



FEDERAL PUBLIC SECTOR – EMPLOYER OF FIRST CHOICE OR OF LAST RESORT

In recent years and particularly during the current economic downturn in the U.S. and in Canada, there have been numerous media and other commentators who have addressed issues surrounding the health of the federal public sectors in both countries. Let's face it, when unemployment rates are going up, government deficits increase, and a recession continues over a long period of time, the first thing that governments and taxpayers look for are possible cutbacks in the public sector. However, at no other time in our history has there been a real need to understand the emerging issues underlying the fundamental changes occurring in government operations and its workforce, including the impact of new technologies, fiscal restraint measures and government debt reduction. To determine whether government is an employer of 'first choice' or 'last resort', these issues need to be addressed.

What are some of the outstanding current and emerging issues found in the federal public sector?

In Canada:

- ☞ Retirements have been increasing rapidly in the federal public service since the start of the millennium as the leading edge of the baby boom generation calls it quits, according to a 2007 StatsCan study: [Federal Public Service Retirements: Trends in the New Millennium](#).¹
- ☞ Federal public servants covered by the *Public Service Employment Act* are 5.3 years older on average than workers in the general labour force, and they also tend to retire 3.2 years earlier.
- ☞ Baby boomers are the driving force behind current retirements. In the fiscal year 2006/2007, they made up two-thirds of the workforce and two-thirds of retirements.
- ☞ In 2006, knowledge-based workers, such as scientific and professional workers and those in computer systems, represented 58 percent of federal workers in the Core Public Administration*. During the mid-1990s, they represented only 41 percent. Employment in the less knowledge-based occupational categories dropped by about 35,600, from 106,000 in 1995 to just over 70,600 in 2006.²
- ☞ In 1995, nearly 46 percent of employed Canadians were women. By 2006, this proportion had grown to over 47 percent. In contrast, in 2006, women accounted for the majority (54 percent) of all Core Public Administration employees, up from only 46 percent in 1995.
- ☞ The President of the [Public Service Commission of Canada](#), told the Senate's human rights committee in March 2009 that the federal government was hiring visible minorities at a rate that exceeds their labour force availability of 12.5 per cent.³

* Core Public Administration consists of federal employees, excluding the RCMP, Canadian Forces and 'separate agencies' such as the Canada Revenue Agency (formerly labeled as crown corporations).

¹ *Retirements in the federal public service – 2007*: The Daily, StatsCan, May 9, 2008

² *Employment trends in the federal public service - 1995 to 2006*: The Daily, StatsCan, March 5, 2007

³ *Number of minorities in PS higher than reported*: Kathryn May, The Ottawa Citizen, March 24, 2009

In the United States:

- ☞ In these times of high unemployment and economic uncertainty, federal workers are continuing a trend of job satisfaction, giving the Obama administration good marks for its leadership of agencies, although remaining skeptical on a key point: that career advancement in the government is based on merit. Recent federal employee viewpoint survey results are available at the [Office of Personnel Management](#).⁴
- ☞ Progress in promoting women to the top levels of the federal civil service has “lately been more like a leaky faucet in Uncle Sam's kitchen.” While men and women are close to being equally represented in the lower grades of the federal workforce, “at the higher levels women are woefully falling short of their male counterparts,” according to a recent report by the group [Federally Employed Women](#), appropriately referred to as FEW.⁵
- ☞ A report issued in July 2010 by the [Partnership for Public Service](#) and the consulting firm Booz Allen Hamilton on government teleworking efforts noted that the talk about the desirability of telework in government has led to insufficient progress and action. Citing Office of Personnel Management data, the report noted that less than 6 percent of all full-time federal workers telework even one day a month. The researchers also found that management resistance is the most common barrier and is one big reason telework is not used more. A recent survey of federal workers also found that just 10 percent do their jobs from home.⁶
- ☞ An April 2010 survey indicated that the prospect of a heavier workload and resulting negative impact at home was deterring federal workers from joining the top civilian ranks of the government. According to the [Senior Executives Association](#) (SEA), the government’s Senior Executive Service (SES) is facing the likelihood of a massive turnover in the next decade, with about 90 percent of its 8,000 members eligible for retirement. Concerned that the government will fail to attract and retain talented replacements, the Association conducted an online survey of workers at the top of the General Schedule pay scale to gauge their interest in transitioning to SES. “It's not like there's nobody applying for the positions, but the question is, are we going to get the best?” said SEA President Carol Bonosaro. Respondents cited as their primary deterrent to applying for the SES the possibility of being transferred or reassigned elsewhere in the country, followed closely by the potential effect on the balance of work and family responsibilities. Both concerns were mentioned by slightly less than half of those surveyed. As per the SEA President: “They see people sending e-mails at midnight and having difficulties with career-political relationships.” Interestingly, same survey respondents did not cite compensation as either a major attraction or detraction to joining the service.⁷
- ☞ President Obama's ambitious plans to reform the federal hiring process appear to be in danger of being stalled by a corps of personnel staffers who are not equipped to do the job. That's one conclusion from some 68 government chief human capital officers outlined in an August 2010 report by the [Partnership for Public Service](#). As identified by the officers, the “competency of HR workers” is one of seven “major obstacles to building a first-class federal workforce”. The report notes that it's not that the HR professionals are incompetent, but that they don't have the training or the technology needed to keep up with a quickly changing workplace.⁸
- ☞ Diversity in the federal workforce has been a mixed bag over the past 10 years, according to a 2010 report issued by the [Equal Employment Opportunity Commission](#). The 2009 [Annual](#)

⁴ *Survey says: Federal workers are glad to have their jobs*: Ed O'Keefe and Joe Davidson, Washington Post, July 12, 2010; A13

⁵ *Hiring rate stalls for women in top federal government jobs*: Joe Davidson, Washington Post, April 7, 2010; B03

⁶ *Obama administration needs to work more on telecommuting, report says*: Joe Davidson, Washington Post, July 1, 2010; B03

⁷ *Survey finds interest in top civilian government jobs waning*: Ed O'Keefe, Washington Post, April 21, 2010; B03

⁸ *Key personnel officials identify obstacles to federal hiring reforms*: Joe Davidson, Washington Post. August 18, 2010; B03

“Healthier organizations mean more productive employees.”

[Report on the Federal Work Force](#) also shows that the percentage of men among federal employees dropped to 55.9 percent in fiscal 2009, down from 57.7 percent in 2000, while women increased to 44.1 percent from 42.3 percent. Diversity was not helped by a small decline in the employment of African Americans, although the portion of Latinos grew slightly.⁹

Governments' Issues of Mutual Concern

When it comes to both federal public sectors, it is evident that there are issues of mutual interest:

- ☞ There is an aging workforce with the strong possibility of losing a large number of experienced workers (e.g. baby boomers) to retirement over the next five years.
- ☞ There is a need to modernize and revitalize the public service to deal with the changing roles of government in the twenty-first century, including a greater use of telecommuting and social networking.
- ☞ There is a growing need to increase workforce diversity to better reflect and interact with the increasingly diverse population at large.
- ☞ Women will play a greater role in senior management than ever before, thereby requiring provisions allowing for more flexible working arrangements and innovative career development tools, especially for working mothers.
- ☞ In light of projected critical skill shortages, the public sector will have to compete with the private sector for the best of the current knowledge workforce and of the new generation of knowledge workers entering the labour market.
- ☞ Recruitment, job classification and promotion processes will have to be streamlined, expedited and perceived to be based largely on merit.

Interestingly, surveys of both Canadian and American federal public sector employees have shown that, while compensation and benefits are still important, they are not necessarily the primary considerations for public service. Although both federal governments by the mid-nineties had adopted provisions for performance bonuses, the assessment processes have since only been tweaked from time to time. Basically, the main issue continues to be that both compensation and job classification systems have more or less remained the same for years. Inevitably, the notion of performance-based compensation systems will continue to surface from time to time. Indeed, there has been a clear recognition that the traditional federal evaluation and rewards approach, primarily based on subjective ratings by supervisors, has been a complete failure.

The principal findings of recent surveys continue to indicate that public sector employees believe in the importance of their work and perceive such employment as a means to improving important elements of both societies and contributing to the resolution of environmental, public health and safety concerns.

However, students of the public sector criticize both governments for not having enacted previously recommended innovative changes to employment conditions. Studies abound only to be shelved by subsequent governments. Needless-to-say, the resulting slow pace of change may be partly attributed to the need to interact with organized labour and employee groups. As a result, some believe that the public sector is years behind the private sector when it comes to accommodating and attracting the new generation of knowledge workers. Some even argue that current government initiatives are too late given the forecast of future critical skill shortages in both countries.

Fiscal Restraint and Governments' Options for Transformation

In the past, one of the main reasons for seeking public sector employment was the perception of job security, usually for the life of one's career. However, during the last two decades, downsizing and

⁹ *EEOC tweaks government for not reflecting American tapestry*: Joe Davidson, Washington Post, August 10, 2010; B03

reengineering exercises occurred among federal public sector agencies. Indeed, with the large national public sector debt and budget deficits in both countries, there is little doubt that governments will eventually be forced to tighten their belts once again. Imminent pay freezes and job cuts in the public sector threaten to make the war for talent even harder to win.

As is the case in the private sector, if the public sector is to emerge from this difficult period in a position of strength, the emphasis must be on transformation, rather than just cost-cutting. Increasing efficiency is not necessarily the same as just freezing or cutting back spending. Transforming and modernising a large, often unwieldy, organisation is extremely difficult and requires a very specific set of skills and expertise.

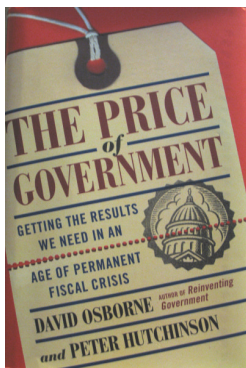
Transformation is about taking a strategic approach, considering not just the skills that are needed today but also those that will be required in the future. This might mean bringing in specific people with specific skills or experiences, even while recruitment is frozen across the rest of the organisation.

*In bureaucratic jargon, the solution is known as “strategic human capital management.” In simple, terms, it means making sure you have the right people, with the right skills, for the work you need done.*¹⁰

The public sector must ensure that it creates a healthy culture that rewards employees by identifying gaps in current employee development and career opportunities, including those obstacles potentially affecting the recruitment and retention of diverse groups.

Moreover, with public sector employers no longer able to rely on job security alone to attract and retain high quality candidates, a strategic transformation is required with an eye to making public bodies the ‘employer of choice’ for the next decade and beyond.

Recommended Reading:



“The Price of Government”
by David Osborne and Peter Hutchinson
(Basic Books, New York, NY, 2004)

Recommended Web Sites:

- ◆ U.S Senior Executives Association: <http://www.seniorexecs.org/>
- ◆ Office of the Chief Human Resources Officer – Treasury Board of Canada Secretariat: <http://www.tbs-sct.gc.ca/chro-dprh/ex-eng.asp>
- ◆ U.S. Office of Personnel Management: <http://www.opm.gov/index.asp>
- ◆ Association of Professional Executives of the Public Service of Canada: <http://apex.gc.ca/en/default.aspx>
- ◆ U.S. Partnership for Public Service: <http://ourpublicservice.org/OPS/>
- ◆ Public Policy Forum – Canada: <http://www.ppforum.ca/>

¹⁰ *The Price of Government*: David Osborne and Peter Hutchinson (Basic Books, New York, NY, 2004), p. 142
“Healthier organizations mean more productive employees.”