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Chair

The Honourable Joseph Volpe

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• (1105)

[English]

The Chair (Hon. Joseph Volpe (Eglinton—Lawrence, Lib.)):
Merci beaucoup. Bonjour, tout le monde.

Pursuant to Standing Order 108(3)(g) and the motion adopted by the committee on Thursday, April 22, 2010, chapter 2, “Modernizing Human Resource Management”, of the spring 2010 report of the Auditor General of Canada, we have with us this morning, from the Office of the Auditor General, of course, Madam Sheila Fraser, the Auditor General of Canada; Mr. Ronnie Campbell, Assistant Auditor General, and Madame Marie Bergeron, principal; and from the Treasury Board Secretariat, Michelle d'Auray, Secretary of the Treasury Board of Canada—*Madame, bonjour*—and also from Treasury Board Secretariat we have Madam Susan Cartwright, senior advisor, legislative review of the Public Service Modernization Act, and Monsieur Ross MacLeod,

[Translation]

Assistant Deputy Minister, Office of the Chief Human Resources Officer, Governance, Planning and Policy Sector.

[English]

Welcome one and all.

Before we begin and before I go to our witnesses, I had a request. There appears to be a little inconvenience in terms of scheduling for one of our witnesses. I asked members around the table whether we could make an accommodation, but as I understand it now, that might not necessarily have to be the case. However, I will ask the committee if it's okay, if some of the questions are finished, if one of our witnesses may leave earlier.

Is that okay?

Some hon. members: Agreed.

The Chair: Okay. Thank you very much.

Madame Faille.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): I do not want to be a spoilsport, but when official representatives are invited to appear before the committee for a two-hour hearing, they are expected to be present during the entire hearing.

Before consenting to this request, I would like to know the reasons for it. When we put questions, a certain momentum builds up. Now, without a crystal ball, we cannot tell what will be relevant and what

will be irrelevant during the second hour. I would like to know what circumstances can justify a witness not being present during the entire hearing.

The Chair: Thank you, Ms. Faille.

I had not intended to go into the details, but perhaps we will have to do it.

[English]

Mr. Andrew Saxton (North Vancouver, CPC): My understanding is the witness has agreed to stay as long as necessary. If it's possible, she'd like to leave early, but she's willing to stay as long as necessary.

The Chair: I think Madame Faille has made the point for the entire committee, and I think the witness understands that when the committee calls everybody, it's for the two-hour period. I think there's a recognition that that be the case.

[Translation]

If we can leave that up to the chair's discretion, we will make the decision once all the members have put their questions. Otherwise, I would like to make the decision for you and rule that the two hours are necessary.

Ms. Meili Faille: As I already said, I have some reservations about the fact that witnesses who have been called upon to appear be allowed to leave before the end of the hearing. I would not want this to become common practice. The committee has never accepted that someone be allowed to appear before the committee and then leave whenever they please or when the chair determines that they are allowed to leave. I do not know what the motives are, and thus I do not necessarily want to spend too much time on this issue, but nevertheless, in practice, it is up to the committee to make decisions about the duration of hearings.

The Chair: Thank you, Madam. I have taken good note of what you said and I assure you that I will comply with all committee precedents.

Now let us hear the witnesses.

Ms. Fraser, you have the floor.

• (1110)

Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada): Thank you, Mr. Chair.

[English]

We thank you for this opportunity to discuss chapter 2, “Modernizing Human Resource Management”.

Joining me at the table today are Ronnie Campbell, Assistant Auditor General, and Marie Bergeron, principal, who are responsible for this audit.

The Public Service Modernization Act amended four pieces of legislation and is designed to transform the way the federal government hires, manages, and supports its employees. It is a complex undertaking that involves many stakeholders.

In this audit, we examined whether the central agencies and the departments and agencies had implemented the new legislative requirements, met the reporting requirements, and reported on the progress of the act's application. We examined whether the new or revised roles and responsibilities were exercised in accordance with the legislation and we also looked at preparations for the upcoming legislative review called for in the act.

I would note for the committee that the work for this audit was completed in September of 2009.

We found that the key legislative requirements have been implemented. The new concept of merit is being applied, and managers are using the new staffing flexibilities. New organizations were created, such as the Public Service Staffing Tribunal and the Canada School of Public Service. The government created the Office of the Chief Human Resources Officer within the Treasury Board of Canada Secretariat to take over the various human resource responsibilities of the secretariat.

We have noted that generally the entities have met the reporting requirements.

Although the reports contain information about implementation activities, there is little information about interim achievements or the actual impact of the legislation. The government, however, had committed to reporting on this progress in 2005.

We also noted that the secretariat had not fully developed a set of performance indicators that would allow it to report on the results of implementation of the changes. As a result, the secretariat is limited in its capacity to link results to expectations and to identify trends and assess impacts.

[Translation]

It is important that good information on progress and achievements of the new legislation be produced to assess its impacts. We noted that the Public Service Commission reported in its latest annual report as it did in previous years that it still takes longer to staff a position than before the new legislation was implemented.

The legislation calls for a review of the Public Service Employment Act and the Public Service Labour Relations Act starting in 2010, which is five years after implementation. The President of the Treasury Board is responsible for reporting on the review results, a team has been established and preparations are progressing. The objective is to report in 2010 or early 2011.

Mr. Chair, we recognize that the implementation of the Public Service Modernization Act is still a process in transition. However, I am concerned that the lack of information about measures and interim achievements could limit the review team's ability to provide meaningful information to support the review and inform Parliament

to allow it to propose any changes or improvements. Having good information about achievements is needed to manage the challenges, monitor progress and ensure the expected results are realized.

We made recommendations to the Treasury Board Secretariat and the review team regarding the information required for the legislative review. The entities have agreed with our recommendations and have made commitments accordingly. Your committee may wish to ask how they will address this issue.

[English]

Mr. Chair, this concludes my opening statement. My colleagues and I would be happy to answer any questions that committee members may have.

Thank you.

The Chair: Thank you, Madam Fraser.

Madame d'Auray.

Ms. Michelle d'Auray (Secretary of the Treasury Board of Canada, Treasury Board Secretariat): Thank you, Mr. Chair.

Thank you for the invitation to come here today. Let me, if I may, offer my congratulations on your chairmanship.

With me today, as indicated, are Susan Cartwright, who is leading the legislative review of the Public Service Modernization Act as the senior adviser to the Privy Council Office, and Mr. Ross MacLeod, the assistant deputy minister of... I won't read the long title, but he is responsible for all the planning and policy issues with regard to human resources in the office of the CHRO within Treasury Board Secretariat.

We are pleased to be here today to talk to you about the modernization of human resources management in the federal government, which is vital to ensuring a high-performing public service. I would like to thank the Auditor General for her chapter on the implementation of the Public Service Modernization Act.

• (1115)

[Translation]

This chapter, as Ms. Fraser said, includes two recommendations. The first is directed to the Treasury Board Secretariat, while the second directly touches the work my colleague Susan Cartwright has been doing with her team to lead the legislative review of the PSMA.

The recommendation for the secretariat calls on us to provide more timely information to Parliament, and to report on whether the changes to human resources management have achieved the results intended by the PSMA. We agree, as Ms. Fraser said in the report, and we welcome the Auditor General's advice in this regard. We recognize that while the PSMA has been fully implemented, there is still work to be done in a few areas and room for improvement.

This includes our reporting to Parliament on human resources issues. While we have experienced some delays, we are confident that we have the matter in hand and future reports will be more timely.

[English]

I would note that the governance landscape for people management continues to evolve and that our approach to measurement and benchmarking is maturing. That said, I'm pleased with the continuous progress we have made in assessing the state of human resources management across the government.

Two of our most important assessment tools in this regard are the Treasury Board Secretariat's management accountability framework and the Public Service Commission's staffing management accountability framework.

The management accountability framework for the secretariat sets out the expectations of senior public service managers for good public service management. It is structured around nine key elements that collectively define management and it assesses departments in several areas of human resources, such as employee engagement, leadership, employment equity, learning, development, performance management, integrated human resources and business planning, staffing, and official languages. It also allows for discussion around the departmental context in which the human resources management operates.

As the MAF—as we call it—assessment process is undertaken once a year, we have also recently introduced a people management dashboard that allows deputy heads, human resources practitioners, and managers to track online their organization's performance throughout the year and set targets for improvement across a range of measures.

This dashboard we introduced only this year. It provides vital data on people management trends and issues, and it allows me as a deputy head to focus on key areas for improvement and to engage managers. I can track my progress over the year and then once a year assess my overall situation.

[Translation]

For its part, the Staffing Management Accountability Framework helps the Public Service Commission to review and evaluate staffing performance and to provide feedback to delegated public service organizations. It sets out key areas for a well-managed appointment system that achieves progress in making the staffing process more flexible and efficient, and strengthens respect for the appointment values involved.

Both these tools—the Management Accountability Framework and the Staffing Management Accountability Framework—are now well integrated into the public service and are used to measure progress in achieving PSMA objectives. That said, our people management environment is constantly evolving and the areas we assess are far from static.

[English]

In the almost five years since the coming into force of the PSEA, in addition to changes to HR governance, our operating context has evolved considerably, shaped by the recent financial-economic

issues or crisis, the arrival of a new generation of public servants, the growing diversity of our workforce, and the growing impact of technology on how we work. For example, in 2009 alone we saw the introduction of the Expenditure Restraint Act, the Public Sector Equitable Compensation Act, and the creation of the Office of the Chief Human Resources Officer in the Treasury Board Secretariat. Those are three major initiatives in a single year.

[Translation]

I see that my time is up. Therefore, I will skip over the rest of my presentation and tell you that the federal public service is a highly complex organization. It is the biggest employer in Canada. We function in a constantly changing environment. We take ad hoc measures and periodical measures to ensure its growth within the frameworks and obligations of the Public Service Modernization Act.

Now I will give the floor to my colleague.

• (1120)

[English]

I would ask my colleague Susan Cartwright to give you a perspective of the legislative review that is currently under way.

The Chair: Thank you very much, Madame d'Auray.

I'm sorry to have to rush people, but we've gone well over time, and I'm sure you'll have an opportunity to address some of the issues that are contained in your brief through the questions.

We will go to Madame Cartwright for...

I think she took up some of your time, Madame.

Mrs. Susan Cartwright (Senior Advisor, Legislative Review of the Public Service Modernization Act, Treasury Board Secretariat): Members of the committee, Mr. Chair, thank you for the invitation to appear before you today. I am pleased to have this opportunity to discuss the Public Service Modernization Act legislative review. What we call the PSMA review is, in fact, examining the administration and operation of the Public Service Employment Act and the Public Service Labour Relations Act, two of the components of PSMA.

As the secretary noted, the Auditor General made one recommendation related to the work my team and I are doing. It calls on my team to ensure that information provided to support the legislative review will allow the report by the President of the Treasury Board to provide meaningful information to Parliament on the extent to which the expectations of the Public Service Labour Relations Act and the Public Service Employment Act have been met, and to propose any changes, including improvements.

We agree wholeheartedly with the objective of having sound and useful information, and as we planned for and began to execute the review, we took this into account. To ensure that our review is rigorous and credible, we have undertaken a range of activities to enable us to have the information we need. Allow me to mention only a few.

We began by going through the legislation clause by clause to develop a sound appreciation of the intentions, objectives, and changes. We then determined the data and information we required and where best to obtain it. To the extent possible, we sought to use existing data. If new information was needed, we tried to collect it in a coordinated manner, thereby maximizing efficiency and effectiveness. This enabled us to focus our efforts on bringing the essential information together, analyzing it, and drawing legitimate conclusions from it.

[*Translation*]

Early on, we recognized the importance of working with key partners and stakeholders who share an interest in, and hold important information about, people management. These include the Office of the Chief Human Resources Officer, the Public Service Commission, deputy ministers, bargaining agents and HR professionals. Not only did we want to learn about stakeholders' experiences, but we wanted our review to be a useful process and to act as an opportunity for learning by everyone, including for our key partners and stakeholders.

We developed a comprehensive engagement strategy that has enabled us to consult well over 500 individuals and organizations across the country. This included deputy heads, managers, employees, HR professionals, bargaining agent representatives, various communities and employment equity groups, all of whom provided important qualitative information.

We used a variety of methods to gather this information. It was key for us that these efforts brought together individuals representing different departments, groups, professions and regions.

As the senior advisor leading this review, I have also had ongoing bilateral discussions with senior officials at the Public Service Commission and the Office of the Chief Human Resources Officer on a range of issues. My team and I also spoke with a number of former deputy heads, retired senior federal officials, organizational change experts, academics and others. This allowed us to both draw on their knowledge and experience and to complement what we were gathering from other sources.

We have also consulted with former public service senior officials, human resources professionals, and bargaining agents who were in place when the PSMA was developed and tabled in Parliament. This offered us an important historical perspective.

I have also participated in two armchair discussions hosted by the Canada School of Public Service. These sessions were another valuable means of hearing from public servants across the country.

Our research, which is both quantitative and qualitative, is providing insight into how the legislation is being administered. It also informed us on strong practices and progress, as well as areas where possible adjustments may be required. It includes input from: the Office of the Chief Human Resources Officer, the Public Service Commission, the Public Service Staffing Tribunal, the Public Service Labour Relations Board and the Canada School of Public Service.

• (1125)

[*English*]

Finally, I would like to mention that we've also undertaken limited consultations with officials in other jurisdictions both in Canada and abroad, and we've explored what's been done in other countries that have recently reformed their human resources legislation. In short, our work so far puts us in an excellent position to complete the work of this legislative review. We are currently completing our analysis in order to develop options and recommendations, and we will be providing our report to the President of the Treasury Board in early 2011. We've noted the interest that's been expressed in the review and look forward to the results of the review being made public.

Until then, I think it's—

The Chair: Madam, sorry to interrupt you like that. I think they put me here because they wanted somebody to be less than gracious, so I'm going to fulfill their expectations. Thank you very much for that. Everybody else already has your briefing.

We're going to go into questions immediately from parliamentarians. I gave you some grace time, but unfortunately we were going well beyond that period.

Since we're talking about time, I'm just wondering whether Madam d'Auray and her colleagues think that Parliament is unrealistic in the timeframes it puts out for implementing these changes.

Ms. Michelle d'Auray: The legislation came into force at various periods. On the PSEA, the Public Service Employment Act, its fifth year actually comes to an end in December 2010, so we have started the process of review in order to be able to meet the timing, because the various pieces of legislation came into force at different times.

I think in some ways the review process galvanizes us to look at where we were and how far we've come, and at what should be the next phase and what should be the next opportunities for development. It is in some ways, though, a very short timeframe to assess all of the changes, not the legislative changes, but the cultural, the behavioural, the implementation.... These are some fundamental changes to the practices of human resources management in the federal public service. In some ways, five years is a good number, but five years is also short to be able to measure the full impact of all of these changes.

The Chair: I wonder what Mr. Nav Bains would have to say. Anyway, I don't want to condition your questions.

Mr. Bains, to you.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Thank you, Chair. I appreciate the first question. Maybe he's trying to indicate where I need to head with my line of questioning.

I would like to take this opportunity to thank all of you for coming out.

My first question is actually for Madam Fraser with respect to your report. In paragraph 2.59 you indicate that "the Treasury Board of Canada Secretariat has been slow in releasing the annual reports." You further go on to state that:

We found that the annual reports for the 2005–06 and 2006–07 fiscal years were tabled two years following the end of the respective fiscal year they covered. The 2007–08 annual report is expected to be tabled in 2010.

Why is it important to have timely reporting, first of all, just to get that clarification? Also, do you deem this timeline to be reasonable in terms of reporting? Or does that need to be sped up, in your opinion?

The Chair: Madam Fraser.

Ms. Sheila Fraser: Thank you, Chair.

Human resources are one of the major assets of the federal government, and it is important that Parliament be informed of human resource management matters in a timely manner so that they know how well things are progressing, especially when you have new legislation like this that's come in, new expectations. So these reports are important. We note, of course, ourselves in the report that they were tabled some two years after the year-end, which we believe is too long. They should be more timely. I believe the 2007–08 report has now been tabled this year, but again, it would be two years, so there might be a question as well to the secretariat about why it takes so long and whether there are ways to accelerate the timeliness of those reports.

• (1130)

Hon. Navdeep Bains: I planned to ask that question. You want it to be reasonably timely, so is there a certain timeline you had in your mind that you think would be applicable, based on your reporting, your experience on your audit?

Ms. Sheila Fraser: We didn't have a specific timeline, but certainly I would say no more than a year and preferably less than a year after the year-end.

Hon. Navdeep Bains: As a follow-up to that question, to the secretariat, perhaps you can elaborate on that. Why does it take two years for this reporting to take place? Can we expect to see any changes going forward? Are there any changes planned to the reporting to Parliament of these reports?

Ms. Michelle d'Auray: Thank you for the question.

We have noted and we agree with the issues with regard to the timing, if I can put it this way, of the tabling of the annual report to Parliament on people management. One of the major reasons for the delays, frankly, has been a lot of organizational changes, both in the creation initially of the public service agency and, more recently, in the integration and elimination of the agency and reintegration back into the Treasury Board Secretariat.

It is the same organization and group of people who produce a whole range of reports that are also required to be tabled before Parliament—for example, the official languages annual report, the annual report on employment equity, and the Public Servants Disclosure Protection Act annual report. So we will tend to produce the reports that have specific deadlines related to legal obligations to produce the reports to Parliament and then work on the people management report to Parliament. It's more a question of a lot of changes taking place within a very short timeframe and having to meet the legal obligations for other reports, and then coming to this particular report.

We have taken the steps, now that the organization has stabilized, to put in a system of more timely reporting, and we should be seeing an improvement in that regard.

Hon. Navdeep Bains: To get clarification with respect to the releasing of the information on official languages, employment equity, and human resource modernization reports, they're on track to be—

Ms. Michelle d'Auray: Yes, they are. They're on track to be released. These are obligations to report by a certain timeframe before Parliament. The annual report on people management—we are trying to get back on track within a more reasonable timeframe, and we have put in the systems to do so.

Hon. Navdeep Bains: Okay.

Earlier this year the government announced its employee innovation program. I'm wondering if you could let the committee know how many submissions Treasury Board has received on this particular program, because this is something that caught our attention in the report as well.

Ms. Michelle d'Auray: Mr. Chair, the employee innovation program is being piloted. I believe it's seven organizations—the Treasury Board Secretariat is one of the seven—and we have received as an organization, I believe, about 21 proposals. Each department and organization will be receiving its own, so we do not receive centrally the proposals for each one of the departments. Each department receives its own proposals.

Hon. Navdeep Bains: One thing that struck me was paragraph 2.38 in the report from the Auditor General where it states that the average time it took to fill a position has actually increased since the PSMA was implemented. Can you comment on why this is the case, and why it actually takes the same time or longer to fill positions?

Ms. Michelle d'Auray: There are two aspects, I would say. Yes, it did go up for the time of the transition period, and it is now starting to go down, albeit marginally, I would say, but it is decreasing. Frankly, I would say the biggest change around this has been the division of roles and responsibilities, if I can put it that way, between human resource practitioners and managers, ensuring that managers become comfortable with the flexibilities that are embedded in the legislation and to ensure that the due process is also followed.

There were a lot of changes that were brought in as a result of this, for example, informal consultations, the ability to staff the changes to the collective staffing arrangements, how we could match people to competencies and positions. It took a while for people to become familiar, if I can put it this way, and also to become comfortable with exercising flexibilities. When they've been working in a very rules-based environment and then are told, “You can do things differently”, it does take time.

We did see a blip going up, but we're now starting to see a decrease. It's slight, I grant you that, but we are seeing a change.

• (1135)

The Chair: Thank you, Mr. Bains.

Now, Madame Faillie.

[Translation]

Ms. Meili Faille: Thank you, Mr. Chair. I have a question for Ms. d'Auray.

Excuse me, Ms. Fraser.

First, two weeks ago, I was sitting on the Committee for Government Operations. We heard Ms. Barrados and her report on the use of temporary help agencies and the lack of follow-up on government contracts. She had other recommendations, but she was also pointing her finger at the Treasury Board for its lack of follow-up and analysis.

Is your study based on cost-effectiveness principles? Perhaps you could also answer me regarding the use of temporary help agencies, and how their use is progressing.

Ms. Michelle d'Auray: Mr. Chair, I would like a clarification, because I do not know what study is being referred to. The study of the Public Service Commission was done over a period of time, and the Secretariat of the Treasury Board supported the commission's work to the extent that we had the data and the information to do so. We made a commitment to work together with the commission to refine the data, but at the same time, we also believe that there are many perfectly legitimate reasons, in many situations, for the use of temporary help services.

Ms. Meili Faille: Yes, but what is your answer to Ms. Barrados with regard to the comments she made two weeks ago on the very subject of the lack of follow-up and the fact that very often choices made by human resources are not based on cost-effectiveness studies?

Ms. Michelle d'Auray: I am not aware of this, I did not follow Ms. Barrados' testimony. Thus I cannot necessarily give any answers regarding the statements she put forward.

Ms. Meili Faille: Then perhaps the person in charge of the modernization project could answer. The human resource study was done by the Committee on Government Operations. I imagine that someone must be aware of this.

[English]

The Chair: *Mme Cartwright ou M. MacLeod.*

[Translation]

Mrs. Susan Cartwright: Let me answer in the following way. Our review has a mandate that is directly linked to both acts, the Staffing Act and the Labour Relations Act. The commitments that Maria Barrados is referring to are in compliance with our contracting policy. Now this falls beyond the scope of the review that I am currently conducting.

Ms. Meili Faille: But is the review that you are currently conducting based on a cost-effectiveness study? Are you proposing any legislative changes in your recommendations? Are there any figures to back this up?

Mrs. Susan Cartwright: Yes. Our review will be based on both qualitative and quantitative information.

Ms. Meili Faille: Will this be a cost-effectiveness study, as the Auditor General requires? A study of costs, of benefits, of options?

Mrs. Susan Cartwright: No. This is not the mandate suggested by the legislation, which consists in reviewing the legislation, its

administration and its functions. I think that the data that the Auditor General referred to is the data about our implementation of the legislation.

• (1140)

Ms. Meili Faille: I have another question for you, Ms. Cartwright. Just now, you told us about all the steps that you have already taken. You have met with many former managers, former senior officials, etc.

Have you seen the internal audits of various departments with regard to human resources, and if so, which ones?

Mrs. Susan Cartwright: We consulted the documents regarding the audits conducted by the Office of the Auditor General. With regard to the internal audits of the departments, we discussed with the deputy ministers involved the progress that was made in their departments on the issues that need to be resolved. However, I did not ask for any copies of these internal audits.

Ms. Meili Faille: If they are available on the Internet, it might be useful to get them. In fact, in the main recommendations that come from these audits, there is criticism regarding the lack of performance measurement and the lack of data that could be used to manage and evaluate human resources within the department.

I know that at the top level, you are currently meeting deputy ministers and you are determining how things should be modernized. However, annual reports are made regarding the problems and the ways in which the staffing procedures are being circumvented. In the public service, there is a person in charge of staffing who spends funds to constitute pools of candidates, but the systems are being circumvented.

Let me give you the very simple example of the Exchanges Canada program. The internal audit states explicitly that there are possible conflicts of interest and that the people do not meet the usual eligibility criteria for public servants.

Do you not find, in your conversations with public servants, that the methods being used to circumvent the rules have a depressing effect on their morale?

[English]

The Chair: *Merci, Madame Faille.*

Madame Cartwright, I'm afraid you're going to have to hold onto your answer and perhaps incorporate it into another round.

I'll go to Mr. Allen.

Mr. Malcolm Allen (Welland, NDP): Thank you, Mr. Chair.

Ms. d'Auray, on page 5 of your presentation you mention that you're pleased that new requirements to improve labour relations are in place and include mechanisms to foster effective union-management relations. It says all departments "must have"; it doesn't tell me that all departments "have". So the reality of "must have" versus "have" isn't quite one and the same.

Can you enlighten us as to whether we've seen this, because I believe part of the auditor's report says that multi-level committees have been struck under the new management regime and not all of them are actually functioning? At least, they are not populated in the sense that there are not enough people to actually make them go at this time—or at least at that time.

Can you comment on whether indeed they're there or not?

Ms. Michelle d'Auray: The labour-management consultation committees have been established in all organizations. I believe one is still in the process of setting it up. I can verify that and get back to you. But my understanding is that they each have one in place.

On the comment about the participation, it was one of the comments the Auditor General picked up from some of the bargaining agents. It's not so much that the departments aren't able to populate and structure these, but that some of the bargaining agents found they were stretched a bit thin to be able to participate in all of these labour-management consultative committees that were established.

So I don't think it was a comment on the fact that the organizations themselves had not set them up. It was more that in the change of this approach or in the establishment of these committees, bargaining agents or representatives were finding it difficult to be able to populate all of them.

• (1145)

The Chair: Mr. Allen.

Mr. Malcolm Allen: I understand the differentiation between the bargaining agent and the management team. The difficulty is that it really is about changing the cultures. If you're changing the culture, you need to be able to populate them, which means you actually have to help the bargaining agent do that.

As someone who used to do this for a living as a bargaining agent.... Yes, quite often we don't have enough actual people, which means you actually have to help us populate them. Whether that seems fair or not, the reality is that all of us, except for a very few in the bargaining agent world, work for you, not the other way around. So it becomes an issue of how to do that. It is a significant cultural change.

I'm curious, because the initial implementation of the legislation clearly gets driven—and please don't take this as someone who's coming from a particular bent, that somehow I see this as only one dimensional. The legislation implementation is really a top-down driven process to start with, as it should be, because it is coming from this direction down. So the question becomes, how are you seeing it? I recognize the measurement process is just starting and we're trying to collect some data.

The initial feedback from those who are experiencing this cultural change at the workplace level.... What are you hearing from that perspective, as to whether they are still seeing this as being driven at them? Or are you seeing any uptake in the sense that they believe they're now engaged in the actual change?

Ms. Michelle d'Auray: If I may, Mr. Chair, I'll start off, and then I'll ask Ms. Cartwright to fill in, because she has been talking to folks about those very issues.

Just on the labour relations side, I would say that we have noted the challenges in populating—if I can put it that way—both sides of the table, for labour and management. Most organizations...and I know in the various departments I was working in, we did make accommodations. We did find the time. We did establish the flexibility so that we could in fact have good discussions on the issues and within a timeframe that made sense for the bargaining agents to be able to participate.

With regard to how managers and employees are finding the implementation of the various pieces of legislation, the changes, I think we are now coming to the point.... It comes a bit to the question the chair asked. We're coming into a maturity of the understanding of the possibilities of the flexibilities, the elements of the various pieces of legislation that were changed.

I would say that, for example, deputy heads are a lot more engaged in the issue of human resource management. They look at integrated planning. They are engaged in making sure their employees have the right tools in the workplace in a way that was not the case before. Not that they were not interested, but it is becoming an integral part and a fairly considerable part of the time that we spend on management issues and on people management issues.

Managers are also now finding the same thing. So it is having an impact throughout our organizations.

Perhaps Susan would want to be a bit more specific.

The Chair: Madame Cartwright.

Mrs. Susan Cartwright: Thank you, Mr. Chair.

The engagement sessions that we conducted were in fact with managers, HR professionals, and employees, including several sessions that we held with new public servants. It was clear from the energy at the engagement sessions that people at the working level are in fact very much engaged in what changes PSMA brought about, particularly the Public Service Employment Act.

The involvement of people at the working level tends to be a bit less on the labour relations side, but even there they are very much engaged, seeing real dividends that they describe to us in terms of the advantages of informal discussion and informal conflict management systems. That was one of the fundamental objectives of the PSMA, to bring increasing opportunities to resolve issues informally as close to the workplace as possible.

So yes, at the working level, they're definitely engaged.

The Chair: Thank you, Madame Cartwright.

I'm going to go to Mr. Saxton.

Mr. Andrew Saxton: Thank you, Mr. Chair.

My first questions are for the Auditor General. First, I'm pleased to note you found that the key legislative requirements have been implemented and that generally the entities have met the reporting requirements, as you noted in your opening statements.

In the report you mentioned that some entities have implemented guidance and direction tailored to meet their unique organizational needs. Can you share some of these with us, and also the results achieved?

• (1150)

Ms. Sheila Fraser: Mr. Chair, I will ask Ms. Bergeron to respond to that question.

Ms. Marie Bergeron (Principal, Office of the Auditor General of Canada): Thank you, Mr. Chair.

The way the legislation is organized is to give flexibilities for a department to conduct HR management. Within those flexibilities—for example, asset qualifications—depending on the job they're going to staff, a department might decide on one set of asset qualifications as opposed to another set for a different type of job in another department. That gives you an example of how the legislation will enable individual departments to tailor the requirements to their own environment.

Mr. Andrew Saxton: Have there been results achieved to date?

Ms. Marie Bergeron: Our audit goes down to September 2009. What we saw when we audited was that, yes, departments were starting to use those flexibilities to adapt to their own environment.

Mr. Andrew Saxton: Okay. Thank you.

This question is also for the Auditor General. Since the Public Service Modernization Act has been implemented, can you discuss some of the impacts it has made? You mention some of these on page 7 of the report.

Ms. Sheila Fraser: Thank you, Chair.

Obviously the whole process to modernize the act had a number of objectives, one of which was to give departments more flexibilities and to better equip departments to manage the human resources they needed, rather to use the more lockstep approach that was there before, which was a very rules-based approach. Staffing was found to take a long time. I think there was a lot of frustration in the system with the process. One of the major objectives was to give the management of human resources back to deputy ministers and to get them engaged in it.

As the secretary mentioned, the legislative changes are all in place. Changing the way human resources are managed in the federal government is really a huge cultural change, and it will take time to bring those changes about. We do see indications, as we note in the report, that deputy ministers are more engaged in this area, which is an excellent thing. We do see indications that departments are beginning to use the flexibilities. As well, the labour-management committees have been established.

We did this over a year ago. It was still very early days in this process, but we do see indications that the objectives of the legislation are beginning to take hold. What we would have liked to have seen were more quantitative measures to set out what the objectives were and to track that aspect over time to make sure this initiative is successful.

Mr. Andrew Saxton: Thank you very much.

My next questions are for the secretary.

In the Auditor General's opening remarks, she says that the new concept of merit is being applied and that managers are using the new staffing flexibilities. Could you share with us some of the benefits of the shift to a more merit-based promotion system?

The Chair: Ms. d'Auray.

Ms. Michelle d'Auray: Thank you, Mr. Chair.

A couple of elements. For example, when pools used to be established—and a pool is essentially a group of people who qualify for a set of positions or a generic position—the requirements under the previous legislation and policies were that people were ranked. If you had 10 people in the pool, people were ranked 1 to 10.

To be able to hire someone from the pool or make them an offer, you had to take people in order of rank, whether or not those people were the best fit for the job, which then made for some very difficult situations, where the person was in the number three spot and a job you had to offer them didn't necessarily match. Even though the competencies might, the fit and the experience might not, but you had to hire that person.

Under the new policies, the pool is established, there are 10 people in the pool, and you can hire the person who is the best fit according to the competencies and requirements of the position. So those are greater flexibilities, and that allows the people in the pool to be able to accept different jobs. Because the people in the pool, the employees themselves, were also limited to the job that was put in front of them.

It's a small example, but not an unimportant one, because we do a lot more staffing by pools, by collective staffing, on the basis of generic positions in order to reduce the time to staff, because that has been one of the important flexibilities that have been brought into the legislation.

The other aspect is that you can use pools—I'll continue that example—to staff across the country. You will recall that the national area of selection was also introduced part way through the implementation of the legislation, which broadened—and rightly so—at the request of parliamentarians, access to people across the country to public service jobs. So we now have a broader base and a richer set of potential employees to choose from, but it also has given the manager the flexibility to be able to find the best person for the fit in a more timely fashion.

• (1155)

The Chair: You've got about 20 seconds.

Mr. Andrew Saxton: Can you explain how the training and the consolidation of training and development into the Canada School of Public Service has been beneficial?

Ms. Michelle d'Auray: Very quickly, Mr. Chair.

The Chair: In about 10.

Ms. Michelle d'Auray: Ten seconds.

The school now matches the requirements that deputy heads have; therefore, it is demand driven.

The Chair: That wasn't too bad.

Ms. Michelle d'Auray: I'm trying, Mr. Chair.

The Chair: Thank you, Ms. d'Auray.

Maybe down the road you'll explain how that pool works. Once you've hired the first two or three people out of the pool, if you're ranked number one but you weren't one of the first three who were hired, what happens? Does the pool get filled by others who will displace you?

Ms. Michelle d'Auray: Mr. Chair, we do not rank people in the pools now. So if you have 10 people, they are ranked equally.

The Chair: Thank you.

We're going into the second round, at five minutes a piece.

Monsieur D'Amours.

[Translation]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Thank you, Mr. Chair.

I thank you all for being here.

Ms. d'Auray, on the first page of your opening statement, you say that "modernization... is vital to ensuring a high-performing public service." I was struck by the word "high-performing" because in her opening statement, Ms. Fraser said that "the secretariat had not fully developed a set of performance indicators that would allow it to report on the results of the implementation of changes."

You want modernization to bring high performance, but it is difficult to determine whether it is performing or not if there are no indicators to justify the results. It is easy to say that things are going well, but how do we go about knowing this, apart from saying it to each other? Systems, evaluation criteria must be applied. We are talking about indicators.

How can you speak of a high-performing public service if you do not even have the means to set up an adequate and concrete performance evaluation method?

Ms. Michelle d'Auray: Thank you, Mr. Chair.

We did not necessarily create performance indicators that are directly linked to the Public Service Modernization Act or to all the elements of the legislation. However, we have performance indicators for a wide range of elements, so that we can have a good idea of how the public service is performing. For instance, we have performance indicators for staffing, official languages, job equity, comprehensive planning, employee performance management and training. We compile performance indicators on an annual basis, so that we have to deal with components of the Public Service Modernization Act. We acknowledge that we did not necessarily put all that together so that we could ask ourselves whether we had really met all the objectives of the legislation. With regard to public service management, there are indicators that allow us to have a look at performance in the field of human resources management.

• (1200)

Mr. Jean-Claude D'Amours: Ms. d'Auray, you seemed to hesitate slightly when you spoke of a certain range. You limited it. The indicators that you mentioned seemed to be big, but they have shrunk.

With regard to modernization, you discussed, among other things, training in official languages. There is nothing really new. You mention modernization and integrating indicators for official

languages, but that should already be fundamental to the system, and not something new. It is not as if there were some elements that showed us clearly that you have implemented new indicators that would allow us to modernize the public service and improve the performance of the public service.

Ms. Michelle d'Auray: New indicators, if I may say so, have been created. They allow us to find out, for instance, if all the employees have a training plan. This element had not been measured previously and now it is being measured. Do the departments have governance structures for human resources management? Is their planning comprehensive? These elements had not been measured previously; today, we are measuring them.

Mr. Jean-Claude D'Amours: Ms. d'Auray, would it be possible to provide the committee with the previous indicators and the new indicators? This could perhaps allow us to see what kind of progress you have made.

Let me come back to the comment made by the Auditor General, when she said that the secretariat had not fully developed a set of performance indicators. I would like to receive a copy of this list.

Ms. Michelle d'Auray: Mr. Chair, I will be pleased to do so.

Mr. Jean-Claude D'Amours: Let me come back to the question of the annual report. Private companies and many other organizations are required to respect certain rules. When March 31, 2008 arrives and we are expecting to receive documents, we do not expect to get them two years later. We ask private companies, when the time comes to declare their income, or non-profit organizations, when the time comes to show their financial statements, to respect the deadlines. Earlier, you seemed to be saying that it is perhaps less of a priority given the fact that it is not mentioned in the legislation. However, with regard to Parliament, there must be a certain accountability. In fact, you have obligations due to your accountability before Parliament.

Now let me come to my question, which is fairly easy. Do you find such long delays acceptable within the context of accountability before Parliament, before the members that the public elected as their representatives; do you find that acceptable?

The Chair: Thank you, Mr. D'Amours.

Ms. d'Auray, you still have a few seconds to answer this question. Otherwise, we will repeat it during the next round, because we have already lost much time.

Ms. Michelle d'Auray: Mr. Chair, we recognize that these delays are unacceptable. As I said, we have taken measures to solve the problem.

The Chair: Thank you, Madam. Perhaps we will come back again to this subject in a few minutes from now.

[English]

Mr. Young, go ahead, please.

Mr. Terence Young (Oakville, CPC): Thank you. My questions are for Madame Cartwright.

I understand that the original purpose of the Public Service Modernization Act was to change the way the public service hires, manages, and supports its employees, but what I'm trying to understand better is why the changes were needed. In other words, was it to reduce turnover? Was it to get better results from employees and increase productivity? Was it to hire more people who are innovators, who would bring innovation to the public service? Was it to save money?

• (1205)

Mrs. Susan Cartwright: The motivation for introducing the Public Service Modernization Act, which was the single largest change to HR-related legislation in almost 40 years for the public service, was really to try to deal with the kinds of HR management practices that had built up over time, which had become very inflexible.

So it is indeed partly about saving money, but I would say that our first focus in introducing the legislation was to give responsibility and authority to deputy heads and managers to actually exercise flexibility in how they hired so they could acquire the best people for the job in a timely fashion, bearing in mind both the current and future business needs of their organizations, to enable them to serve Canadians better.

Mr. Terence Young: Of the total number of positions in the civil service, what percentage are staffed by visible minorities compared to the numbers for Canada's population at large?

The question is for Madam Cartwright. Thank you.

Mrs. Susan Cartwright: I don't have that figure with me today, but I'd be very pleased to furnish it to the committee.

Mr. Terence Young: Is that one of the goals of the changes? Is that one of the goals that were originally conceived?

Mrs. Susan Cartwright: We have a piece of legislation, the Employment Equity Act, the sole focus of which is to ensure that the public service is representative of the Canadian population. You'll see reference to the same objective in the preamble to the Public Service Employment Act, which was created to ensure that the public service is diverse.

Mr. Terence Young: I've been advised—and I don't have the exact figures in front of me, either—and I think it's around 9%, if I'm not mistaken, compared to the number for the Canadian population at large, which is around 19%. Are you satisfied with that? Does that meet your goals?

Mrs. Susan Cartwright: As I said at the beginning, we are very much in the early stages of analyzing the information, and I think it's premature for us to speak to conclusions at this stage.

The other thing is, I think it's important to consider how that visible minority population is broken out, because my understanding, from a preliminary look at the information that's available, is that we have been more successful with some populations than with others.

Mr. Terence Young: Thank you.

Towards the end of the report you presented this morning, you said that the results of the review will serve as a useful point of reference as we work to build and maintain a 21st century workplace. But this is after five years. You're doing a review of

legislation. I would think that at that point you would want to have a plan, a detailed plan, a structure with principles in it for moving forward, as opposed to just a point of reference.

Mrs. Susan Cartwright: I think the review I'm undertaking needs to be seen in a broader context of people management. Our review is restricted to those two pieces of legislation, but there are some major elements of the people management framework that lie outside that, and irrespective of the review work that we are undertaking, the chief human resources officer, the Public Service Commission, and a variety of other key actors in the system are looking at public service human resource management more broadly for now and the future. So our review will contribute—I hope significantly—to that ongoing work to ensure that we are a high-performing public service.

Mr. Terence Young: Do you have any...?

The Chair: Thank you very much.

Mr. Terence Young: Are we out of time?

Thank you, Chair.

The Chair: You'll get another round.

I had Madame Guay, but I gather that Madame Faille is taking her place.

• (1210)

[*Translation*]

Ms. Meili Faille: I'll continue along the same lines as my colleague, Mr. D'Amours, who asked a question regarding time periods, reports, and your follow-up. The Auditor General stated earlier that she wanted to see the results of quantitative studies.

Ms. Cartwright, you said that you had considered this issue. However, I did ask you a question about business cases. What data do you use in the studies that lead up to the annual reports that you table? I find it hard to believe that you are able to provide us with reports in the expected time period, given the data that departments have in order to follow up on their human resources programs. You stated that you took the necessary measures in order to give us these reports in time.

Could you expand on the means that you used in order to ensure that these data were relevant and justified?

For my part, I have not seen anything that resembled a business case analysis. I would like to know what quantitative data we can expect to see in the next annual report that you will table.

Ms. Michelle d'Auray: Thank you, Mr. Chairman.

First of all, we do not use business case analyses, that is we do not undertake any cost-benefit analyses in order to determine whether we are progressing in the area of human resources. For example, the purpose of one of our questions is to find out if all staff within a department have a training plan. The quantitative response is yes or no: either they have one or they do not.

The question as to whether or not the departments have integrated a human resources plan into their business plan is a much more qualitative measure. This allows them to plan their staffing and reduce staffing time. This is a qualitative measure, in terms of the nature of the plan and the quality of the integration and planning, but it is a quantitative measure in terms of the time it takes to fill a position.

Ms. Meili Faille: Yes, but undertaking a business plan does not exclude the collection of qualitative information that you have referred to. On the other hand, every decision that you make or every change that you propose leads to costs, long-term planning and an action plan. In order for this not to be meaningless, I am sure you will agree that much more extensive analyses have to be undertaken.

Ms. Michelle d'Auray: Mr. Chairman, with respect to human resources issues, a business case analysis can be done. Because of the time it takes to fill a position, it is more costly to replace an individual or temporarily fill a position than it is to fill a position when that position is empty. An individual can be found to replace another. That being said, cost-benefit is not the only criteria that we use in our performance analyses of the human resources management of organizations. For example, we have established service standards for human resources professionals in each department. Under a service standard, changes to the pay list have to be made within a given number of days.

We have therefore established quantitative standards whose purpose is to potentially reduce costs, but they do not necessarily flow from a business case analysis first. It could end up going there, but it is not automatically our starting point.

• (1215)

Ms. Meili Faille: When I read what we have been given today, I note that Ms. Cartwright tabled a document earlier that states that former senior staff were consulted. Earlier, we spoke about the issue of accountability, and current staff are accountable before us. Accountability is the affair of people currently in position.

I come back with my question. How much weight is given to the analyses carried out by current managers within your review exercise? When you tell me that internal audits of human resources in various major departments were not consulted and that you did consult managers, you do not provide the details.

The Chair: I have to interrupt you.

Ms. Cartwright, please be brief.

Mrs. Susan Cartwright: We consulted the available documents on internal audits. When we consulted former public service employees, we wanted to obtain the historic context for some things, in order to understand why changes were made. The purpose was not at all to challenge the managers' responsibilities. We wanted a contemporary perspective as well as an historic perspective. We are very interested in current public service performance.

The Chair: Thank you, Ms. Cartwright.

Mr. Shipley now has the floor.

[English]

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you very much, Mr. Chairman, and to the witnesses.

First of all, Madame d'Auray, in your comments you said:

We welcome the Auditor General's advice and recognize that while the PSMA has been fully implemented, there is still work to be done in a few areas and room for improvement.

Madam Fraser, I need to understand your comment a little more, that, "We also noted that the Secretariat had not fully developed a set of performance indicators", which I understand are likely going to be different from the implementation.

Do you agree with the statement Ms. d'Auray made?

Ms. Sheila Fraser: I perhaps need to clarify, Chair, one of our recommendations, which was about performance indicators.

There have been many initiatives to reform human resource management over the past two decades. I think many observers would agree that they haven't all been successful, and I'm being generous. This modernization, this effort that went into changing this legislation, was a very significant one by the public service. There was a lot of time, a lot of effort, and a lot of study that went into trying to address the issues that were evident.

I'll give you one example. People are asking about why the change was necessary. I think we did an audit in the late nineties that showed there were some 70,000 rules in human resource management. It was completely rules-bound, a very difficult system. The managers were not managing human resources and it was obvious that things needed to change. The government responded and went through this initiative.

It's really important that this work. It's really important that this initiative be successful. When we did the audit in 2005, which is when the act had just been adopted and implementation was about to begin, we said it was really important that government put in place indicators so they would know if they were achieving the objectives they had set out, largely because there had been other initiatives in the past that had never amounted to anything. The government at the time, in 2005, agreed that, yes, there should be indicators. Well, we have come along four years later and there isn't a complete set of indicators. We are concerned that with this legislative review that is coming, government needs to be able to tell parliamentarians what is working, what is not working, and how they are going to track the success or not of this legislation over time.

So that is our major preoccupation. We see that the things required under the legislation have been put in place, but are they getting the results that were intended? That is really what is the base, I think, of our recommendations in this report. We agree there are some indicators. We just think they need to be more comprehensive. The data may not have been tracked over time; there are indicators that have changed year to year. So how will government and Parliament know what the trend lines are and if the objectives are being attained?

•(1220)

Mr. Bev Shipley: I think it's been, for the most part, a positive report, and I do commend you for that.

Madam d'Auray, this is important. We've obviously become rules-based as years go on, I guess. I think it kept changing and became very complex. Can you tell me, in terms of your department now, how many people you've had to add to your department to actually carry out the implementation of this program?

Ms. Michelle d'Auray: Thank you.

I think originally, since the piece of legislation was introduced at the secretariat, as a department we've probably had to add maybe three people, just for the implementation of the legislation per se.

Mr. Bev Shipley: I'm talking about how we got from then to now. I listened to Ms. Cartwright. Through her responsibility she's met with everybody present, past, and future, quite honestly, to try to come up with some sort of recommendation. I need some help to understand that we've not just built some sort of bureaucracy to help fill chairs for, quite honestly—I'm going to be honest with you—department people, deputy ministers, maybe, who actually, in my mind, should just be doing their jobs. I need to have the comfort that we actually have people who are actually doing their jobs, and I'm struggling with that when I read here that we've had to do all of this. I mean, look, you've met with over 500 different individuals and organizations. I find that staggering and a little bit disturbing.

Ms. Michelle d'Auray: If I may, Mr. Chair, the core public service or the core public administration has over 200,000 employees. In order for us, and for Ms. Cartwright, to get a sense of how deep were the changes and how they were felt, being able to consult or contact 500 people among the 200,000 is not a huge number of people to be in touch with.

I would say that the PSMA and the changes to the legislation that have been brought forward have in fact brought the level of responsibility of deputy heads to just manage, if I can put it that way, to be clearly stated. I would say that has in fact been the trend. It is a bit difficult, going back to our measurement issue, to measure that. How do you measure that? How can you ask the deputy heads today what has changed between the way we did it and the way it is done today? Well, you could ask how much time you spent on this and how much time you spend today. We're looking for proxies of measurement at this point.

The other element would be to look at our governance structures. How much time do we spend at the management table on human resources? I would say that it is about 100% more time than we used to spend. Again, it is very hard to put a quantitative.... It would be kind of a guesstimate. I don't think the public service has grown in relation to the implementation of these pieces of legislation. In fact, what it has done is give us flexibility.

I'll give you another example. We were completely ground down in grievance procedures, because that was the only way for people to complain. Under the legislation, we now practice—have not just put in place but practice—informal conflict resolution. If you look at the complaints that are taken to the public service tribunal, they are resolved even before they get to the tribunal, per se, to be heard. That, in fact, reduces a lot of time and effort. It actually deals with

public service management as any other organization would, which is to manage and have interactions with people, as opposed to saying, "Did I file this? Check. Did I do this? Check." That's what this piece of legislation was meant to do. It was to get out of that rules-based management and get into the management of people as people.

•(1225)

The Chair: Thank you.

Go ahead, Mr. Allen.

Mr. Malcolm Allen: [*Inaudible—Editor*]...a rules-based system, but I would hazard a guess that you didn't mean you eliminated them all. What you meant was that we were overburdened with so many rules we couldn't function. I know you have a unionized workplace, and quite frankly we still have a whole pile of rules.

I'm quite astonished by the comment you made that you had to implement an informal piece, where those of us in the private sector actually have that stated in collective agreements that say the first step is talk, the second step is write. So I actually find that quite astounding. Nevertheless....

Looking through Madam Fraser's report, I still see some pieces in here that talk about managers who are saying some of the "cultural" changes, shall I call them.... I think those in the human resource field, and those of us who work in the other field, even though it's in human resources but from a different perspective, know that cultural shifts are difficult to do. Clearly there are still some of your managers indicating that it's slow, that it's not moving the way....

Now, it may well be their sense, or it may actually be a reality for them, but I wonder if you could comment as to what your feedback is from those managers who feel that it's slow. Are you getting that feedback, or do we need to...?

I know that my friend Mr. Shipley mentioned talking to 500. I would have said you needed to talk to 5,000, but that's because you want to have a cultural shift in your organization and not just implement another rule.

I'm wondering if you got that feedback or not from those particular folks.

Ms. Michelle d'Auray: Mr. Chair, I would say I get feedback from my managers on a regular basis about human resource management and issues, about how quickly or not quickly we're moving in certain areas. There are also some frustrations, I would say, with our information systems, of being able to get the information you need in a timely fashion in order to be able to make those decisions. So I would say, yes, we do hear on a very regular basis about how things could be improved.

The other aspect that we have not raised or discussed is the whole area of the human resource professionals or practitioners themselves. The change for them was and remains significant. You're quite right that I did not indicate that we have eliminated all rules. We have eliminated some, which was the point of this. But the human resource practitioners were, and still are to a large extent, living through the change of what it is to manage without necessarily having a rule book, and having to interact and wanting to interact with managers who want to staff and do the development of their employees and manage their employees in a way that they know there are still rules to respect but at the same time there are huge flexibilities.

When you've been rule-bound for many years, it is a very big shift. It's not just the deputy heads, the managers, the employees; it's also been a change for the human resource practitioners. They are now, I would say, at the point of making that shift completely. It's taken a while for that to happen.

Mr. Malcolm Allen: What I'm hearing, then, is the resistance from HR managers and HR professionals, which you would expect to see when you start to look at moving a culture. It wouldn't necessarily be on purpose, or something they were trying to do to undermine, but indeed there was a sense of the natural resistance of "You're stepping on my turf."

How do we deal with that? How do we move that so they understand their importance in this overall system and we don't end up with folks who, simply by trying to protect the turf that they own, undermine the whole system of how we change the culture?

Ms. Michelle d'Auray: I'm glad you picked up on that, because it is not a question of resistance or undermining. I think it is a fundamental shift into how the practice is practised. I do believe we have made significant changes to the way in which we work with that community of professionals, to help them and to encourage that interaction in a very positive way.

So we are not meeting resistance. We are now working with them to give them the right set of tools. They're now almost as impatient, if I can put it that way, as the managers are. We've turned the tide.

• (1230)

The Chair: Thank you, Madam d'Auray.

Mr. Dreeshen.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you, Mr. Chair, and thank you to the witnesses as well for appearing here today.

It's great to hear that there is a shift and, as was mentioned earlier, a change in mindset for human resources, and that we're basing this on people-to-people negotiations versus rules. I think anybody who has ever been caught up in those situations understands how difficult they can be. Of course, when looking at the differences for grievance procedures, expanding on the informal conflict resolution becomes a key component.

I may ask you, Madame d'Auray, to respond to that in a moment, but I have a couple of other questions as well, and first I'd like to go to Madame Fraser.

You mentioned at the beginning that you didn't audit the impact of the legislation on human resource management. Could you expand

on why that was? Secondly, I was hoping you could also, in your response, go over your findings with respect to the roles and responsibilities of deputy heads.

Ms. Sheila Fraser: Thank you, Chair.

As we note in the audit, we really looked to see whether the legislation had been implemented, but we didn't look to the effects, for two reasons. One is that it's quite clear in the mandate of the Auditor General that we don't do effectiveness reviews; we would look to see what departments have done to assess effectiveness. The question of the performance indicators and whether they have the information is related to that.

As well, though, there's a recognition that these are still fairly early days in a very major shift. It would be more appropriate, I think, to wait for the work that is being done regarding the legislative review to see government's own processes and their assessment of what needs to be done and how successful it has been so far.

On the question of deputy ministers, one of the very positive things that we note in the report is that there has been a shift. We found that the deputy ministers are taking their responsibility for human resource management and are engaged in the human resource management. I think that is a very significant positive finding of the report.

Mr. Earl Dreeshen: Thank you. And of course there has been that shift involving the deputy ministers and human resources, so perhaps, Madame d'Auray, I'll go back to you. Could you comment on what you mentioned earlier about that change in mindset?

The Auditor General mentioned that some managers aren't particularly clear on a few of the rules on hiring. Could you explain what the government is doing to address that particular issue?

Ms. Michelle d'Auray: With regard to deputy minister accountabilities and attention given to human resources, I would be remiss if I did not mention that one of the follow-on elements of the PSMA, if I can put it this way, has been the clerk's public service renewal program or initiative, because there we have started to synthesize some of the core elements that we need to continue to pay attention to and to refine: the areas that are essential to human resource management and the meeting of the PSMA objectives, but more importantly to an ongoing and solid performance on the part of human resource management.

I would say that of the four pillars we have in the PSMA, the most critical element, frankly, is integrated planning. It sounds just about as exciting as I can make it, but it's a critical element. We used to do, for a long time, a human resource plan and a business plan, and the two never matched, never met, were never discussed in the same room. We are now—I know it may sound amazing—matching and doing integrated human resource and business planning. It's integral to being able to have a staffing plan. If you don't know what you need in order to perform your business in three years' and five years' time, it's a little hard to have a staffing plan that says, here are the competencies, here are the areas that I need, here is the learning and development that I need to build into my organization or get the school to deliver for me in order for me to be able to meet the objectives that I have for two or three years out.

That integrated planning focus, I would say, has probably been the most important of all of the elements to which deputy heads are paying attention. It drives the managers, because the business plan is developed by managers, and it drives the human resource plan at the same time.

I'm sorry, I'm probably running on in my enthusiasm for integrated planning.

• (1235)

The Chair: No, but you did run over time.

Mr. Dreeshen probably wants to come back, and I will come back to him to let him finish up.

Mr. D'Amours.

[*Translation*]

Mr. Jean-Claude D'Amours: Thank you, Mr. Chairman.

Ms. d'Auray, a little earlier I asked you to give us a list of indicators. I'd like to go a little further now. I would appreciate it if you could send the committee certain details, in the light of Ms. Fraser's comments. It was stated that some indicators were there but that others were being eliminated. It was difficult to follow. In truth, it's difficult to understand how concrete outcomes can be determined. It almost sounds like we're talking about the census! I would like you to indicate, in the document that you will be sending us, which indicators were established, which were removed and when those actions were decided on. I would truly appreciate it if you could provide the committee with those documents.

Furthermore, with respect to the time it takes to submit the annual report, my colleague, Mr. Bains, asked you the committee's first question. You replied that some things were required by law and were therefore a priority compared to other documents.

You said that the time periods were not acceptable but how will you establish priorities? It's all very well to say that you are not satisfied, but what will you do to change the situation?

Ms. Michelle d'Auray: Even though, once again, this may strike you as being rather basic, we have set deadlines and time periods for the various reports. In fact, these were prepared in different sectors and within different organizations. We have now consolidated all those responsibilities and functions within one body, the Treasury Board Secretariat. We have timelines and deadlines that allow us to submit reports within the expected time period. I admit that we are still somewhat behind on the overall report on human resources management but we are catching up.

Mr. Jean-Claude D'Amours: On that point, Ms. d'Auray, when should that report have been submitted based on your deadline?

Ms. Michelle d'Auray: I would ask Mr. MacLeod to respond to that. I believe that the 2008-2009 report that will soon be tabled should have been tabled possibly six months ago.

The Chair: Mr. MacLeod, you have the floor.

Mr. Ross MacLeod (Assistant Deputy Minister, Office of the Chief Human Resources Officer, Governance Planning and Policy Sector, Treasury Board Secretariat): We expect the 2008-2009 report to be tabled in November. We expect the 2009-2010 report to be tabled over the next fiscal year.

[*English*]

The Chair: I'm sorry, Mr. D'Amours.

Did I hear correctly that the first one will be tabled this coming November?

[*Translation*]

Mr. Ross MacLeod: Yes.

[*English*]

The Chair: Mr. D'Amours.

[*Translation*]

Mr. Jean-Claude D'Amours: Thank you Mr. Chairman.

In other words there are still problems related to these reports. You stated to my colleague that initially you will establish your priorities based on whether or not there is a requirement by law.

Do you always work like that when you are deciding on the submission dates of your reports?

Ms. Michelle d'Auray: If I may, Mr. Chairman.

We are required by law to table reports within the time periods contained in the Official Languages Act, the Employment Equity Act, and the Access to Information Act. There are therefore deadlines and requirements. We comply with those. That is what I meant when I referred to priorities and legislative and parliamentary requirements.

• (1240)

Mr. Jean-Claude D'Amours: And the others?

Ms. Michelle d'Auray: The only other one is with respect to human resources. By law we have to table it as early as possible, when it is ready.

Mr. Jean-Claude D'Amours: In the end that gives you some flexibility.

Ms. Michelle d'Auray: Mr. Chairman, I am sorry but that is what is written in the legislation. Obviously we try to do it as quickly as possible.

Mr. Jean-Claude D'Amours: Ms. d'Auray, you are telling me that that is what is written in the legislation, but in the end is this not a matter of priorities? Do all the i's have to be dotted in order for it to be clear that this is a priority, and if all the i's have not been dotted then is there a certain amount of flexibility that allows one to stretch the elastic to the point of it perhaps breaking? In that case the Auditor General will rap you on the knuckles and tell you that there is a problem.

Ms. Michelle d'Auray: We have acknowledged the time periods and we have admitted that we clearly have to improve in that regard. Because we have made the commitment to do this I can only repeat our commitment to that effect. As I explained, we have experienced several organizational changes. Those changes have affected, for example, the group responsible for these reports. We have met our legislative requirements and we expect to continue to do so.

Mr. Jean-Claude D'Amours: Thank you.

[*English*]

The Chair: We'll go to Mr. Dreeshen.

Mr. Earl Dreeshen: Thank you.

I'd like to come back again, Madame d'Auray, to the submission you presented. In it you indicated that, as the Clerk of the Privy Council stated in his most recent annual report to the Prime Minister, planning is also the foundation for the renewal of the public service. It's a cooperative approach that is truly impressive. Part of it, again, is to go back to integrated planning. You spoke of recruitment, employee development, workplace renewal, and engagement.

Could you speak to the last three primarily, but to the employee development and the workplace renewal specifically, to give us some idea of the types of things that are taking place there?

Ms. Michelle d'Auray: Thank you, Mr. Chair.

In terms of the development, one of the key areas we started with, and again it may sound very basic, was to make sure that every employee had a learning and development plan. It was something that I would say was not practised on a regular basis and that is currently the case, in that every employee is to have a learning and development plan.

The next stage for us was to look at what some of the core competencies are and at whether or not we should set up learning activities or development.

I would say it's very specifically training. There are some obligations that were established. If you are a manager reaching a certain level, you have to have financial management training, people management training, and contract management training. Those are prescriptions that were brought forward in order to establish a more rigorous professionalization. Those are developments that were brought forward.

In terms of workplace renewal, for a lot of those elements we are now looking at how we can use collaborative tools—some people will call them social media—or at how we can use the next generation of Internet/Intranet to ensure that information is shared. One of the key challenges we face is demographics. We are all aging, unfortunately—it depends on your perspective, but I'll speak for myself—and there is in fact a retirement factor within the public service. We're a reflection of the demographics in the general population. We have some knowledge, some retention of knowledge and information, and we also have to integrate a new generation, and they are used to working with tools in a very different fashion.

The workplace renewal is about how to make that transition. How do you use the technological tools we have to break down some of the hierarchical barriers we still have? Can I set up a wiki in order to have a discussion on what the policy issue is today, or what the corporate structure was, and try to find someone who could actually enlighten me on this? This is what we're talking about under renewal of the workplace.

●(1245)

Mr. Earl Dreeshen: I appreciate that, and I understand the aging part of it. I spent 34 years as a high school math teacher, and one of the things we had to do was go through professional growth plans; those were yearly. The type of thing we tried to do there was to tie them into workplace renewal and engagement. I think it's critical that this type of thing continue too.

You also spoke.... The Auditor General wanted to address some observations—this was on the page previous in your submission—and you talked about improving labour relations and some of the procedures that are involved with them and also some of the agreements that have been reached between bargaining agents and Treasury Board.

Could you briefly comment on those two aspects, please?

Ms. Michelle d'Auray: Thank you.

I think I mentioned earlier that many of the issues that used to be rules-based and rules-bound dealing with either workplace or management issues were fairly rules-focused, as opposed to dealing with the issues themselves.

Concerning informal conflict resolution, discussion—having the managers and the employees deal with the issues up front, as opposed to filing papers—was really critical. That is in fact well in place and functioning. It does not preclude, as we know and have put in place, the requirements for formal processes and procedures if the informal conflict resolution does not work. Those are still in place and exercised.

In terms of the... I'm sorry, the second part was the...?

Mr. Earl Dreeshen: Agreements—

Ms. Michelle d'Auray: Yes, the labour agreements. We have been able, especially on the essential services side, to negotiate and continue to process these. I think we have reached five or six agreements on essential services, and we are continuing the discussions with a number of key bargaining agents to conclude those.

Again, the work on both sides is done in very good faith. These are not easy issues to resolve, and they involve hours of work and availability. We are working our way through them, but I think we have at least five or six agreements that have been signed to date.

The Chair: I'm going to go to Madame Guay.

[*Translation*]

Ms. Monique Guay (Rivière-du-Nord, BQ): Thank you Mr. Chairman.

Ms. Fraser, thank you for waiting to the end. I think that also gives you an opportunity to understand our concerns.

Mr. MacLeod, you stated that you will be tabling a report in November. That is in two weeks. I am looking at the documents that we received today and nothing leads me to believe that a report will be tabled in November. You stated that you will be tabling another report at the beginning of 2011, but you did not specify a date. This is worrisome because we do not actually have a date, and nowhere in any of the documents does it...

Ms. Fraser, you have shared your concerns, which is absolutely legitimate.

Ms. d'Auray, I know that you work very, very hard but there is nothing in what I have read today that reassures me. Nothing indicates that things are working smoothly, and that changes will be made in good time.

Can you tell me how many individuals are affected by these changes? Has a study been done? There will be changes within the public service, people are retiring. What are the age categories involved, how many people will you need to replace over the next few months and the next few years? Can we have that information? It seems to be reserved to a select few. I think that information would be of interest to the committee and the people who work here.

Why is it that we have no information, absolutely no information on the report that will be tabled in November? Where will it be tabled, how will it be tabled and what does it contain? We should already have been given some tangible information about that today but there is absolutely nothing. The month of November will be here in two weeks, unless we are talking about the month of November next year, I do not know, but we need some more clarity. I will allow you to respond.

Mr. MacLeod, I would like you to answer my question please.

The Chair: Ms. d'Auray, would you like to begin?

• (1250)

Ms. Michelle d'Auray: With respect to the November report, that is the annual report on people management. This is not a new report, the format is already well known. It will be tabled in Parliament by the President of the Treasury Board under the usual official tabling process. The structure of this report is not a new one.

Ms. Monique Guay: It has not been changed?

Ms. Michelle d'Auray: No, it has not been changed. The normal procedure will be followed. You will receive the reports in accordance with the usual tabling procedure.

You asked a question about the number of individuals affected by the changes. The whole of the public service was affected by these changes so it is—

Ms. Monique Guay: You must have numbers.

Ms. Michelle d'Auray: The numbers on the number of individuals in the public service are available. The number of individuals retiring on a regular basis is also available and it was in the report of the Clerk of the Privy Council to the Prime Minister, which was made public. All that information is available and is contained in the documents, on the websites, and is easily accessible. We can send you the hyperlinks.

Ms. Monique Guay: Send us those links and we will be able to take a close look at how this works. Once you have new staff, perhaps it will be easier to ensure that they adapt to the new legislation. Sometimes, when someone has been in a position for 25 years, they have their own routine or certain work habits.

I also wanted to talk to you about equipment. Apparently, there are often complaints within the public service to the effect that the equipment is pathetic. I don't know if you have received these kinds of complaints but it is even a regular occurrence for us, in Parliament, that our computers do not work, for a full day at a time.

Do you experience this kind of problem? Do you have a budget to remedy it?

Ms. Michelle d'Auray: I would like to point out that the Auditor General recently submitted a report on obsolete information systems technology, which I believe was discussed within the Standing

Committee on Government Operations and Estimates a few months ago.

On the whole, I would say that people are reasonably equipped. Obviously, as a government, we will not always be on the cutting edge of all equipment. We also need to see how some things work in other sectors before we decide to move ahead. Information systems technology is actually the current focus of a study, as a result of the recent discussion and tabling of Ms. Fraser's report on that issue.

The Chair: Thank you.

[*English*]

Thank you very much.

I think that's all the questions I have from colleagues around the table. I wonder whether Madam Fraser or Madame d'Auray would like to have a moment or two to offer any closing comments before I go on to committee business.

Madam Fraser.

Ms. Sheila Fraser: Thank you, Chair.

I'd just like to thank the committee for their interest in this report. Obviously, the question of the management of human resources is a critical one for the government, and I was pleased to see the committee's interest.

Thank you.

The Chair: Thank you, Madam Fraser.

Madame d'Auray.

[*Translation*]

Ms. Michelle d'Auray: I would like to echo Ms. Fraser's sentiment and thank you for your consideration of these issues that are not always necessarily a priority. They are for us, but they are not always the focus of parliamentary debates.

Thank you.

[*English*]

The Chair: Madame d'Auray, you know that we're going to be waiting with anticipation for the documents that you've promised us and we look forward to receiving them.

To your colleagues, Madam Cartwright and Mr. MacLeod, and Madam Fraser, to your colleagues, Mr. Campbell and Madame Bergeron, *merci beaucoup* for being here with us. Thank you very much.

I'm going to go on to committee business right now. We can stay in public for it, no problem.

The first item on committee business is still that notice of motion from Madame Faille. I gather that Madame Faille would like to discuss it on another occasion. Is that it?

[*Translation*]

Do you want to do that today?

Ms. Meili Faille: It is not complicated. When the motion was before us, there was a vote. We had to leave to vote. We had agreed to vote on the motion at the next meeting.

When we met again, we were considering the report. Usually, the committee meets in camera when it is considering the report. Unfortunately, the result of the vote was not made public. This is simply to make the decision on the motion public, that is whether it was defeated or passed. That is all. It was simply a motion to make public a decision on a motion that had been duly debated in committee. I have other more complicated motions but today it is pretty simple.

•(1255)

[*English*]

The Chair: Mr. Saxton.

Mr. Andrew Saxton: We have no objection to Madame Faille's request.

The Chair: Monsieur D'Amours? Mr. Bains? Mr. Allen?

An hon. member: Nothing, Chair.

The Chair: Okay, there's consensus.

I don't have any other business.

The committee is adjourned until next Thursday.

Thank you.

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