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SEPTEMBER 2018

Top Human Capital Challenges for Public Sector HR.

Highlights From the Public Sector HR 2018 Conference



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Top Human Capital Challenges for the Public Sector

In February 2017, we asked HR leaders from Canada’s leading public sector organizations about which human capital challenges were top of their minds. They identified five key challenges.¹

- **Developing managers and leaders for tomorrow.** The baby boomers are retiring, and new generations are getting ready to step into their footsteps. Will they be prepared?
- **Building an optimum workforce in a period of change.** Work is evolving, and new jobs are emerging as old jobs disappear. Is it possible to plan for jobs that don’t exist yet?
- **Redesigning the organization for adaptability and flexibility.** Change is accelerating. How well will organizations, which were built on tradition, respond to the 4th industrial revolution?
- **Redefining the employee experience.** It’s not your parent’s civil service. How do public sector organizations meet the expectations of younger, more diverse employees?
- **Building an inclusive and diverse workforce and culture.** The meanings of diversity are increasingly varied. How well do public sector organizations reflect the people they serve?

In February 2018, 150 public sector HR professionals—from more than 70 public sector organizations at the federal, provincial, and municipal level—convened at a national conference in Ottawa to talk about rethinking public sector HR, and to respond to these five challenges. Here are the highlights from their discussions.

¹ Cooper and Jackson, *Rethinking Public Sector HR*, 9.

“Why ‘rethink’ and not just ‘think’? [We have] no time to think, we react. [This] prevents real innovation and change.”

Conference participant

Critical Steps for Public Sector HR in the Coming Years

The Conference Board of Canada’s 2018 Public Sector HR Conference explored four key recommendations for public sector HR in the coming years.²

1. Refresh the public sector employment brand to attract the right, high-quality talent.
2. Redefine how work gets done in the public sector.
3. Deconstruct and renew HR.
4. Take action to improve the employee experience.

² Ibid., 10.

Refresh the Public Sector Employment Brand to Attract the Right Talent

Public sector organizations are challenged to develop an attractive value proposition for millennials.³ While many caution that generational stereotypes can limit the conversation,⁴ conference presenters still had some concrete advice about incorporating the younger generation now, and planning to reach future generations for the long term.

1. **Recognize the similarities.** Like any other generation, younger workers are looking for job security with a good salary and benefits, and a reasonable work-life balance.
2. **Spot the differences.** The latest generation of students has distinct expectations for their entry into the workplace. They are looking for an organization where there is room to grow their career. That means opportunities for formal and informal professional development, frequent in-person feedback, and a chance to try out different job assignments. On the flip side, some things frustrate new entrants to public service, such as:
 - slow career progression;
 - not enough professional development and continuous learning opportunities;
 - being denied advertised flexible work arrangements;
 - out-of-date technology and tools in the office;
 - infrequent mid-year and end-of-year performance reviews.Younger workers don't want surprises.
3. **Pair youth with experience.** Through the *Veterans Hiring Act*, organizations can access highly skilled leaders who can make great mentors to help younger employees meet their learning goals.

3 Ibid.

4 Cooper and Jackson, *Workforce Planning Practices in Canada*, 33.

“Build a storyline.
What a great idea!
And have students
and new hires
involved to do so.”

Conference participant

4. **Build on storylines.** Hollywood has lessons for recruiting this generation and future ones—know your storyline years into the future. Build consistent and strategic HR capabilities to enable the success of that storyline.
5. **Think long term.** Robust, strategic workforce planning equals recruitment success for the long term. Better strategic workforce planning means pushing further with questions like: What is the business model of the future? Which new business lines will there be? What do we need to identify, build, renew, and evolve—now and in the near future?

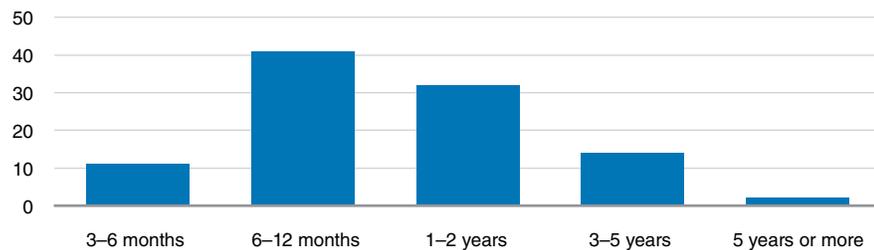
Planning Horizons Are Operational Rather Than Strategic

The majority of conference attendees (84 per cent) are planning, at most, a year or two ahead. (See Chart 1.) This finding aligns with results from the Conference Board’s 2016 HR Trends and Metrics survey. That is, in almost three-quarters of Canadian organizations, current workforce planning practices are oriented to a timeline of two years or less. This indicates an operational, rather than a strategic, outlook.⁵

Chart 1

How Far Ahead Do You Really Plan?

(percentage of participants; n = 81)



Source: The Conference Board of Canada.

5 Ibid., 53.

“Another questioning of our traditional classification system. Love it! We need to keep challenging the paradigm.”

Conference participant

SNAPSHOT: Canada’s Free Agents

The Free Agent GovCloud⁶ is an experiment in creating public sector talent mobility within the existing policy framework by exploiting the flexibility inherent in the current system. It is a federal government initiative that responds to the Blueprint 2020 goal of a more nimble civil service. The experiment had three objectives: test a new model for talent mobility; develop talent; and increase innovation. Some lessons may be useful for other public service employers.

- **Break out of the classification box.** Classification systems can be a problem because they limit employee mobility to moving among a limited number of predefined boxes. Free Agents function outside these boxes, working like consultants on contract. However, they retain their permanent public servant status. Managers in any department can hire a Free Agent through a financial transaction (not an HR transaction).
 - **Provide meaningful opportunities.** The benefits for Free Agents include the freedom to find meaningful work and create their own projects. They develop new skills, have more opportunities for career development, and have created a strong community and network. And, Free Agents are finding support for their new ideas.
 - **Offer low-risk staffing.** The advantages for managers include faster and easier hiring, and low-risk staffing. Managers have a lower burden of training expenses and can access in-demand skills. And they appreciate having access to talented employees who have been pre-screened for innovation attributes and skills.
 - **Evaluate and learn.** The program is being shaped by monitoring and evaluation. There is monthly feedback from Free Agents, manager feedback twice during an assignment, and a program evaluation planned for later this year.
-

6 OECD, “Case Study: Free Agents and GC Talent Cloud—Canada.”

Redefine How Work Gets Done in the Public Sector

Data, and the information and knowledge generated from them, are important tools to explain to Canadians and their political representatives the value of the policies and programs implemented by public servants.⁷ The move to evidence-based decision-making in HR, and beyond, is critical to redefining how work gets done in the public sector.

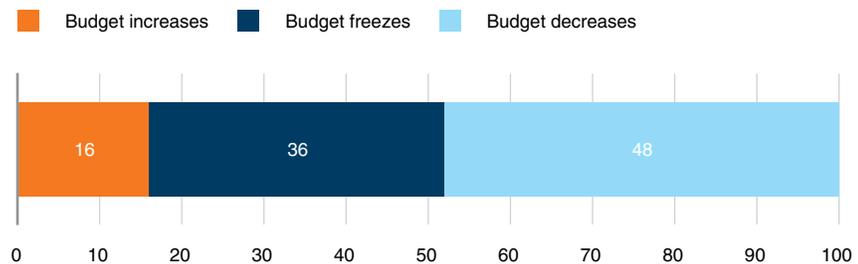
Doing More With Less

Conference participants were feeling the pressure to do more with less. (See Chart 2.) Making the most of existing resources means increasing the value of your people. That may include meeting budget decreases through attrition.

Chart 2

Budgetary Trends Experienced by Conference Participants

(percentage of participants; n = 92)



Source: The Conference Board of Canada.

7 Cooper and Jackson, *Rethinking Public Sector HR*, 10.

“Fail safe and fail fast. Get away from too many rules and embrace transparency.”

Conference participant

6. **Think “agile.”** Creating an agile organization involves moving from:
 - individual performance management toward team-based performance management;
 - traditional toward HR people operations;
 - individualized HR functions toward employee experience;
 - controlling, legal compliance activities toward supporting, coaching, and mentoring activities.
7. **Keep it simple.** Increasing agility doesn’t have to involve complex technology. Sticky notes on a big board can be an effective visual tool to help people manage change. Using agile methods in HR could mean visualizing team work on a Kanban board, stand-up meetings, and/or embracing iterative processes and regular retrospectives.
8. **Leverage open data.** There is no shortage of data. The challenge is to encourage more people to leverage data. For example, huge amounts of data on human capital management are collected by the Treasury Board of Canada Secretariat (TBS). Those data are available for use within TBS, but also by unions, the HR community, and the Public Service Commission. More data are available to the public through the Open Government Portal, GC Info Base, and the Government of Canada Human Resources Statistics page. The public is starting to use those open data. Requests to TBS for information have halved from 1,000 to 500 per year, as people can now directly access the data they need through the Open Government Portal.
9. **Tell human stories.** If you want to communicate the story in the data, you have tell a human story. Build a character out of the data, give her or him a name, a job, and a challenge. Use plain, practical language. When your audience can empathise with the human story, then they can respond to the evidence in the numbers.
10. **Train for data literacy.** You have to train HR personnel to know the numbers and to tell the stories. In parallel, you have to train your leaders in data literacy. Across the board, you need to cultivate a culture of curiosity.

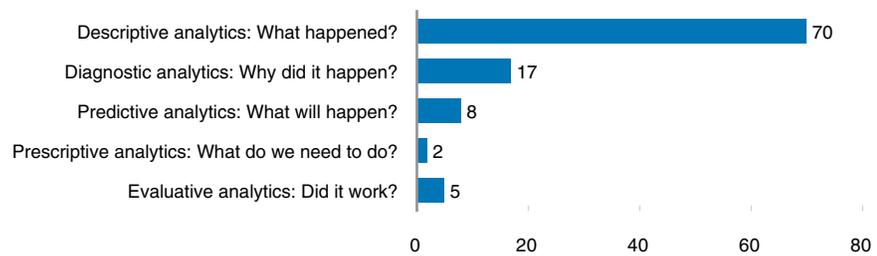
Descriptive Analytics Dominate

Human capital analytics is a continuum, or a cycle. (See Chart 3.) Most conference participants focus on descriptive analytics. Descriptive analytics are great for building awareness about what is happening. But the compelling stories come when you move to diagnostic and prescriptive analytics.

Chart 3

In Our Organization, We Generally Provide ...

(percentage of participants; n = 66)



Source: The Conference Board of Canada.

“Involvement of members, leaders, and stakeholders in competency development is powerful. Buy in from the ground level!”

Conference participant

SNAPSHOT: Toronto Police Service (TPS)— Building Core Values and Competencies for a Public Sector Service

In 2017, the TPS completed a comprehensive stakeholder consultation process to develop core values and competencies for all staff in this front-line public service organization.⁸ Other public sector organizations can draw on the lessons TPS learned when they designed consultation processes to redefine how their work is accomplished.

TPS is the fourth largest municipal police service in North America. Five years ago, the Service faced some issues regarding public trust and community demands for transparency and accountability. New leadership in 2014–15 made modernization and transformation a priority. Led by the Toronto Chief of Police and the Chairman of the Toronto Police Services Board, a Transformation Task Force was created with expert volunteers from the public and private sector and with select members of the TPS. This group made 32 recommendations, leading to a new strategic vision for the People and Culture unit.

“ “ To cultivate the potential of our people by being a strategic, credible, service-oriented partner.”

Toronto Police Service

The People and Culture 3-Year Transformational Road Map is grounded in culture change, starting with behaviours. Training had always focused on *what* to do, but less on *how* to do it. A consultation process brought together a wide range of stakeholders—advocates and critics—to develop a new framework. Four core values now underpin the competencies that drive behavioural change.

1. Service at our core: “Have I done all I can do?”
2. Do the right thing: “Have I lived up to my word and values?”
3. Connect with compassion: “Have I treated others as they would like to be treated?”
4. Reflect and grow: “What else can I do to improve?”

8 Toronto Police Service, *TPS Competencies*.

The new competency framework is used throughout the employee life cycle to ensure that the service is working toward its desired results. The key lessons TPS learned while developing the framework can have wider application.

- Engage advocates and critics in the process.
 - Once is not enough—engage them early and throughout.
 - Be specific—let them know where their voices had impact.
 - Be visionary—let them know how you will use their voice.
 - It never finishes—ensure that communication continues.
-

“Community building is critical for HR to support the rest of the organization.”

Conference participant

Deconstruct and Renew HR

There is a need for a change in HR culture and mindset in the public sector, along with a change in how HR is staffed, organized, and operated.⁹ In practice, the best of what HR does for the rest of the organization should also be done in HR.

11. **Think horizontally.** Change the perspective. Vertical planning within ministries is the norm; horizontal HR planning across ministries is uncharted territory. Collaborative implementation across the HR community shares ownership and inspires commitment.
12. **Onboard HR.** Upgrade onboarding for HR because incoming HR generalists often have weak development.
13. **Make HR inclusive.** An integrated, engaged, and inclusive HR community is pivotal for enhancing collaboration and improving the client experience.
14. **Develop HR.** Enhance learning and development programs to equip HR staff with the critical skills and competencies for providing the best advice and service.
15. **Build the HR pipeline.** Identify, develop, and deploy talented HR professionals to create the strong and reliable pipeline essential for organizational success.
16. **Embrace design thinking.** Public sector organizations, such as the Ontario Government, are embracing design thinking approaches as a way to put the customer at the centre of new initiatives. What better approach for a customer-centric HR? “Design thinking is human-centred, iterative, and collaborative. It’s a process that embraces design to reach better results for people, teams, and organizations.”¹⁰ A typical process works through five stages: empathize, define, ideate, prototype, and test and learn.
17. **Follow guiding principles.** Default to share, keep egos at bay, and communicate.

⁹ Cooper and Jackson, *Rethinking Public Sector HR*, 10.

¹⁰ Nottrodt, Jordan, “Getting to Better.”

“Look at HR system implementation as an enterprise project, not an HR project. Partner with it.”

Conference participant

SNAPSHOT: A Major Bank Modernizes HR Functions Into the Cloud

HR modernization at the Bank of Canada is aligning HR strategic goals with corporate goals to reinvent central banking, renew ways of doing business, and reinforce a culture of innovation. The Bank’s learnings are applicable to other public sector organizations modernizing their HR function.

The Bank’s HR grounded its approach in four guiding principles:

1. Make it simple.
2. Meet real business needs.
3. Enable a culture of innovation.
4. Communicate in a way that’s helpful.

HR was the first department to move some enterprise functions to the Cloud. Many stakeholders throughout the Bank were engaged in various co-design efforts. Strategic options were considered, in light of market offerings and corporate roadmaps. As enterprise Cloud projects were so new, HR cooperated with IT, security, audit, legal, and privacy functions. Some functions remain on-site, which makes for complex software integration and support. However, the client doesn’t see those complexities when they use the new one-stop HR online portal.

Key learnings:

- **Plan for strategic enablement.** Know your talent strategy. Plan for strategic enablement in the business lines. Plan for new skills in order to take full advantage of the software.
 - **Capitalize and compromise.** Streamline business processes. Be prepared for compromises.
 - **Sequence change to fit organizational readiness.** Sequence should fit strategic business priorities. Moving from low complexity to higher complexity helps. Learn by doing. Avoid rework. Fit with a de-commissioning plan.
 - **Prepare for rapid decision-making.** Sequencing will stress-test your governance and decision-making framework.
 - **Engage, but relax.** Change management is critical. People are resilient.
 - **Think holistically.** Improve the entire user experience, not just the software. Modify all touchpoints to fit the new vision.
 - **Work together.** An enterprise project requires IT and HR to work as one team.
-

Take Action to Improve the Employee Experience

In the final session of the conference, we asked participants to tell us which tangible actions they were taking to improve the employee experience in their organizations.

18. **Collect evidence.** Participants reported using many different techniques to gather evidence to inform the new actions they were taking. The actions included employee, manager, and client surveys; journey mapping; program and process reviews; broader and faster employee feedback mechanisms; and bottom-up processes.
19. **Deal with the core.** Many participants recognized that HR might be part of the problem. They expected that actions like streamlining HR processes and building relationships with internal stakeholders—including line managers—would improve their employee's experiences.
20. **Start at the beginning.** Participants recognized the value in paying attention to experiences at the very beginning of the employee journey. This starts with the candidate experience and new employee onboarding, with a particular focus on mentorship or buddy arrangements.
21. **Continue through the life cycle.** On an ongoing basis, several participants mentioned improving communications via technology, and going back to in-person discussions. Likewise, professional development opportunities were often mentioned as a potential lever to improve the employee experience. Campaigns and strategies to promote mental and physical wellness were also considered instrumental. Actions mentioned less often, but still included, were flexible work arrangements, building leadership skills, celebrating diversity, and reforming and modernizing rewards.

Presenters

These insights represent highlights from discussions held with 150 public sector HR leaders who attended the Public Sector HR 2018 Conference. The views expressed are those of the presenters and participants of the conference. Presenters included public sector executives and consultants from across Canada.

Tony Bennett, Director, HR Analytics and Planning,

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Stephen O. Brown, Director, Talent Acquisition,

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Treasury Board of Canada Secretariat

APPENDIX A

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APPENDIX B

Publications



Rethinking Public Sector HR: Canadian HR Executives Speak

(Briefing by Jane Cooper and Shannon Jackson, August 2017)

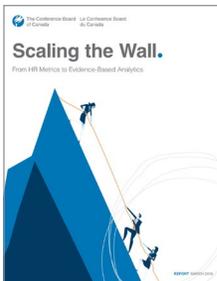
This briefing examines how HR leaders in the Canadian public sector are preparing for the challenges that their organizations will face in the years leading up to 2025.



Getting Ahead of the Pace of Change: The CHRO Perspective

(Briefing by Jane Cooper and Shannon Jackson, November 2017)

This briefing brings together the predictions and advice of 27 chief human resources officers about the issues that are most likely to dominate the HR agenda in Canadian organizations over the next decade.



Scaling the Wall: From HR Metrics to Evidence-Based Analytics

(Report by Jane Cooper and Shannon Jackson, March 2018)

This report looks at where Canadian organizations stand with respect to adopting HR analytics for better decision-making, and how HR can lead the way in making evidence-based decision-making the norm.

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Jane Cooper

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