Audit of recruitment and staffing

Office of Audit and Evaluation

December 11, 2024

Copyright statement

The National Research Council of Canada (NRC) employs over 4,200 continuing and term employees in scientific, technology, engineering and mathematical roles, as well as a wide array of administrative and other specialist positions. The success of the NRC is dependent upon recruiting and hiring the best and the brightest from an increasingly competitive labour market. The NRC faces fierce competition from universities, research and technology organizations, other government departments and the private sector. As the NRC implements its next five-year strategic plan, identifying, attracting, and hiring quality talent will be essential to sustain the highly skilled workforce necessary to deliver on its objectives.

The Human Resources Branch (HRB) attracts, develops, and supports the NRC's top calibre workforce. HRB's hiring specialists partner with hiring managers from 28 branches, research centres and IRAP (CBI) to source outstanding talent for the NRC. As of March 31, 2024 HRB consisted of 146 human resource professionals. From drafting statements of qualifications, to advertising and preparing terms and conditions of employment, hiring specialists coordinate the hiring process from vacancy through to the offer of employment.

As a separate employer within the federal government, the NRC has its own human resource policy suite. This provides additional flexibility to meet the NRC's human resource needs. The NRC workforce is comprised of 14 job classifications of which 10 are governed by collective agreements between the employer and the respective bargaining agents as well as the directives of the National Joint Council. As such, the NRC's policies and procedures must adhere to these agreements and directives.

The NRC's hiring policy establishes guiding principles that support hiring practices and outlines the responsibilities and accountabilities of managers, human resources professionals, and candidates. This audit examined recruitment and staffing activities conducted throughout fiscal year 2021-22 and 2022-23. During these 2 years, the NRC administered 1,378 competitive hiring actions. Given these activities require considerable resources and time to complete, it is important that recruitment and staffing processes are efficient and effective.

Figure 1. Summary of the total number of NRC active continuing and term employees from 2018-19 to 2023-24.
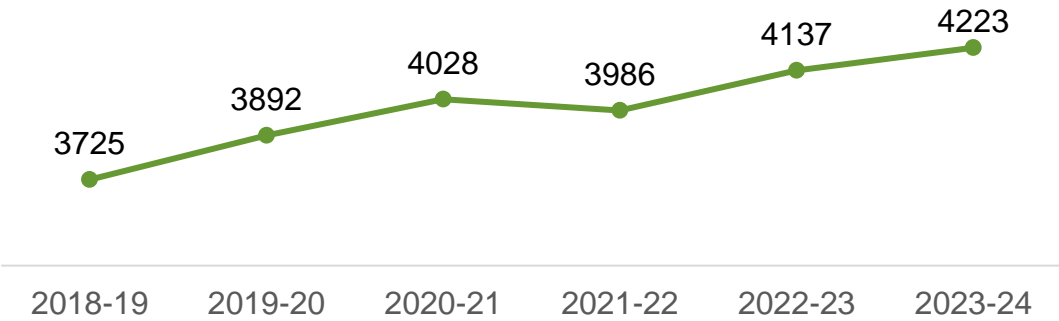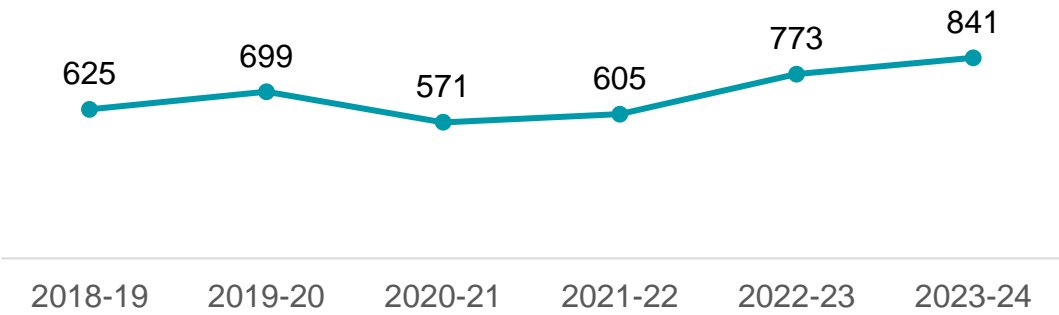

Figure 2. Summary of the total annual number of competitive hiring actions completed from 2018-19 to 2023-24.

What we found

The service levels provided by the HRB for competitive hiring actions compare very favourably to the overall federal public service. This demonstrates HRB's client-focused approach in its service delivery. The NRC has invested in SuccessFactors, an integrated talent management software solution. All hiring activities and resultant data are managed and tracked within this system. SuccessFactors allows hiring managers to complete the recruitment, assessment, screening and selection of successful applicants within a single application. Additionally, SuccessFactors serves as a valuable source of information for the annual NRC Enterprise Human Resources Report. Recently, the HRB has improved the format of this report making it more dynamic and user-friendly. However, some CBIs continue to experience additional challenges recruiting and hiring required talent within expected timelines.

Audit opinion and conclusion

In my opinion as Chief Audit Executive, the NRC has established procedures and internal controls in support of recruitment and staffing. Opportunities for improvement exist for:

- more flexible policies and procedures
- timely communication regarding roles and responsibilities
- consistent performance reporting; workforce planning
- data analysis

These recommended improvements will further enhance the effectiveness of recruitment and staffing at the NRC.

Statement of conformance

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing and is supported by the results of the Office of Audit and Evaluation's Quality Assurance and Improvement Program.

Introduction

1. Objective

The objective of the audit was to provide assurance on the effectiveness of the NRC's recruitment and staffing activities in support of strategic and operational goals.

2. Scope

The audit examined recruitment and staffing activities from April 1, 2021 to March 31, 2023. For the purposes of this audit, recruitment is defined as the initial stage in the process and involves identifying and attracting potential candidates to apply for a job opening. Staffing is defined as the process of selecting and hiring the best candidate for a specific job vacancy.

Our analysis included the:
- policies, processes and guidance
- effectiveness of recruitment and staffing efforts
- information systems supporting recruitment and staffing activities
- information available for decision making

3. Approach

The audit was conducted in accordance with the Government of Canada's Policy on Internal Audit, which requires examining sufficient and relevant evidence, and obtaining sufficient information and explanations to provide a reasonable level of assurance in support of the audit conclusion.

The audit approach included, but was not limited to the following:
- interviews with management and key stakeholders within corporate services and research centres, branches and organizational units
- review of processes and methodologies, and examination of outputs and other relevant supporting data
- examination and verification of the accuracy of key performance measures

Where appropriate, identify areas for improvement and make targeted recommendations.

Context

The NRC's hiring policy provides direction and flexibility for management to meet its current and future human capital needs in a changing and fast-paced environment. It establishes guiding principles that support NRC hiring practices and outlines the responsibilities and accountabilities of managers, human resources professionals, and candidates.

What we expected to find

We expected to find that policies, processes, and guidance were in place, regularly updated, and aligned with organizational priorities. Additionally, we anticipated that roles, responsibilities and accountabilities for staffing were defined and communicated and that performance indicators were defined, relevant and monitored to measure recruitment and staffing performance and make course corrections as needed.

Key findings

Hiring policy and procedures require periodic review and updates

The Human Resources Manual is the official NRC document containing the approved human resources hiring policy, programs and procedures. The NRC hiring policy must comply with the *National Research Council Act*, the *Official Languages Act*, the *Employment Equity Act*, the *Canadian Human Rights Act* and the *Privacy Act*. It must also respect the agreements made during collective bargaining processes. The NRC hiring policy and corresponding procedures were originally implemented in 2013 and were last updated in 2019.

Through stakeholder interviews, it was determined that some elements of the policy and procedures are outdated and do not reflect or support the challenges within the current labour market and human resourcing environment. The Human Resource Manual did not include specific guidance for some flexible recruitment and hiring options available to the NRC as a separate employer within the Government of Canada. We also found that the manual references legislation repealed in 2003.

HRB has not assigned personnel responsible for reviewing and updating the policy and procedures. Currently, changes are addressed on an as-needed basis in response to changing priorities or external legislative and environmental influences. Outdated policies and procedures may not support the current needs of the NRC, resulting in lost time, resources and increased costs.

Recommendation 1

The Vice-President, Human Resources should ensure policies, procedures and guidance are updated and maintained in accordance with an established schedule.

Management action plan:

➜ The NRC hiring policy will be reviewed and updated, with a planned implementation of the first quarter of fiscal year 2025-26

➜ Associated hiring procedures will be reviewed and updated in fiscal year 2025-26

Expected implementation date: April 30, 2025

Contact: Director, Human Resources Operations

Roles and responsibilities are not well understood

Hiring managers hire candidates on behalf of the NRC and are accountable for the hiring activities they oversee in accordance with NRC plans, policies and hiring procedures. They are responsible for defining hiring requirements and determining the appropriate hiring mechanism. Hiring managers screen, assess, and select candidates to meet current and future capability needs of the NRC. Human resource professionals assist hiring managers by providing recommendations, advice and policy interpretation on hiring to ensure consistency across the NRC. They maintain the hiring systems and are responsible for preparing appropriate documentation.

Human resource professionals are divided into 2 separate teams; the client services team and the hiring services team. The client services team consists of human resource business partners and human resource coordinators. When a staffing action is required, the human resource business partner is the first point of contact and assists hiring managers in determining the best way to proceed. They provide strategic advice and also assist with issues that may arise within the current workforce. The hiring services team is comprised of hiring advisors and hiring coordinators. They partner with hiring managers to facilitate the recruitment and staffing process. From drafting statements of qualifications to advertising and preparing terms and conditions of employment, the hiring services team coordinates the hiring process from vacancy through to an offer of employment.

We found that hiring managers often did not understand the differences in the roles and responsibilities of these 2 teams. In some instances these misunderstandings caused delays as initial service requests needed to be reassigned to the appropriate HRB personnel. Misunderstandings by hiring managers of their own roles and responsibilities and those of the 2 service teams cause unnecessary delays in recruitment and hiring processes.

Recommendation 2

The Vice-President, Human Resources should ensure that hiring managers are informed of their roles and responsibilities as well as those of the hiring services team and the client services team prior to the commencement of each competitive hiring action.

Management action plan:

➜ A dedicated landing page in MyZone will be created, focused on the hiring process including an overview of roles and responsibilities

➜ Supervisor Essentials session will be developed and conducted on the hiring process and roles and responsibilities, with a link to the recorded session made available

➜ Training will be provided to the human resource business partner personnel and hiring advisor communities on providing a clear overview to hiring managers on the roles and responsibilities in the hiring process, and directing hiring managers to existing resources (such as MyZone page and Supervisor Essentials recording)

➜ Collaboration amongst HRB personnel, hiring advisors and clients will be further developed by including hiring advisors earlier in the:

  • hiring action conversation
  • client workforce planning process as it relates to the development of hiring plans
  • management meetings when hiring action updates and planning are being discussed

Expected implementation date: March 31, 2025

Contact: Director, Human Resources Operations

Performance reporting has not been consistent

There are a variety of corporate statistics that are reported in the annual NRC Enterprise Human Resources Report. These include: hiring and departure rates; average time-to-fill; classification requests for new or existing positions; leave utilization; Employee Assistance Program (EAP) usage; Public Service Employee Survey (PSES) results; NRC workforce demographics; employment equity, diversity and Official languages metrics, and quality of hire survey results. Due to human resource constraints, this annual report was not published for fiscal year 2021-22 and was delayed for 2022-23 given the transition to a new format. The annual NRC Enterprise Report was still under development during the examination period of this audit and was not made available on a timely basis to inform decision making. It should be noted that during this transition period, HRB provided quarterly measurement data for some key performance indicators including number of hiring actions and time-to-fill data. As of July 2024, the fiscal year 2022-23 and 2023-24 report had been made available and presented in a new dynamic Power BI format. This new format permits users to filter data by fiscal year, CBI, employment classification and other characteristics to suit their specific needs. This is a considerable improvement over the prior static report format.

Recommendation 3

The Vice-President, Human Resources should ensure the annual measurement of key performance indicators are completed and that the NRC Enterprise Human Resources Report is available to decision makers on an annual basis.

Management action plan:

➔ HRB will continue to contribute to quarterly NRC performance data reports that include statistics on volume of hiring activity, time to fill, numbers of postdoctoral fellowship, research assistance, student and employment equity hires. Branch, research centre and IRAP, division and NRC level data is available (ongoing).

➔ HRB will continue to develop the NRC Enterprise Human Resources Report in interactive Power BI format and produce annually (fiscal year 2022-23 and 2023-24 are complete, and fiscal year 2024-25 report is to be completed by end of the first quarter of fiscal year 2025-26)

➔ HRB will continue to develop branch, research centre and IRAP level human resources dashboards in Power BI format and produce biannually (branch, research centre and IRAP dashboards for fiscal year 2022-23, 2023-24 and up to the second quarter of fiscal year 2024-25 are complete, and the full fiscal year 2024-25 report is to be completed by the end of the first quarter of fiscal year 2025-26)

Expected implementation date: June 30, 2025

Contacts: Executive Advisor and Director of Human Resources Planning and Reporting

Conclusion

The NRC's hiring policy provides guidance, consistency, accountability, efficiency, and clarity to the various human resource functions at the NRC. The supporting procedures and guidance define roles and responsibilities, guiding day-to-day operations. These instruments are essential for recruiting and staffing of world-class talent. Periodically reviewing and updating the policy, procedures and guidance will ensure they remain relevant and responsive to current challenges. Timely communication to hiring managers outlining their roles and responsibilities, as well as those of the hiring services team and client services team, will enhance coordination for more efficient competitive hiring processes. Finally, the annual NRC Enterprise Human Resources Report should be produced and distributed to decision makers on a consistently timely basis.

Context

Workforce planning defines and addresses variances between the organization's immediate and long range objectives and the capacity of current and projected human resources to meet those objectives.

Each branch, research centre and IRAP is responsible for developing an individual workforce plan. These plans are then combined to form sectoral plans, which are further integrated into the NRC's corporate human resources plan.

As a separate employer within the federal government, the NRC has its own human resource policy suite. This provides additional flexibilities as a federal employer. However, the NRC must still adhere to agreements made during collective bargaining processes.

What we expected to find

We expected to find that workforce planning exercises enabled the HRB to effectively plan and allocate resources, that recruitment and staffing activities leveraged available flexibilities, and that the HRB supported branches, research centres and IRAP with hiring and staffing functions.

Key findings

Workforce planning information could be enhanced

The annual workforce planning exercise enables branches, research centres and IRAP to identify their workforce needs and develop strategies to address them. This exercise also provides key information to the HRB to support data-driven decision making, informing human resources initiatives and resource allocation to branches, research centres and IRAP and the human resources teams that support them.

Recruitment needs and strategies are key outputs of this annual exercise. However, there are variances in the rigour applied by branches, research centres and IRAP to this exercise. Additionally, the output is not updated throughout the year. As a result, in-year factors such as unplanned departures, changes in funding and reorganizations may not be captured within the annual workforce plan. A dynamic document that measures planned versus actual data would be more useful in managing the fluctuations in workforce needs and the HRB resources required to address them.

Recommendation 4

The Vice-President, Human Resources should implement a mid-year update to the hiring component of the workforce planning exercise to identify in-year fluctuations in workforce needs and track planned versus actual results. This updated data should inform adjustments to HRB resourcing and strategies to address recruitment and staffing challenges faced by branches, research centres and IRAP.

Management action plan: Following the receipt of workforce plans in January 2025, a call for updates to the hiring portion will be made to all branches, research centres and IRAP in May 2025 (for completion in June 2025), to ensure changes to planned hiring are addressed and captured, and adequate resources are deployed where needed.

Expected implementation date: June 30, 2025

Contact: Director, Human Resources Programs

Flexible hiring mechanisms could be better leveraged

Hiring managers have a variety of options available to them to appoint individuals to an NRC position without competition when there is a unique operational requirement, a well-qualified candidate, or an urgent operational need. In appropriate situations, hiring mechanisms that facilitate appointments without competition increase time efficiencies and reduce costs. One such mechanism is an appointment in the best interest of the Council. NRC employees, Canadian citizens and permanent residents of Canada may be considered for this type of appointment when permitted by collective bargaining agreements.

During the 2-year period examined, this hiring mechanism was used 12 times. The speed and agility afforded by an appointment in the best interest of the Council is a powerful tool that can address the heightened competition to attract top-ranked talent. It is important to note that this mechanism should be used prudently as it could undermine the perceived fairness of hiring practices at the NRC. Circumventing the competitive hiring process should only be considered when candidate availability is extremely limited. Stakeholder interviews indicated many occasions where the attempted recruitment of exceptional candidates proved unsuccessful. An appointment in the best interest of the Council could provide the competitive advantage to successfully recruit the best and the brightest from an increasingly competitive labour market. Ineffective recruitment and staffing processes impedes the ability to attract the talent needed to deliver on NRC's objectives.

The NRC workforce is comprised of 14 job classification of which 10 are governed by collective agreements between the employer and the respective labour unions. Four of these collective agreements contain clauses specifying that the NRC must advertise all vacant positions internally before posting the opportunity for external candidates. However, this practice is often applied to job classifications that do not contain these restrictions within the collective agreements, creating unnecessary inefficiencies in hiring actions.

The Student Employment Program (SEP) is a recruitment program designed to provide students with practical career-related experience in research and development, library sciences, communications, marketing and other areas. The NRC also participates in and supports co-op education programs administered by Canadian universities, colleges and other post secondary education programs. In fiscal year 2021-22 the NRC hired 457 students, and 499 in 2022-23. Students participating in these programs are categorized as supplemental workers and are thus excluded from competing as internal applicants for indeterminate employment. This differs from the greater public service and hinders the process for bridging successful students into indeterminate positions within the NRC. There is an opportunity to review and update the Hiring policy and Human Resource Manual to better leverage the flexibilities available to the NRC as a separate employer within the Government of Canada.

Recommendation 5

The Vice-President, Human Resources should ensure the update to policies, procedures and guidance (see recommendation 1), includes, to the extent possible, the inclusion of flexible hiring mechanisms available to the NRC as a separate employer within the Government of Canada.

Management action plan: The review of the hiring policy will include the exploration and identification of further flexibilities in our hiring processes, procedures and guidance to managers and human resources practitioners.

Expected implementation date: April 30, 2025

Contact: Director, Human Resources Operations

Strong performance results

Management of human resources is essential to the effective functioning of the NRC, and the time it takes to hire is key to effective operations and program delivery. The HRB has set a target of 75 working days to complete a competitive hiring action. The duration of a competitive hiring action is measured from the date a hiring requisition is opened to the date a candidate accepts an offer of employment.

In fiscal year 2021-22, the NRC completed 605 competitive hiring actions with an average time-to-fill of 70 working days (approximately 105 calendar days). In fiscal year 2022-23, the NRC completed 773 competitive hiring actions with an average time-to-fill of 76 calendar days (approximately 113 calendar days). It should be noted that the average time-to-fill for the Construction Research Centre, Canadian Photonics Fabrication Centre, and the Industrial Research Assistance Program exceeded the 75 day target by more than 50%. For comparison, the Public Service Commission of Canada reported an average time-to-fill of 262 calendar days for all federal departments and agencies in fiscal year 2021-22 and 251 calendar days in fiscal year 2022-23.

Additional indicators could provide further insights to decision-makers and hiring managers regarding recruitment challenges the NRC experiences within competitive labour markets. These include the frequency and reasons for declined offers of employment. Currently, this information is manually tracked by the hiring services team but is not included in performance reporting or the annual NRC Enterprise Human Resources Report. The hiring services team is working on integrating this data into SuccessFactors to improve accuracy, efficiency and timely reporting.

Figure 3. Summary of the annual average time-to-fill for competitive hiring actions for years 2018-19 to 2023-24.
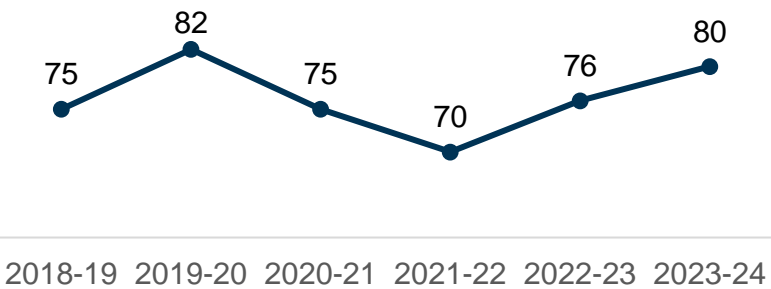

2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
75	82	75	70	76	80

Figure 4. Summary of the total annual number of competitive hiring actions completed for years 2018-19 to 2023-24

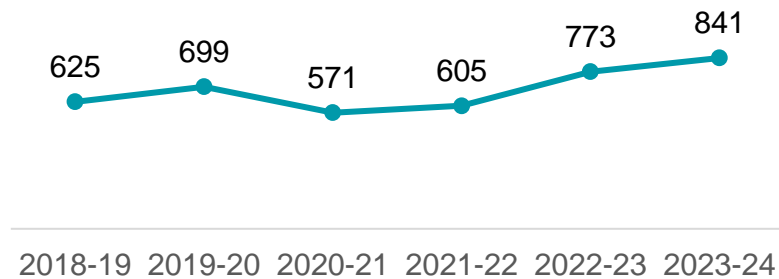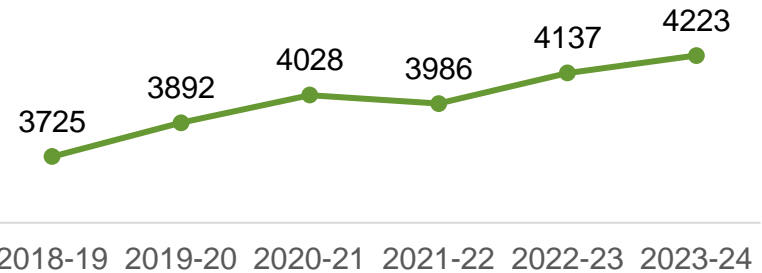| 2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
625	699	571	605	773	841

Figure 5. Summary of the total number of NRC active continuing and term employees from 2018-19 to 2023-24.

2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
3725	3892	4028	3986	4137	4223

Conclusion

The time required to complete hiring actions at the NRC compares very favorably to the overall federal public service. This demonstrates the client focus HRB maintains in its service delivery. Mid-year updates to workforce planning can further address client needs by identifying in-year fluctuations and comparing planned versus actual results. This updated data should inform adjustments to HRB resourcing and strategies to address branches, research centres and IRAP experiencing significant recruitment and staffing challenges. Additionally, there are opportunities to further leverage the efficiencies of the NRC's separate employer status by utilizing available flexible hiring mechanisms and reviewing and updating the hiring policy and procedures.

Context

SuccessFactors is the NRC's integrated talent management software solution. All hiring activities and resultant data are managed and tracked within this system. SuccessFactors enables hiring managers to complete the recruitment, assessment, screening and selection of successful applicants within a single application.

HRB personnel access data from SuccessFactors to inform decision-making, measure and monitor key performance indicators, identify needed process improvements and inform the assignment of HRB resources in response to client needs. SuccessFactors provides HRB personnel with an array of standardized reports. Additionally, the human resource systems team can generate customized reports on an as-needed basis.

What we expected to find

We expected to find that information systems are effectively leveraged to support recruitment and staffing processes. Additionally, we anticipated that senior executives and branches, research centres and IRAP receive relevant and timely information to inform their decision-making.

Key findings

SuccessFactors reporting limitations

SuccessFactors contains data that can be used to assess the effectiveness, timing and challenges experienced within the hiring process. This data represents the activities of both the human resources services team and the responsible hiring managers. The data can be separated by branch, research centre and IRAP for specific types of hiring actions over specified periods of time. This is valuable for identifying where challenges and delays were experienced in hiring processes. The HRB utilizes this data to provide the number of hiring actions and the time-to-fill measurement on a quarterly basis and compiles the data into the annual NRC Enterprise Human Resources Report.

From stakeholder interviews, we noted that HRB personnel find it difficult to formulate the technical requirements for the SuccessFactors reports they need. As a result, the ongoing, in-year reports that could provide insights to assist HRB personnel in service delivery are not always available. These additional reports could help identify the cause of process delays, prolonged time-to-fill measures or factors effecting hiring objectives such as diversity, equity and inclusion targets. Accessing data to identify challenges within these processes is critical to continuous improvement.

The NRC contracts an external service provider to assist in the configuration and support of SuccessFactors. The service provider updates the software twice per year. These updates can include the addition of new input fields for data collection as well as new preconfigured data reporting capabilities. These updates provide an opportunity for HRB to better meet their information needs by enhancing the reporting and data extraction capabilities of SuccessFactors. While there are currently limitations to how data is being extracted, there are methods to create standardized reports that would provide more useful and relevant information for decision makers and stakeholders.

Personnel from branches, research centres and IRAP have indicated that data support from HRB is lacking and is only received annually as part of the organizational planning cycle. As a result, some have resorted to manually measuring and tracking data outside of SuccessFactors, generating their own analysis and performance dashboards. These manual processes are inefficient and prone to error.

Recommendation 6

The Vice-President, Human Resources should ensure that HRB personnel are able to define the technical requirements necessary to yield the SuccessFactors reports they need.

Management action plan:

➜ HRB will develop an approach for managing the ongoing identification, review and prioritization of hiring related data and reporting needs by the first quarter of fiscal year 2025-2026

➜ An initial review and prioritization of hiring related data and reporting needs will be compiled by the second quarter of the fiscal year 2025-26

➜ Human resources personnel will work with the Human Resources Systems team to translate data and functional requirements into technical requirements that can be used to build or adapt technical solutions

Expected implementation date: June 30, 2025 and ongoing

Contact: Director, Human Resources Programs

Conclusion

Objective data driven analysis of the hiring process is important for ensuring ongoing process efficiency and determining if stakeholder needs are being adequately met. The data extraction and reporting capabilities of SuccessFactors can provide valuable insights to inform recruitment and staffing processes. However, these capabilities have not been fully leveraged to meet the data and information needs of key stakeholders. A commitment to strengthening this function can further enhance the quality and efficiency of recruitment and staffing at the NRC.

Annex A: audit criteria

1. Policies, processes, and guidance have been established that support effective and efficient human resources management:
   i. Policies, processes and guidance are in place, regularly updated, and aligned with organizational priorities to support effective and timely recruiting and staffing activities
   ii. Roles, responsibilities and accountabilities for recruitment and staffing are defined and communicated
   iii. Performance indicators are defined, relevant, and monitored to measure recruiting and staffing performance and course correct as needed

2. The NRC is able to sustain talent levels to fulfill its mandate:
   i. Workforce planning exercises are effective and enable HRB to effectively plan and allocate resources
   ii. Recruitment and staffing activities leverage available flexibilities
   iii. HRB supports branches, research centres and IRAP with hiring and staffing activities

3. Information Systems are in place to support recruitment and staffing activities:
   i. Information systems are effectively leveraged to support recruitment and staffing processes
   ii. Senior executives and branches, research centres and IRAP receive relevant and timely information to inform decision making