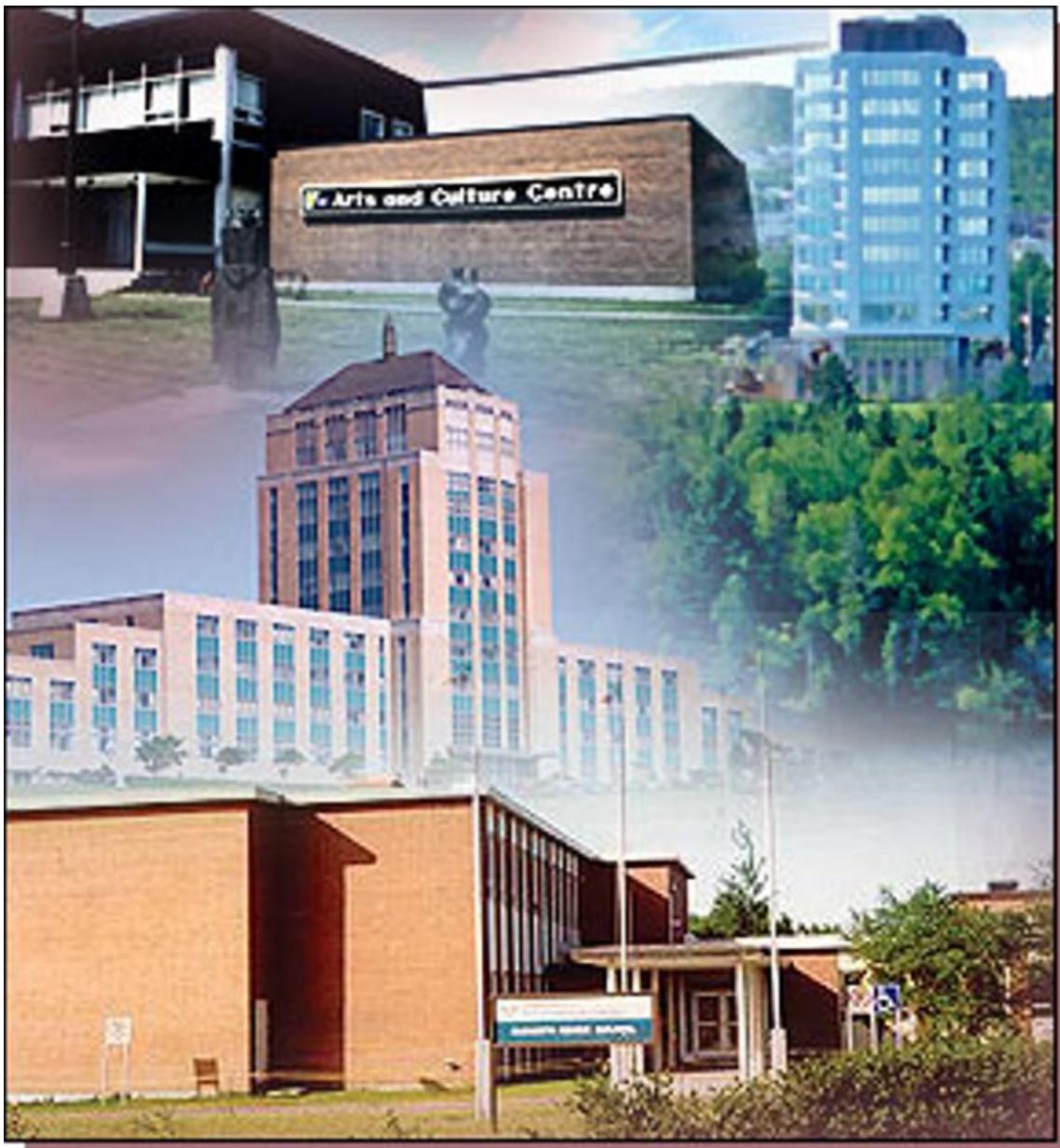


**Newfoundland and Labrador
Public Service Commission**



Public Service Excellence through Merit, Fairness and Respect
Annual Report
2004-05

***PUBLIC SERVICE COMMISSION
Annual Report 2004-05***

Table of Contents

Chairperson's Message

Public Service Commission Overview	3
Vision	
Employees and Location	
Lines of Business	
 Highlights and Accomplishments.....	 4
Staffing and Compliance Division	
Employee and Departmental Services Division	
Appeal and Investigations Division	
 Opportunities and Challenges Ahead	 15
 Financial Statements.....	 18

Message from the Chairperson

Pursuant to Section 17 of the *Public Service Commission Act* and in accordance with government's commitment to accountability, I have the honor to submit the Annual Report of the Public Service Commission for the fiscal year 2004-05. As Chair and CEO of the Public Service Commission, I have provided direction in the preparation of this report and am accountable for its contents.

In 2004-05 the Public Service Commission continued to provide leadership and support services compatible with its role as an independent, arms-length entity, to government Departments and Agencies. In providing these services, the Public Service Commission continued to focus on the principles of merit, fairness and respect. The Public Service Commission fully supports the strategic direction of government and will continue to strengthen the principles of merit and equity in public service staffing and will report in accordance with the requirements of the *Transparency and Accountability Act* (2004).

I would also like to take this opportunity to acknowledge and thank my fellow Commissioners and the staff of the Public Service Commission for their dedication and professionalism in meeting our goals and objectives.

ED WALSH
Chair and Chief Executive Officer

Public Service Commission Overview

VISION

“Public Service Excellence through merit, fairness and respect.”

DIVISIONS AND EMPLOYEES

The Public Service Commission is comprised of three Commissioners who are appointed by the Lieutenant-Governor in Council. The Lieutenant-Governor in Council designates one Commissioner as Chairperson. The Chairperson is the Chief Executive Officer of the Commission, has Deputy Minister status and directs and supervises the administrative and technical activities of the Commission.

There are three divisions performing the work of the Commission: the Staffing and Compliance division, the Employee and Departmental Services division and the Appeal and Investigations division. The total staff complement of the Public Service Commission is 23 employees.

LOCATION

The Public Service Commission is located in the Sir Brian Dunfield Building, 2 Canada Drive, St. John’s, Newfoundland and services all regions of the province.

LINES OF BUSINESS

Staffing and Compliance Division	Employee and Departmental Services Division	Appeal and Investigations Division
Staffing Policy and Support Selection Board Chair Training Job Clearing Centre Compliance Audit Staffing Action Monitoring and Review	Employee Assistance Program Respectful Workplace Program Workplace Wellness Initiative Pre-Retirement Workshops	Investigative Services Management Grievance Process Classification Appeal Board Conflict of Interest

Highlights and Accomplishments

Staffing and Compliance

The Staffing and Compliance division leads and supports the delivery of staffing services in Departments and Agencies, to ensure that qualified, competent workers are selected for public service employment. The division consists of a Director, two Staffing Officers, a Manager of Staffing Services, a Staffing Services Analyst and two administrative support personnel.

The division is responsible for planning, directing, and coordinating the staffing function utilized by all Departments and Agencies scheduled to the *Public Service Commission Act*. Those organizations must sign Delegated Staffing Authority Agreements, in which they agree to conduct recruitment and selection processes in accordance with Public Service Commission policies and guidelines. In addition to researching, developing and implementing staffing policy, the division provides consultative support to Departments and Agencies on matters related to recruitment and selection. The division also provides a training and certification program for Selection Board Chairs, who perform the staffing function on behalf of the Public Service Commission. Furthermore, the Staffing and Compliance division investigates and rules on staffing process disputes. To ensure compliance with staffing policies and procedures, the division conducts a yearly audit, reviewing a statistically significant portion of all staffing action files and soliciting feedback from stakeholders as a means of assessing the quality of services provided. Throughout the year, all appointments and promotions are monitored to ensure compliance with Commission staffing policy.

Finally, the division coordinates the provision of priority supports to employees affected by disabilities which prevent them from continuing to perform critical job duties; who qualify for transfer on compassionate grounds; and for permanent public service employees whose jobs are abolished.

These services are provided through the division's Job Clearing Centre. The division also administers the Public Service Internship Program, designed to support Departments and Agencies in filling positions deemed as "hard-to-fill" throughout government.

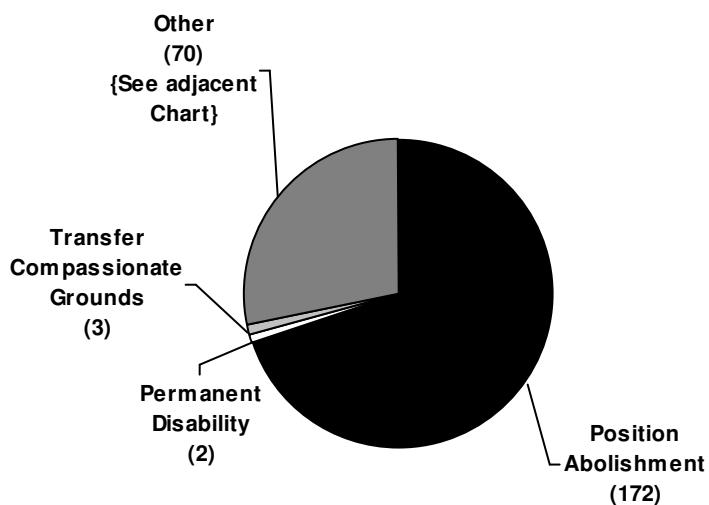
2004-05 Divisional Highlights

Activities

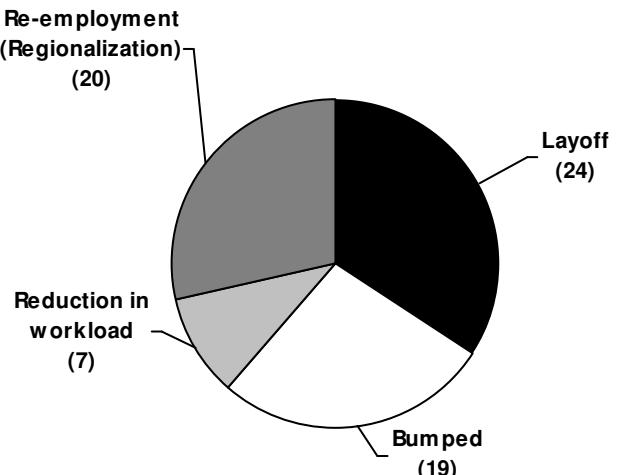
- ♦ The opinions and views of 88 Selection Board Chairs on existing PSC Policies were surveyed. Meetings were held with Directors of Human Resources to solicit feedback on current policies and suggestions for future policy development. These findings resulted in modification to several policies. Work on creation of a "virtual" online Staffing Policy Manual continued. Recommendations to redraft and update policies were submitted to Commission Executive. Modifications were made to the PSC web site.

- ◆ A policy to recognize the employment status of long-term temporary employees was developed. This policy was implemented on July 1, 2004. Implementation of this policy was conditional on modification to relevant collective agreements. The division facilitated those changes in cooperation with Newfoundland and Labrador Association of Public and Private Employees (NAPE) and the employer.
- ◆ An employment equity support mechanism for Inuit in Labrador Inuit Lands and Inuit Communities was initiated. This was done in accordance with the recent land claim agreement between the Province and the Labrador Inuit Association.
- ◆ Four information sessions were delivered to NAPE Shop Stewards (one in St. John's, one in Clarenville, and two in Grand Falls-Windsor). As well three information sessions for established Selection Board Chairs, two training sessions for employees wishing to become Certified Selection Board Chairs, and a session for public service managers who participate in the selection process as Departmental Representatives were also delivered.
- ◆ A review of Reference Checking protocols was initiated to ensure consistency with the *Access to Information and Protection of Privacy Act*.
- ◆ In May 2004, a Job Clearing Centre was established to provide services and supports to permanent employees who experience involuntary job loss or who were granted priority consideration for transfer on compassionate or medical grounds. In 2004-05, the Job Clearing Centre provided services and supports to 247 eligible permanent employees (see charts below). 527 positions were posted for their consideration, with 258 applications received for consideration. As a result, 34 employees were successfully redeployed into alternate suitable employment.

Reasons for Redeployment



Other (Detail)



Findings

- ◆ In compliance with the Commission's legislated mandate, the division undertook a comprehensive review of the staffing actions in all Departments and Agencies scheduled to the Act. This audit revealed that in Calendar Year 2004, 484 competitions were held to fill 522 positions in the Public Service. Of these 522 positions, 108 (21%) were filled on a permanent basis, 337 (64%) were filled on a temporary basis, 45 (9%) were filled on some other basis (i.e. seasonal) and 32 (6%) competitions were cancelled. The audit involved the examination of 96 competitions, which represented 19.83 % of all competitions held.
- ◆ The Division's 2003 review of **gender distribution** revealed:

	Male	Female
NL Public Service	61%	39%
Canadian Labour Force	54%	46%

The audit of a random sample of competitions to fill positions on the basis of merit over the last two calendar years (2003 and 2004) shows the following result:

	Male	Female
2003- 162 Competitions	54.9%	45.1%
2004 – 87 Competitions	54%	46%

- ◆ While gender distribution for merit based competitions in 2003 and 2004 mirror Canadian Labour Force data, it is not possible to determine whether it represents an improvement in the gender distribution ratio within the Public Service. Given the small sample size of this year's audit, the Public Service Commission will be conducting additional analysis to determine whether further action is required.
- ◆ Finally, the audit of job competitions, in the year 2004, revealed that it takes an average of 5.21 weeks to conduct a competition for a position in the provincial public service (the period from advertisement to appointment). While marginally higher than last year's average, the variance is not deemed to be statistically significant. Further the average turn around time remains more expeditious than the Government of Canada's average of 9 weeks as identified in the Federal Public Service Commission's 2002-03 Annual Report.

Key Observations for the Next Fiscal Year

- ◆ The definition of “hard-to-fill” positions, required for the Public Service Internship Program, limits the number of positions that may be funded by this Program and the number of applicants who may be eligible. The division intends to review the Public Service Internship Program to determine whether it best satisfies the ongoing requirements of the public service.
- ◆ Many appointees to the Graduate Recruitment Program (the predecessor of the Public Service Internship Program) have not yet been successfully placed into permanent positions. Considerable effort is now underway to retain these individuals, who came into the public service through a rigorous and highly competitive selection process.
- ◆ The analysis of gender distribution in the provincial public service indicated that, in comparison to the general labour force, we currently have a greater percentage of male employees than female employees. Our audit of appointments for the last two calendar years indicated that we have very closely approximated the general labour force male-to-female employment ratio. However this result will require ongoing monitoring to assess ongoing trends and the impact of occupational category on results.
- ◆ More emphasis will be placed on comprehensive audits. The audit process will consider other qualitative data such as placement follow-up forms provided on all newly appointed/promoted employees.
- ◆ The division will engage in further policy research and development.

Employee and Departmental Services

The Employee and Departmental Services division administers programs that provide essential services in the interest of corporate and individual health. Its goal is to provide necessary support services to employees and departments and to maximize public service productivity and work quality. Joint labour management committees provide general direction and advice to the division’s programs. The division consists of a Director, three Coordinators, and one Administrative Officer. In addition to government Departments, the division provides services to the College of the North Atlantic, the Newfoundland and Labrador Housing Corporation, Workplace Health and Safety Compensation Commission, Provincial Information and Library Resources Board, House of Assembly Establishment, Statutory Office of the House of Assembly, and the Legal Aid Commission, for a total of 8,900 employees.

The division provides the following programs:

Employee Assistance Program (EAP) – provides counseling and consultation on personal and work related issues. Professional staff are available to respond to all individual and organizational issues or crises impacting employees and their families.

Respectful Workplace (RWP) – provides mediation, facilitation and other problem solving supports, as well as training and information sessions on conflict management, addressing difficult personnel issues, and promoting respectful work environments.

Workplace Wellness Initiative - administers government's Workplace Wellness Initiative which promotes employee and organizational health. This initiative is headed up by a Workplace Wellness Committee representing all stakeholders, including the Public Sector Managers Association (PSMA) and the Newfoundland and Labrador Association of Public and Private Employees (NAPE). An annual Workplace Wellness Week, research on workplace wellness, and promotion of same are all components of this program.

Pre-retirement workshops - Provides pre-retirement supports to public service employees across the province. Sessions address employee information needs for areas such as pensions, group insurance, lifestyle changes and investment planning.

Divisional Highlights 2004-2005

Activities

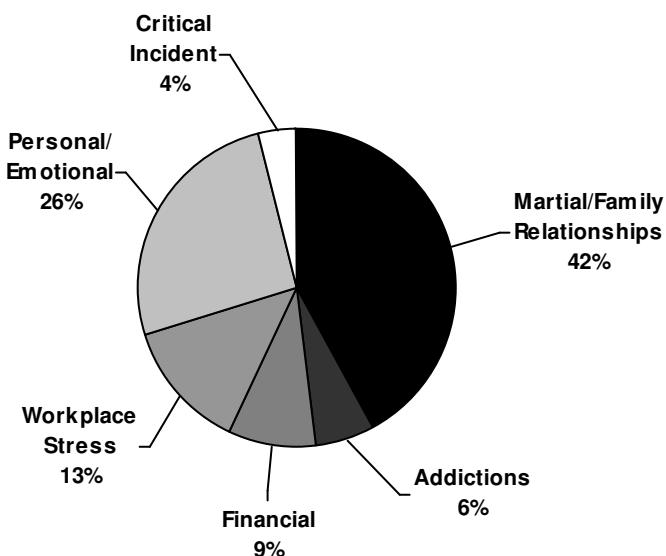
- ◆ The division, with the assistance of the Newfoundland Statistics Agency, completed several evaluative initiatives to determine both program awareness, and areas needing improvement. Seven focus groups were facilitated across the province, and two random surveys were sent to managers, and front line staff (see *Findings* on page 10).
- ◆ Provided counseling services to 863 employees and their families, including 441 new referrals.
- ◆ Provided seven Pre-Retirement sessions with approximately 400 employees participating.
- ◆ Co-ordinated workforce adjustment services for impacted employees. With the assistance of contracted counsellors, immediate EAP services were provided for employees at the time of notification of abolishment of their position. In 2004-05 these services were provided at 27 locations across the province. Services provided included personal and financial counselling to affected employees, and advisory services to notifying managers. In addition to government Departments, services were provided for restructuring at the College of the North Atlantic, Newfoundland and Labrador Housing Corporation, and the Workplace Health Safety and Compensation Commission.

- ◆ Delivered 15 workshops across the province. Topics included: EAP Training for Managers and Shop Stewards; Positive Communication in the Workplace; Balancing Work and Family; EAP and Mental Health; and Critical Incident Stress De-briefing. A total of 257 people participated in these events.
- ◆ Coordinated a workplace wellness study with funding provided by the Department of Health and Community Services, and in conjunction with Memorial University. The study was part of an on-going effort to create a business case for workplace wellness initiatives. One hundred employees participated in supported physical activity for a two month period.
- ◆ Coordinated the annual public service Wellness Week.
- ◆ Delivered 19 customized respectful workplace workshops across the province with 212 attendees participating in these events.
- ◆ Facilitated four workplace interventions to address workplace conflicts. The process incorporated a strong problem solving approach to developing workplace action planning with 40 staff involved in these interventions.
- ◆ Provided conflict coaching services to 28 individuals. All participants were new referrals to the program.
- ◆ Continued the collaborative process with three workplaces in their efforts to build a more respectful work environment, providing support, skills development and resources. This included the development of Workplace Planning Session, Committee Work, and RWP Information Sessions.
- ◆ Provided Respectful Workplace Consultation Services on a one-time basis to 48 individuals and continued consultations to 26 employees. This service included exploring options, problem solving and information sharing.
- ◆ Coordinated mediation services to address five workplace conflict situations.
- ◆ Coordinated critical incident stress de-briefing (CISD) for 10 workplaces, with 117 employees participating.

Findings

- ◆ The results of the wellness study indicate that in just two months, improvements for employees were noted in a number of physical measurements, resulting in a reduced risk of high blood pressure, heart attack, and diabetes. Employees who participated also reported positive perceptions of their workplace related to the support they received.
- ◆ Program evaluation (EAP and RWP) - the results of the surveys and focus groups indicated that 96% of managers indicated they were aware of the EAP, and 98 % of those would recommend the service to their employees; 87 % of managers were aware of the Respectful Workplace Program; and 92 % of those indicated they would recommend the service.
- ◆ Approximately 96% of non-management employees indicated they were aware of the EAP, and would consider using it when faced with personal/work related issues. Increased information was recommended for the Respectful Workplace Program, as only 51 % of non-management employees were aware of the Program. Employees at all levels identified the need for increased training in such areas as stress management, and resilience to change.
- ◆ EAP employee feedback questionnaires continue to indicate that participation in the EAP positively impact personal wellness and employee perception of productivity. It also provides important information related to on-going program improvement.

The following pie chart reflects the areas for EAP program utilization on an individual basis (total of 863 employees).



Key Observations for the Next Fiscal Year

- ◆ Government has expressed a commitment to supporting respectful workplace initiatives, and preventing harassment in the workplace. Training for managers continues to be mandatory. The Commission fully endorses this requirement, and supports current departmental efforts to address problem areas. The Commission and Treasury Board Secretariat continue to collaborate on the delivery of this training. To enable long term planning in building capacity, the Commission continues to advocate for permanent status for the Respectful Workplace Program.
- ◆ As indicated through the divisional study, employees require increased information on the rights and responsibilities related to respect in the workplace. High manager awareness of the Respectful Workplace Program reflects the emphasis on management training in this area over the last several years. Bringing this information to front line employees will be an important next step, as survey results indicate low awareness from this group of the RWP.
- ◆ There is significant support from public service managers for respectful workplace training. Their feedback indicates that training increases their leadership capacity to create respectful work environments. Concern has been raised by participating managers that there is a minimal level of participation in respectful workplace training by their Executive groups. Understanding by the senior leadership of due diligence, and the role and accountabilities of managers in this area is considered essential.
- ◆ The negative impacts of workforce adjustment on employees in the past year highlight the need to plan more effectively for change in the public service. Feedback from Commission programs offering support services for front line employees and managers indicate a wide variation in how change is managed across departments. This is a matter the Commission will be reviewing in the future.

Appeal and Investigations Division

The Appeal and Investigations division deals with matters of personal and systemic complaints; management grievances; conflict of interest administration and advisory services; access to information; and bargaining unit position classification appeals.

The division has undertaken a pilot project to determine the value to government of establishing a professional in-house investigation capacity.

2004 -05 Divisional Highlights

Activities

- ◆ The Classification Appeal Board (CAB) receives appeals generated by individual employees and appeals arising from “occupational review” results. Please see table on the following page to view the status of Classification Appeals in 2004-05.
- ◆ The management grievance process is administered by the Public Service Commission, including the introduction of a comprehensive hearing process (see table).
- ◆ A pilot project for the creation of an Investigative “Centre of Excellence” resulted in an interim report being provided to government on March 9, 2004 with a final report provided in December 2004 (see table).
- ◆ The division provides support and advisory services on issues relating to the *Conflict of Interest Act (1995)*. A new Advisory Committee was put in place during the past reporting period (see table).
- ◆ The development of an operations manual for the Investigation Pilot Project, including policy and procedures, continued during this period and was forwarded to the Minister responsible for the Public Service Commission.
- ◆ An Investigation Consultative Advisory Group (ICAG) was created. This group is made up of members representing a cross-section of government Departments and Agencies, Human Resource Directors, and Union officials. The aim of the group is to introduce, discuss and implement measures to improve the investigation process for all stakeholders. Several meetings were held during the reporting period resulting in a number of constructive recommendations that have been translated into action.

SUMMARY OF CORE ACTIVITIES, 2004-05
Appeals and Investigation Division

Classification Appeal (April 2004 – March 2005)	
Total Outstanding Appeals from Previous Years	844
Individual Appeals (426)	
Occupational Appeals (418)	
Total Appeal Received 2004-2005	174
Individual Appeals (174)	
Occupational Appeals (0)	
Total Appeals Finalized/Rendered	408
Individual Appeals (210)	
Occupational Appeals (198)	
Total Appeals to Carry Forward for 2005-2006	610

Management Grievances	
Total for Period	7
Number Resolved	4
Formal Recommendation Rendered (3)	
Mediated Resolution (1)	
Outstanding (Active)	3

Investigations	
Total for Period	63
Total concluded	53
Withdrawn	2
Outstanding (Active)	8

Conflict of Interest	
Consultations	125
Formal Referrals	4

Findings

- ◆ The Classification Appeal Board committees, which were established to deal with the large backlog of appeals, formulated a pro-active action plan to improve and facilitate the hearing process. This resulted in 408 appeals being resolved.

Key Observations for the Next Fiscal Year

- ◆ A number of investigations were conducted by the division related to the duty to accommodate. The division will continue to monitor and review this issue, in consultation with the Public Service Secretariat, in the event that further action is required in the future.
- ◆ Investigations are becoming more complex and comprehensive in nature. Considerably more respondents are engaging legal counsel at their own expense. It is anticipated the increase in requests for professional investigative services will continue into the next fiscal year.
- ◆ The Management Grievance Policy will be reviewed and suggested revisions will be forwarded to the Minister responsible for the Public Service Commission.
- ◆ The PSC will continue to administer and facilitate the activities of the Advisory Committee established under the *Conflict of Interest Act*.
- ◆ The Classification Appeal Board will continue to work on the reduction of the number of outstanding appeals.

OPPORTUNITIES AND CHALLENGES AHEAD

The primary responsibility of the Public Service Commission, as assigned by *The Public Service Commission Act, (1973)*, is the implementation and protection of the merit principle in public service appointments and promotions. Merit in hiring and promotion is essential if the elected government of the province is to be supported by competent, professional and non-partisan public employees. The public service must be able to provide a thorough and politically impartial assessment of issues and to efficiently and effectively implement government's strategic direction. These supports are critical if the public service is to assist government efforts to make informed decisions on policy and program initiatives on behalf of the citizens of our province.

In that regard, the Public Service Commission offers comment on the following issues that impacted the administration of the merit principle during fiscal year (FY) 2004-05:

- ◆ The *Transparency and Accountability Act*;
- ◆ Government's Strategic Direction to the Public Service Commission;

The Transparency and Accountability Act

The administration of the merit principle takes time and effort. When organizational and employee performance is not assessed against predetermined operational goals, it can be difficult to rationalize whether that time and effort is necessary or worthwhile. This creates a threat to the merit principle.

In December 2004, Royal Assent was given to a new piece of government legislation, *The Transparency and Accountability Act*. The legislation requires that government's strategic direction, initiatives, goals and objectives be publicly enunciated. It also requires the publication of annual reports on progress by all departments and agencies responsible for program implementation.

Where organizations are accountable for performance, it is critical that they hire and promote only those who can make a positive contribution to their collective success. This is especially true when fiscal realities demand that we "do more with less" - a situation that has faced the Newfoundland and Labrador public service for decades. In that environment, it is reasonable to assume that Members of the House of Assembly and senior officials of the public service will demand that positions be filled by qualified, competent, and suitable employees.

For these reasons, it is the belief of the Public Service Commission that *The Transparency and Accountability Act* will have a positive impact on the demand for merit based appointments and promotion in the public service.

Government's Strategic Direction to the Public Service Commission

The Progressive Conservative Party of Newfoundland and Labrador successfully contested the provincial general election in the fall of 2003. In that election, it published its commitments for future action should it form the government. One of those commitments addressed the future of the Public Service Commission:

“The Public Service Commission will be restored as an independent agency mandated to make impartial recommendations on hiring and promotion in the public service, and to promote mainstreaming of equal opportunity in the public service.”

The Blue Book

In that regard, the Public Service Commission accepts as the strategic direction of government, a commitment to the principles of merit and equity in public service staffing.

In the Commission's last Annual Report, we referenced the downsizing of Commission staff that occurred in 1996, including the closure of our office in Corner Brook, and commented on how the PSC's role in effective Human Resource Management became marginalized.

In Fiscal Year 2004-05, the current government initiated a program of Public Service Renewal. That initiative involved an analysis of all programs and service delivery methodologies. The Public Service Commission participated in that initiative, separately and as part of a horizontal review of all human resource management programs. During the coming year, we look forward to resulting organizational changes. In accordance with the requirements of Transparency and Accountability, we will report on the results of that review which impact on the PSC.

Continued Vigilance

“Those who cannot remember the past are condemned to repeat it.”

George Santayana

Since its inception, the Public Service Commission has strived to remain focused on the provision of essential services. One of the lessons we have learned is that continued vigilance is essential if the principles of merit are to be maintained in public service appointments and promotions.

Recruiting and selecting employees on the basis of merit ensures that the executive branch of government is fully equipped to support the needs of our society. It was for that very reason that

the Public Service Commission Act was passed in 1973. That vision remains as valid and critical today as when it was first raised in this province.

In 1933, the British government established a Royal Commission to assess the future viability of the (then) Dominion of Newfoundland. The Amulree Report (named for its Chief Commissioner, William Warrender Mackenzie, Barron Amulree) addressed a wide range of issues affecting the Dominion's future viability. One of those was the need for the provision of good public administration.

The Royal Commission found that the provision of good public administration required avoidance of the negative impacts of the "spoils system" in the filling of government jobs. The spoils system, which was rampant at the time, saw elected officials award jobs to friends and political supporters, not on the basis of qualification and competence, but as a means of reward. In hindsight, the impact of that system on the Dominion of Newfoundland is clear.

Notwithstanding the fact that the state of our province is vastly different today than the Dominion of Newfoundland in 1933, we still share a collective obligation to ensure that we continue to develop and improve. It is critical that the people of Newfoundland and Labrador are appropriately served by their public service. To that end, the Public Service Commission believes that in addition to activities prescribed under the *Transparency and Accountability Act* and by the recent Program Renewal process, continued vigilance is essential to the protection of merit in public service staffing.

Merit based hiring and promotions require more than ensuring abuses do not occur. It envisions a representative public service: one where appointments and promotions will be based on qualifications, skills and abilities; where equity is actively pursued; where diversity is celebrated; and where citizens seeking employment will be assessed on the basis of their merits and without systemic discrimination.

The Public Service Commission acknowledges and accepts its legislated mandate to ensure that public service appointments and promotions are merit based. We remember the past; especially the negative effects on the public interest when merit was not the primary determinate in public service staffing. We believe that meeting our mandate is essential if we are to avoid repeating our past. Therefore, we remain committed to continued vigilance.

FINANCIAL STATEMENTS ***Fiscal Year 2004-05***

	<u>Actual Expenditures</u>	<u>Amended Expenditures</u>	<u>Original Expenditures</u>
Salaries	1,694,896	1,914,000	1,952,000
Employee Benefits	14,354	25,800	25,800
Transportation & Communications	66,629	69,500	89,500
Supplies	26,392	32,200	32,200
Professional Services	231,407	235,700	129,300
Purchased Services	158,516	163,800	160,800
Property, Furnishings & Equipment	2,183	9,700	9,700
Allowances and Assistance	-	106,500	157,900
Revenue- Provincial	(2,500)		
Total	2,191,877	2,557,200	2,557,200

Statement of Expenditure and Related Revenue is based on the Public Accounts.

Public Service Commission

3rd Floor Sir Brian Dunfield Building
2 Canada Drive, P.O. Box 8700
St. John's, NL, A1B 4J6
www.gov.nl.ca/psc

Telephone: (709) 729-5800
Facsimile: (709) 729-3178