

SPEAKING NOTES
Peter Harder
PS Transitions Conference
September 3 - 5, 2002

1. I am delighted to be here today to share with you Industry Canada's experiences in the recruitment and retention of university graduates. With such diverse organizations within the department as the Competition Bureau, the Canadian Intellectual Property Office, the Office of the Superintendent of Bankruptcy, and the Communications Research Centre, to mention a few of many, our workforce of 5800 is largely comprised of highly skilled knowledge workers in the Commerce, Economist, Engineering, Research and Computer Services groups.
2. To give you some sense of the growth rate we are experiencing, and the accompanying challenges, over the past two years the Commerce Officer group has grown by 18%, the Computer Services Group by 30% and the Economists group by 13%. In addition, the number of Patent Officers, many of whom have post-doctoral degrees, has grown by 26%. In all case, we expect the growth to continue.
3. To meet these needs Industry Canada has long been an active recruiter of university graduates through a number of programs. Over the past decade, our University Recruitment Program alone has brought 280 high-calibre graduates into the department - a group which largely parallels in size, education and gender, the group surveyed in "Searching For Satisfaction."
4. Three years ago we were experiencing near-crisis situations in some recruitment areas such as Engineers and Researchers, and we were less than satisfied with our recruitment results overall. In addition, recruits brought in through our annual campaign were leaving at the rate of 10% a year, and other new highly skilled recruits in some key groups were leaving at a rates as high as 30%. The booming ITC sector was no doubt one reason for this, but this alone could not account for all of our difficulties. Our ability to meet our business objectives was being severely compromised, and the return on our recruitment investment was simply unacceptable.

5. We - and by this I mean senior management of the department working with the human resource specialists - approached the challenge on a number of fronts, and developed multi-pronged solutions based on solid research and detailed workforce analysis, driven by business needs. On recruitment -

6. We got targeted. We targeted our promotional materials to reflect what research told us would attract different groups. To attract mid-career patent examiners, we emphasized benefits and the pension plan. To attract young recruits we focussed on the varied and interesting work we had to offer. We researched campus organizations such as Aboriginal Engineering Associations, of which there are several, and targeted them with appropriate material. We tailored our material, our recipients and our delivery mechanisms to maximize success.

7. We changed our approach to campus visits. While we still send those DGs and Directors who have hiring needs, we also send with each team a recent recruit from that university. Their campus connections not only open doors and provide access we would otherwise not have, recruits report that these people are the single most influential factor in their decision to pursue a position with us. This year we hope to make strategic use of key partners in the Industry Canada portfolio, such as Marc Garneau, the recently appointed president of the Canadian Space Agency, in our campus visits.

8. We got faster - a LOT faster. Working with colleagues at the Public Service Commission, and based on a well-researched business case, we were successful in receiving recruitment authorities for key groups such as Engineers and Researchers. As a result, we can now make an offer within 48 hours of meeting a potential new employee. We also take full advantage of other recent PSC initiatives such as bridging programs that allow us to hire, as permanent employees, former summer and co-op students. Last year we changed our recruitment campaign so that offers went out 6 weeks earlier, an effort which notably improved our acceptance rates. However, we recently decided that even this is not good enough, and in future we will recruit all year around by using the internet. We will still make campus visits, but these will be to promote the department as a whole and its wide variety of interesting work, not to fill specific vacancies. We also got faster on our decision-making. If part of our

recruitment program needs to be changed, the decision has to be made quickly or opportunities will be lost, and the business affected as a result.

9. The results of these changes have been marked. We met our recruitment goals for all groups this year, for the first time in a long while, and we are very satisfied with the quality of those we have attracted. However, we are far from complacent - we will keep researching what is working and what is not and will continue to adjust quickly to ensure that we remain successful and well- positioned to achieve our business objectives.

10. Turning now to retention, there is a massive amount of research available on what it takes to retain recent graduates, and there are recurring themes throughout. At IC we are focussing on four of these areas. First -

11. It Is All About the Work ...

Again and again, we have found that the key to retention is challenging work. Compensation is not irrelevant, especially for younger recruits for whom student loan burdens are increasingly a concern, but compensation differentials need to be substantial to overcome the attraction of a challenging position. As for what comprises compelling work, we have found that we need to provide an appropriate level of responsibility, the ability to get things done or to see a project to completion, association with a leading edge and innovative project or program, the opportunity for diverse work, and the “chance to be at the centre of things .. September 11, the ice storm, working for the greater good.” We have instituted rotational programs for recent recruits across the department to facilitate their access to challenging assignments, and are increasingly including them in trade missions, executive conferences, and decision-making committees. We have made our compensation scheme more flexible to allow us to promote and compensate recruits at a rate commensurate with their individual progress. Wherever possible, we ensure that they themselves present their work to senior staff and to departmental committees. However, even the most challenging of work cannot overcome ...

12. Who You Work For ...

Research invariably finds the quality of the immediate supervisor in the top three reasons for departures of recent hires. A 1999 UK study of graduate retention concluded that GEN Xers are prepared to trade **any element** of an employment offer in order to obtain a high quality immediate manager.

13. At Industry Canada we are increasingly conducting entry interviews of new hires within 3 - 4 months of their arrival so that we can identify any frustrations and try to address them before the recruit heads for the door and tells us why in an exit interview.

14. We have created a manager's secretariat to help us focus our efforts on behalf of this group and have revamped our corporate training calendar to include more communications and people management offerings for managers. We have also found that markets prevail - word quickly gets around amongst recruits re who are the progressive managers to work for, and who to avoid. It is important to acknowledge these efforts, reward those managers who are clearly succeeding, and pass on best practices.

15. Also, to ensure that our investments in this area are the right ones, we are working with D- Code, a Toronto-based firm specializing in helping organizations tap into the workplace expectations of the info-age generation, to help us determine exactly how to maximize our retention efforts. In the next few months, they will be surveying several hundred of our recent recruits on their personal experiences and expectations and then conducting brain-storming sessions to shape concrete, practical retention initiatives. We are also working with Professor Lorraine Dyke of Carleton University in her work on Values and Career Transitions, to learn more about how to retain employees at different stages of their career. But having challenging work for a great manager is only a winning combination if an employee can still ...

16. Have a Balanced Personal Life

Fifty six percent of public servants in a recently released Conference Board Report on recruitment and retention noted better work life balance as the reason for leaving their current position. Gen X employees in particular are less prepared to commit their discretionary time to

the workplace at the expense of family time and their health. High stress levels, increased use of sick leave and skyrocketing insurance costs are indicators of a business model in crisis, one that is not sustainable for a high performing organization over the medium or long term, and not desirable even in the short term.

17. At Industry Canada, we facilitate sessions by experts in fields identified by our employees as major sources of stress. These include sessions by experts in eldercare (a burgeoning area of concern), dealing with troubled teens, nutritional counselling and relaxation techniques. The sessions are highly valued, and many are over-subscribed.

18. We recently engaged the services of a company specializing in executive health care. We had intended to conduct a pilot of ten volunteers to undergo a thorough medical, fitness and lifestyle assessment. Four hours after the notice went out, we had the pilot fully-subscribed and we immediately expanded to include all interested executives - 29 to date.

19. While our employees have indicated that they are very happy with the range of alternate work arrangements available to them, we continue to look at new options for flexible work and at strategies to increase their use. We also accept that there are a large number of informal work arrangements taking place within the department, and we do not waste energy trying to “bureaucratize” them. But irrespective issues around of personal balance, employees at all levels still want...

20. Opportunities For Career Development.

For recent graduates in particular, as mentioned earlier, the most valued career development opportunities are not classroom training, but rather opportunities for stretch assignments, task force or special project experience, and high profile assignments.

21. The provision of mentors and coaches is valued, as is access to high quality career counselling. We have increased by 50% a year in each of the last three years, the funds we invest in career counselling for executives and those two levels below the executive level. We

have a very busy internal career counselling service for all other employees, as well as a department- wide mentoring program.

22 . The existence of structured internship or career progression programs is valued as both a recruitment and retention feature, particularly if it combines traditional learning with assignment rotation. We have such programs in place in a number of areas of the department and are working on more.

23. As for recruitment, retention efforts are also on-going, never enough. As a result of these recent efforts, our departure rate for university recruits in 2001-2002 was 4 %, down from 10% in each of the two previous years. However, there is still much to do - we need to do more to reduce workload so managers have the time and energy to go on training to improve their people skills. We'd like to work with central agencies and our unions to pilot a payback program for recruits with heavy student loan obligations, what the Brits call a "golden hello." We need to continue to work on our performance regimes and our management of poor performers. We need to move our culture so that people management, not just file and crisis management, are valued.

24. I'd like to take a moment to address a few more strategic issues that I feel are important to acknowledge if we are really committed to making the federal public service a workplace of choice.

25. As mentioned above, good recruitment and retention decisions need to be based on up-to-the-minute research. In addition to "Searching For Satisfaction", Industry Canada also participated in "Building Tomorrow's Public Service Today - Challenges and Solutions in Recruitment and Retention", a study released in July by the Conference Board of Canada. We were also one of the participants in the National Work Life Conflict Study jointly produced by Carleton and Western Universities, which was the subject of recent media attention and about which you will hear more tomorrow. We will soon have the results of the second public service- wide survey. Are the results always positive ? No. Sometimes, they are scathing. Do they present a problem for senior management ? Often. Should we stop participating in

these initiatives ? Absolutely not. But it's time to recognize that the data is in and we need to act. That is what we've tried to do at Industry Canada.

26. It is important that we keep asking employees how we can improve, and even more important that we look for increasingly creative solutions and implement them quickly. We will **not** create a compelling workplace for future generations if we lack the courage to ask the tough questions, no matter the response. We will **never** provide Canadians with the quality public service they deserve and demand if we fail to create a more innovative and productive workplace , because we fear that some of what we try will not succeed.

27. This brings me to Human Resource Modernization. The federal public service does not have a stellar record when it comes to implementing large modernization initiatives, particularly those in the realm of human resources. I believe that HR modernization will happen - the Clerk has stated publicly that we **will** have HR reform and that there **will** be legislative change. Yes, there have been stops and starts in the process, as one would expect to find with any large fundamental shift. I can tell you from personal involvement that behind these stops and starts have been invigorating discussions between deputy colleagues, honest differences of opinion, evolving understandings of various options, and an emerging consensus around significant change. But we have to get it right. In the meantime, I hope I have been able to demonstrate that much progress can be achieved within the current system.

28. The process will continue to take time, but in my view we have lots to keep us occupied in the interim. We should be ensuring that we are taking advantage of **all** our current flexibilities, working with central agencies and bargaining agents to add innovative initiatives to our toolkits within the current flexibilities, and sharing our best efforts with colleagues. I hope I have succeeded in doing some of that this evening, and I look forward to the outcome of the next two days.

+++++

- Obviously we need to improve and to do so immediately, if we are to maintain a high-quality federal public service. The good news is that the solutions are many and obvious - improve

manager's people skills, keep working on new and innovative solutions to work life balance, focus these efforts first on that all-important immediate manager.

- However, realistically, we need first to improve the work environment for managers themselves so that they have the available time and energy to participate in training, to manage staff instead of files and to feel comfortable allowing valued staff to leave on stretch assignments.

- While major public service reform will reduce the administrative burden on managers and provide more flexible work place tools, we clearly cannot afford to wait for legislative change. Many of the required solutions are in the hands of individual departments and doable NOW. Acting locally and acting quickly has rarely been more pressing.

- This brings me to our first lesson learned - don't base your recruitment and retention strategies on perceptions and conventional wisdom, however well-intentioned. The average departmental Executive Committee is NOT likely to be in touch with what it takes to attract and retain Gen-Xers. Nor can you rely on your HR specialists. A recent private sector study in the United States asked Human Resource Specialists to list the top ten attributes that would help them retain their high potential employees. They then asked high potential employees to list the top ten attributes that would keep them in the workplace. The coincidence between the two lists - 0%. Industry Canada was an active participant in all of these studies, and as well we conduct exit interviews for those who leave us and entry interviews for many of our new recruits within three months of arrival.

- The key to success - research, research, research. Varied research, targeted research, research by gender, age, years in the workforce, education level and other key variables - all of it VERY

Not surprisingly, the Conference Board notes that over 65% of governments at all levels listed providing managers with people skills as their number one retention initiative