the case. In most Staffing processes, the client controls several components of the work and the timing of that work (e.g., developing statements of qualification, conducting screenings and interviews, etc.). In the case of pay and benefits, service standards have little or no utility as the standard or level of service is fixed by the pay system cycle, by regulation, by central agency policy, or by collective agreement in terms of time, quantity and quality. Provided that the prerequisites described above are in place, service standards for Staffing are a good management practice that any service provider can use for the purpose of self-monitoring and self-management. Their full utility is realized however only if a client wants service standards in as a means of holding the service provider accountable. Therefore, in order to work properly and fully, the best service standards are those that are developed jointly by service providers and interested clients.

In circumstances where the nature of work does not lend itself to measurement, where meaningful workload data does not exist or cannot be readily tracked or captured, and where there is little client interest, the development and implementation of service standards often results in standards of little value that are more statements of principle (e.g., "We endeavour to provide high quality, timely service.") than a framework for accountability. Service standards that are too general or that are developed and implemented for disinterested clients generally fall quickly into disuse.

It was in this context that the review team examined workload indicators and service standards for Staffing and pay and benefits in Justice. At the time this review was conducted, we found no meaningful formal or informal workload indicators or service standards in place for either Staffing or Compensation in either Headquarters or in the Regions. For the reasons explained above, the review team does not consider this to be a significant finding. That workload indicators or service standards have not been developed is understandable in that staff in these two functions have been fully engaged in coping with significant growth in workload over the last several years (as detailed later in this chapter) and as a consequence, have not had the capacity or the time to develop or use workload indicators or service standards. Neither has there been demand from clients for either workload measures or service standards. At the time of the review, an HRD project to develop service standards was underway.

With respect to workload indicators for Staffing, Team Leaders in HR NCR-Operations do generate ad hoc reports from PeopleSoft that track Staffing actions in progress by transaction, by

client and by assigned Staffing specialist. This information is useful to Team Leaders to track the progress of individual cases and to keep abreast of the caseload handled by each Staffing Specialist. The reports however do not provide any indication of the amount of effort invested in each case, nor do they easily "roll up" to give more senior levels of management an indication of total transactional workload or effort invested in that workload. Reporting on work that is non-transactional in nature does not occur. As these ad hoc reports do address caseload per Staffing Advisor, they do have value to Team Leaders in monitoring and re-balancing current transactional workloads. Current reports do not however provide a means for forecasting or estimating workloads (in terms of person months) or for justifying resource allocations.

With respect to workload indicators for Compensation in all locations, periodic reports of work volumes by transaction type (e.g., hires, terminations, transfers in, promotions, etc.) and error reports are produced from the central pay system. These reports have the same limited utility as those described for Staffing. Compensation work that consumes time and effort but which does not result in a transaction (e.g., pension counseling, leave advice) is not tracked.

At the regional level with respect to Staffing, two of the three Regional Managers of Human Resources surveyed acknowledged that no formal workload measures existed for Staffing. Both these Regions commented that close supervision and communication with staff allowed them to ensure that service was within acceptable guidelines (undefined) for the function.

The third Region uses some simple indicators to balance and re-allocate workload. These indicators include: number of competitions underway, complexity of action (i.e., number of senior complements which typically require more work), and level and know-how of the client manager (i.e., experience with Staffing).

Like HRD, one Region was in the process of developing draft service standards based on the input and samples from other departments and Headquarters. At the time of the interview, neither the HRD nor the regional service standards had been implemented. Currently, both the other two Regions do not have any official service standards for Staffing.

One Region commented that many of the bottlenecks in the Staffing process lie with the clientele, not with Staffing itself making it difficult to apply service standards. This comment was made not to criticize management, but rather to recognize that there are other more important pressures on management's time that occasionally preclude management from addressing Staffing requirements in a timely manner. This Region also indicated a reluctance to introduce standards that would add data collection effort to an already highly cumbersome Staffing process. This Region generates periodic workload reports and has attempted to use

People Soft for these reports, but has had to rely most heavily on information gleaned from its Staffing log. In this Region, Staffing Advisors informally review workload with their assigned managers, but there is no prescribed process for conducting this review.

Another Region felt that workload data and service standards could be useful to provide all stakeholders with a clear idea of the resource time required for specific Staffing actions. The third Region concurred that such measures would help condition service expectations and help set objectives for the year. Such measures it was agreed would also be useful in building the business case for additional HR resources if increases in workload can be demonstrated. It was noted that the concept of "billable hours" is a familiar concept to a legal clientele and the use of a billable hours concept for HR would be credible by virtue of familiarity. While agreeing, the first Region cautioned that the implementation of such metrics should only take place if HR and the clients truly believed that such information would actually be used.

All Regions commented on the challenges of serving a demanding and busy legal clientele with little inclination to learn about or become actively and fully involved in HR processes. This often means that the HR service providers must train new managers and take a more labour intensive role in the conduct of Staffing processes than might be the case in other departments. The implication is that Staffing in Justice is comparatively more resource intensive for HR staff that it is elsewhere.

It was also observed that in the Regions, the comparatively smaller size of the client portfolios enabled the regional Staffing function to have more frequent and direct contact with client managers than is the case with HR NCR-Ops Since HR NCR Ops carries greater workload and has a much larger and diverse clientele, it has less informal contact with its clientele and tends to deal more extensively with client intermediaries such as administrative assistants. As a consequence, HR NCR-Ops is seen to have greater need for service standards than is required by the regional service delivery model.

At the regional level, with respect to Compensation, “official” workload indicators and service standards do not exist. Compensation workload information is not shared with clients and management.

One Regional Manager of Human Resources indicated that she used to be guided by a Pay Advisor caseload standard of 220 pay accounts per Advisor. She observed that this ratio has decreased in other departments, but not at Justice. Given the move to performance pay, the increase in pension counseling, and similar work, she felt that the ratio of pay accounts to

Compensation Advisors should decrease to at least 150 to one if clients are to receive a satisfactory level of service

This Regional Manager acknowledged that workload indicators such as the number of actions taken are easily obtained by going through the pay records. For example, a recent query indicated that 900 pay actions had taken place during one month in the fall with zero errors. She noted that they receive a report at the end of each pay cycle from PWGSC. She acknowledged that workload indicators might be helpful particularly in knowing if they were correctly resourced to provide optimum service. She noted that other Departments did not seem to have any workload indicators appropriate to the Compensation function.

One Region has a set of informal service standards but does not measure results against these standards. In some cases, the Region can indicate a specific amount of time (elapsed time) taken to complete a specific action. In other cases, the duration is unknown. In neither case is level of effort recorded. This Regional Manager of Human Resources noted that not all actions are tracked and that client managers are not provided with information pertaining to service standards. In effect, while service standards exist in this particular Region, they are not yet applied.

Another Regional Manager of Human Resources commented that service standards could be helpful as an indicator of the efficiency and quality of the work undertaken. This Regional Manager also commented on the importance of being able to quantify work in order assess proper levels of resourcing. This individual suggested that service standards could then be used by HR staff to manage the expectations of clients and to help clients understand the timing around specific actions. The Regional Manager also felt that standards would be useful in coaching subordinates and in monitoring levels of client service. However, she noted that it is unlikely that clients would notice any differences with standards in place.

The Regional Manager of Human Resources in a third Region also indicated her familiarity with the workload ratio of pay accounts per Pay Adviser used to determine Compensation resource requirements. She characterized the ratio as being between 150-200:1 depending on the type of pay accounts managed by the Adviser. This Regional Manager also noted that the ratio is decreasing across the public sector in that pay and benefits serves an increasingly aging client base that requires more service than previously. In support of this assertion, the Regional Manager indicated that her Region is increasingly involved with leave management and spends a great deal of time explaining options and entitlements. Like her counterparts elsewhere, she suggests the changing nature of pay and benefits work means the standard pay accounts to advisor ratio is too high for the present environment.

As far as developing service standards, one Regional Manager of Human Resources felt that it would be useful to have timeframes developed for different types of service. However, she added that she would be interested in the clients' reaction since it has not been a major issue to date and might be perceived as just another report.

The review observes that if the clientele is not interested in service standards, (and it appears that there is only limited interest among clients in Justice) comprehensive service standards should not be developed. Assuming there is a clientele interested in service standards, useful service standards can be developed only if reliable and meaningful workload measures are in place. Reliable and meaningful workload measures cannot be developed and put in place unless there is a reliable data capture system to feed the indicators. A reliable data capture system depends upon the integrity and accuracy of the data entered into the system and upon commitment on the part of service providers to enter data consistently, reliably and in a timely manner. In Justice, at the time of the review, work was being conducted simultaneously on all these fronts however not necessarily in an integrated manner.

In our view, if the Department chooses to proceed with the development of workload indicators and service standards, this work must be undertaken in a coordinated manner on a national level. Without an appropriate coordinated approach, there is a risk that different measures will be developed in different parts of the Department, and some parts of the organization may duplicate efforts undertaken elsewhere, and it may be difficult to facilitate the eventual roll-up and reporting of data in a consistent manner and on a national basis.

A possible sequence of work is provided below:

1) Restore data integrity to PeopleSoft.
2) Establish national data entry standards for Staffing and Compensation.
3) Monitor and enforce the data entry standards.
4) Identify the different kinds of transactional and non-transactional work done by both Staffing and Compensation that Justice would like to track in terms of the volume of transactions and in terms of the amount of effort involved in each type of transactions (both at the level of the individual transaction and in the aggregate for that particular type of transaction.) Code each type of transactional and non-transactional work (if such coding does not presently exist within PeopleSoft.). This should be at a broad level of detail.
5) Build, if necessary, the time capture module that enables the service providers to account for time spent on different kinds of transactions (i.e., the "billable hours" concept except in this

case, one would want to track both billable and non-billable hours, in other words, account for all of the service provider's time).

6) Develop the reporting capability (if not already present in PeopleSoft) that allows for the generation of reports that provide data on workload and work effort by organizational element, by geography, by transaction type, and by service provider.
7) Use the information from step six for resource justification and workload re-balancing.
8) Develop a few, simple, meaningful, measurable and quantifiable service standards that are based on analysis of workload and of work effort. In developing service standards, ensure that readily available data can be used to measure whether standards are met. Avoid developing any standards that require the gathering of data not already resident in or not easily extracted from PeopleSoft. Develop service standards only if clients are interested in receiving such information or if management in HR is interested in using service standards as a quality control tool. This review recommends posting performance results against service standards on the HR Intranet site as opposed to distributing e-mail reports to clients. This way, HRD can track client interest in service standard performance data by monitoring by the number of "hits" on the site.
9) If, two years after implementation, it can be shown that workload indicators have influenced resource allocation decisions, and have been used in re-balancing work loads, their use should be continued. Similarly, if two years after implementation it can be shown that service standards are of interest to clients and that functional management does assess performance against these standards, their use should also be continued. If, on the other hand, workload indicators and service standards have not been used in this manner, they should be discontinued and the resources allocated to these purposes re-directed to other productive purposes.

As noted earlier, service standards should not be developed separately from workload indicators. For reasons of efficiency, and for consistency in reporting and rolling up information nationally, workload indicators for both Staffing and Compensation should be uniform throughout Justice. Staff involved in developing workload measures and service standards should work in a co-ordinated manner as a national team that includes regional representation.

<u>Recommendations and Management Response</u>

1. It is recommended that useful, simple and quantifiable workload indicators and service standards be developed and implemented for both Staffing and Compensation.

Human Resources Directorate has developed and is implementing in September 2002 a front line customer service as well as an electronic tracking system for all incoming client

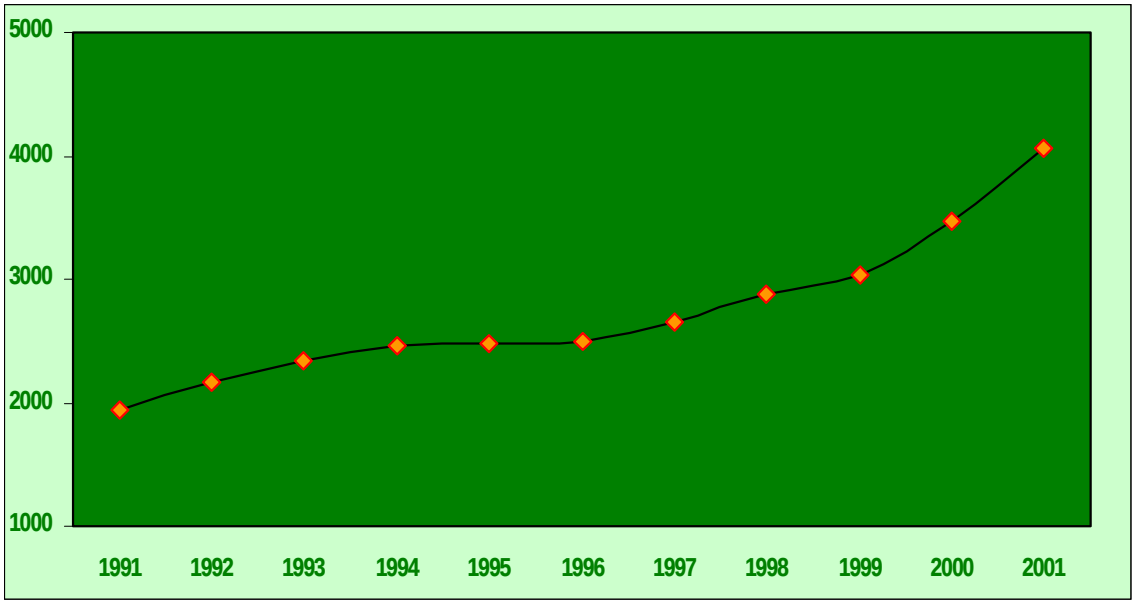
requests; this will allow for better follow-up and quantification of demands. Accompanying this are service standards that will be published and provided to employees and clients in the Department, so that our current relations with our clients will be even more effective. The Tracking system will allow Management to have an increased capacity to assess workload and work distribution as well as identify areas where training is needed or additional resources are required. A Data Integrity Project has been undertaken and HRD is confident that by the end of this year 2002-2003, we will have met our target of ensuring the timeliness and accuracy of HR information.

3.2 Measure Workload Relative to these Two Functions in the Regional Offices (includes NCR)

3.2.1 Observations

The level of resources allocated to Staffing and Compensation have not kept pace with growth in the Department's workforce. This leads to deteriorating levels of service and staff turnover. Staffing and Compensation workload is directly tied to the growth of the workforce of the Department. In the ten year period ending in fiscal year 2000/01, the Justice workforce more than doubled in size, growing from 1,947 employees to 4,066 employees. To maintain the levels of Staffing and Compensation service that existed in 1991, the Staffing and Compensation workforce should also have doubled in size. This did not occur.

The chart below illustrates the growth in the size of the Department's workforce.



(Source of all charts: Department of Justice's Employee Demographic Profile for 2000-2001)

Most of that growth occurred in the National Capital Region. At the end of fiscal year 2000/01, 56.8% of all employees were located in the NCR. The three largest regional offices were Ontario with 10. 6% of the departmental population, followed by Quebec (9.2%) and B.C. Region (8.6%). The chart below illustrates the distribution of the departmental population.

Geographic Location	Total	
NCR	2311	58.8%
Edmonton	217	5.3%
Calgary	21	0.5%
Halifax	104	2.6%
Quebec	374	9.2%
Saskatoon	89	2.2%
Ontario	429	10.6%
B.C. Region	349	8.6%
Whitehorse	31	0.8%
Nunavut	12	0.3%
Winnipeg	92	2.3%
Yellowknife	37	0.9%
Total	4066	100.0%

This growth in the workforce of the Department had very significant implications for Staffing and Compensation workload particularly in the National Capital Region.

Over the last decade and the last three years in particular HR NCR-Operations experienced explosive growth in its Staffing workload. During the 2000/2001 fiscal year, the HR NCR-Operations accounted for 67.6% of all Staffing actions. Over the last three fiscal years for which complete data is available (1998/99 through 2000/01), the total transactional Staffing workload for HR NCR-Operations increased from 1802 actions to 3930 actions, an increase in workload of 118%.

Transactional Staffing workloads have grown at a more modest rate in the three Regions selected for this study. A summary of the three year increase is presented below:

- HR NCR-Operations 118%
- B.C. Region 8%
- Ontario 16%
- Québec 36%

Fiscal Year 1998-1999							
Action	**BC**	**EDM**	**HAL**	**NCR**	**QC**	**TOR**	**Total**
Acting	21	53	3	315	16	33	441
Appointment (Hire)	86	76	13	404	46	59	684
Assignment (Internal)	7	9	2	81	2	1	102
Demotion	0	1	0	0	0	0	1
Deployment (Internal)	34	13	13	145	65	14	284
Extend Acting	29	7	1	114	8	20	179
Extend Assignment	10	9	0	44	3	0	66
Extend Special Program	10	7	0	56	13	0	86
Extend Term	62	61	20	369	175	96	783
Promotion	29	12	10	165	32	22	270
Special Program (CAP, Sec In, Sec Out)	7	10	1	93	9	3	123
Term to Indeterminate	10	3	0	16	9	45	83
Grand Total	**305**	**261**	**63**	**1802**	**378**	**293**	**3102**

Fiscal Year 1999-2000							
Action	**BC**	**EDM**	**HAL**	**NCR**	**QC**	**TOR**	**Total**
Acting	23	61	8	472	37	34	635
Appointment (Hire)	103	156	29	504	87	70	949
Assignment (Internal)	7	8	1	77	2	2	97
Demotion	0	0	0	1	0	0	1
Deployment (Internal)	21	19	13	222	18	18	311
Extend Acting	38	10	3	150	3	33	237
Extend Assignment	3	8		61	1		73
Extend Special Program	4	2	1	52	7	1	67
Extend Term	59	129	42	437	126	71	864
Promotion	23	18	3	202	22	48	316
Special Program (CAP, Sec In, Sec Out)	5	8	2	159	23	5	202
Term to Indeterminate	79	13	1	39	4	63	199
Grand Total	**365**	**432**	**103**	**2376**	**330**	**345**	**3951**

Fiscal Year 2000-2001							
Action	**BC**	**EDM**	**HAL**	**NCR**	**QC**	**TOR**	**Total**
Acting	27	53	7	524	51	22	684
Appointment (Hire)	106	147	57	1881	131	110	2432
Assignment (Internal)	3	3	0	93	12	5	116
Demotion	2	3	0	3	0	0	8
Deployment (Internal)	12	25	25	158	18	10	248
Extend Acting	29	8	13	170	8	15	243
Extend Assignment	2	4	0	25	3	2	36
Extend Special Program	2	0	0	46	13	3	64
Extend Term	66	99	23	437	117	52	794
Promotion	31	57	14	250	49	40	441
Special Program (CAP, Sec In, Sec Out)	6	2	2	146	14	3	173
Term to Indeterminate	43	141	15	197	99	77	572
Grand Total	**329**	**542**	**156**	**3930**	**515**	**339**	**5811**

Note: In the charts above both term and indeterminate actions are reflected in appointment statistics.

The chart below portrays how the workforce in each of the Department's Regions have grown over the five year period ending March 2002.

Geographic Location	1997-98	1998-99	1999-00	2000-01	2001-02
NCR	1519	1668	1770	1973	2311
Edmonton	111	132	126	178	217
Calgary	11	12	16	21	21
Halifax	53	65	69	82	104
Québec	266	304	295	319	374
Saskatoon	30	39	51	69	89
Ontario	278	307	320	357	429
B.C. Region	233	242	268	321	349
Whitehorse	20	18	20	23	31
Nunavut	0	0	0	6	12
Winnipeg	47	55	62	74	92
Yellowknife	37	34	38	39	37
Total	2605	2876	3035	3462	4066

With respect to Compensation, increases in baseline workload are directly tied to increases in the number of employees in the workforce as there is one pay account per employee. Therefore, the baseline of workload in the Compensation function for the NCR for NCR HR-Ops has increased by 138%

Over the corresponding period of time, the number of Full Time Equivalent (FTE) resources allocated to Staffing and Compensation in NCR HR-Ops have not grown, but have declined. There is only anecdotal evidence on this point and there are no historical records to confirm this assertion. Changes in the organization structure of HRD and in the responsibilities of PEs within those structures have also changed over the years, making it impossible to determine by how many those resources have declined

The review notes growth in the workload of both Staffing and classification across Justice and very substantial growth in that workload particularly in Headquarters. The review also notes that resourcing of these two functions has not kept pace with the growth in workload.

Recommendations and Management Response

2. **It is recommended that a formal resource allocation review be conducted to determine the extent of additional resourcing required for Staffing and Pay and Benefits particularly in Headquarters.**

   Human Resources Directorate Management agrees that the FTEs allocated to Staffing and Compensation in NCR-Ops have not kept pace with the departmental growth but have in fact declined. HRD Management has estimated that the existing workload has grown enough to justify an injection of at least 4 pay advisors and 2 staffing advisors. Also, we estimate that additional resources in Staffing Policy would help alleviate the pressure on the Operations staffing advisors by providing a much needed mentoring capacity and research function.

3.3 Measure the Appropriateness of Reporting to Senior Management

3.3.1 Observations

At NCR-HR-Ops, transactional Staffing data (positions, process, stage of process, etc.) is compiled for Team Leaders and is rolled up for progressively more senior levels of management within HRD. Staffing information provided to client management outside the program is typically transactional status information that is provided verbally or in written format on an as requested basis. Compensation information is of little interest to client management and so Compensation information is typically not shared with client management in Justice or elsewhere. Transactional data for Compensation is computed on a monthly basis and is available within HRD.

At a regional level, in terms of reporting Staffing information to senior management, one Region extracts Staffing transaction information from the Staffing log and forwards such information to the management team on a weekly basis. This report indicates the status of Staffing actions and what steps are required by either HR or the manager. At present, there is no regular system to report data such as elapsed time, level of client satisfaction, etc. The Regional Manager of Human Resources commented that although she regularly attended management meetings, this kind of data had never been requested and did not seem to be of interest to the managers. However, HR has never sought to gauge the level of interest managers might have in this data. She felt that once service standards are in place, it would be easier to begin measuring levels of client satisfaction and other related data.

In another Region, most Staffing transaction communication takes place by email. Each HR Staffing advisor reports to their assigned sector manager(s). The Staffing Advisors are also expected to inform the managers of any changes in status. At present, this Region is creating a Staffing reporting process that will allow reporting on the number of competitions underway, employment equity, etc. At the time of the audit there was nothing formal in place. It was noted that clients do not have the ability to access PeopleSoft, nor had they shown a desire to do so. No regular and systematic reporting to senior management occurs

Two Regional HR Service Units indicate that they do not perform regular and systematic reporting regarding elapsed time, client satisfaction, etc. Again, it was noted that management did not seem interested in this data. However, one Regional HR Manager noted that she used to do this kind of reporting. She would discuss patterns, major rulings and lessons learned (i.e. particulars of a lost appeal) with managers. However, other preoccupations for management meant that this information is no longer shared at management meetings. She noted however that

senior management in the Region regularly receive basic statistics on the number of new hires, employment equity, etc.

As is the case at Headquarters, Regions typically do not provide Compensation information to client managers. All Regional Managers of Human Resources noted that Compensation information has not been requested by senior management to date, and is of little use and interest to management.

With respect to Compensation, contact with client managers is most often initiated by Compensation Advisors. In one Region, client managers are alerted when there is correspondence related to disability or in the case of leave overuse. Otherwise, matters remain confidential. In another Region, employees have access to an automated leave system but we were told that usage is limited. However, it was noted that efforts are underway to encourage employees to use the system through training and during the orientation of new employees. Employees in this Region have access to HRIS for on-line address changes. The other Regions did not allude to any interaction of clients with the HRIS system. One Region commented that although clients have access to the system, most clients prefer direct contact with HR personnel rather than relying on the automated tools.

Conclusion

The review finds that the reporting of Staffing and Compensation transaction information to senior management is satisfactory. The lack of regular and systematic reporting of Staffing and Compensation information does not mean there is a lack of information or communication. This review found that client management is sufficiently informed of the status of Staffing transactions and that management has no need for Compensation information. Throughout all areas subject to review, Staffing resources communicate regularly with their clientele. Implementation of workload indicators and service standards, may provide opportunities for regular and systematic reporting of non-transactional information to senior management. This should also provide HR program management with the information it requires to monitor and evaluate workloads, to assess productivity, and quality of service, and to justify resource allocations.

Presently, HR program level information (e.g., national statistical roll-ups) and analytical information (e.g., demographic profiles, HR volumetrics, etc.) are produced by the Strategic Policy and Planning Division of HRD on an annual and on an "as requested" basis. The quality of the information is of a very high standard. The review notes however that this group is

stretched to the limits of its capacity by such research and by providing case advice to operational colleagues. The Strategic Policy and Planning Division produces high quality work that supports Staffing and Compensation operations (e.g., instruments delegation, template offers, and other tools) but is unable to do so in a timely manner or as extensively as needed by operations due to the ongoing high demand for ad hoc research.

Recommendations and Management Response

3. **It is recommended that the information generation resources of the Strategic Policy and Planning Division be increased to satisfy client demand for information on Staffing, Compensation and other HR activities and to support service standards and workload indicator initiatives undertaken by HRD.**

   HRD Management agrees that with the recommendation that the information generation resources of the Strategic Policy and Planning Division be increased to satisfy client demand for information on demographic and other workforce reports for senior management' s forcasting, planning and reporting. The Management team intends to address this issue in the coming weeks/months once there is more certainty around the budget and that Phase 2 of the Redress Plan is underway.

3.4 Assess the Appropriateness of the Organizational Structures in Place Supporting these Functions

3.4.1 Observations

All organizational units at HR NCR-Ops, CFC, and at the regional level that were subject to this review had documented organization charts

The review found both the Staffing and Compensation functions at Headquarters (HR NCR Ops) to be appropriately organized. The organizational separation of Policy from Operations means that policy work gets done (not always in a timely manner however due to resource constraints). This separation also ensures that policy work is not pre-empted due to pressing operational requirements, as could be the case if the two activities were situated within the same unit.

Within NCR HR-Ops, operational Staffing is organized into teams built around client portfolios. This is an effective way of ensuring a client focus among service providers, of providing "single window" service to clients, and of eliminating the possibilities of duplication of effort among

teams. Within the teams, the review notes that provision has been made for supervisory positions and that the spans of control for these supervisory positions are reasonable. This ensures an adequate level of coaching and mentoring of staff while providing a career ladder that helps facilitate the long term retention of specialist staff. The review finds this structure to be appropriate in terms of service delivery, staff management, and staff development and retention.

The review finds the creation of an HR team dedicated to serving the needs of the CFC and the co-location of that HR team with CFC to be a sound business decision given the very high level of HR activity taking place within CFC and given the autonomy of CFC relative to other components of Justice.

The Federal Treaty Negotiations Office (FTNO) which is entirely located in B.C. Region is serviced by HR NCR Ops from Headquarters. Typically, the quality and timeliness of HR services are enhanced when service providers are co-located with their clients. The review team therefore questioned why FTNO was serviced from afar rather than locally. The rationale given was that the Regional HR Service Unit in B.C. was not resourced to handle the additional workload represented by FTNO.

With respect to Compensation within HR NCR-Ops, the review finds that the consolidation of all operational Compensation staff under a single manager within one section in one Unit is a sound way of ensuring consistent levels of service to all Justice Headquarters clients and of leveraging available resources to train and develop new staff. Within the Compensation section, there are three teams, one allocated to training, one to senior complement and one to non-senior complement positions, a structure that mirrors the organizational model in place for Staffing. The Team structure within the section provides for adequate supervision while permitting the Manager to focus on non-operational tasks.

The review notes that the classification of the position of the Manager of the Compensation Section within HR NCR-Ops is not classified at the same level as some similar positions in other departments. This position is critical in ensuring the continuous improvement of the Compensation function. We noted that the creation of two positions, Pension Counseling Specialists, has been effective in reducing operational disruptions to pay while providing a high level of pension advisory expertise to clients. These positions should be permanently resourced and indeterminately staffed because of the increasing workload in this area.

The review finds the overall structure of Compensation in HR NCR-Ops to be appropriate in terms of service delivery, staff management, and staff development and retention.

Given the small size of HR service units at the regional level, choice in how to organize these units is extremely limited. Their small size limits their options to create supervisory positions for Staffing or other HR functions Generally, the small size of Regional HR service units also makes it difficult to create formal career ladders for staff However as the size of regional workforces increase, the Regional Managers of Human Resources are looking for ways to create more supervisory roles to further improve client service quality, to build capacity, to retain experienced operational staff, and to insulate these units from the effects of a departure of key specialist HR managers.

In one Region, Staffing work is divided by client portfolio with one PE-02 working with Criminal Procedures and Immigration and the other dealing with all other sections. The Regional Manager of Human Resources noted that this represented a relatively equal split in the number of FTEs being served with these two colleagues assisting each other as necessary.

In this Region, the Regional Manager of Human Resources indicated that there was no one but her to serve in a supervisory role. To augment supervisory capacity, she is considering bringing together the Employment Equity, Training and Development, Staffing and HR Planning and creating one supervisor. At the time of the audit there was no career ladder in the Region. In this Region, there is a PE-1 reporting to one of the PE-2s. The incumbent may take on responsibility for one client group as she continues her training; however, when she has reached full PE-2 a new trainee may not be identified. The structure allows for one CR-5 to report to each PE-2, but this is not intended to be part of a progression for career purposes.

In this same Region, the Regional Manager of Human Resources is of the view that once a third PE is fully trained the Region should have sufficient resources to fulfill its obligations. There has not been any turnover in the group which is emerging from a period of rapid growth – 2.5 FTEs in 1999/2000 to 10.5 at year end 2001. There is a low level of sick leave usage, approximately 1 day a year for most, which is indicative of a dedicated staff. She noted that many of the employees seem to come to work when in fact they should stay home if unwell, and expressed concern that this was not sustainable. There is one individual who is on leave, partially due to stress. Given the small sample size it is not possible for the review to make any meaningful conclusions in this area.

At the time of the review, another Region was undergoing a revision of the organization structure. The updated organization will have a PE-4 in a supervisory role. This individual, two full-time PE-3s and one part-time PE-3 (who also has Employment Equity and HR Planning responsibilities) will all be involved in delivering service. The work is divided based on client

portfolio and efforts are being made to balance workload. The new structure creates a clearer hierarchy of experience. The Regional Manager of Human Resources noted that the PE-3s are new to Staff Relations. She expects the new PE-4 to coach and develop the position's subordinates to be able to perform staff relations in addition to Staffing.

This Regional Manager of Human Resources did not provide specific numerical statistics regarding sick leave usage as indicators of organizational stress. Once again, in a group of this size it is questionable that such information would yield any valid statistical results. We noted that three individuals have left the group. However, not all were from the Staffing function, so it not possible to judge whether stress due to workload was a factor contributing to their departure. The Regional Manager of Human Resources did mention that the group has relocated their place of work three times in the last three years, a situation which can be stressful.

In a third Region, there are three individuals working in the Staffing function. A PE-4 mentors and trains the two PE-2s. The PE-4 also serves as an informal coordinator. The PE-2s are not fully qualified for their roles. There is no evident career ladder. The small size of the group virtually eliminates any chance of promotion and therefore retention could become an issue.

At the regional level in terms of Compensation, one Region's Compensation Team has a definite career ladder. There is a team leader with two AS-2s and a CR-3 in the reporting structure. The Regional Manager of Human Resources noted that there is room for a trainee in a position created for succession planning purposes. However, there are few opportunities for individuals to grow in a group of this small size. Once fully trained and competent, Compensation Advisors interested in promotion must seek work with another Department since there is no opportunity for promotion within the unit.

At present, the Region's Compensation accounts are allocated alphabetically with indeterminate clients being split evenly between two individuals. A third individual handles the term, casual and student designated clients. At present the AS-03 position serves in a supervisory role.

With respect to Compensation, another Region was re-organizing at the time of the review to create a new supervisory position for this function. The Regional Manager of Human Resources recently advanced a business case to increase the number of resources in pay and benefits. A trainee position was created in recognition of the aging demographic of the individuals already in this group. However, it is still difficult to characterize the structure as creating opportunities for promotion. While it is true that it is possible to move up a career ladder, once an individual is fully competent in the Compensation and Benefit Advisor role, there is only a single supervisory

role. Career advancement opportunities will continue to be limited due to the small size of the group.

In a third Region, a PE-3 acts in the joint role of Staff Relations Advisor as well as providing interpretations and answers on complex Compensation matters. There are two AS-2s and a CR-4 who work directly in the pay and benefits area. Clients are currently assigned to the AS-2s by splitting the Region in half. The PE-3 is not in a supervisory role. Both AS-2s are experienced Compensation Specialists.

In this Region, the Regional Manager of Human Resources commented that due to the small size of the unit, it was difficult to create a career ladder for the pay and benefits group. Individuals interested in promotion in the Compensation area must seek opportunities elsewhere. The review notes that there is a pay advisor retiring in this Region within two years and that there is a need to plan two years in advance to develop replacement staff. Since it is quite difficult to recruit qualified individuals, training must occur on the job. In the interim, this places an increased burden on other colleagues.

Conclusion

For all organization elements examined (with the exception of FTNO), the review found organizational structures that were logical from the perspective of organizing work and serving clients. Career ladders exist where organizational size is sufficient to justify supervisory positions. Career ladders are difficult to create in small units located in regional offices.

The very small size of regional HR service units makes these units particularly vulnerable to the loss of specialist staff. Where turnover in critical positions in Pay and Benefits can be anticipated due to reasons such as retirement, consideration should be given to temporary incremental Staffing in order to train replacements.

Recommendations and Management Response

It is recommended that:

4. **The Department consider transferring HR service responsibility for the Federal Treaty Negotiations Office (which is entirely located in B.C. Region and presently serviced by HR NCR Ops) to the B.C. Region HR Service unit and that the B.C. Region HR Service unit be resourced accordingly.**

HRD Management agrees that the HR responsibility for the Federal Treaty Negotiations Office which is located in BC but reports to the Aboriginal Affairs ADAG in HQ should be transferred to the BC HR Director. Preliminary talks had taken place but yielded no resolution. HRD Operations Director will re-open this with her BC counterpart and action will be recommended at the level of the ADM Corporate Services and Aboriginal Affairs ADAG.

5. Two Pension Specialist positions within the Compensation Section of HR NCR-Ops be permanently resourced and indeterminately staffed.

There is no doubt that when looking at the demographics of the client population, the demand for pension related advice is increasing exponentially and in order to provide the appropriate service, HRD Management agrees that two pension specialists should be staffed in that area; also, we feel that staffing indeterminately is the only avenue considering the Public Service market for such expertise, e.g. low supply and significant competition to obtain the limited available resources.

6. The classification of the position of the Manager of the Compensation Section within HR NCR-Ops be reviewed.

It is in fact the intent of the HRD Management Committee to look at the classification level of the Manager of the Compensation Section in the Fall of 2002 at the time of our bi-annual assessment of all our employees. We feel the level is not reflective of the scope and complexity of the duties and that in terms of relativity, we are not competitive with the level of that position in other government departments.

7. Temporary positions to recruit and train successors be put in place where the departure of Compensation Advisors can be anticipated due to reasons such as retirement.

HRD Management agrees that this is an ongoing priority. The Compensation Section is composed of three units, one of which is a training unit where pay advisors are trained and groomed and prepared to replace existing employees who might either retire or leave for employment elsewhere. As training for a fully operational pay advisor takes up to 3 years if one includes the pension aspect of the function, it is important to have a well versed relève to backfill the experience compensation advisors who might leave to ensure there is on disruption in client service.

3.5 Assess the Appropriateness of the Linkages Between Headquarters and Regional Offices, and the Level of Functional Direction Provided

3.5.1 Observations

The principle interaction between Headquarters and the Regions with respect to Staffing and Compensation tends to be policy based or case advice based. There is little operational convergence in the work of HRD and regional offices with respect to Staffing and Compensation and hence limited need to interact on operational matters. From time to time, there is a requirement for Regional HR service units to co-ordinate their work with HR NCR-Operations. Work requiring such co-ordination includes the provision of HR services to Senior LAs and EXs, the "roll-up" of performance pay data, and the co-ordination of certain Staffing and classification actions (e.g., LA-3C and EXs) where Regions do not hold delegated Staffing or classification authority. In large measure, Regional HR service units operate independently of HRD operations. From an operational perspective, this is understandable and appropriate.

The Director General of HRD did convene regular telephone conferences of Headquarters and regional HR directors but these were discontinued approximately one year ago on the basis that the existing monthly teleconference calls led by the Policy and Planning Division constituted an appropriate mechanism for communication.

Regions were of the same view from an operational perspective. With respect to the Staffing linkages between Headquarters and Regions, when questioned about the opportunity to share work on recruitment of competitions, all Regions indicated there were few, if any, opportunities to do so. All Regional Managers of Human Resources alluded to the individual differences in the Regions (provincial differences in "call to the bar", cost of living, language, willingness to relocate) that pointed to the need to recruit locally.

One Regional Manager of Human Resources commented that regional efforts are the best way to attract a pool of candidates with the required levels of French. She felt that inter-level cooperation might be possible when Staffing senior level jobs (such as Directors), but it did not seem profitable at the more junior levels.

Another Regional Manager of Human Resources mentioned that an earlier policy required the LA competitions to be run nationally and that this did not attract sufficient interest among

candidates, due to the high cost of living in this Region. She noted that even regionally, there is resistance to conducting "generic" LA1 competitions since managers do not wish to share candidates from a single eligible list (in the belief that other managers will select the best candidates from the list beforehand).

Two Regions commented that it was often difficult to identify an official contact at Headquarters who supported the Staffing function. One Regional Manager of Human Resources commented that she received e-mails with information, but often had difficulty identifying the appropriate person to speak to at HQ if clarification was required. This Regional Manager also commented that there were not enough lines of communication with HQ and that while many documents are received, some are unclear as to origin and date. This person noted that a more structured communication approach and an in-house professional development program would improve the linkages and support. At present, professional development available to HR practitioners in the Department is only provided through PSC courses and special conferences.

One Region commented that it has difficulty identifying an official Staffing contact at HQ. At one time there was a position designated for this purpose, but this is no longer the case. This Regional Manager of Human Resources indicated there was no HR policy framework. The Region receives Selection policies linked to the PSC, however there is nothing systematic in terms of a HR policy framework. She also indicated that all development took place through the PSC and through initiatives such as an interdepartmental PE conference that is being scheduled for June. She noted that she understood there may be "brown bag" sessions, but that these seem to occur only in Ottawa.

Another Regional Manager of Human Resources commented that the Region was very satisfied with the level of HQ Staffing policy support. The Regional Manager of Human Resources commented that although they received satisfactory levels of support, she understood that HRD was experiencing difficulty retaining sufficient levels of qualified resources and hence was unable to keep up with the demand for new or revised policy in a timely manner. She commented that the policies that exist on the current web-site tended to be dated and that they did not receive regular policy bulletins or information on trends. The Regional Manager of Human Resources also commented that she would like to see more central management of the training of Staffing officers and more information sharing between the various offices. Currently, officers in her Region attend courses offered by the PSC and have hired a coach to assist in working through the tutorials.

All Regional Managers of Human Resources agreed that it was much easier to identify the specific individuals/positions at Headquarters who provide functional support to pay and benefits. All commented that they receive regular Pay and Benefits updates. However, for the most part amendments to pay policy are forwarded straight from the TBS web-site without much (or any) explanatory notes. One Regional Manager of Human Resources commented that there is typically a regional effort to interpret new collective agreements and to send these interpretations to client managers. Another Regional Manager of Human Resources made a similar comment about the lack of connection and guidance between the policy centre and the Regions. One Regional Manager of Human resources noted that an HR newsletter, frequently dealing with pay issues, is distributed throughout the Department, but it is aimed at employees not the HR group.

One Regional Manager of Human Resources indicated that Compensation staff receives training from PWGSC, but nothing specifically from Justice. Another Regional Manager of Human Resources commented on the use of PWGSC courses and alluded to her efforts to create an inter-regional conference call for pay and benefits issues. This has taken place on a couple of occasions only.

Conclusions

The review finds that there is little need for interaction on operational matters between regional and Headquarters operational service units and recommends against setting up regular communications mechanisms (as has been done in the past) where there is no requirement to do so.

The principal requirement for communications is between policy and operations, rather than between operational units in Headquarters and in the field. The review notes that the many of the operational staff both in Staffing and classification are relatively inexperienced and that as a result, the policy unit spends substantial time and effort responding to queries from operational staff in training or staff lacking sufficient operational experience. This points to a need for the HRD to build a professional development program for its junior Staffing and Compensation specialists to supplement the on-the-job training efforts undertaken by operational management. The review also notes that the policy unit is not adequately resourced to take on this additional responsibility.

Recommendations and Management Response

It is recommended that:

8. An integrated HR policy framework be developed and maintained and that Headquarters functional experts be officially designated to provide interpretation and clarification on HR policy matters to operational colleagues.

HRD Management agrees and had ensured that the Staffing Policy area would designate a single point of contact to provide advice and research assistance to both regional and headquarters'' operational units.

9. A review of HR professional development needs be undertaken and measures to satisfy these needs be developed.

The Management Group agrees; we meet twice a year to review all Directorate employees to assess progress, need for additional training as well as need for change in assignment or workload. Also, at the beginning of the year, the Management Group ensured that all the Directorate employees had an individual customized training plan and has assigned 5% of the salary budget to training as our workforce is young and in development. Further more, HRD has developed and implemented a PE Development Program as well as a Compensation Advisors Development Program. Both are fully operational and have yielded remarkable results.

3.6 Quantify the Level of Resources Dedicated to Staffing and Compensation, Including Contracted Resources

3.6.1 Observations

In Justice employees assigned to work in Staffing, particularly in Headquarters are not all specialists. In fact, many are generalists for whom Staffing is but one responsibility. This holds true both at the operational level (e.g., the "working level") as well as at the management level for the function. Depending upon the HR NCR Ops team or CFC, or the Region, those with responsibility for Staffing may also have responsibility for Employment Equity, Classification, Staff Relations, special development programs (e.g., MTP, CAP, Interchange or other responsibilities.). The absence of a time capture system means there is no way of determining how much operational or management time is actually spent on the Staffing function. Information on the use and cost of contracted resources for the purpose of supporting Staffing and Compensation is not available. Historical resource allocation information at the sub-function (e.g., Staffing) level that could be used to measure the increase or decrease of resources over time is not available. There is no way to determine whether changes in the size and resource allocation of HRD correspond directly to changes in the size and resource allocation for the Staffing functions. These same comments hold true (with the exception that all Compensation staff are specialists) with respect to Compensation.

Therefore, on the question of resource inputs it was not possible for the review team to quantify the resources dedicated to the Staffing and Compensation functions with any degree of precision. The review team did however draw subjective conclusions on the level of resource inputs based on circumstantial evidence.

The review team believes that the resources allocated to HR NCR OPS for Staffing and Compensation are not adequate in number in either operations or policy to handle the workload of these functions.

In terms of operational Staffing within HR NCR OPS, interviews with the team leaders of the three teams with Staffing responsibility suggest that between 70% to 90% of each team's workload (depending upon the team) is associated with Staffing. Given the size of the teams at the time of the review and given each team leader's estimate of resource consumption, the review calculates that approximately 21.5 Full Time Equivalents (FTEs) are consumed across all HR NCR OPS teams in the conduct, management and administrative support of operational Staffing. At least 25% of these resources are allocated to trainees and approximately 50% of these resources are allocated to Staffing administrative support. This number excludes Staffing policy resources, HRD executive management time spent on matters related to Staffing, and CFC Staffing activity. It is noted that Staffing in particular has experienced significant turnover in 2001, that the teams with responsibility for Staffing have many inexperienced, junior staff in

training, that there is a dearth of seasoned Staffing expertise at the PE-4 level, that several of the supervisors at the PE-5 level were relatively new to the Department or new to the level at the time of the review. To retain Staffing personnel, management has introduced compressed work weeks and teleworking. It is noted that clients frequently query the timeliness of Staffing. Indirect indicators such as these suggest to the review team that all of the HR NCR OPS teams are critically short staffed at the PE-4 level (seasoned, fully experienced level) and at the Administrative support level and are not adequately resourced to address current levels of Staffing workload. Due to the lack of meaningful workload measurement data and the consequent inability to benchmark workload, it is difficult to quantify the level of under-resourcing. The review team used subjective proxies for workload (e.g., information on sick leave usage, inability to recruit new staff in HR, loss of existing staff, experience level of staff, etc.). Based on this information, we estimate resources should be increased by up to ten FTEs.

While the focus of the review was on the operational aspects of Staffing and not on Staffing policy, the review team notes in passing that approximately 50% of the resources allocated to Staffing policy are engaged in conducting research on behalf of corporate management, work that does not directly support operational Staffing. There is not sufficient remaining capacity to address the policy development and tools development requirements of operational Staffing in a full or timely manner. Nor is Staffing policy resourced to meet the training and professional development needs of operational Staffing colleagues. This negatively affects the productivity of operational Staffing and Compensation. Although this review did not quantify the resource requirements of Staffing or Compensation policy units, we note that the present resource allocation for Staffing and Compensation policy is not sufficient to handle its present scope of responsibilities.

With respect to Compensation at Headquarters, all Compensation staff are situated within a single Section within a Unit of HRD. At the time of the review, this Compensation section, with a staff of nineteen, was headed by a Manager of Compensation who oversaw the work of four "units" servicing a total of 2403 pay accounts. The Compensation Section was sub-divided into four teams as follows:

- Team 1 with a staff of three responsible for Senior Complement (Senior LAs, EXs, and Minister's exempt staff) with a total of 411 pay accounts.
- Team 2 with a staff of seven responsible for LA 2As and below and for other employees subject to collective agreements with a total of 1078 pay accounts.
- Team 3, a Training Unit, with a staff of six with responsibility for an assortment of pay lists with a total of 676 pay accounts.

- A Pensions Team, with a staff of two, providing pension calculation case support to the other units plus an additional pay account workload that totaled 238 pay accounts.

Currently in the public service, the generally accepted standard of maximum caseload for a fully qualified and experienced operational Compensation Advisor is 175 pay accounts. This number varies minimally (plus or minus ten percent) from department to department depending on the activity and service requirements within the pay accounts. An informal survey of Managers of Compensation suggests that an ideal maximum caseload (in terms of providing high quality service) for a fully qualified and experienced operational Compensation Advisor is 150 pay accounts. Team leaders and trainees should service approximately 40 accounts each. The Section Manager of a large Compensation section and any Pension Advisors should carry no caseload responsibility. Using these generally accepted standards for maximum caseload, the section is currently resourced and configured to manage a caseload of 1720. The actual caseload of 2403 means that the section has an "excess" caseload of 683 which represents sufficient work to occupy an additional four fully experienced, fully qualified Compensation Advisors (using a caseload of 175). Assuming the number of trainees remains constant, if one uses ideal caseload of 150 pay accounts, the section is presently configured to manage a total caseload of 1520 leaving an "excess" caseload of 883. At an ideal caseload of 150, this represents sufficient work for an additional six fully experienced, fully qualified Compensation Advisors.

The review concludes that the present workload for the present configuration of the Headquarters Compensation unit is sufficient to warrant at least an additional 4 FTEs.

CFC has adequate resources for both Staffing and Compensation purposes. CFC management has demonstrated a willingness to fund additional HR positions as required, and the CFC team draws upon additional HR NCR OPS assistance when the need arises.

With respect to Compensation and Staffing at regional levels, workloads as indicated previously continue to grow but at a much more moderate pace than at Headquarters. In the case of Compensation, the requirement for the verification of pay actions means that no Compensation section should have fewer than two Compensation Advisors. B.C. Region has two Compensation Advisors plus a trainee. Ontario Region has a supervisor, two Compensation Advisors and a trainee. Quebec Region has two Compensation Advisors. Each Region has a pay account caseload ranging from 350 to 450 pay accounts. The review finds that Ontario is appropriately staffed for Compensation purposes. B.C. Region and Quebec both meet the caseload threshold to warrant two Compensation Advisors but are at risk of not being able to perform verification work should one of the two positions become vacant (as is expected in

Quebec). These two Regions should consider adding a third position for a trainee in Compensation.

Staffing units at the regional level are very small, ranging in size from three PEs to four PEs. In all cases these levels of resourcing are adequate for workload requirements.

Conclusions

With respect to both Staffing and Compensation in HR NCR OPS, the review finds a resourcing shortfall, and recommends resourcing increases of up to ten FTEs.

Recommendations and Management Response

It is recommended that:

10. **Resources in Compensation in HR NCR OPS be increased by at least four additional FTEs (not including the two FTEs for pensions).**

    Management agrees. The Compensation Unit in HR NCR OPS is now operating at 21 FTE where before it was only at 18; this was made possible with the infusion of additional salary dollars from the ADM Corporate Services. The Unit has acquired the expertise of pension specialists recently although they are still carrying partial pay desk so they are not fully available to deal with pension issues and are only assisting in the complex cases or ones where time frames are an issue. We feel that there is a need for additional resources because although we have increased, we have not yet increased to the level proposed in the Audit report.

11. **Resources for Staffing in HR NCR OPS be increased by up to ten FTEs.**

    Management agrees. Resources for staffing in HR NCR OPS has been increased in recent months and it is felt that although additional resources would be ideal, we are currently meeting the minimum service requirements.

12. **In Regions where only two resources are allocated to Compensation and where the departure of one of these resources can be forecasted, an additional and temporary incremental resource be allocated for the training and development of a replacement Compensation Advisor.**

Management of HRD agrees and will raise this question as outline in the Audit report with the regional HR directors and will underline the importance of allocating an additional temporary incremental resource for the training and development of a replacement Compensation advisor.

4. RECOMMENDATIONS AND MANAGEMENT RESPONSE

It is recommended that:

1. **Useful, simple and quantifiable workload indicators and service standards be developed and implemented for both Staffing and Compensation.**

   Human Resources Directorate has developed and is implementing in September 2002 a front line customer service as well as an electronic tracking system for all incoming client requests; this will allow for better follow-up and quantification of demands. Accompanying this are service standards that will be published and provided to employees and clients in the Department, so that our current relations with our clients will be even more effective. The Tracking system will allow Management to have an increased capacity to assess workload and work distribution as well as identify areas where training is needed or additional resources are required. A Data Integrity Project has been undertaken and HRD is confident that by the end of this year 2002-2003, we will have met our target of ensuring the timeliness and accuracy of HR information. 27

2. **That a formal resource allocation review be conducted to determine the extent of additional resourcing required for Staffing and Pay and Benefits particularly in Headquarters.**

   Human Resources Directorate Management agrees that the FTEs allocated to Staffing and Compensation in NCR-Ops have not kept pace with the departmental growth but have in fact declined. HRD Management has estimated that the existing workload has grown enough to justify an injection of at least 4 pay advisors and 2 staffing advisors. Also, we estimate that additional resources in Staffing Policy would help alleviate the pressure on the Operations staffing advisors by providing a much needed mentoring capacity and research function. 31

3. **That the information generation resources of the Strategic Policy and Planning Division be increased to satisfy client demand for information on Staffing,**

Compensation and other HR activities and to support service standards and workload indicator initiatives undertaken by HRD.

HRD Management agrees that with the recommendation that the information generation resources of the Strategic Policy and Planning Division be increased to satisfy client demand for information on demographic and other workforce reports for senior management' s forcasting, planning and reporting. The Management team intends to address this issue in the coming weeks/months once there is more certainty around the budget and that Phase 2 of the Redress Plan is underway. 34

4. **The Department consider transferring HR service responsibility for the Federal Treaty Negotiations Office (which is entirely located in B.C. Region and presently serviced by HR NCR Ops) to the B.C. Region HR Service unit and that the B.C. Region HR Service unit be resourced accordingly.**

HRD Management agrees that the HR responsibility for the Federal Treaty Negotiations Office which is located in BC but reports to the Aboriginal Affairs ADAG in HQ should be transferred to the BC HR Director. Preliminary talks had taken place but yielded no resolution. HRD Operations Director will re-open this with her BC counterpart and action will be recommended at the level of the ADM Corporate Services and Aboriginal Affairs ADAG.....38

5. **Two Pension Specialist positions within the Compensation Section of HR NCR-Ops be permanently resourced and indeterminately staffed.**

There is no doubt that when looking at the demographics of the client population, the demand for pension related advice is increasing exponentially and in order to provide the appropriate service, HRD Management agrees that two pension specialists should be staffed in that area; also, we feel that staffing indeterminately is the only avenue considering the Public Service market for such expertise, e.g. low supply and significant competition to obtain the limited available resources.....38

6. **The classification of the position of the Manager of the Compensation Section within HR NCR-Ops be reviewed.**

It is in fact the intent of the HRD Management Committee to look at the classification level of the Manager of the Compensation Section in the Fall of 2002 at the time of our bi-annual assessment of all our employees. We feel the level is not reflective of the scope and

complexity of the duties and that in terms of relativity, we are not competitive with the level of that position in other government departments. 38

7. **Temporary positions to recruit and train successors be put in place where the departure of Compensation Advisors can be anticipated due to reasons such as retirement.**

   HRD Management agrees that this is an ongoing priority. The Compensation Section is composed of three units, one of which is a training unit where pay advisors are trained and groomed and prepared to replace existing employees who might either retire or leave for employment elsewhere. As training for a fully operational pay advisor takes up to 3 years if one includes the pension aspect of the function, it is important to have a well versed relève to backfill the experience compensation advisors who might leave to ensure there is on disruption in client service. 38

8. **An integrated HR policy framework be developed and maintained and that Headquarters functional experts be officially designated to provide interpretation and clarification on HR policy matters to operational colleagues.**

   HRD Management agrees and had ensured that the Staffing Policy area would designate a single point of contact to provide advice and research assistance to both regional and headquarters'' operational units.....41

9. **A review of HR professional development needs be undertaken and measures to satisfy these needs be developed.**

   The Management Group agrees; we meet twice a year to review all Directorate employees to assess progress, need for additional training as well as need for change in assignment or workload. Also, at the beginning of the year, the Management Group ensured that all the Directorate employees had an individual customized training plan and has assigned 5% of the salary budget to training as our workforce is young and in development. Further more, HRD has developed and implemented a PE Development Program as well as a Compensation Advisors Development Program. Both are fully operational and have yielded remarkable results. 41

10. **Resources in Compensation in HR NCR OPS be increased by at least four additional FTEs (not including the two FTEs for pensions).**

Management agrees. The Compensation Unit in HR NCR OPS is now operating at 21 FTE where before it was only at 18; this was made possible with the infusion of additional salary dollars from the ADM Corporate Services. The Unit has acquired the expertise of pension specialists recently although they are still carrying partial pay desk so they are not fully available to deal with pension issues and are only assisting in the complex cases or ones where time frames are an issue. We feel that there is a need for additional resources because although we have increased, we have not yet increased to the level proposed in the Audit report.....45

11. Resources for Staffing in HR NCR OPS be increased by up to ten FTEs.

Management agrees. Resources for staffing in HR NCR OPS has been increased in recent months and it is felt that although additional resources would be ideal, we are currently meeting the minimum service requirements.....45

12. In Regions where only two resources are allocated to Compensation and where the departure of one of these resources can be forecasted, an additional and temporary incremental resource be allocated for the training and development of a replacement Compensation Advisor.

Management of HRD agrees and will raise this question as outline in the Audit report with the regional HR directors and will underline the importance of allocating an additional temporary incremental resource for the training and development of a replacement Compensation advisor. 45