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Main points

The Public Service Commission (Commission) leads human resource management in the Government's departments. At March 31, 2004, it had adequate rules and procedures to safeguard public resources and complied with authorities governing its activities.

Effective human resource planning helps the Government have the right people, in the right place, and at the right time. This helps the Government provide public services and meet its strategic goals.

Government departments plan for their human resources. The Commission provides oversight for department planning. It also provides strategic direction and coordinates planning for human resources across the entire public service.

This chapter outlines the criteria we are using in our audit to examine whether the Commission has adequate processes to lead human resource planning across departments. Having adequate processes means that the Commission:

- ◆ guides human resource planning;
- ◆ manages human resource risks across departments;
- ◆ analyzes department human resource planning; and
- ◆ builds capacity for human resource planning within departments.

We are sharing the criteria to help other agencies that are responsible to guide human resource planning.

Introduction

In this chapter, we set out a brief overview of the Public Service Commission (Commission), the results of our 2004 audit of the Commission, and criteria we are using in our audit to examine whether the Commission has adequate processes to lead human resource planning across departments.

Understanding the Commission

Under *The Public Service Act, 1998*, the Commission is responsible for representing the public interest in human resource management of staff employed primarily by the Government's departments. Government departments employ about 10,500 staff based on full-time equivalents.

The Commission provides the human resource policy framework in which the departments must operate. In addition, it is the employer representative for all of the departments in labour negotiations. The quality and strength of the Commission's policies and corresponding human resource strategies are important not only to the success of the Commission but to the success of the departments.

For further details on the Commission's mandate and governing legislation, consult its publications at its web site at <http://www.gov.sk.ca/psc/publications.htm>.

Financial overview

The following is a list of the Commission's major programs and spending. For further detail, see the Commission's 2003-2004 Annual Report available on its web site.

	Original <u>Estimates¹</u>	<u>Actual</u>
	(in thousands of dollars)	
Administration	\$ 1,480	\$ 1,501
Accommodation and Central Services	711	698
Human Resource Information Services	1,286	1,226
Employee Relations	1,570	1,538
Human Resource Development	2,772	2,900
Aboriginal Internship and Management Development Program	<u>735</u>	<u>652</u>
	<u>\$ 8,554</u>	<u>\$ 8,515</u>

Audit conclusions

The following are our audit conclusions for the fiscal year ending March 31, 2004.

In our opinion:

- ◆ **the Commission had adequate rules and procedures to safeguard public resources and comply with authorities governing its activities; and**
- ◆ **the Commission complied with authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing and investing.**

The rest of this chapter discusses our planned audit of human resource planning at the Commission.

The importance of human resource planning

To have the right people, in the right jobs, at the right time, the Government needs to have effective human resource planning. Human resource planning enables the Government to provide public services effectively and meet its goals.

¹ Saskatchewan Finance, *Saskatchewan Estimates 2003-04*

In Saskatchewan, there is shared accountability for human resource planning between the Commission and the departments. The Commission is accountable to:

- ◆ lead the development of a Corporate Human Resource Plan;²
- ◆ coordinate human resource initiatives across the departments;
- ◆ ensure alignment of activities with priorities across the departments;
- ◆ establish measures, evaluating and reporting progress in human resource planning; and
- ◆ provide an annual progress report on human resource planning activities for both the Commission and departments.

The departments are accountable to:

- ◆ partner with the Commission in developing the Corporate Human Resource Plan;
- ◆ ensure alignment of the departmental actions to the Corporate Human Resource Plan;
- ◆ provide progress reports to the Commission on human resource planning activities under their plan; and
- ◆ support human resource priorities across departments.³

The public service includes more than 10,000 government employees, primarily in departments.⁴ It does not include employees of most Crown corporations, commissions, and agencies, except where legislation specifically includes them. These agencies have separate human resource planning processes.

² The Corporate Human Resources Plan, which integrates human resources actions planned by all departments, is contained in the *2004-2005 Saskatchewan Provincial Budget Performance Plan, Saskatchewan Public Service Commission*.

³ Based on Public Service Commission, 2003-04 Annual Report, p.5.

⁴ Public Service Commission, 2003-04 Annual Report, p.5.

The Commission has identified trends and issues that present risks to the adequacy of the Government's human resources. For example:

- ◆ demographic shifts will affect the Government's ability to attract and retain employees;
- ◆ the need for a supportive workplace and work environments that promote learning; and
- ◆ the need to modernize human resource management systems, processes, and practices.⁵

By effectively leading human resource planning across the departments, the Commission can assist the Government to manage these risks, deliver services, and achieve its goals.

Leading human resource planning—criteria

During 2004-05, we are auditing whether the Public Service Commission has adequate processes to lead human resource planning across the departments. This section does not contain the results of this audit but sets out our audit objective and outlines our audit criteria. To help improve how the Government is managed, our Office encourages sharing of criteria. In this section, we share the criteria to help other agencies that guide planning for multiple organizations.

Our criteria describe the key processes that we expect the Commission to use to lead human resource planning across departments. To identify these criteria, we examined international literature, government documents, and the work of other legislative auditors. A recognized expert in the area of human resource planning assisted us. The Commission agrees with these criteria. (See Exhibit.)

Exhibit—Audit criteria

Adequate processes to lead human resource planning across departments means that the Public Service Commission will:

1. Guide human resource planning strategically over the long term
 - 1.1. develop mechanisms to align with the Government's strategic direction;
 - 1.2. set out guidelines for department human resource planning;
 - 1.3. communicate the Government's human resource priorities;
 - 1.4. provide planning expertise to departments;

⁵ Public Service Commission, Departmental Plan 2004-05 & 2005-06, January 2004, p.3.

- 1.5. provide departments with access to reliable planning information.
2. Manage human resource risks across departments
 - 2.1. consult with stakeholders about emerging issues;
 - 2.2. identify key human resource risks including optimal risk levels;
 - 2.3. develop action plans to address human resource risks;
 - 2.4. share relevant strategies to address risks;
 - 2.5. monitor achievement of planned human resource results across departments.
3. Analyze department human resource planning
 - 3.1. assess key planning processes of departments;
 - 3.2. evaluate plans of departments;
 - 3.3. provide feedback to departments.
4. Build capacity for human resource planning within departments
 - 4.1. remove barriers to capacity of departments;
 - 4.2. share best practices with departments;
 - 4.3. facilitate training for human resource planning.

In the next four sections, we outline the criteria we will use to examine whether the Commission has adequate processes to lead human resource planning across departments. These are not audit findings.

Guide human resource planning

The Commission is responsible to guide the departments' human resource planning strategically and over the long term. Department human resource plans must align with the Government's strategic direction. We expect the Commission would develop mechanisms to promote this alignment.

We expect the Commission to communicate the Government's human resource priorities to departments. These priorities would describe the Government's overall expectations for human resources. The expectations would specify intended achievements (i.e., performance targets) and would outline how to measure progress (i.e., performance measures).

To lead human resource planning, we expect the Commission to provide guidelines for both the planning processes and the content of department plans. The guidelines could address issues often faced by departments.

The Commission would provide departments with access to reliable human resource planning information. Information such as demographics, and workforce supply and demand forecasts would help guide department planning. It would assist departments to identify long-term risks to their human resources. The Commission would consult with departments and also provide technical assistance and expert advice.

Manage human resource risks across departments

Part of the Commission's role to lead human resource planning across government is to identify and manage key human resource risks. This includes risks facing the departments as well as the Government as a whole.

We expect the Commission to regularly consult with departments and other stakeholders (such as Crown agencies, other levels of government, and business). The Commission would use these consultations to identify emerging issues. The Commission would highlight key human resource trends and risks. We expect the Commission would develop action plans and share important strategies to manage the risks it identifies.

As part of managing risks, we expect the Commission to monitor the achievement of desired human resource results. We expect the Commission would establish measures and targets to help monitor progress across departments. Further, we expect the Commission would report human resource results.

Analyze department human resource planning

To lead human resource planning across government, we expect the Commission to evaluate the human resource plans produced by the departments. The Commission would provide timely feedback to departments on these plans. It would alert departments to gaps in their plans. We expect the Commission would identify areas where department plans did not align with the Government's strategic direction, and provide advice.

We also anticipate that the Commission would assess the processes that departments used to develop their human resource plans. It would

provide feedback to departments to help them continuously improve their processes for human resource planning.

Build capacity for human resource planning within departments

Leading human resource planning across departments also means helping departments to increase their capacity to plan for human resources.

Sufficient competencies and resources are key to effectively planning for human resources. We expect the Commission to work with departments to identify barriers that impede their ability to plan. We anticipate that the Commission will help departments to remove these barriers.

We expect the Commission to build department capacity to plan by serving as a source of information and advice for human resource planning. We anticipate that the Commission would identify and share best practices. We expect the Commission would facilitate training designed to assist departments to improve their capacity.

Next steps

We will use the criteria described above to audit the Commission's processes to lead human resource planning across departments. We plan to report the results of our audit in Volume 1 of our 2005 Report to the Legislative Assembly.

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