

Chapter 4

Ministry of Government Services

Section 4.02

Human Resource Renewal

Follow-up to VFM Section 3.02, *2004 Annual Report*

Background

Over the past decade, a number of initiatives for government restructuring, service realignment, and third-party service delivery have reduced the size of the Ontario Public Service (OPS) by over 20%. At the time of our 2004 audit, the OPS had about 63,600 full-time-equivalent employees who delivered public services through 30 government ministries and offices. Wages and benefits relating to these employees amounted to some \$4.4 billion annually, or about 7% of total government expenditures.

At the time of our audit in 2004, the Ministry of Government Services (then named Management Board Secretariat) and the Centre for Leadership and Human Resource Management were responsible for human resource management in the OPS (in 2005, the Centre was merged with two other former corporate training units to form OPS Learning and Development).

In 1999, the Ministry developed an HR Strategy aimed at reaffirming the value of public service, building on its strengths, and ensuring future workforce capacity. In our *2004 Annual Report* we noted that the government had not sufficiently implemented the renewal and revitalization strategies

necessary to address the issues identified in this HR Strategy. Downsizing, hiring restrictions, and weak efforts to promote the OPS as an employer of choice had resulted in a workforce that was considerably older than most other Ontario workforces. As well, insufficient progress had been made to ensure that the skills and competencies needed now and in the future were being identified and obtained. At the time of our audit, our major concerns included:

- Despite the intention stated in 1999 to address skill shortages and the aging workforce, aside from an internship program, no initiatives were then in place to hire younger people or provide assurance that employees were receiving the training and development they needed.
- The average age of public-service employees was continuing to rise. While 41% of staff in the senior management group would be entitled to retire within the subsequent 10 years, only one-third of the ministries had completed a succession planning process. We also noted that 249 retirees, representing 18% of total 2002/03 retirements, had been rehired in 2002/03.
- In 2002/03, 89% of new staff were hired into unclassified (contract or temporary) positions rather than classified (permanent) positions.

Unclassified staff, who are more difficult to retain, comprised almost 17.7% of the OPS workforce, almost double the rate of a decade previously.

- Our survey of approximately 2,300 OPS employees indicated that one significant source of job dissatisfaction was a lack of career development opportunities. Our work indicated that only one in every 67 employees received a promotion in 2003, suggestive of an employment environment with minimal opportunities for advancement.
- In 2002/03, an estimated 12 days per employee were lost due to absenteeism. The government program directed at working with employees with significant absences could be improved.
- The HR strategic planning and reporting process was weakened by a lack of ministry accountability, the absence of benchmarks for assessing progress on outcomes and related performance measures, and a lack of consolidated reporting.

We made a number of recommendations for improvement and received commitments from the Centre for Leadership and Human Resource Management (Centre) that it would take action to address our concerns.

Current Status of Recommendations

The Ministry of Government Services (Ministry) advised us as of September 2006 on the current status of action taken to address each of our recommendations. We noted that some progress has been made on all of our recommendations, as detailed in the sections that follow. However, more work will still be necessary to fully implement our recommendations, and, given that many of the human

resource issues raised in our report and the initiatives launched to address them are long-term in nature, it may be several years before the success of these initiatives can be fully assessed.

THE OPS WORKFORCE

Identified Skills Shortages, Succession Planning, and Recruitment

Recommendation

To ensure the Ontario Public Service (OPS) has the long-term capacity to continue to provide quality public service:

- *the Centre for Leadership and Human Resource Management should:*
 - *assess the government's long-term staffing needs and develop an action plan to fulfill these needs (this should involve an analysis of the skills needed to manage the current and future work of the OPS and the development of demographic targets for the OPS);*
 - *expand efforts to promote the provincial government as an employer of choice for young people entering the job market and consider the development of an e-recruitment program; and*
 - *work with ministries to expand the Ontario Internship Program or develop other youth recruitment programs; and*
- *ministries should develop comprehensive succession plans that identify all critical positions, the timing of when such positions will need to be filled by new staff, how such positions can and will be filled, and the training and development required to prepare a new generation of staff for these positions.*

Current Status

To address long-term staffing needs, the Ministry advised us that implementation was underway on a number of recommendations arising from an OPS Recruitment Process review. This has resulted in,

for example, the establishment of an Enterprise Recruitment Centre, with staff hired; the launching of an OPS Recruitment Modernization Strategy in January 2006; and planning for the establishment of permanent regional recruitment centres. As well, the periodic publication of print copies of *Jobmart*—a publication detailing available Ontario government jobs—was replaced by the on-line posting of all open and restricted OPS jobs. *Jobmart* responsibilities and staff were transferred to the Enterprise Recruitment Centre in April 2006. Also, a business case for an interim e-recruitment technology was under development.

The Ministry also advised us that it had completed a skills shortages review. The review included an analysis of the most actively advertised OPS occupational areas and projected retirements in these areas and identified common skill sets required to work in these occupations. At the time of our follow-up, the completed report was being shared with senior management and stakeholders.

The Ministry further indicated that, as part of an HR Service Delivery Transformation Project, a Northern Recruitment Pilot was launched in January 2005 to establish a testing ground for the delivery of end-to-end recruitment support to line managers in the North. Under this initiative, 18 ministries that had a Northern presence were serviced, with over 650 competitions being completed and the jobs filled. The Ministry further advised that these jobs were filled on average within 51 days, which compared favourably with an OPS average that ranged from 56 to 121 days. The pilot was extended, pending completion of a final pilot evaluation and approval of a permanent regional recruitment service delivery model.

The Ministry informed us that to attract young people into the OPS, a Youth and New Professionals Secretariat (YNPS) was created in October 2005. It is to provide a government-wide approach to recruiting and retaining future and current generations of OPS employees. The YNPS was staffed

and its strategy launched in August 2006. At the time of our follow-up, it had commenced an OPS work/learn pilot program targeting youth at risk, a French experience program targeting francophone youth, and an Aboriginal Youth Work Exchange Program. The YNPS was also working on an outreach program in partnership with Queen's University's School of Policy Studies. We were informed that in 2005 this partnership resulted in the hiring of 22 of the 56 graduates from that program. As well, the YNPS works with TOPS (Tomorrow's Ontario Public Service), an organization with more than 1,600 members created by young professionals from across the OPS to provide networking, mentoring, and learning opportunities.

We were advised that the Ontario Internship Program (OIP) was expanded to include project management as a new focus area and that a strategic review of all OIP focus areas was underway. A new internship program slated for fall 2006 is to give up to 70 internationally trained professionals work experience in the OPS and its Crown agencies via six-month internship placements. A program review of the OIP was also completed in summer 2006, and changes are underway.

The latest available ministry data, from June 2006, indicated that the average classified employee was 45 years old and that nearly six of 10 senior managers would be eligible for retirement within 10 years. We were informed that an integrated approach to managing talent was launched in 2006, aimed at ensuring that employees have the skills and capabilities required to address future business needs. A web-based system was rolled out in July to assess, develop, and deploy talent, with approximately 2,500 executives and managers in the process of completing their talent assessments. Subsequent phases will focus on analysis of talent against business needs to facilitate talent development and deployment decisions, as well as the design of learning and development programs.

Staff Retention

Recommendation

To improve employee satisfaction and staff retention rates in the Ontario Public Service, the Centre for Leadership and Human Resource Management should:

- *when reviewing existing or developing new human resource initiatives, assess them vis-à-vis the key drivers of employee satisfaction;*
- *determine, based on long-term business needs, which types of positions are best filled via permanent appointments versus temporary contractual appointments and work with the ministries to achieve these objectives;*
- *expand existing programs that support temporary job assignments, lateral transfers, and secondments to provide staff with enhanced career development opportunities;*
- *work with its employee representatives to prioritize and address the prime sources of employee job dissatisfaction;*
- *broaden both formal and informal employee recognition and appraisal programs; and*
- *establish a formal exit interview process and use the results from these interviews to identify opportunities to improve employee satisfaction and retention.*

Current Status

To address job satisfaction and to support benchmarking, an OPS employee survey was conducted in the spring of 2006, following stakeholder consultations and the development of a new employee engagement model. We were also advised that, over the last two years, the government provided \$5 million through 38 project grants to the Innovation Fund, an initiative designed to foster a culture of innovation across the OPS by supporting employee efforts to develop solutions to work issues.

The Ministry informed us that to address the appropriate balance of permanent and tempo-

rary employees, it had also completed a review of its contingent workforce usage and best practices in comparable jurisdictions and assessed its findings against OPS usage and practice. At the time of our follow-up, the Ministry was reviewing its corresponding policies to determine if changes were required and was preparing a report for senior management review on this issue. Tension in this area continued to exist, as evidenced by a number of outstanding grievances filed by the Ontario Public Service Employees Union (OPSEU) and the Association of Managers, Administrative and Professional Crown Employees of Ontario (AMAPCEO) alleging use of agency employees, fee-for-service, and consultants to do bargaining unit work. The Ministry informed us that, as of March 2006, the proportion of unclassified staff had declined to 15.6%, as compared to 16.5% in 2005.

In June 2005, a four-year agreement was reached with OPSEU, which we were advised had been ratified by 91% of OPSEU members. We were also informed that a two-year bridging agreement with AMAPCEO had also been concluded and a new agreement is now being negotiated. In 2006, the Ministry developed a new Labour Relations Strategy that promotes a greater use of disclosure amongst disputing parties, alternative dispute-resolution mechanisms, and training. Consultations on this strategy with stakeholders were completed, and the strategy is to be updated to address concerns arising from these consultations after all pending collective bargaining agreements have been negotiated.

The Ministry further advised us that they have developed a new Labour Relations Strategy focusing on collective bargaining, union-management relations, grievance administration, and developing employee relations staff. A related website is planned for launch later this year. Additionally, a pilot project underway at the Ministry of Community Safety and Correctional Services was addressing its large grievance backlog via such mechanisms

as mediation training and an expedited arbitration protocol.

According to the Ministry, a recognition policy with accompanying guidelines has been approved, and an online corporate informal recognition tool kit was updated. In this regard, an informal recognition training delivery strategy was under development, and programs to provide staff with enhanced career opportunities are to be developed as part of the talent management strategy. We were also informed that a number of new job-evaluation plans were being developed to replace outdated processes, reduce the number of job descriptions, and improve bargaining-agent relationships.

Although no formal exit interview policy or process had been established, we were informed that a number of ministries had implemented processes to collect and use exit data for retention analysis, or were establishing exit interviews for employees leaving specific professional groups.

HUMAN RESOURCE PLANNING AND REPORTING

Recommendation

To track progress in implementing the government's human resource renewal strategy for the Ontario Public Service (OPS), the Centre for Leadership and Human Resource Management should:

- *obtain the commitment of ministry senior management for the achievement of corporate HR strategic goals and develop sufficient accountability mechanisms to ensure this commitment is incorporated into ministry business planning and performance review processes; and*
- *establish benchmarks and targets for performance measures and work with ministries to ensure that measurement data is available and collected and the results are regularly reported on, both at the ministry level and on a corporate, government-wide basis.*

Current Status

The Centre for Leadership and Human Resources Management was established in 2004 to be accountable for the achievement of HR strategic goals. We were advised that new HR accountability structures were also established, such as HR-related accomplishments being included in Deputy Minister and senior management performance contracts. In 2005, a new three-year corporate OPS Human Resources (HR) plan was launched to support an enterprise approach to achieve three key HR priorities: engaging employees, attracting talent, and building capacity. According to the Ministry, at the time of our follow-up, corporate strategies were being developed to support each priority, and a committee of key representatives had been appointed to provide oversight and co-ordination for each priority area. In addition, a project team had been established to review the *Public Service Act* and identify policy options to update it and to embed within it the principles of accountability, transparency, and results delivery.

To address performance reporting against the HR plan (to be fully implemented by 2008), an HR metrics report had also been developed that sets out key results indicators for senior executives to monitor while the plan is delivered. In addition, all Civil Service Commission annual reports up to 2004/05 were completed and tabled in April 2006, and the 2005/06 report was to be tabled in fall 2006.

TRAINING AND DEVELOPMENT

Recommendation

To achieve the vision of the government as a true learning organization, foster the continual development of the government's human resources, and assess and improve on the cost-effectiveness of investments in employee training:

- *the Centre for Leadership and Human Resource Management should:*

- work to ensure management policies on training and development are implemented throughout the government;
- ensure government-wide training programs develop cost-competitive courses that reflect both employee and ministry training needs; and
- consider prescribing that ministries use the Workforce Information Network to record all staff training provided; and
- ministries should:
 - prepare annual corporate training plans that address both the Ministry's corporate priorities and employees' training and development needs; and
 - track and report on the cost, nature, and success of training provided.

Current Status

As part of its work to consolidate and harmonize corporate and generic training across the organization, the Ministry advised us that it had completed the development of a results-based core corporate curriculum. It had also implemented a new on-line course calendar accessible by all levels of staff, along with a learning portal that allows on-line registration and the subsequent tracking and management of corporate training. To improve quality and cost-effectiveness, in July 2005, three former corporate training units—the Modern Controllership Training group, the Learning Solution Group, and the Centre for Leadership—were merged to form one learning centre, called OPS Learning and Development. Training for the information technology group has also been integrated into this centre.

ORGANIZATIONAL WELLNESS

Recommendation

To promote organizational wellness and ensure that productivity is not impeded, the Centre for Leadership and Human Resource Management and ministries should better manage absenteeism by improving

systems to identify and work with employees with high absenteeism rates and by verifying that the requirements of the Attendance Support Program are complied with.

Current Status

The Ministry informed us that it had completed research on best practices in leading organizations and was developing a multi-year organizational health and wellness framework, targeted for completion in 2006/07. In the meantime, it had established improvement targets for both the Attendance Support Program (ASP) and employee absenteeism. The 2005/06 absenteeism targets called for each ministry to achieve a 10% reduction in employees who use more than 20 days of sick leave annually, as well as an overall 5% reduction in each ministry's average sick leave usage compared to the prior year. The Workforce Information Network (WIN) system had been enhanced to enable managers to identify employees needing attention under the ASP, and actual performance against these new reduction targets is being assessed. The Ministry is also establishing an enterprise-wide Workplace Safety Insurance Board claims-management system to help ministries improve the monitoring of absences due to workplace injury and to facilitate earlier return to work. The latest available workforce demographic profile, from June 2006, showed that these recent initiatives have not yet resulted in an improvement in this area, as employees were taking an average of 9.91 sick days annually versus the 2004/05 benchmark of 9.58 days.

OTHER MATTER

Recommendation

To ensure that service quality is not impeded, ministries should monitor the overtime being worked by their employees, set acceptable thresholds for such overtime, and, in areas where these thresholds are being exceeded, take appropriate corrective action.

Current Status

The Ministry advised us that at the time of our follow-up it was reviewing and analyzing overtime throughout the OPS to help identify the drivers of overtime and provide information about how it could be better managed.