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## Background

### Employment in central government under the main General Employment Framework (GEF):<sup>1</sup>

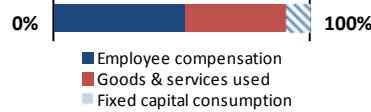
2009: 255 573 employees  
2012: 259 490 employees

Total employment in the general government sector as a percentage of labour force (2010):<sup>†</sup>  
18.8%

### Central human resources management body:

Treasury Board (Office of the Chief Human Resources Officer, Treasury Board Secretariat), Public Service Commission, separate agencies along with several other organizations.

### Government production costs (2010)<sup>††</sup>



### Government centralisation (2008)<sup>††</sup>



### Type of recruitment system (2010)



## Legal Framework

GEF covers all employees:	No
GEF includes fixed-term contracts:	N/A
Private law applicable in public sector:	No
<i>N/A: Not applicable</i>	

Employment in the core public administration and separate agencies of the Canadian public service, as defined by Schedules I, IV and V of the Financial Administration Act (FAA), is governed by the FAA, the Public Service Employment Act (PSEA), separate agency legislation and others. A federal labour statute, the Public Service Labour Relations Act (PSLRA) applies to federal public servants. The Canada Labour Code (CLC) applies to employees of federally regulated employers, who may be private

sector. All other Canadian employees (either public or private sector) are regulated by the provincial labour statutes. The large majority of employees in the public service are covered by the GEF. In the core public administration, indeterminate and term appointments are governed by the PSEA and similar employment conditions are used. Temporary employment is also available to government organisations.

	Staff have the right:		Benefits, to which employees are entitled to, are:			Firing rules provide:	
	to unionise	to strike	Full funding of social security	Partial funding of social security	Some funding of pensions	Different guarantees about job protection / dismissal	Guarantees in favour of life-long employment
Public sector	Yes	Yes	No	Yes	Yes	Yes	N/A
Private sector	Yes	Yes	No	Yes	Yes	No	No

## Composition of Employment

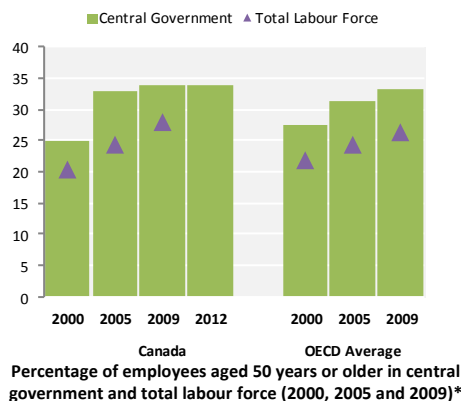
### Central government employment (2012)<sup>1</sup>

Total employment under GEF: 259 490 employees  
Part-time employment: 9 619 employees  
*Part time is defined as less than 37.5 hours per week.*

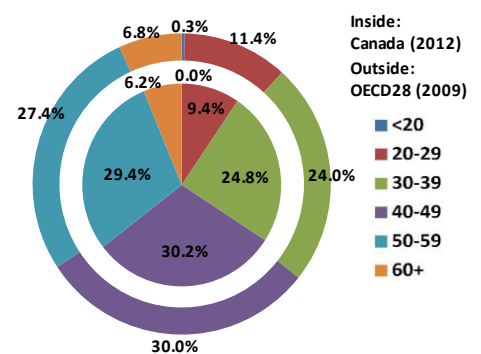
### Gender in central government (2012)<sup>1</sup>

Female participation in central government workforce: 54.8%  
Share of top and middle positions who are women: 43.2%

<sup>1</sup> Data are for the core public administration and separate agencies of the central/federal government.



Percentage of employees aged 50 years or older in central government and total labour force (2000, 2005 and 2009)\*



Age structure of central government 2012 (2009)

Part-time employment accounts for a very small portion of total employment in the Canadian public service. The age structure of public employees is quite close to the OECD average in all age brackets. Although the proportion of public employees aged 50 or older, 35.6% in 2012, is very close to the OECD average of 49.5% in 2009, the proportion of the total labour force that this group represents has been increasing at a faster rate

than the OECD average trend between 2000 and 2005. The representation of women in public employment is relatively high, particularly within management. Women accounted for 54.8% of central government employees in 2012, compared to the OECD average of 43.2% in 2012, is well above the OECD average of 34.7% for 2009.

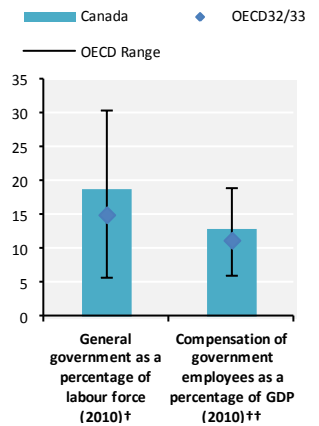
## Public Sector Restructuring

Canada is one of 27 OECD countries that reported an anticipated decrease in public employment levels as a result of planned reforms. Canada has set a goal of balancing its budget in the medium term. In the 2012 Budget, the government announced it would reduce spending in federal organisations, leading to the reduction of 19 200 federal positions over three years. In addition, a three-year freeze on departmental operating budgets is in effect until 2013, with any wage increases to be funded by internal efficiency gains. Public employment as a percentage of the labour force, 18.8% in 2010, is above the OECD average of 15.1%. Similarly, compensation of public employees as a percentage of GDP, 12.8% in 2010, is slightly above the OECD average of 11.3%.

**Anticipated reforms' effect on employment level:** Decrease

**Implemented changes in employment levels affecting more than 50% of ministries/agencies since 2000:**

Data unavailable



## Organisation of HR Management

### Decentralisation of HR Management

**Central HRM unit:** Treasury Board (Office of the Chief Human Resources Officer, Treasury Board Secretariat), Public Service Commission, separate agencies along with several other organizations.

**Role:** Responsible for defining HR policy

**Location:** Cabinet Committee, along with specific ministries/organizations.

- Responsibilities:**
- Provide leadership and guidance
  - Design the pay system
  - Transmit public service values
  - Define and control the payroll
  - Standardise recruitment and skills profiles
  - Define salary levels and benefits
  - Provide training
  - Promote diversity
  - Manage retirement and pension plans

- Personnel, budget and pay delegation:**
- Pay systems and bonuses are set by the central HRM body, with ministries also involved in the latter issue.
  - Budget allocation and the distribution of posts involve a central HRM body with management by ministries.

- Classification, recruitment and dismissal delegation:**
- The post classification system is set centrally, with responsibility given to ministries in application.
  - Recruitment, employment duration and dismissal are managed by ministries.
  - Career management is handled at the unit/team level.

- Employment conditions delegation:**
- General code of conduct and equal opportunity issues are set centrally, with ministries involved in the application of both. Ministries are obligated to set a code of conduct for their employees.
  - Flexibility of working conditions is set centrally, with adjustments made at the ministerial level.
  - Performance appraisal is managed by ministries.

Canada delegates HRM practices to line ministries to a similar extent as the average OECD country. The central HRM body is responsible for a fair range of issues and is closely involved in the pay and post classification systems, as well as employment conditions. Many HRM issues involve ministries in their management, and performance appraisal is delegated to units/teams. Overall, delegation has led to broadly comparable employment frameworks across the whole of central government. Canada makes use of strategic

HRM practices to one of the highest levels of all OECD countries. The management accountability framework is fully linked to strategic objectives, HRM targets are considered in performance assessment and regular assessments of ministries' HRM capacity are undertaken. In addition, the framework requires management to report on a full range of issues. Forward planning is used and considers a fair range of issues over a short horizon of one year.

### Strategic HR Management

**Existence of HRM accountability framework for managers:** Yes, and HRM is fully linked to strategic objectives.

**HRM targets feed performance assessments:** Yes

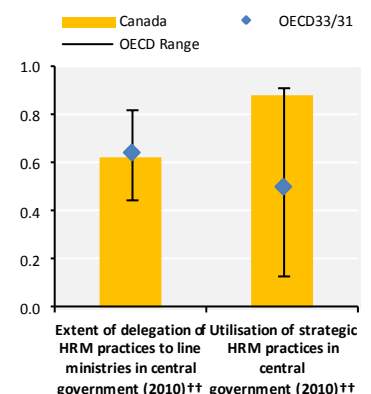
**Regular HRM assessment of ministries and departments:** Yes

- Framework requires top & middle management to plan and report on:**
- Compliance with HR rules & targets for employment and pay
  - Effectiveness of strategic workforce planning efforts
  - Workforce strategies to close competency gaps
  - Participation in whole of central government initiatives
  - General people management

**Forward planning use:** Yes, with framework design left to discretion of different organizations.

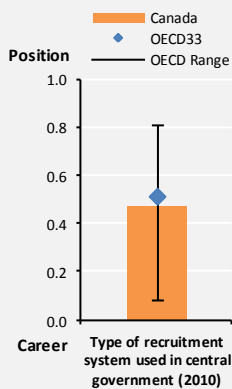
**Forward-planning horizon:** 1 year

- Key aspects explicitly considered in forward planning:**
- New issues in policy delivery
  - Civil service demographics
  - Efficiency savings (for example,

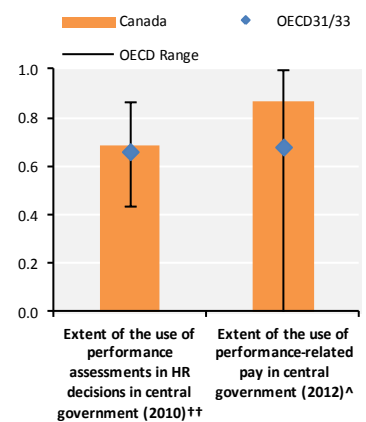


## HR Management Practice

**RECRUITMENT:** Entry into the public sector under the GEF is generally through a competitive process and direct application to a specific post with an assessment. Most job opportunities are advertised either internally (within government only) or externally (open to the public). Applicants are assessed against the merit criteria, such as official language requirements, and the appointee must meet all the essential qualifications and other established merit criteria. Hiring objectives are set at workforce availability levels for designated groups (e.g., Aboriginal people, visible minorities, disabled persons and women). Eligibility to apply in an appointment process may be restricted to one or more of these groups and belonging to one or more of these groups may be established as an organisational need merit criteria in the selection process. Overall representation gaps have been filled for women, Aboriginal people and disabled persons.



**PERFORMANCE:** Canada makes use of performance assessment in HR decisions to a similar extent as the average OECD country. Assessment is mandatory for certain senior and middle managers and supervisors, but a minimum annual assessment, sometimes informal, is usually conducted for other employees. It takes the form of a written performance management agreement (PMA), which sets out objectives and performance measures. In addition, twice yearly meetings with the immediate superior and annual written feedback are used, with 360° feedback used at departmental discretion. A comprehensive range of criteria is used, including activities undertaken, timeliness and quality of outputs, cost effectiveness of work, demonstration of the key leadership competencies and interpersonal skills. Assessment can be of high importance for career advancement and remuneration. Canada uses a Management Accountability Framework as a key performance management tool to support the accountability of deputy heads and improve management practices across departments and agencies. In addition, Canada uses substantially more performance-related pay (PRP) than the average OECD country. PRP is used for senior staff and is calculated according to the level of achievement of objectives identified in PMAs. This at-risk pay must be re-earned annually, and, depending on the individual's position level, ranges from 15-39% of base salary. Decisions related to the ranges of salary and performance pay for executives are made by the central government, upon recommendations from an independent advisory committee.



**PAY SETTING:** Remuneration is negotiated separately for each of the 27 bargaining units that represent all of the unionised employees in the core public administration. This takes place within a single collective bargaining framework and applies to the core public administration that excludes separate agencies. Salary and performance-related pay scheme for executives and certain other senior non-unionised staff are established by the Government based on recommendations from an independent advisory committee. Pay is not indexed to other variables. Revision is generally undertaken annually for non-unionised groups and every 2-4 years according to the current agreement for unionised groups. Job content is the most important determinant of base salary for all grades, with performance and relevant experience also factoring in. Previous salary levels are taken into account when setting pay for a new recruit.

Most important factors to determine base salary	Top Management	Middle Management	Professionals	Secretarial Level	Technical Support
Educational qualification	○	○	○	○	○
Job content	●	●	◐	●	●
Ministry	◐	◐	○	◐	○
Performance	◐	◐	◐	○	○
Age	○	○	○	○	○
Seniority in the position	○	○	◐	○	○
Relevant experience	●	●	◐	●	◐

● Key importance    ◐ Somewhat important    ○ Not at all important

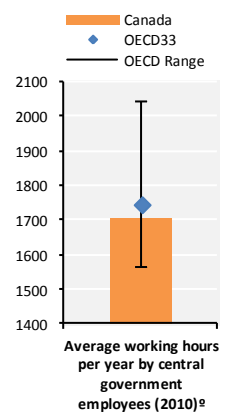
**PROMOTIONS:** All employees promoted to a higher level must meet the merit criteria established for the position to be filled. Merit criteria may include experience, educational qualification, completion of training programs, occupational certifications, etc. Assessment of the merit criteria may include using performance appraisals and reference checks. Educational qualifications are particularly relevant for all levels of staff and occupational certification requirements create a formal restriction to promotion within some groups. Most promotional opportunities are advertised internally (within government only). Given a representation gap exists for visible minorities, departments may establish belonging to this group as an organizational need merit criteria in their selection for promotion processes.

**MOBILITY:** After several years of relative stability (from 2007-08 to 2009-10), internal mobility in part of the GEF (i.e., the core public administration) has started to decrease.

**TRAINING:** Some positions require mandatory training and new entrants to the public service must complete orientation. Data are unavailable regarding the average yearly training received per employee.

**WORK CONDITIONS:** The average yearly working hours in Canada, 1 706 hours in 2010, is slightly below the OECD average of 1 745 hours. This is mostly driven by fewer weekly work hours. Basic annual leave is substantially below average. Annual paid sick leave is limited. On average, the number of paid sick days taken per FTE in part of the GEF (i.e., the core public administration) was 11 days in 2010-11.

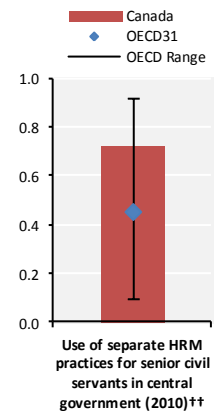
Number of regular working hours per week: 9	37.5
Average number of annual leave days per year: 9	15
Average number of bank (public) holidays per year: 9	11
Total number of hours worked per year: 9	1 706



## Senior Management

Canada uses separate HRM practices for senior civil servants (SCS) to a substantially greater extent than the average OECD country. SCS are considered a separate group, there is a centrally defined skills profile, and potential leadership is systematically identified through performance assessment. SCS are recruited with a more centralised process and there is more emphasis on performance management and talent management. Benefits and performance-related pay account for a greater proportion of their pay. Senior managers are usually recruited through career progression within the

public service. All recruitment goes through a selection panel, assessment centres are frequently used, and the final decision of the panel/centre is binding. Appointment/dismissal of deputy ministers is determined by the Governor in Council. The prime minister or relevant ministers have some influence over them/their equivalents (highest level), the ministry head over deputy ministers and their equivalents (second highest level), and others in ministry over lower management levels. No management levels tend to turn over with a change in government.



## Industrial Relations

Unions are closely involved in many key HRM issues in Canada, but do not receive public funding. Generally, remuneration and work conditions are subject to collective bargaining. Some consultations between ministries and bargaining agents are required under the Public Service Labour Relations Act (PSLRA) regarding issues relating to the workplace. Consultations are also mandatory with bargaining agents regarding the code of conduct applicable to the public sector

(under the Public Servants Disclosure Protection Act). Consultation with unions is voluntary regarding issues such as the employment framework and the introduction of new management tools/policy. Data are unavailable regarding the extent of decentralisation of consultations on these issues. There are a range of employees who are not subject to the collective bargaining framework under the PSLRA.

## Reforms

Launched in 2006, Public Service Renewal aims to improve and modernise core functions of the public service. It is based on four pillars: integrated planning (aligning goods, resources and results); targeted recruitment in areas of need/shortage; employee development; and workplace renewal. Public Service Renewal is considered essential to ensure service excellence. The Public Sector Equitable Compensation Act (PSECA) was enacted in 2009. The PSECA re-affirms the Government of Canada's commitment to the principle of equal pay for work of equal value. The Act seeks to ensure that

employers and bargaining agents address potential gender discrimination in compensation setting in a proactive and timely manner. For unionised employees, the Act makes the employer and bargaining agent jointly accountable to ensure that compensation for female predominant job groups is equitable when they establish wages at the collective bargaining table. For non-unionized employees, employers are responsible for ensuring equitable compensation. The PSECA will be brought into force after supporting regulations have been developed.

## Challenges

The government's Economic Action Plan 2012 includes a reduction of 19 200 positions in the federal workforce. This transition presents a challenge for human resources management. To further support changing how work is done, a number of transformation initiatives are currently taking place. Some of these initiatives include:

Disability Management Initiative: <http://www.tbs-sct.gc.ca/hrh/dmi-igi/wds-mst/disability-incapacite09-eng.asp>

Values and Ethics Code for the Public Sector: [www.tbs-sct.gc.ca/chro-dprh/ve-eng.asp](http://www.tbs-sct.gc.ca/chro-dprh/ve-eng.asp)

### Sources

Unless indicated otherwise, all data are sourced from OECD (2010), *Survey on Strategic Human Resources Management in Central/Federal Governments*, unpublished.

\* Data for Total Labour Force from OECD *Labour Force Statistics Database*; data for Central Government from OECD (2011), *Government at a Glance 2011*.

† Data from International Labour Organization (ILO) *LABORSTA Database* and OECD *National Accounts Statistics*. See Methodological Note.

†† OECD (2011), *Government at a Glance 2011*, OECD Publishing, Paris.

~ OECD (2012), *Restoring Public Finances, 2012 Update*, OECD Publishing, Paris.

° OECD (2010), *Survey on the Compensation of Employees in Central/Federal Governments*, unpublished.

^ OECD (2012), *Rewarding Performance in the Public Sector: Performance-related Pay in OECD Countries*, unpublished.

### Further Reading

OECD (2012), *Public Sector Compensation in Times of Austerity*, OECD Publishing, Paris.

OECD (2011), *Public Servants as Partners for Growth: Toward a Stronger, Leaner and More Equitable Workforce*, OECD Publishing, Paris.

OECD (2011), *Government at a Glance 2011*, OECD Publishing, Paris.

OECD (2008), *The State of the Public Service*, OECD Publishing, Paris.