THE ORGANIZATIONAL CAPACITY OF THE WORKERS' COMPENSATION BOARD OF BRITISH COLUMBIA: A HUMAN RESOURCES SYNTHESIS

Prepared for the
Royal Commission on Workers' Compensation
in British Columbia

by

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EXECUTIVE SUMMARY

The Workers' Compensation Board of British Columbia's ability to attract, retain and apply the best human resource capabilities influences the achievement of its strategic objectives. The commission's review of the board's human resource management practices is part of its examination of the board's overall organizational capacity. Given the significant changes initiated by the board during the course of its inquiry, the commission was specifically interested in addressing the question of whether the board's current human resource management strategies support current and future performance. This review of the board's human resources performance has identified areas where positive change appears to be occurring (e.g., improved labour relations; health and safety) and where additional improvements may be warranted.

RECOMMENDATIONS:

1. Appropriate Accountability Structure

Currently, the Panel of Administrators has the responsibility to oversee corporate human resources policy.   This accountability is achieved through its Human Resources and Compensation Committee. Through the board's Senior Executive Committee line divisions (e.g., Rehabilitation and Compensation Services, Prevention and Finance and Information Services) hold the primary responsibility for human resources decisions, and are supported by Human Resources Division personnel. In this structure, ownership over processes and decisions is diffuse.

Improved accountability for board-wide human resource management decisions would be accomplished by putting in place Terms of Reference for the Senior Executive Committee and vice presidents. Defining these responsibilities and roles would make explicit the framework of values within which specific lines of authority are to be exercised. This would assist the President/CEO's capacity to monitor the overall performance of the board's internal management structure and would contribute to enhanced accountability for human resources processes and decisions.

2. Importance of Human Resource Planning and Information

The board does not use a corporate human resource planning model. Improved planning of human resource activities would offer the board improved efficiency and effectiveness. A corporate human resource planning model that is relevant to the larger planning effort and the overall objectives of the organization is essential. Effective human resource planning would reduce the amount of time managers need to devote to individual staffing decisions by speeding up the assignment of work. Moreover, as a key component of staff training and development, improved human resource planning, from an employee perspective, would make the board's plans more transparent and the opportunities for development or placement more available.

Relevant, timely and accessible human resource information is another requirement of effective planning. The current initiatives of the Human Resources Division to improve its information systems will provide the opportunity for the board to examine its human resources data and reporting practices. With this information the division will also have the capacity to develop human resource benchmarks that will enable to the board to compare its performance to similar organizations. These efforts, along with the establishment of a corporate human resource planning model, have the potential to enhance the board's accountability for human resource management decisions.

3. Corporate Training and Development

With line divisions maintaining overall responsibility for staff training, the board's corporate training function has never realized its full potential. A number of new initiatives such as the Corporate Training Strategy, and a new Performance Review Program for managers were implemented in 1998. The effectiveness of these and related strategies is a function of the SEC's commitment to a corporate training leadership role.

To implement its strategic plan, the board's investment in staff training has been considerable. A rough estimate is that the board has spent over $10 million in the three year period from 1996 to 1998, primarily to support the implementation of the E-file system. It is too early to assess the overall effectiveness of much of this training as the

board's major strategies are still evolving.   In addition, there are differences in divisional training philosophies, needs, and an overall lack of training data board-wide. Improved information and planning is required to demonstrate the value and necessity of training relative to other activities.

To foster consistency and to improve the board's ability to identify needs and monitor performance outcomes, it is essential that the board develop corporate training standards.   Comprehensive corporate human resources and training plans are needed to establish a vision of the competencies that the organization requires and what activities are needed to get there.

Exhibit 1 presents a summary of the board's Human Resources performance according to a number of key measures that are examined in the main body of this report.

Exhibit 1

OVERALL ASSESSMENT OF THE WCB'S HUMAN RESOURCES PERFORMANCE

Criteria for Effective Human Resources Management in the Public Sector	Rating of Human Resource Performance Measures			
	No Basis for Judgment	No Evidence of Meeting Criterion	Some Evidence of Meeting Criterion	Substantial evidence of meeting criterion
LEADERSHIP AND VALUES: *The ability to establish a shared vision, to build the organization to deliver program results , and to mobilize the energies and talents of staff.*				
Comment: *No terms of reference exist for the board's Senior Executive Committee or vice presidents. Defining these roles and responsibilities is required to achieve corporate accountability for human resource management decisions. The board is beginning to work on identifying corporate leadership and values. Examples of this work include the Strategic Plan, divisional business plans, Core Values and Competencies, and improved labour relations practice.*				
1. The organization has a clear and commonly understood mission, vision and values.			X	
2. The organization has a clear understanding of its contribution to the public sector.			X	
3. The executive team has built an organization that is sufficiently flexible and adaptable to adjust effectively and economically to changes in resource levels, priorities, technology, etc.			X	
4. The executive team personifies and has integrated the public sector values (economy, efficiency, effectiveness and service) and ethical values (fairness, prudence, probity, equity and non-partisanship) into its management practices.			X	
5. The organization demonstrates its commitment to employment equity, and is representative of the diversity of the population.			X	
6. Managers strive to support and maintain good employer/employee relations.			X	
7. The organization demonstrates interdivisional cooperation which contributes to the realization of corporate human resource management objectives.			X	

Criteria for Effective Human Resources Management in the Public Sector	Rating of Human Resource Performance Measures			
	No Basis for Judgment	No Evidence of Meeting Criterion	Some Evidence of Meeting Criterion	Substantial evidence of meeting criterion
PRODUCTIVE WORK FORCE: *A workforce that delivers services in a cost-effective manner and that strives for continuous improvement.*				
Comment: The board's ability to monitor human resources performance is hindered by the lack of a corporate human resources planning model and incomplete information. A Performance Review Development Program has been recently developed for managers; however, managers need support and appropriate resources to implement it. No similar program is in place for staff. The establishment of performance standards for staff will require adequate supervision, training and ongoing, open communication.				
1. The organization is committed to a high level of service to the public and has service standards developed through employee and client consultation and an objective means of measuring performance against standards.			X	
2. Roles, responsibilities and performance standards are clearly defined, understood and accepted by all managers and employees.			X	
3. Selection practices ensure the hiring and promotion of persons who meet the requirements of the position, possess qualities such as flexibility, adaptability, capacity for training, and are drawn from a pool that is reflective of the diversity in the population.			X	
4. The organization of work fosters rapid decision-making and increased productivity.			X	
5. Management practices enable employees to make full use of their knowledge, energies and judgement to optimize their performance and learn from their experiences.			X	
6. Managers and employees are equipped with the necessary tools, support systems and training to meet ongoing demands and adapt to changing conditions.			X	
7. The organization has systems that produce information that enables management to monitor productivity, anticipate needs, and address fluctuations.			X	

Criteria for Effective Human Resources Management in the Public Sector	Rating of Human Resource Performance Measures			
	No Basis for Judgment	No Evidence of Meeting Criterion	Some Evidence of Meeting Criterion	Substantial evidence of meeting criterion

ENABLING WORK ENVIRONMENT: *Reinforces good working relationships and teamwork; respects the individual; values diversity; accommodates differences; encourages open communication; is safe, fair and free of discrimination and harassment, takes the human dimension into consideration in all organizational activities; and fosters the professional satisfaction and growth of each employee, thus enabling employees to work to their full potential.*

Comment:

Staff and management surveys reveal that the board needs to "grow certainty" and "increase recognition". In the last three years, the pace of change has been significant. While many of these changes represent improvements over previous practices, the degree of change is affecting morale and should be monitored. It also appears that some efforts are being made to improve work place health and safety and return to work opportunities for board personnel.

Criteria	No Basis for Judgment	No Evidence of Meeting Criterion	Some Evidence of Meeting Criterion	Substantial evidence of meeting criterion
1. Organizational values and principles such as good working relationships, respect for individual equity, freedom from discrimination and harassment, are reflected in the behavior of managers.			X	
2. Human resource management practices promote open and effective communications and employee participation in all decisions affecting the nature of their work.			X	
3. Managers have created and support a culture that optimizes performance, achievement, recognition, career enhancement and satisfaction.			X	
4. Human resource management practices create and sustain a work environment that promotes the physical and mental health of employees, as well as their safety; and encourages flexible work arrangements to balance professional and family responsibilities.			X	
5. Management establishes and maintains a safe and healthy workplace through the implementation of a comprehensive strategy designed to prevent injuries and illnesses.			X	

Criteria for Effective Human Resources Management in the Public Sector	Rating of Human Resource Performance Measures			
	No Basis for Judgment	No Evidence of Meeting Criterion	Some Evidence of Meeting Criterion	Substantial evidence of meeting criterion
SUSTAINABLE WORK FORCE: *A workforce in which the energies, skills, knowledge and people are valued as key assets to be managed wisely. The investment in these assets is safeguarded and continuously developed. Continual renewal of essential competencies is planned to provide for the organization's viability now and in the future*.				
Comment: Through the implementation of new service delivery models and service expectations, the board is beginning to identify what competencies it requires. More work is needed to address the gaps and support staff. As the BC Auditor General recommended, the board needs to "...identify key service and performance values, competencies and principles for each key decision making role and report on reinforcement and education activity, as well as client perceptions regarding the exercise of these values (i.e., whether claims are handles fairly, compassionately, courteously and expeditiously."[1]				
1. Managers give central importance to employees in their decisions and recognize their importance in accomplishing program objectives and delivering service to the public.			X	
2. The organization is aware of its present and future human resource requirements as well as the competencies of its work force and is addressing the gap, taking into account the increasingly diversified workforce.			X	
3. Employees have adapted to a continuous learning culture to ensure continuous improvement, renewal of essential competencies, and adaptation to new conditions and realities.			X	
4. Organization balances efficiency against the use of its workforce capacity.			X	

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[1] British Columbia. Office of the Auditor General. Accountability reporting review: report prepared for the WCB. Recommendation # 4.[Unpublished; January 1998]

PART I: Introduction

1.0   PURPOSE

This analysis of human resources is related to Item 1 of the Terms of Reference for the Royal Commission on Workers' Compensation in British Columbia's, which calls for an examination of "statutory framework, mandate, structure, organization, governance and administration of the WCB."   This report discusses several measures of human resources effectiveness and identifies issues related to the board's capacity to sustain and enhance future performance.

The implementation of the Office of the Auditor General's (OAG's) "Enhancing Accountability for Performance: Framework and Implementation Plan" is currently the most important administrative reform initiative in the British Columbia public sector.[1] Some of the essential characteristics of a performance orientated management culture are:

- a results orientation;
- a commitment to clearly stated intentions and a willingness to compare results with goals;
- an acceptance of greater accountability for results at all levels;
- an ability to apply the information gained from performance reporting to make management decisions; and
- more flexibility to meet performance objectives.[2]

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[1] Office of the Auditor General of British Columbia. Deputy Ministers' Council. Enhancing Accountability for Performance: A Framework and Implementation Plan. 1996.
[2] Ibid., pp. 10-1.

The OAG emphasizes:

> "It is not enough for governments to account for how well they have met public need (effectiveness and relevancy) or whether they have done so in an economical way (efficiency). Governments also need to give the public some assurance, that over time, they are capable of sustaining or even improving their performance."[3]

The concept of "organizational capacity" describes a group of performance measures which characterize an organization's ability to develop and deliver results in the future. These measures include:

- **Work force skills** - involving employee recruitment, training and education, and performance assessment systems;

- **Work environment** - involving leadership and direction, planning, communication, staff morale; vision and values, team building;

- **Protection of key assets** - such as property, information systems, records and personnel; and

- **Financial condition** - including factors such as financial viability, future tax and revenue requirements, and the ability to maintain or expand the level and quality of services.

This report focuses on measures related to work environment, work force skills and protection of key human resources. These measures reflect the effectiveness of human resources management programs and systems.

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[3] Office of the Auditor General of British Columbia & the Ministry of Finance and Corporate Relations. Joint Report. Enhancing Accountability for Performance in the BC Public Sector: A Progress Report. January 29, 1998, p.17.

Work undertaken by the Federal Government offers further guidance as to how to assess the effectiveness of human resources management in the public service. In 1994 the Treasury Board Secretariat produced a draft "Human Resource Management Accountability Framework".[4] Similar to the "organizational capacity" concept, this framework suggests that accountability for effective human resources management begins with the following questions:

1. **Leadership and Values**: Is the organization well led? Does the organization uphold the values of competency, representation and non-partisanship?

2. **Productive Workforce**: Is the organization building the capacity for improved productivity?

3. **Enabling Work Environment**: Does the organization bring out the best in its people?

4. **Sustainable Workforce**: Do the competencies of staff in the organization match anticipated needs?

The framework recommends a number of human resources performance indicators and identifies a variety of information sources, which can be used to track changes in the organization over time. These relationships are depicted in Figure 1 below.

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4 Government of Canada. Treasury Board Secretariat. Human Resource Policy Branch. Human Resource Accountability Framework. Unpublished. 1994.

Figure 1 - Elements of Good Human Resource Management in the Public Service

ELEMENTS OF GOOD HUMAN RESOURCE MANAGEMENT IN THE PUBLIC SERVICE
(Source: Government of Canada. Treasury Board Secretariat. Human Resource management accountability framework: draft. [Ottawa (ON): unpublished;1994].
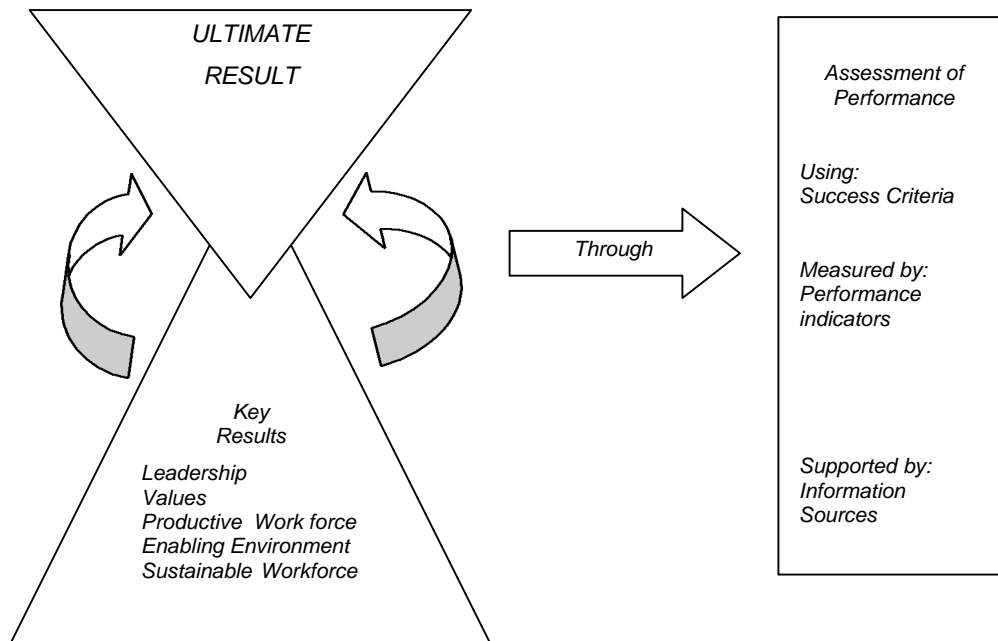
The performance indicators are grouped into four key results areas as defined in Table 1 below , which is based on the Treasury Board's draft Human Resources Accountability Framework.

Table 1 - Human Resource Management Accountability Framework

1. LEADERSHIP AND VALUES: The ability to establish a shared vision, to build the organization to deliver program results , and to mobilize the energies and talents of staff.

Success Criteria	Performance Indicators
• The organization has a clear and commonly understood mission, vision, values and goals.	• Employees know where the organization is heading over the next few years, understand its purpose, understand how they and their work fit in and what is expected of them.
• The organization has a clear understanding of its contribution to the public sector.	• The organization structure reflects no conflicting overlap in mandates. • The extent to which employees are committed to the mission, values and goals.
• The executive team has built an organization that is sufficiently flexible and adaptable to adjust effectively and economically to changes in resource levels, priorities, technology, etc.	• Specific action and measures taken to manage change, motivate and ensure the commitment and mobilization of people, promote a spirit of cooperation and teamwork throughout the organization, and encourage initiatives and prudent risk-taking.
• The executive team personifies and has integrated the public service values (economy, efficiency, effectiveness and service) and ethical values (fairness, prudence, probity, equity and non-partisanship) into its management practices.	• Employee perception of the integrity and credibility of the executive team • Commitment of employees towards the organization, the executive, and first line supervisors.
• The organization demonstrates its commitment to employment equity, and is representative of the diversity of the population.	• Employees are aware of their organization's commitment to employment equity and are sensitized to diversity issues. • The organization has developed and implemented strategies to address under representation.
• Managers strive to support and maintain good employer/employee relations.	• Consultation and communication mechanisms are in place. • Management follows a cooperative approach in resolving union and/or employee concerns, and appropriate redress mechanisms are available. • Degree of trust between union representatives and members of the management team. • Managers and employees are satisfied with the administration of employee entitlements and the collective agreement.
• The organization demonstrates interdivisional cooperation which contributes to the realization of corporate human resource management objectives.	• Cross-divisional cooperation initiatives, aimed at increasing productivity, improving services, and sharing best practices are in place.

2. PRODUCTIVE WORK FORCE: A work force that delivers services in a cost-effective manner and that strives for continuous improvement.

Success Criteria	Performance Indicators
• The organization is committed to a high level of service to the public and has service standards developed through employee and client consultation and an objective means of measuring performance against standards.	• Service standards and productivity targets for services are measured to assess the extent to which targets have been met. • Complaints and redress mechanisms are in place, and their effectiveness is measured.
• Roles, responsibilities and performance standards are clearly defined, understood and accepted by all managers and employees.	• Jobs are evaluated on the basis of accurate work descriptions. • Levels of service and productivity standards are known and accepted. • Goals and objectives are met. • Extent to which employees grieve their roles and responsibilities.
• Selection practice ensure the hiring and promotion of persons who meet the requirements of the position, possess qualities such as flexibility, adaptability, capacity for training, and are drawn from a pool that is reflective of the diversity in the population.	• Recruitment and promotion against profile. • Anticipation of human resource needs to maintain a qualified work force. • Employee perception of respect of merit, equity and transparency.
• The organization of work fosters rapid decision-making and increased productivity.	• Action taken to reduce duplication or conflict in the types of services provided throughout the organization; measures are taken to foster teamwork and cooperation; documented proof of increased productivity/quality, including more efficient use of resources.
• Management practices enable employees to make full use of their knowledge, energies and judgement to optimize their performance and learn from their experiences.	• Initiatives that enhance service quality to various clients and improve productivity. • Extent to which employees feel encouraged to provide creative solutions to problems and innovative approaches to client service. • Employees receive ongoing feedback on their performance and use it to improve their productivity.
• Managers and employees are equipped with the necessary tools, support systems and training to meet ongoing demands and adapt to changing conditions.	• Extent to which the service standards/reasonable expectations of clients (internal and external) are met. • Extent to which appropriate and effective training and development are provided in response to identified needs aligned with business plans. • Degree of satisfaction of managers and employees with the resources provided, (e.g., information, equipment and delegation of authority). • Extent to which line managers and employees are prepared for changing conditions and the realities of work (e.g., new technology and operating procedures are accompanied by adequate training). • Extend to which employees possess key generic skills (e.g., teamwork, communication, flexibility, adaptability, etc.) that can be used across the organization now and in the future.
• The organization has systems that produce information that enables management to monitor productivity, anticipate needs, and address fluctuations.	• Availability of information systems and relevant, complete and current productivity data.

3. ENABLING WORK ENVIRONMENT: Reinforces good working relationships and teamwork; respects the individual; values diversity; accommodates differences; encourages open communication; is safe, fair and free of discrimination and harassment, takes the human dimension into consideration in all organizational activities; and fosters the professional satisfaction and growth of each employee, thus enabling employees to work to their full potential.	
Success Criteria	**Performance Standards**
• Organizational values and principles such as good working relationships, respect for the individual, equity, freedom from discrimination and harassment, are reflected in the behavior of managers.	• The extent to which human resource management practices promote fair, equitable and impartial treatment of employees, and equal opportunities for training and development, as well as other employment or advancement opportunities are provided to all employees. • The extent to which the executive has implemented measures enabling the organization to be representative of labour market availability in all employment categories

• Human resource management practices promote open and effective communications and employee participation in all decisions affecting the nature of their work, their work environment, and the general quality of their work life.	• Employee satisfaction with
	   • communication (upward, downward, horizontally, and through information networks), and
	   • participation in the decision-making that influences the quality of work life

• Managers have created and support a culture that optimizes performance, achievement, recognition, career enhancement and satisfaction.	• Managers provide a work environment for their employees that creates appropriate opportunities for development and accomplishment and that encourages the exercise of initiative.
• Human resource management practices create and sustain a work environment that promotes the physical and mental health of employees, as well as their safety; and encourages flexible work arrangements to balance professional and family responsibilities.	• Physical work conditions, e.g., lighting, temperature, space, and equipment are conducive to productivity and employees' well being. • Flexible work arrangements, e.g., tele-work, flexible hours of work, etc. are available to balance family and work responsibilities.
• The organization establishes and maintains a safe and healthy workplace through the implementation of a comprehensive strategy designed to prevent injuries and illnesses, and promote a safe and timely return to work program.	• The extent to which employees and managers are satisfied with the occupational safety and health and return-to-work programs in their workplace. • Reduction in the frequency and severity of work-related illnesses and injuries. • Increase in the percentage of injured or ill employees who have returned to work.

4. SUSTAINABLE WORK FORCE: A work force in which the energies, skills, knowledge and people are valued as key assets to be managed wisely. The investment in these assets is safeguarded and continuously developed. Continual renewal of essential competencies is planned to provide for the organization's viability now and in the future.	
Success Criteria	**Performance Standards**
• Managers give central importance to employees in their decisions and recognize their importance in accomplishing program objectives and delivering service to the public.	• Documented proof of the recognition of the prime importance of individuals in the organization. • Integration of human resource management planning in the business and work plans of the organization.
• The organization is aware of its present and future human resource requirements as well as the competencies of its work force and is addressing the gap, taking into account the increasingly diversified workforce.	• Specific actions taken to identify and address the gaps, such as human resource planning, succession planning for critical skills and functions, and recruitment against profile.

• Employees have adapted to a continuous learning culture to ensure continuous improvement, renewal of essential competencies, and adaptation to new conditions and realities.	• The organization has obvious mechanisms to
	   • ensure learning;
	   • ensure that learning is linked to organizational needs or operational results; and
	   • recognize initiatives and innovation resulting from learning.

• Organization balances efficiency against the use of its workforce capacity	• Employees' opinion of human resource management in their own units and the organization as a whole. • The extent to which requirements, workload, and scheduling are realistic and consider the capacity of people. • Inordinate loss of key employees.

1.1 METHODOLOGY

This report's methodology is guided by the following principal sources:

- Office of the Auditor General of British Columbia. Enhancing Accountability for Performance: Framework and Implementation Plan (1996)
- Government of Canada. Treasury Board Secretariat. Human Resource Management Accountability Framework (1994)
- Office of the Auditor General of Canada. Audit Guides for Staff Training and Development, Human Resource Planning and Human Resource Information Systems (1981)

Sources of information for this report include the following:

Literature review - to identify trends, issues and best practices in human resources management practices in Canadian organizations;

Interviews and focus groups - to obtain information from a range of board personnel (both staff and managers), regarding human resources practices and issues, organizational development initiatives, training opportunities and responsibilities, performance reviews etc. Information from interviews is conveyed in this report in a purely qualitative way. Names are not used to protect interviewees confidentiality.

Document analysis – to provide an overview of content and processes; documents reviewed include strategic and project plans, audits, business plans, training plans and curriculums, job descriptions, technological change notices, surveys of staff, minutes of consultative committees, internal newsletters, policies, management and clients, submissions and data from human resources systems. In addition, the Human Resources Division's written responses to specific questions posed by the commission were also analyzed. These questions are listed in Appendix 1.

1.2   ORGANIZATION OF THE REPORT

This report consists of three main sections. Part 1 provides an overview of the research framework. Part 2 examines several measures of human resources performance. Part 3 looks at corporate staff training and development issues.

PART 2: Human Resources Division – Program Overview

2.0   PURPOSE

This section highlights the roles and responsibilities of the Panel of Administrators and Senior Executive Committee (SEC) for human resource performance, and documents some of the key measures of the Human Resource Division's effectiveness. Although the Human Resources Division also consists of the Library and Facilities, these are not examined in this report.   Prior to May 1998 the division also included the Corporate Planning Department, which now reports directly to the Office of the President/Chief Executive Officer. Refer to Part 3 of this report for an analysis of corporate staff training and development.

2.1   ROLES AND RESPONSIBILITIES

2.1.1   Panel of Administrators

Section 82 of the <u>Workers' Compensation Act</u> authorizes the governing body to change the structure, programs and reporting within the board, including the selection and definition of the functions of the President/Chief Executive Officer.   To fulfill its responsibility to superintend the management of the board's human resources, the panel established a Human Resources and Compensation Committee "to provide a conduit through which the Panel can examine significant issues related to human resources and employee compensation." The Terms of Reference for this committee is included in the Panel of Administrators' manual. Membership consists of three panel members including the Chair, and the President/CEO as an ex-officio member. In practice, the vice president of the Human Resources Division also attends meetings of the committee. As a standing committee of the panel, its mandate is to assist in ensuring that:

- human resources management and employee compensation policies are consistent with the goals of the organization and the practices of other comparable Crown Agencies;
- human resources management and employee compensation policies meet the test of public scrutiny;

- the panel has the necessary information to make appropriate decisions with respect to human resources management and employee compensation issues; and

- the proper analysis has been done before human resources management and compensation issues are forwarded to the panel for approval. [5]

The committee is responsible for making recommendations to the panel for approval upon review of the following:

- the WCB's Human Resources Business Plan;

- the compensation plans, salary increase budgets, and benefit plan structures for Management and Exempt employees;

- the total compensation proposals for each member of the Executive Management;

- the criteria and the signing authority under which exception to policy may be made with respect to an individual employee's coverage under the terms of the WCB Superannuation Plan or any other employee benefit plan;

- all policies and guidelines pertaining to the payment or reimbursement of expenses to Executive Management, Exempt Support Staff, and, to the extent that such expenses are not granted under a Collective Agreement, Bargaining Unit employees...Such policies shall include but not be limited to business travel, expense reimbursement, relocation assistance and executive vehicles);

- the organization structure of the WCB on a periodic basis;

- the annual performance agreements with Directly Reporting Employees (i.e. President & CEO, Chief Appeal Commissioner, Director General of the Policy Bureau, and the Registrar of the Medical Review Panel) and facilitate these performance agreements and annual performance evaluations;

- the WCB's training and development plan to staff operations;

- the President's succession plans for Executive Management, including specific development plans and career planning for potential successors to Executive Management positions;

- all appointments at the Senior Executive level before they are made; and,

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[5] Workers' Compensation Board of British Columbia. Panel of Administrators' Manual (Jan 28, 1997) Tab 11, Richmond (BC); The Board, p.1.

- the mandate within which the WCB will negotiate an agreement with Bargaining Unit staff, regular reports on progress during negotiations and the settlement recommended by the President and CEO with the Chair.[6]

In addition, the 1998 timetable adds new agenda items respecting the review of the board's new gainsharing and equity plans. According to policy, the committee's accountability is assured through the attachment of its approved minutes with the agenda items for the next meeting of the Panel of Administrators. The manual states that "the inclusion of these minutes will be deemed to be the committee's advice to the Panel with respect to its activities."

A review of the approved minutes of the Panel, indicates that the Human Resource and Compensation Committee's minutes have not been regularly attached as required by policy. Minutes of the committee, documenting its specific recommendations to the Panel, have not been provided to the commission. Without this documentation it is difficult to verify the specific contributions or advice the committee provided to the deliberations of the Panel. For example, as at the date of this report, the administration did not have, nor has ever had, a corporate training plan for the committee to review. Similarly, as the implementation and monitoring of performance agreements for executive management appears to be have been implemented only recently, it appears that the committee may not have regularly discharged its responsibilities respecting the ongoing implementation and monitoring of the performance agreements for executive management and directly reporting employees.

The Panel's policy requires that the committee meet four times a year. This expected time commitment and concomitant level of involvement may not be sufficient to adequately carry out all of its prescribed responsibilities. It also appears that the committees' work could be further supported with more complete documentation from the Human Resources Division, including the provision of the committee's minutes to the Panel.

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[6] Ibid., pp. 3-6.

2.1.2 The President/CEO And The Senior Executive Committee

During the last ten years the governance of the board has been subject to considerable scrutiny (e.g., the 1998 Munro Report and the 1995 Korbin and O'Callghan Report). Less attention seems to have been focused on the board's internal management structure and administrative practices. One exception is the Office of the Board of Governors restructuring of the senior executive, which resulted after the termination of the board's first President/CEO (Ken Dye) in July 1993. These changes were intended to:

- further advance the integration into the WCB of the governance structure that became effective June 3, 1991;
- more clearly define the role of the President/CEO and senior executive;
- foster greater team building and confidence between the Governors and Senior Executive; and,
- maintain the values of openness, accountability, public consultation and community involvement in policy and other high level decision making.[7]

Noting that the absence of an effective executive team threatened the continued viability of the governance structure, the governors acknowledged:

"The present organizational structure and selected collegial style of management requires that all these issues be discussed at the Executive Committee Level...the current situation is fraught with a tension that is unhealthy for the organization....potentially demoralizing for dedicated senior management seeking to make positive change and employees searching for the welcomed positive change."[8]

Among the specific problems identified with the structure of the Executive Committee were the following:

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[7] Workers' Compensation Board of British Columbia. Office of the Governors. Proposal to Accomplish Governors' goals through structural change. [Richmond (BC); unpublished: 1998, p.3].
[8] Ibid., pp. 8-9.

- While the Executive Committee operates on a collegial basis, there is an imbalance in accountability, capacity and authority among its members...
- The present structure places all business areas on an equal footing...
- The intended and proper boundary between the Governors and management and operational administration is excessively blurred and confusing to WCB employees and the community.[9]

In evaluating several structural options, the governors concluded that "while no senior management structure may be ideal, the optimal structure should balance the need for more critical evaluation and planned changed with the ideal of senior executive/management empowerment, " and "it must also enable Governors' mandate of "superintending" rather than running the WCB." Accordingly in their proposed new structure, the governors stated the following:

"The President/CEO would be the head of the SEC, perform the Governor defined functions, fulfil the legislative requirements and serve the leadership role...The SEC, including the President/CEO, would be responsible to ensure uniform treatment of common issues across the Board such as application of the management philosophy, management development and succession and labor relations approaches. It would be responsible for establishing inter divisional linkages in both service delivery and resource utilization and allocation. A first priority would be to define and articulate for others its roles and responsibilities."[10]

The current SEC structure (e.g. vice presidents Prevention, Compensation, Rehabilitation, Finance/Information Services and Human Resources/Corporate Development) was implemented in 1993. Five years later the only differences in its structure are the following: 1) the establishment of the Policy and Regulation Development Bureau in 1997(now reporting to the Panel of Administrators, formerly the policy and research function reported to the vice president of Human Resources); and 2) the merger of Compensation and Rehabilitation Services into one division.

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[9] Ibid., pp. 7-8.
[10] Ibid., p. 12.

The Governors also envisioned a number of smaller line and cross-functional committees to assume the balance of the responsibilities of the former Executive Committee (e.g., a Service Committee, a Policy Committee). The development of these committees has been ad hoc and on an as needed basis – two notable cross-functional committees that appear to have had an enduring impact are the Information Systems Review Committee (ISRC) and the Corporate Technological Change Committee.

The Governors' were also aware that the role of the President/CEO position would be slightly diminished in the new structure, but hoped that the new structure would "signal to internal audiences that paradigm rather than incremental change is the objective...with a more focused structure that provides the Governors, WCB employees and the community with a more responsive senior executive."

The President/CEO is accountable to the Panel for planning, organizing, directing and controlling the overall operation of the board in accordance with established policies, standards, and objectives. The Panel defined a Terms of Reference for the President/CEO, which outlines specific human resources responsibilities to:

- develop an organizational structure that is in keeping with the values and the strategic directions of the organization;
- effectively, lead, organize and manage staff and develop an effective functioning executive team;
- set benchmarks to measure Vice Presidents' performance;
- consult with the Panel relative to decisions on the selection, promotion, utilization and retention of executive staff;
- develop and maintain an annual board approved plan for the development and succession of senior management; and
- lead the re-engineering and culture change of the organization with the objective of delivering services that are aligned to customer and stakeholder expectations.

The President/CEO sets the executive agenda and leadership philosophy, which includes establishing the organization's overall human resources strategy. The President also maintain an internal accountability by ensuring that divisional vice presidents align to corporate strategy.   The commission has not reviewed the personnel records of the board's executive, and cannot comment on the benchmarks the president

has set to measure vice presidents' performance. A management accountability system would complement any existing performance review process. Such a system would require that each vice president prepare an "accountability agreement" between the president and the vice president (s) that would articulate what each is responsible for accomplishing.

The President's most important administrative committee is the Senior Executive Committee (SEC). As of October 1998, the commission was advised that the SEC does not have a formal terms of reference, nor procedural by-laws. Its current membership consists of the President/CEO, four divisional vice presidents and invited guests. Over the years the number of vice presidents on the SEC has fluctuated, from a high of seven in 1993 to the current four members; however, in its essentials the structure has remained fundamentally the same.   It was not until 1992 that the head of the board's Human Resources became a divisional vice president.

Although the vice presidents have different spans of authority (e.g., program budgets and staffing responsibilities), according to the board there are no formalized job descriptions or terms of reference for these positions.   The SEC meets monthly to discuss a variety of strategic and administrative issues that are raised by the line divisions. The SEC considers issues, vets proposals and forwards recommendations to the Panel.

Interviewees have told the commission that the SEC rarely holds votes respecting divisional proposals, and instead relies on a consensus building model to make decisions.   These decisions are formally recorded in the SEC minutes, which are approved by the President. The commission was advised that one of the only examples in which an individual vice president has vetoed a particular initiative has been with respect to the acquisition of land or buildings. Although the minutes do not contain a record, it appears that only in rare cases do individual vice presidents veto and/or express strong reservations with respect to another division's strategic initiatives. Current SEC members have suggested in interviews that this collegial model means that that they must support each other and strive to maintain a strong executive team and a coherent corporate strategy. Interviewees have advised the commission that the SEC has worked to foster more cohesiveness, but that this work is ongoing.

As could be expected, individual interviews with the board's vice presidents, managers and staff reveal significant differences in leadership styles and management philosophies. For example, in interviews with the commission during the administrative inventory response research the divisional vice presidents, gave examples of how their approaches to managing change differed. They also gave examples of differences in their approaches to planning, human resources, public consultation, research, and project management.

Some of these differences, particularly as they relate to human resources management, are exemplified in the board's 1996 Strategic Plan. Upon the SEC's recommendation, the Panel resolved that the human resources issues identified in earlier versions of the plan would be "downgraded from official strategic and project status to ongoing management practice and responsibility."[11] In the final version of the plan human resources strategies are rolled up under the heading "Administrative Effectiveness" including:

- enhanced service skills and management training;
- improved communications internally and externally;
- greater staff and management involvement;
- enhanced building and facilities utilization;
- re-deploying staff to emerging and effective strategies; and
- improved human resources policy articulation and training.[12]

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[11] Workers' Compensation Board of British Columbia. Strategic Planning – Strategic Initiatives, Stakeholder Concerns and SEC Recommendations – Record of Decisions taken at Panel of Administrators Meeting (March 14, 1996) Richmond (BC); The Board, p.18.
[12] Workers Compensation Board of British Columbia. Transforming the WCB: A Strategic Plan. (April 4, 1996), Richmond (BC); The Board, p.28.

Earlier versions of the plan contained the following projects:

1. Communicate to and involve staff and restructure management decision-making. In order for the various strategic initiatives to success, there needs to be wide support among management and staff. A commitment will be made to communicate to and involve people in development and evolution of the strategies. Formal business planning prioritizing is required of all departments. All significant decisions require business case analysis and documentation. Return on investment criteria are applied to all major decisions involving risk.

2. Establish management and employee support guidelines. Management and employees expect to have:
    *   Clear leadership and regular and open communication;
    *   clear and achievable performance expectations;
    *   relevant and timely feedback, reward and recognition; and
    *   satisfaction from the work environment.

3. Evolve the management culture. The responsibility for evolving the culture of the organization will be focused in the management team. Each manager will be expected to coach and support the growth of a culture which is results focused, service driven, market oriented, cost effective and prudent. The use of cross-functional teams to evolve and implement strategic initiatives will develop more effective strategy and an improved sense of team.[13]

The recent reiteration of the plan, titled, "Advancing the Plan: A Review and Restatement of the WCB Strategic Plan" (May 1998) acknowledges the need to change from divisional silos to integrated services and also articulates new core values (Client Service, People, Business and Development). However, beyond these statements of intent, the board's assumptions are the same - that changes will occur because "it makes good business sense" and that it will be "simply part of day-to-day program management." The two stated outcomes for the Year 2003 to "Improve the work climate by 50% from current measurement" and "Achieve a 90% accreditation level for

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[13] Workers' Compensation Board of British Columbia. Strategic Planning – Strategic Initiatives, Stakeholder Concerns and SEC Recommendations – Record of Decisions taken at Panel of Administrators Meeting (March 14, 1996) Richmond (BC); The Board, p. 21.

professional officer staff," do not sufficiently demonstrate how the organizational culture will change or how the "silos" will be broken down. Comprehensive corporate human resources performance strategies and indicators that are required to support these outcomes are not included in the plan.

The SEC has recognized that a key facet of the Strategic Plan is the integration of initiatives through cross-divisional teams. In February 1997 the SEC reviewed the organizational models and the alternatives in the plan.   With a focus on process, the SEC decided to "make maximum forward progress" by introducing matrix organizational concepts (e.g., case management, industry management, call centers) and to maintain the status quo functional organizational structure until the timing was better and the commission had reported.[14]   The following coordination issues were also identified:

- timing and communication;
- steering committee is required to review and bring forward resource allocation issues;
- need to clarify terms and roles for Industry Management, Account Management, Case Management and the role of the Prevention Officer;
- training and development, change management, and labour relations issues need to be recognized and resolved; and,
- future pilots, service delivery models and technological innovation should be jointly explored and prioritized.[15]

A subsequent presentation by a cross-divisional management "Strategic Coordination Committee" to the SEC affirmed these issues and declared, "the Committee is a working group, it does not alter existing managerial responsibilities."   The greatest strength of the committee design may also be its greatest weakness – it must identify and address interdivisional coordination problems "from the bottom up," but it has no ability to make the required structural and managerial changes to improve coordination.

In the SEC the vice president of Human Resources has no formal, institutionalized organizational authority over many strategic human resources issues.   Internal

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[14] Workers' Compensation Board of British Columbia. Strategic Projects Tracking: Summary of the Proceedings of the February 20, 1997 Meeting, Richmond (BC); The Board, p.3.
[15] Ibid., p.5.

accountability for human resources is diffuse and is shared between all divisional vice presidents. When questioned about some of the significant impacts on human resources and internal capacity resulting from the board's transformation strategy, the vice president Human Resources Division acknowledged that although the SEC were aware of these pressures, they have decided not to change their approach.

It appears that the current SEC structure may not be conducive to a more integrated organizational model. This system appears to sustain, rather than break-down, the entrenched divisional "silos". The lack of formal Terms of Reference for the SEC and divisional vice presidents, differences in the divisional vice presidents' program responsibilities, personal style and priorities leads to a reactive corporate human resources strategy. While the president guides the executive, the current assignment of responsibility to divisional vice presidents appears to makes it difficult, if not impossible, for the board to implement more corporate, direct lines of accountability for many strategic human resources issues. In the present system, the vice president of Human Resources appears to rely primarily on powers of persuasion and acts from a position of influence, rather than institutionalized authority.

The management values of the former President (Dale Parker) are forefront in the 1996 Strategic Plan as " results focused, service driven, market orientated, cost effective and prudent." Interviews with board personnel suggest that his principal value was to manage the organization to the bottom line (e.g., a 10% cut in overall administrative expenses). Interviewees also suggest that he only began to ease up on the issue of administrative cost control in 1997, which is also the year he left the board.

Since his departure, there appears to be a renewed interest in human resources strategy and internal capacity. Examples are the "Corporate Training Strategy" and initiatives in the new collective agreement (e.g., joint council on training and development, employment systems review, etc.). The leadership philosophy of the new president, who was formally the vice president of the Prevention Division, may result in further changes as he imprints his own management style on the organization. He has told the commission during interviews that he intends to slow down the transformation strategy. However, like his predecessor, he is maintaining the status quo and is leaving the responsibility for strategic human resources to line divisions. In this system, the Human Resources Division, has a supporting, rather than a corporate leadership role.

2.2 MANDATE, MISSION, GOALS AND STRATEGIES

The current organization of the Human Resources Division is depicted in Figure 2.

Figure 2 – Human Resources Division Organization Chart

July 15, 1998

VP HUMAN RESOURCES & CORPORATE PLANNING

DIRECTOR, ORGANIZATION EFFECTIVENESS

MGR, COMPENSATION & BENEFITS

RESOURCE DIRECTOR, HUMAN OPS

MGR, PEOPLE DEVELOPMENT

DIRECTOR LABOUR RELATIONS

MGR, LABOUR RELATIONS
Beverley Burns

SECRETARY II

SENIOR LR ADVISOR

HR ADVISOR
Vacant

HR ADVISOR TRAINING & DEVELOPMENT

HR ADVISOR STRATEGIC PROJECTS

SECRETARY II

SENIOR HR ADVISORS

HR ADVISORS

EMPLOYMENT ADVISOR

HR ASSISTANTS

MGR, PAYROLL & SYSTEMS

PAYROLL OFFICER

PAYROLL ASSISTANT

HR ASSISTANT

BENEFIT CLERK

AVRS/HR CLERK

MGR, STAFF COMPENSATION PROJECT

HR ADVISORS JOB EVALUATION

JOB EVAL/BENEFIT ADMIN ASSISTANT

HR ASSISTANT

MGR EMPLOYEE BENEFITS

EMPLOYEE BENEFIT ADVISOR

RECEPTIONIST HR

Human Resources division's mandate is :

...to assist the WCB to manage its human resources. Our client is management. Our primary customers are line managers and employees. We also provide service to others, including the Compensation Employees' Union, retired employees and external agencies and individuals.

The Human Resources Division's strategic objective in the key performance indicators reports is "to build with our employees and their union a positive work environment." The desired outcomes are to:

- Have the leadership, technology, skills and support which staff need to succeed;
- Have employees motivated and committed to realizing their potential within the organization; and
- Have a relationship with the Compensation Employees' Union based on mutual respect and understanding.

According to the division's 1998 Business Plan:

- The primary drivers for the products and services provided by the division are the strategies of the line divisions who are our primary customers, but Compensation Employees' Union strategies and responses also generate a large amount of volume driven activity. The pace of change has prioritized the delivery of the Divisions services as follows:

- Facilitation of the "people" aspects of technological, process and cultural change

- The coordination and administration of corporate learning and management training programs required to accomplish line strategies and objectives

- The development of key corporate human resources programs and policy – including but not limited to performance management, attendance awareness, succession and career planning, and salary programs – which support corporate objectives

- Advice and recommendations to line departments and divisions in all aspects of HR management and corporate HR policy to transfer expertise and to assist in the achievement of corporate consistency

- Communication of corporate objectives, outcomes and activities to management, employees and employee representatives.

The division also provides direct administrative support to the line divisions in recruitment, grievance handling, job evaluation, salary and benefits administration, and payroll processing.

A review of the board's Annual Reports, Human Resources division's Business Plans and other internal documents indicates that some of the goals of the division are to:

…create an environment in which employees are motivated and committed to realizing their potential and the board's goals and in which the board's relationship with the Compensation Employees' Union is based upon mutual respect and understanding.

...to operate effectively in a decentralized human resources model and to deliver human resources products and services on a board-wide basis

...to coordinate and monitor all WCB training activities and be responsible for training which has impacts across the WCB, (e.g., employee orientation training, management training, organization culture related training).

...to improve the work environment by 50% by the Year 2003.

Also included in the vision of the board for the Year 2000 is the desire for the Workers' Compensation Board to be "acknowledged as providing a positive work environment." The mission statement, developed in 1996 to define the human resources support role, can still be found in the board's 1998 Business Plan:

...to provide our customers with valued and effective HR products, services and leadership that ensures the success of the WCB strategies.[16]

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[16] Workers' Compensation Board of British Columbia. Business Plan 1998: Human Resources Division. Richmond (BC); The Board; 1997, p.3.

Prior to 1993, the administration of human resources, with the exception of training, was centralized. In 1994 the board reorganized and implemented a matrix service delivery structure. In this new model human resources became the responsibility of line managers and the Human Resources budgeted FTE's decreased by 24.5% from 1994 to 1996.[17]

In the decentralized model, corporate human resources personnel deliver specialized services on board-wide issues such as compensation and benefits, labour relations and human resources operations. In the 1995 Business Plan the Human Resources Division positioned itself to "provide direct support to line management who are responsible and accountable for their human resource management decisions." The division recognized that adopting this position had inherent risks. The most significant risk was line management capacity. In addition to noting that the timeliness of Human Resources service would be reduced, the division explained that line management would need consistent direction and support because of a "lack of general management skills."

In the 1996 Business Plan, the division viewed the strategic plan as a commitment to change, and saw it as an opportunity to play a leadership role in the communication and facilitation of change in the organization. However, the division also acknowledged certain weaknesses, and threats to its ability to meet the division's goals, including:

- a relationship of distrust between the WCB and the Compensation Employees' Union and difficulty reaching satisfactory closure in labour relations matters;
- a lack of policies, procedures and consistency in the administration of human resources issues;
- a lack of necessary focused resources because of the time commitment required to handle core administrative activities;
- a lack of training and development internally and throughout the rest of the organization;
- different views of management and the union on the meaning of consultation...;
- the pace of change;

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[17] Workers' Compensation Board of British Columbia. Business plan 1996: Human Resources. Richmond (BC); The Board; 1996, p.3.

- inadequate resources to meet both core responsibilities and strategic initiatives; and
- expectations on the part of line management and the Senior Executive that culture change will happen quickly.[18]

The current vice president, Rehabilitation and Compensation Services Division (Ron Buchorn) was responsible for Human Resources from July 1993 until October 1995 when the current vice president (David Anderson) was hired. David Anderson told the commission that his first priorities for the division in 1996 were to shepherd the draft Strategic Plan through the consultation process, develop a labour relations strategy, improve the board's health and safety performance, and build human resources programs based on agreed upon core values. Since then he has also re-organized the division, and sponsored several organizational and management development initiatives that are described later in this report (e.g., Wilson Banwell Management Scan and Employee Surveys). Table 2 below presents the results of an internal survey of the effectiveness of human resources services.

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[18] Workers' Compensation Board of British Columbia. Business plan 1996: Human Resources Division. Richmond (BC); The Board; 1996, pp.8-9.

Table 2 – Human Resources Division Internal Customer Survey:

Customer Satisfaction	% Satisfied
Overall, satisfaction with the service provided by H.R.	71%
HR effectiveness in providing information and advice.	62%
HR support in acquiring the necessary HR policy/program expertise.	75%
HR effectiveness in communicating useful information.	81%
Professional treatment by the HR department.	98%
HR Dept's understanding of line business issues and needs.	84%
Compared to a year or so ago the service from HR is – same.	63%
Compared to a year or so ago the service from HR is – better.	26%
Needs Identification	**% Agreeing**
More corporate training programs.	81%
HR providing more change management assistance.	91%
A management orientation program.	84%

(Source: Workers' Compensation Board of British Columbia. Business Plan: 1998 Human Resources Division. Richmond (BC): The Board, 1997), p.10.)

As a result of the internal customer survey, the division identified it's two greatest weaknesses in it's 1998 Business Plan:

- the level of corporate management training programs available from HR or the divisional training functions; and;.
- the involvement of HR in the change management process.[19]

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[19] Workers' Compensation Board. Business plan 1998: Human Resources Division, Richmond (BC); The Board; 1996, p.10.

2.3 PLANNING AND INFORMATION

Two measures of effective human resources performance are adequate planning and information. Human resource planning, as defined by the Office of the Auditor General of Canada, refers:

> "...to the systems and procedures for ensuring that the appropriate numbers of people are available with the required skills, when and where they are needed, in order to achieve the short and long term goals of the organization...Human resource planning focuses on the organization, not on the individual. It deals with long-range productivity and organizational continuity. It should be integrated with the other planning functions of an organization and with other personnel activities such as training and development, and recruiting."[20]

This kind of planning is facilitated by accurate, complete and timely human resources information. Descriptive information that is part of an inventory of human resources includes characteristics of staff employed such as education, work and salary histories, skill levels, performance evaluations, training experiences and promotion potential for critical skills and functions. Statistical information such as turnover rates, payroll costs, level of absenteeism, attrition, retirement figures and number of grievances are also generated from human resource information systems. This data can be used to monitor productivity, anticipate needs, and address fluctuations.   A commitment to human resources planning demonstrates that an organization is aware of its present and future human resource requirements as well as the competencies of its work force.

The division's current human resource management "Genesys" information system was designed primarily as a payroll system. In 1996 the division requested approval to develop a new system, but it was unable to demonstrate the (35 percent) internal rate of return required for the board's capital systems projects. In a written response to the commission, dated September 1998, the division confirmed:

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[20] Office of the Auditor General of Canada. Audit Guide: Payroll Costs Management and Human Resource Planning. Ottawa, ON: 1981.

"The current human resource management system is unable to provide the information required to support the management of the board in making timely business decisions. Much of the information which would support the strategic initiatives in human resources is not available and requires building ah-hoc systems with duplicate and sometimes triplicate effort required to enter data into these systems."[21]

In addition, because the current payroll system is not Year 2000 compliant and the vendor cannot provide a usable compliant version that would be operational at January 1, 2000, Human Resources is still advocating for its replacement and has been doing so since 1996. The Human Resources Division wants it to be replaced with a fully integrated payroll/human resource information system with ability to streamline existing processes and procedures to make them more responsive to needs of the organization, provide more relevant, timely information to management, collect new data on employee function and usage patterns for management reporting and trend analysis, and improve the ability to share data with financial programs in the board.

The board does not have a formal human resources planning model. Divisional management are responsible for identifying and planning for their human resource requirements based upon a review of past experiences/trends, current identified needs and anticipated future needs; Human Resources personnel provide information and support for this process as required. Line management's forecasts are used to prioritize human resources staffing activities and to initiate appropriate actions to ensure the appropriate staffing is in place to meet service needs.

The lack of a corporate human resources planning model contributes to inconsistent service delivery. This was noted in comments by some managers to the commission who were frustrated with the lack of information and planning. Typically, these managers do not know how recruitment "queues" are prioritized and why it takes so long to get staff.

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[21] Workers' Compensation Board of British Columbia. Human Resources Division. Response to Question 19 (b) Royal Commission request dated August 4, 1998. Richmond (BC); The Board, 1998.

The Human Resources division gave Prevention division's review and forecast of Occupational Safety Officer staffing needs over the next five years as an example of line division planning. Through this process, the division identified potential staffing gaps due to retirement and normal attrition, prioritized recruitment activity for this group and initiated a recruitment plan to address this concern. The Prevention division is responsible for implementing this plan.

Information Services Division (ISD) is another example of line division human resource planning. In its 1998 Business Plan (ISD) commits to "continuous professional development and leadership in technological intervention based on the philosophy of continuous improvement and to understand that people make technology work." The division 's recruitment needs are significant and the board is competing with numerous organizations because the is a North American shortage of IT professionals. Since the availability of skilled personnel is a critical success factor, the division has a dedicated "Resource Planning Specialist" to work closely with the management team of ISD, Human Resources and Labour Relations to represent IS special interests and Human Resource needs. This position:

- Participates in human resources (HR) and labour relations (LR) committees, working with HR and LR to augment recruitment support activities, such as interviewing, coaching etc.;
- Acts as default second manager where more than one divisional manager is required, such as involvement in the recruitment process;
- Maintains ISD resource plans to ensure that recruitment, contracting, or other backfill activities are foreseen and needs filled in timely basis through effective recruitment strategies;
- Assists in ISD consultant portfolio management, including contractor evaluation process;
- Researches, analyses and reports industry trends related to IS knowledge workers; identifies potential impact, recommended reasons and action plans that will position the WCB IS division to mitigate against adverse effects or benefit from such trends;
- Liaises with HR on management and leadership professional development issues unique to IS professionals;
- Supports ISD management in change management initiatives;

- Liaises and maintains collaborative partnerships with educational and training institutes which may offer co-op , apprenticeship and accessibility programs of interest in ISD;
- Develops new or revised job descriptions for bargaining unit and exempt positions. Drafts postings as needed;
- Keeps abreast of HR policies and procedures, collective agreement provisions, and letters of understandings, analyzing and responding to impacts as they relate to ISD; and
- Coordinates and maintains ISD contingency plans.

ISD is the only line division which dedicates a full-time resource to its human resource planning needs. This appears to be an effective strategy.

Human Resources provides information and data to divisions to assist them in the forecasting of needs. Reports can be available for such areas as attendance/leave utilization, employee service/age by job group, attrition rates, vacation entitlements/utilization, etc. As well, ad hoc reports can be provided for specific targeted groups/departments upon request.

Currently, the Divisional human resources planning activities have not been integrated into an overall board human resources plan. The Human Resources Division has identified the area of formal human resources planning as a priority, and claims that it is in the process of developing a corporate strategy and resources to support implementation of a formal HR planning model across the organization. No documentation has been provided to the commission that demonstrates that indicates further work, beyond a statement of intent, has been established.

In a decentralized human resources service model, such as that used by the Workers' Compensation Board, it is important that each division has adequate human, financial and information resources to carry out planning responsibilities. Assigning or temporarily seconding human resources personnel to a particular program area may not be sufficient to meet ongoing planning and development needs.

The board's changing workforce demographics are similar to other BC public sector organizations (e.g., BC Hydro, provincial government). As depicted in Table 3 below, the board's work force is aging. The aging workforce poses a number of human resources challenges and points to the need for good management information and adequate planning (e.g., recruitment, succession planning, etc.).

Table 3 - Permanent Employee Demographics

SERVICE TIME	AGE			
	19 – 34	35 – 49	50 - 54	55 +
LT 5YEARS	171	223	34	19
5 – 9 YEARS	353	530	111	61
10 - 14 YEARS	62	236	62	30
15 - 19 YEARS	8	195	77	64
20 - 24 YEARS		126	55	51
25 + YEARS		36	41	32
TOTAL	**594**	**1346**	**380**	**257**

(Source: Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Response to Question 11 Royal Commission request August 4, 1998. Richmond (BC): The Board; 1998.)

The board needs specific human resource strategies that consistently and fairly address the issues raised by a changing workforce (such as age and ethnicity), both internal and external to the board.

In a written response to the commission, the Human Resource division advises that performance appraisals for senior executive and Director level positions and succession planning were implemented in 1998. The new succession planning process includes the identification of key management positions within the board and of internal individuals who are considered to have the qualifications and competencies to be potential candidates for these positions. These candidates will be encouraged to further develop the key skills/competencies which are required for more senior management positions, through varied project assignments, educational/training opportunities, secondments, mentoring, and acting appointments. The Policy and Regulation Development Bureau

does have a performance appraisal process for management exempt positions and there may be other exceptions (e.g., Legal Services, Internal Audit Department).

Succession planning and performance appraisals are not conducted for many bargaining unit positions. Notable examples are occupational safety officers, claims adjudicators, vocational rehabilitation consultants, assessment officers, and other professional and officer level positions.

Human Resources personnel have advised the commission in interviews that where performance appraisal are conducted, practice is inconsistent. This means that human Resources personnel and line managers are missing not only a valuable source of information that could feed into performance management, planning and recruitment processes, but also the opportunity to identify issues and monitor human resources program effectiveness (e.g., adherence to standards of conduct, relevance of established competencies for key positions, career planning opportunities, internal communication etc.).

2.4   BUDGETS & STAFFING

As illustrated in Figure 3 and Table 4, divisional budgets are on the increase in every division except Compensation and Rehabilitation Division which has seen its budget decline by 1.7% over the past four years.

Figure 3 - Divisional Operating Budgets (1995 – 1998)
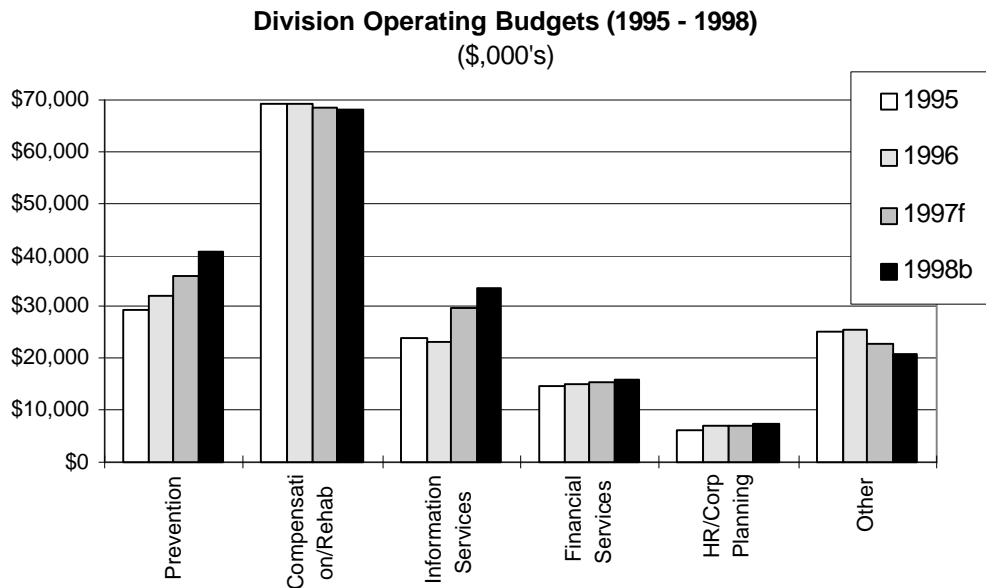
Division Operating Budgets (1995 - 1998)
($,000's)

(Source: Workers' Compensation Board of British Columbia. Corporate business plan 1998. Richmond (BC): The Board; 1997.)

Table 4 illustrates comparable budget data for the board as a whole which indicates a 10.7% increase since 1995 and an expected one year increase of 3.7%. Reflecting the FTE increases shown in Table 4 Information Services and Prevention divisions have experienced the greatest percentage increases in their respective budgets. The Rehabilitation and Compensation Services division has seen a slight drop in it's operating budget, consistent with it's decline in FTE's.

Table 4 - Change in Divisional Operating Budgets

	% change 1997f -1998b	% change 1995 -1998b
Prevention	12.7	39.3
Compensation/Rehab	-1.0	-1.7
Information Services	13.7	41.2
Financial Services	1.5	8.0
HR/Corp Planning	1.7	13.9
WCB TOTAL	3.7	10.7

(Source: Workers' Compensation Board of British Columbia. Corporate business plan 1998. Richmond (BC): The Board; 1997.)

The 1998 corporate budget indicates an expected FTE level of 70 for the Human Resource Division which is comparable to levels for the past four years. These 70 FTE's represent 2.7% of total WCB budgeted FTE's of 2550. Based on these figures, there is one Human Resources division FTE for every 35 or 36 board-wide FTE's (although current vacancies in the division increase this ratio to 1 in 39).[22]

Table 5- FTE's sorted by Division

DIVISION	1997 Actual FTE's	1998 Budget FTE's	1998 Actual (to June 30)
Comp. Services/Rehab	1307	1321	1288
Prevention	397	418	420
Information Services	218	255	237
Financial Services	219	230	235
HR/Corporate Planning	68	70	63
Other[*]	240	256	238
WCB Total	2449	2550	2482

(Source: Workers' Compensation Board of British Columbia. Key performance indicator report [June 30,1998]. Richmond (BC): The Board: 1998.)

As shown in Figure 4 the Rehabilitation and Compensation Services division accounts for over half of all board FTE's with the second largest division, Prevention, accounting

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[22] Workers' Compensation Board of British Columbia. Key Performance Indicator Report (June 1998), Richmond (BC); The Board.

[*] "Other" includes: Facilities, Appeals, Legal Services, Communications, Policy Bureau, Medical Review, Internal Audit, Non-Department, and Office of the President.

for 1 out of every 6 board FTE's. The proportional representation of all divisions has varied by less than +/- 1% since 1995.

Figure 4 - 1998 Forecasted FTE Allocation
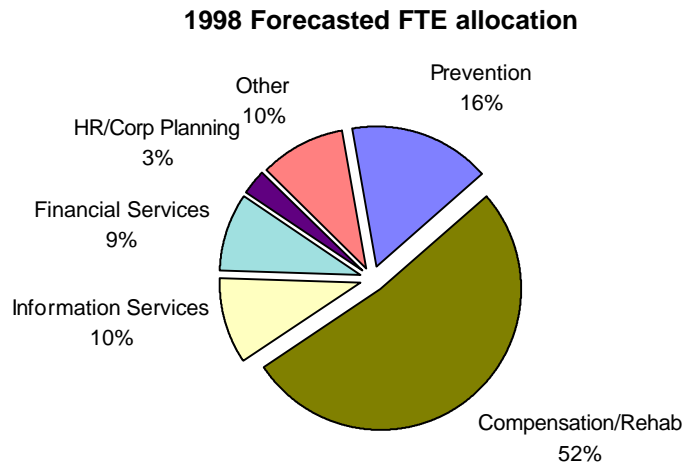
1998 Forecasted FTE allocation

Source: Workers' Compensation Board of British Columbia. Key performance indicator report [June 30,1998]. Richmond (BC): The Board: 1998.

The Human Resources division's 1998 Business Plan stated that FTE's in the division "have decreased from the 73 budgeted in 1995 to 67.67 by the end of 1997 (a decrease of 7.3%)".[23] FTE's in the division have in fact remained stable for the past 3 years, fluctuating between 68 and 70. Over the same period, the operating budget of the Human Resources division's has increased from $6.35 million to $6.82 million (increase of 7.4%) which currently represents approximately 3.8% of the board's total operating budget.

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[23] Workers' Compensation Board of British Columbia. Business plan 1998: Human Resources Division. Richmond (BC); The Board, p.4.

Figure 5 - 1998 Forecasted Budget Allocation
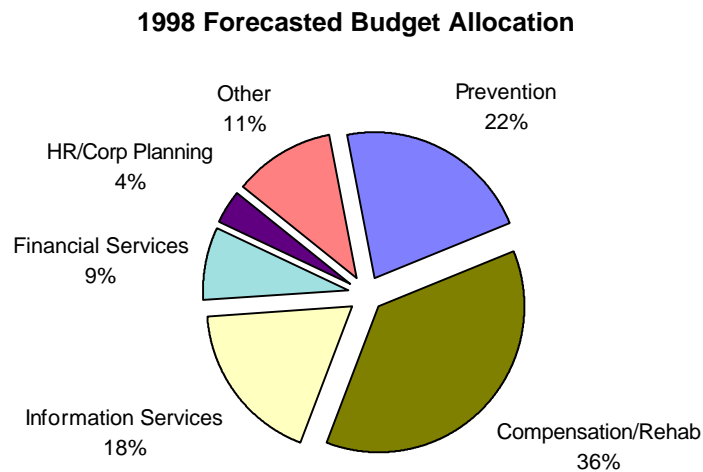
1998 Forecasted Budget Allocation

Source: Workers' Compensation Board of British Columbia. Corporate business plan 1998. Richmond (BC): The Board; 1997.

Data from the June 1998 Key Performance Indicator report illustrates a continuance of the vacancy gap which exists across the board. This data also indicates that total board FTE's (actual) are consistently lower than the budgeted figures.

Figure 6 – Workers' Compensation Board Total FTEs
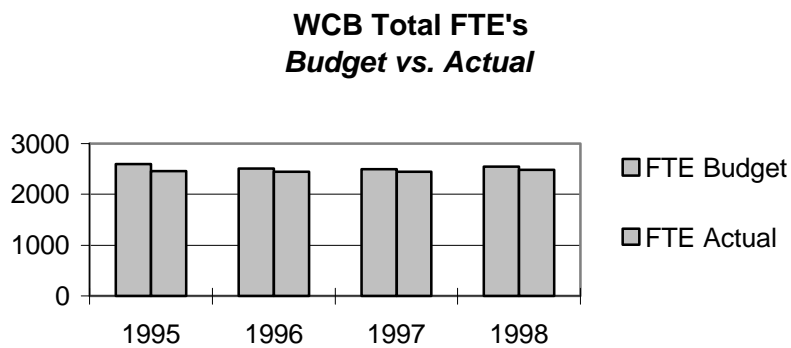
WCB Total FTE's
Budget vs. Actual

(Source: Workers' Compensation Board of British Columbia. Key performance indicator reports [quarterly] Richmond (BC): 1997/1998.)

In a written response to the commission, the Human Resources division offered the following explanations for the discrepancy between budgeted and actual FTE levels:

- normal recruitment lag due to the administrative process of filling vacancies (e.g.: internal posting process, screening and assessing numerous internal and external candidates);
- delays caused by collective agreement requirements (e.g.: 20 days waiting period for unsuccessful internal candidates to grieve, processing of grievances on internal selections which delay the ability to confirm selected candidates into vacancies); and,
- difficulties in recruiting for qualified external candidates for technical, professional and officer level positions.[24]

The Human Resources division has also noted that the recruitment of qualified candidates for the technical, professional and officer level positions has caused significant delays in filling vacancies over the past few years. In particular, professional and officer levels positions have also been difficult to recruit. Vacancies for psychologists, therapists, medical advisors and other professional positions often require lengthy recruiting activity and may remain unfilled for many months. Officer level positions (such as Occupational Safety Officers, Vocational Rehabilitation Consultants and Case Managers) have required extensive and lengthy external recruitment activity to attract candidates who have the required credentials, education and experience for these senior level positions.

Recruiting activity for such positions can include advertising in local, provincial and national newspapers, professional and technical journals, Internet, etc. as well as participation in career/job fairs, contact with educational institutions and professional organizations, personal search contacts, etc. Some of the strategies used by the to address recruitment issues include: increased use of the Internet for recruitment purposes; increased involvement with educational and professional organizations; and

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[24] Workers' Compensation Board of British Columbia. Human Resources Division. Response to Question 8 Royal Commission request dated August 4, 1998. Richmond (BC); The Board, 1998.

implementation of a marketing strategy that positions the board as an "employer of choice". [25]

Data for the board as a whole indicates an overall FTE increase of 3.6% since 1995, and an expected 4.1% increase over 1997 levels. The greatest increases have been in Information Services, as the WCB increases it's information technology capacity, and in the Prevention. The remaining divisions have experienced much smaller increases.

Table 6 - Change in FTE's by Division (1 year & 3 year)

	% change 1997 -1998b	% change 1995 -1998b
Prevention	5.3	11.8
Compensation/Rehab	1.1	-0.2
Information Services	17.0	22.6
Financial Services	5.0	2.2
HR/Corp Development	2.9	1.4
Other	6.7	1.5
WCB TOTAL	4.1	3.6

(Source: Workers' Compensation Board of British Columbia. Key performance indicator reports [quarterly] Richmond (BC): 1997/1998.)

Most notable from FTE Category data presented below (Table 7) is that while the total number of FTE's at the board has increased by less than 1% over the past three years, the number of Senior Management FTE's have increased by over 40% from 31 in 1995 to 44 in June, 1998.

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[25] Workers' Compensation Board of British Columbia. Human Resources Division. Response to Question 16 Royal Commission request dated August 4, 1998. Richmond (BC); The Board, 1998.

Table 7 - FTE's by Category

	1998* Actual FTE	%FTE change 1995-1998*	% over / under 1998* FTE budget
Executive Staff	6	0%	-14%
Senior Management	44	42%	+10%
Management	201	3%	-4%
Compensation Employees' Union Perm Staff	1954	1%	-4%
Compensation Employees' Union Temp Staff	186	5%	+20%
WCB Total	2482	1%	-3%

* 1998 data up to June 30

(Source: Workers' Compensation Board of British Columbia. Key performance indicator reports [quarterly] Richmond (BC): 1997/1998.)

2.5   RECRUITMENT

Since 1995, the board has used the Knowledge, Skills and Ability (KSA) model for recruitment and selection. The KSA model was adopted after concerns about the old selection process were raised by the union and others, including:

- Too much emphasis on the interview;
- Interviews are too time consuming and subjective;
- Too many people are interviewed and re-interviewed;
- Bias in selecting candidates;
- Discrimination in selecting candidates;
- Disproportionate numbers of external candidates hired;
- Large number of grievances; and
- Interview minimums being used as job minimums.[26]

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[26] Workers' Compensation Board of British Columbia. Managers' corporate Human Resources policy guide. Richmond (BC); The Board; 1996.

From the board's perspective, the old system also presented both resource and logistic hurdles:

- All candidates who met minimum qualifications were entitled to an interview. As the average size competition required 20 to 50 interviews, this placed a substantial time demand on managers and candidates.

- Jobs were awarded to the best qualified candidate subject to the 10 percent rule. This meant an internal candidate within 10 percent of the successful candidate's score would be awarded the job.

- The board could hire external candidates only if they were the superior candidates, and no internal candidate came within 10 percent of the external candidate's score.[27]

The new competency-based recruitment process is based on observable and measurable behaviors. Job analysis requires a detailed investigation of the behaviors required on the job, broken down into the following categories:

- Organizational skills
- Supervisory/leadership skills
- Communication skills
- Interpersonal skills
- Decision making and problem-solving skills
- Technical knowledge skills
- Physical skills/willingness

This model is predicated on the theory that,

"...past and/or present behavior is a strong predictor of future behavior and that behavior can be systematically analyzed and used as a basis for employee selection. The analyses of behavior is facilitated by Human Resources personnel and Subject Matter Experts (SME's) including management and bargaining unit employees who thoroughly understand specific job requirements." [28]

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[27] Ibid.
[28] Ibid.

Although competency based systems are the model of choice according to a recent Conference Board of Canada study of human resources and training in Canadian organizations, they appear to have been adopted without the benefit of strong empirical research. In a recent literature review of competencies completed for the Canadian Council of Human Resources Associations and Human Resources Development Canada, Victor Catano concludes,

> "There do not appear to be any articles which compare the bottom line effectiveness of job-based versus competency based systems, or that validate competency-job performance relationships....thus calls for empirical research on the reliability and validity of competency based systems to avoid litigation is well founded."[29]

Although, it is too early to assess the effectiveness of the board's KSA model, the board should plan to monitor its outcomes.

2.5.1 Summary of Compensation Employees' Union Position Recruitment

According to information provided by Human Resources division, line management is responsible for identifying staffing requirements, which include identifying the FTE allocation, approving filling of position, and forwarding request to designated Human Resource Advisors. The Human Resources Advisor is responsible for supporting the Manager and for coordinating/undertaking/assisting with the following recruitment-related activities for identified vacancy:

- job task analysis for new/changed jobs with resulting preparation of formal job description;
- job evaluation process for new/changed positions to determine appropriate pay group;
- identification of competencies required for individual jobs and development of knowledge, skills and abilities selection criteria for jobs ("KSAs");
- identification or development of appropriate assessment tools to measure the KSA's required;

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[29] Catano VM. Competencies: a review of the literature and bibliography. The Canadian Human Resources professional capabilities profile. Ottawa (ON): The Canada Council of Human Resource Associations, Human Resources Development Canada; 1998, p.55

- initiation of internal posting and external recruitment activity (advertising/etc.)
- screening of applications, formal testing, behavioural interviews, reference checking;
- making jobs offers and confirmation of acceptance; and
- dealing with recruitment related grievances. [30]

The Human Resources division also uses consultants for special projects (e.g.: Case Management, Assessment re-structuring of jobs) and have worked with line management and HR staff in the process of determining "new" competencies for certain key new/changed jobs.

Positions in pay groups 1 to 10 in the are subject to testing of skills and abilities, and awarded by seniority to the qualified applicant without an interview. Knowledge is not specifically tested. For jobs in pay groups 11 to 25, "qualified" now means that the candidate must demonstrate sufficient knowledge, skills and ability (KSA's) by successfully meeting the competencies identified for a job through the KSA analysis process. A behavioral interview is generally the method used to assess interpersonal and communication skills, and to verify the candidates' assertions.   An external candidate is considered only when there are no qualified (seniority-rated) candidates. Specific tests, such as the "Watson Glaser Test", which the board uses to assess the skills of claims staff have been subject to and have passed external scrutiny.[31]

2.5.2   Summary of Management Recruitment:

Line division management identify the need for positions and approve the establishment of a new position or the filling of the vacancy. Human Resources personnel work with line managers to develop job descriptions, identify competencies/qualifications and develop selection assessment tools. They also initiate posting and external recruitment activity and assist with screening, testing, interviewing, reference checking and job offers (as required). Not all management positions are posted/externally or advertised.

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[30] Workers' Compensation Board of British Columbia. Human Resources Division. Response to Question 16 Royal Commission request dated August 4, 1998. Richmond (BC); The Board, 1998.
[31] Workers Compensation Board of British Columbia. Management Matters (Spring and Fall 1997 editions), Richmond (BC); The Board.

Management positions can also be filled with internal candidates or identified external candidates. Historically, there has been very little internal promotion from the bargaining unit to management ranks. It has not been emphasized in human resources strategies, nor coveted by bargaining unit staff who understand first hand the challenges and pressures faced by board managers.

In interviews the commission has heard a number of criticisms about the high level of management turnover and the recent trend of hiring "generic managers" or "insurance people". Interviewees have complained that some of the new managers are not accessible, and some do not have sufficient operational knowledge to answer their questions. Others suggested that their experience with managers is variable – "sometimes you get lucky get a good one, but most often calling a manager can be a waste of time".

The competencies of managers impact how much direct, ongoing support they can provide to staff, and also influences how effective they can be at monitoring and providing quality assurance. More training for managers is often identified as a "fix" or solution to these problems, but additional consideration needs to be given to recruitment practices. Lack of managerial experience and insufficient training are a reflection of the adequacy and effectiveness of management recruitment and selection practices. The lack of formalized recruitment standards for managers, the practice of "identifying" external candidates rather than making them compete for positions, and complaints from staff and external organizations indicate that there may be some flaws with the current process.

Although the Human Resources division advises that recruitment priorities are identified by Human Resources staff with each Division, there is still some frustration that has been expressed to the commission in interviews. While priorities need to be flexible in order to meet unusual circumstances or emergency needs, the Human Resources Division advises that line Divisions have generally identified Officer level recruitment as a high priority and Human Resources personnel are allocated accordingly.

As part of its strategic transformation, the board is working towards having staff doing their own keyboarding and establishing a foundation of computer literacy. Staff and the

Compensation Employees Union have told the commission that there are still basic inconsistencies in the (wpm) standards for job descriptions.   Standards for keyboarding and access to computer skills training are issues that have arisen in technological change committees across the board.   These discussions indicate that specific standards and more opportunities for keyboard training are still needed for positions throughout the board and across functions. For example, the need for administrative support staff and service representatives (e.g., Employer Service Representatives, Client Service Representatives) is equal to the need expressed by occupational health and safety officers and experienced claims adjudicators who have previously relied on support staff do their dictation. Further work may be required to refine standards and address any gaps, particularly relating to the competencies required for new positions.

2.6   EMPLOYEE TURNOVER & ATTRITION

Table 8 below illustrates the turnover rate of different personnel categories and emphasizes the fact that in 1997, one-quarter of management positions were vacated and subsequently filled by someone else; projections for 1998 estimate that management turnover will double meaning that one-half of all management positions will undergo a personnel change.

Table 8 - Position Turnover (% of total positions that were vacated and subsequently filled)

	1995 t/o ratio	1996 t/o ratio	1997 t/o ratio	1998 projected
Management	19%	23%	25%	**50%**
Staff – Permanent	15%	17%	18%	**42%**
Staff - Hire from Temp	18%	14%	8%	**1%**
Temp Staff (>6 mos.)	14%	13%	9%	**27%**

(Source: Workers' Compensation Board of British Columbia. Key performance indicator report [June 30,1998]. Richmond (BC): The Board: 1998.)

Table 9 below illustrates the attrition rates during the 1995 to 1998 period. Similar to turnover rates (Table 8) above, the projections for 1998 show a substantial difference when compared to previous years. While turnover rates are projected to at least double

for three of the four position categories, attrition rates have been projected to decline by 80% - 90% in all categories.[32]

Table 9 - Attrition rates (% of total positions in that category that were vacated)

	1995	1996	1997	1998 projected
Management	11.3%	7.0%	11.4%	1.5%
Staff	3.1%	3.0%	3.8%	0.7%
Total Mgmt & Staff	4.0%	3.4%	4.6%	0.8%
Temporary	11.5%	20.9%	26.6%	2.8%

(Source: Workers' Compensation Board of British Columbia. Key performance indicator report [June 30,1998]. Richmond (BC): The Board: 1998.)

Although the board generally has a low overall attrition rate, the Human Resources division offered the following explanation for the increased turnover rates in 1998:

"In 1998 there has been significant organizational change as Divisions are implementing the strategies and initiatives developed to achieve the board's strategic objectives. The planned initiatives have involved fundamental re-engineering of the way the board does its business and services its clients with the resulting creation of changed and new types of positions. Examples of this are the overall organizational changes in the Compensation Services and Assessments areas (e.g.: creation of many new jobs such as Case Managers, Entitlement Officers, Client Services Representatives, Employer Service Representatives, etc.).

As new types of jobs have been created, there has been considerable turnover within the board as staff are "mapped" into new jobs (i.e.: process agreed with the Union for transition of certain employee groups from "old" jobs to similar new jobs) or new positions are posted for recruitment. While there will continue to be some turnover due to organizational changes, it is expected that for most areas the staffing of the "new" organizational structures is nearing completion and turnover will become more stable over the next six months."[33]

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[32] These figures seem to contradict the expected results of the early-retirement incentive program implemented August 1998

[33] Workers' Compensation Board of British Columbia. Human Resources Division. Response to Question 9 Royal Commission request dated August 4, 1998. Richmond (BC); The Board, 1998.

The underlying reasons for high turnover rate should be closely monitored. There is a need to maintain levels of consistency, particularly within the ranks of management.

2.7   EMPLOYEE TERMINATION TRENDS

Tables 10 and 11 indicates that there has been a steady decline in voluntary and involuntary terminations from 1992 to 1997.

Table 10 - Voluntary Terminations

YEAR	Compensation Employees' Union PERMANENT	Compensation Employees' Union TEMPORARY	MGMT PERMANENT	OTHER NON-UNION STAFF
1992	3	2	3	4
1993	2	2	6	
1994	3	1	17	
1995			15	1
1996	5		12	1
1997	1		4	

(Source: Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Response to Question 10 Royal Commission request August 4, 1998. Richmond (BC): The Board; 1998.)

Table 11 - Involuntary Terminations

YEAR	Compensation Employees' Union PERMANENT	Compensation Employees' Union TEMPORARY	MGMT PERMANENT	OTHER NON-UNION STAFF
1992	59	33	6	6
1993	58	62	12	4
1994	60	63	14	5
1995	53	33	27	4
1996	52	28	10	5
1997	11	2	2	3

(Source: Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Response to Question 10 Royal Commission request August 4, 1998. Richmond (BC): The Board; 1998.)

The Human Resources division explained these trends by stating the board offers employment benefits and opportunities that encourage employees to make long term commitments. Exit interviews are not regularly conducted for all voluntary terminations. However, the Human Resources division suggested that those employees who have left the organization in the past year have generally done so to pursue other career options (e.g.: Information Services staff), to relocate, to return to school, etc. and that some employees have found it difficult to adjust to the significant changes underway within the board and have made decisions to leave the organization (resignations or retirements).

The Human Resources division also states that given the current economic situation in BC which affects alternate employment opportunities, it is expecting that the rate of voluntary attrition may actually continue to decrease for the 1998 year. The Division has told the commission that a standard exit interview process has been re-introduced and will provide ongoing information regarding staff turnover issues.

2.8 REMUNERATION AND BENEFITS

Schedules B and C of the board's Collective Agreement with the Compensation Employees' Union outline categories of employment, salary groupings and the bargaining unit salary grid. Payroll data, as shown in Table 12 indicates that payroll as a percentage of operating budget is highest for Compensation Services and lowest for Information Services Division. The low percentage in Information Services Division may be explained by the high cost of equipment and consulting costs. Overtime is highest also for Information Services due to the real-time demands of the position.

Table 12 - 1997 Payroll Statistics (for selected divisions)

DIVISION	REGULAR PAYROLL	% OF DIVISION BUDGET	1997 FTE's	AVERAGE PAYROLL COST PER DIVISION FTE	% OVERTIME
Prevention	$25,452,792	70%	397	$64,113	0.86%
Compensation[34]	$48,990,369	80%	977	$50,143	1.55%
Information Services	$12,936,889	44%	218	$59,344	4.64%
Financial Services	$11,386,165	73%	219	$51,990	1.31%
HR/Corp Planning	$5,150,456	73%	68	$75,735	1.40%
WCB TOTAL	$136,956,629	76%	2449	$55,.923	1.57%

(Sources: 1997 figures reported in June 1998 KPI report and Jan 22/98 SEC Minutes.)

In preparation for the 1997/1998 negotiations, the Labour Relations Department compared salaries, benefits and working conditions for crown corporations.[35] Although the board was identified as having the most expensive vacation package for employees (average number of weeks = 27.9) compared to an average of 23.6 weeks, this comparative analyses demonstrates that the board's benefits are in line with other employers in the Crown Corporations Employers Association.

The Benefit package for employees includes the following: BC Medical(MSP); Extended Health, Dental, Insurance (Life etc.), Business Travel Insurance, Pension, Long Term Disability, Sick Leave, Sick Child Leave, and Personal Family Leave. The Human Resources division advises that the total annual costs of these benefits is $20,331,311 or an average of $8,429 per employee.

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[34] Note the percentage of Rehabilitation and Compensation Services Divisional Budget is based on a calculation of the combined Comp/Rehab budget less Rehab budget to give expected Comp budget.)

[35] Workers' Compensation Board of British Columbia. Labour Relations Department. Comparison of conditions across Crown Corporations Employers Association collective agreements. [Memorandum to the Royal Commission]. [Richmond (BC); unpublished: 1998].

Schedule "A" of the Collective Agreement identifies excluded positions. These were reviewed after the printing of the 1995 agreement and will be included in the next version.   The 1995 Annual Report and the Human Resources division's 1995 Business Plan 1995 state that the board completed management job evaluation reviews and implemented a performance-based salary program for management employees. This policy should be disclosed and included in the WCB Manager's Human Resources Policy Guide.

The Financial Information Act Regulation (Schedule 1, 2.9) requires the WCB to disclose amounts paid to individual employees over $50,000 annually and all amounts paid to elected officials, members of the Board of Governors/Panel of Administrators and employees appointed by the Lieutenant Governor in Council, regardless of the prescribed amount. The information submitted by the board's Vice President of Finance breaks out payroll data as shown in Table 13 and Figure 7.

Table 13 – 1996 and 1997 Remuneration Levels

	1996					**1997**				
	FTE's	% of total FTE's	Payroll cost	% of total payroll	Average Payroll per FTE	FTE's	% of total FTE's	Payroll Cost	% of total payroll	Average Payroll per FTE
Remuneration over $50,000	1155	47.5%	$81,870,398	61%	$70,883	1359	55.5%	$95,248,748	66%	$70,087
Remuneration $50,000 or less	1279	52.5%	$51,844,359	39%	$40,535	1190	44.5%	$49,157,807	34%	$45,098
Total WCB	2434	100%	$133,739,799	100%	$54,947	2449	100%	$144,406,808	100%	$58,966

(Source: Workers' Compensation Board. Executive Committee. Financial Information Act Submissions. CONFIDENTIAL. Richmond (BC): The Board. 1997/1998.

Figure 7 - Remuneration breakdown (FTE's above and below $50,000/year)
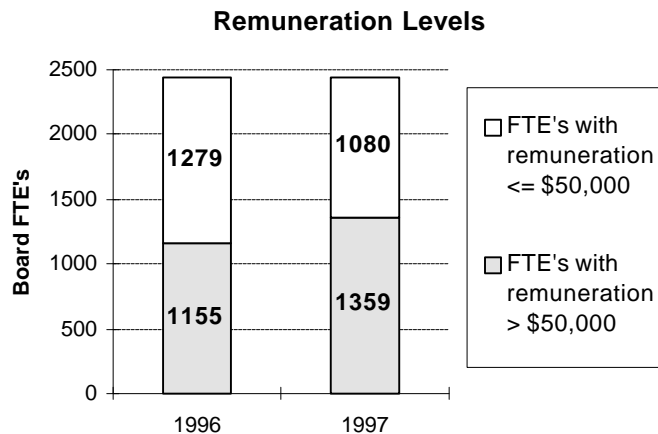
Remuneration Levels

Chart showing Board FTE's for 1996 and 1997:
- 1996: FTE's with remuneration > $50,000 = 1155; FTE's with remuneration <= $50,000 = 1279
- 1997: FTE's with remuneration > $50,000 = 1359; FTE's with remuneration <= $50,000 = 1080

Legend:
- □ FTE's with remuneration <= $50,000
- □ FTE's with remuneration > $50,000

(Source: Workers' Compensation Board. Executive Committee. Financial Information Act Submissions. CONFIDENTIAL. Richmond (BC): The Board. 1997/1998.

In the 1998 *Accountability Reporting Review of the WCB* the BC Auditor General recommended that the board disclose policy on executive compensation because public attention has focused on executive perquisites at the board. In its' response to this review, the board stated that general policies concerning Executive Compensation would be reviewed. Included in the 1997 Annual Report is a statement that management compensation, benefits, severance terms, and expense policies were reviewed to ensure full compliance with the guidelines, policies and rules established by government through the Crown Corporations Employers Association and the Public Sector Employers Council. The board reports that is in full compliance.

2.9   EXECUTIVE SEVERANCE

The *Financial Information Act Regulation* (Schedule 1, Subsection 6 (7)) requires the board to disclose the number of severance agreements, under which payment commenced during the fiscal year reported on, in respect of its non-unionized employees, and the range of equivalent months' compensation represented by the severance agreement (salary and benefits). There were 10 severance agreements in 1997 representing 4 to 18 months compensation. In 1996 there were 13 severance agreements representing 1 to 20 months compensation.

The board was signaled out by the BC Auditor General when it reviewed the executive severance of Crown Corporations in 1996.[36]   The board appears to have complied and/or changed its practices according to Crown Corporations Employers' Association guidelines.

2.10   RETIREMENT INCENTIVE PROGRAM

In August 1998, the Panel of Administrators, upon the SEC's recommendation, approved an Early Retirement and Cash Incentive Program.[37]   The provincial government and BC Hydro have recently offered similar programs. The board's program was designed to provide a temporary window of opportunity for voluntary early retirement and to meet the following objectives:

- Reduce FTE counts;
- Permit retirement with dignity for those who have difficulty adjusting to the pace of change (e.g., employees who do not possess the required mix of skills; and, competencies or interests to succeed in a re-engineered work environment).
- Permit non-surplus employees in significantly reduced classifications the option to leave.

Compensation Services was identified as having the greatest need for a retirement incentive program, not only to create vacancies for emerging surplus employees displaced by technological change, but to permit those employees to retire or leave the workforce who do not possess the required skill sets to succeed in the changing work environment.

The superannuation incentive would be available to employees who meet the established criteria and retire between November 1, 1998 and December 31, 1999 and would include elimination or reduction of early retirement pension penalties, depending upon individual age and service combinations.   The cash incentive portion of the

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[36] British Columbia. Office of the Auditor General. Executive severance practices: government ministries and crown corporations performance review report 8 (1996/97). Victoria (BC);The Office; April 1997.

[37] Workers' Compensation Board of British Columbia. Human Resources Division. Labour Relations Department. Early retirement and cash incentive program: submission to the Panel of Administrators. [Richmond (BC); unpublished; 1998].

program would be available only to specifically targeted classifications of unionized employees, exempt support staff and salaried physicians. The cash incentive, equivalent to six months salary, would be made available to limited number of employees in order of seniority within specified job classifications within work locations approved for inclusion by the SEC. The SEC has concluded that no need exists to offer a voluntary incentive program to board management employees at this time.

The Human Resources division's cost benefit analyses suggest that maximum total costs (e.g., 100% take-up) to the board of both the past service exposure relative to the superannuation incentive and severance related to the cash incentive component would be $6.2 million, with expected costs in the range of $3.66 million.[38]   Using a 5% discount rate over a five year period, the division calculated, for maximum and expected employee acceptance, that the net present value of this program ranges from $600,000 and $7.53 million, and payback period is between 1.85 years and 3.52 years.[39] In addition, the board's administration expenses are expected to be reduced by $6 million per year between January 1, 1998 and December 31, 2000 as a result of the amortization of the superannuation plan surplus.

In its analyses, the division advises that they did not include FTE savings as, "notwithstanding the financial viability of this program, its key objective is to facilitate needed cultural change rather than to downsize the organization."[40] This program, and the research and analyses that supports it, appear to be sound. The program will contribute to corporate human resources goals as long as it is accompanied by sufficient transition supports and planning to fill anticipated vacancies for key positions, using succession and recruitment plans, where appropriate.

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[38] Workers' Compensation Board of British Columbia. Human Resources Division. Labour Relations Department. Early retirement and cash incentive program: submission to the Panel of Administrators. [Richmond (BC); unpublished; 1998].
[39] Ibid.
[40] Ibid., p.8.

2.11   ABSENCE/VACATION

The Human Resources division recently implemented an Attendance Awareness
Program. The Manager's Corporate HR Policy Guide notes that:

> "...the cost of employee absence due to illness and for personal reasons is
> significant and on the rise. Since 1993, the average annual days lost per board
> FTE due to personal paid sick leave has increased by 14% from 7.3 days to 8.3
> days. The time loss due to sick leave, WCB claims, LTD, medical and dental
> appointments, sick child leave, funeral leave, illness in the family, moving and
> personal business days has increased by 12.5% over the same period from 12.8
> days to 14.4 days. This is of course, in addition to vacations, statutory holidays,
> SDO's(Scheduled Days Off), CTO's (Compensatory Time Off) and other leaves
> of absence."

> "Unscheduled absences cause productivity losses and they impact service
> delivery, morale, workloads and administrative costs.."

While there is obvious recognition of the negative impact of an increasing absence rate,
and the resulting development of an Absence Awareness Program which became
effective September 1, 1997, absenteeism, and its related costs, continue to rise as
illustrated in Tables 14 and 15. (Note that KPI figures reported below are higher than
those reported in the Corporate HR Policy Guide prepared in 1996 - see quotation
above. This is likely due to revision of historical results).

Table 14 - Absence Days and Related Costs)

	1993	1994	1995	1996	1997	1998proj
Paid Absence Days per FTE	13.9	16.2	16.1	17.3	17.5	19.4
Annual Absence Cost per FTE	$2,276	$2,651	$2,667	$2,929	$3,134	$3,318

(Source: Workers' Compensation Board of British Columbia. Key performance indicator reports [quarterly]
Richmond (BC): 1997/1998.)

It is important to note, however, that 84% of the 5.5 Absence Days increase since 1993 can be attributed to the increase in LTD claims alone (4.06 days in 1993 to 8.69 days projected for 1998). The commission is not aware of any analysis done on this by the board.

Table 15 - Average annual absence per FTE and total absence costs (1998 projected)

	Days	Cost
Sick Leave	8.21 days	$4,043,438
Personal - Family Leave	2.23 days	$1,014,558
WCB Claims	0.23 days	$94,822
LTD Claims	8.69 days	$2,606,477
Total	19.36 days	$7,759,293

(Source: Workers' Compensation Board of British Columbia. Key performance indicator reports [quarterly] Richmond (BC): 1997/1998.)

WCB projections for 1998 reveal that an average of 94 FTE's will be on Illness, Personal or Family leave each day. This figure represents 3.8% of total board FTE's. Under the Compensation Employees' Union Collective Agreement (Care and Nurturing of Children - Clause 35.09), an employee is entitled to take a leave of absence without pay for the care and nurturing of his/her children under the age of 14 years. Employees must give at least 30 days notice of their intention to use this provision and may take this leave in one or more blocks of 10 working days, to a total maximum of five years during an employee's total period of employment at the board. Prior to March 31, 1997, when taking the leave in 10 day blocks, employees were not permitted to take leave during the period of May 1st to October 1st. This provision, in place to minimize human resources shortages during peak holiday months, is no longer in effect.

Sick leave entitlement is earned at 1½ days for each completed calendar month of employment. As the data in Table 15 above indicates, employees are taking an average of 8 sick days per year while they are entitled 18 days per year (which can be accumulated indefinitely). Members are also entitled to participate in the optional SDO (Scheduled Days Off) arrangement whereby employees receive an additional 11 paid days off in return for working an extra 92 minutes per week.

2.12   VACATION

Under the current collective agreement employees earn vacation entitlement based on the formula depicted in Table 16.

Table 16 - Vacation entitlement formula

Years of Service	Vacation Entitlement (days)
1 - 5	15
5	20
6	21
7	22
8	23
9	24
10	25
15	30
20	35

Based on leave data presented in Tables 14 and 15, and an estimate that the average board employee will receive 20 days vacation days per year, it can be calculated that an average employee will be away from work 40 days (8 weeks) each year for leave and vacation. When combined with the maximum number of SDO's of 11 days, the average board employee could potentially be unavailable to clients (internal & external) for 51 of the approximately 250 work days each year.

While it may be true, under the SDO program, that employees work 18.4 minutes more a day to get these 11 paid days off, the worker making a claim likely doesn't notice the 18 minutes the same way he/she will notice the 11 days absence (e.g., person starts at 7:40 am instead of 8:00 am). Additionally, the average of 8.69 LTD absence days as shown in Table 15 are likely not spread out evenly amongst all employees which leads to the hypothesis that a small number of employees are likely away from work on LTD leave for a longer period.

Article 32.02 of the Collective Agreement also contains the provision that:
"Where practical an employee, upon request, will receive at least seventy-five percent (75%) of vacation entitlement between the first of May and the first of October."

While this provision may not be unusual in content, in practice it does present some human resources and staffing challenges at the board, as this 5 month period includes

those months which tend to have the highest levels of claim activity. Table 17 identifies permanent employee vacation entitlement as at July 21, 1998.

Table 17 - WCB Permanent Employees Vacation Entitlement as at July 21, 1998

	UNION EMPLOYEES	NON-UNION EMPLOYEES
LESS THAN 1 WEEK	70	6
GT 1 AND LT 2 WEEKS	115	18
GT 2 AND LT 3 WEEKS	290	57
GT 3 AND LT 4 WEEKS	391	54
GT 4 AND LT 5 WEEKS	444	69
GT 5 AND LT 6 WEEKS	352	70
GT 6 WEEKS	543	90

(Source: Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Response to Question 12 Royal Commission request August 4, 1998. Richmond (BC): The Board; 1998.)

The commission has heard during interviews that staffing contingency plans for vacation periods is an historic problem. Year after year, during high vacation periods, management scrambles to cover desks and 1998 was no exception. This summer directors and managers covered desks, in some areas, and they have raised questions whether that is the most effective use of their time. There are also instances of Vocational Rehabilitation Consultants covering the desk of a Claims Adjudicator/Case Manager with little or no previous experience and were told that all they had to do was to pay claims. The commission has also been informed of some Claims Adjudicators/Case Managers purposely "overpaying claims" the month before their vacation with the explanation, "is it better to have a cheque or no cheque at all?" Similar staffing emergencies and service demand fluctuations are also experienced in the Assessment Department/Employer Services Center.

Although, the line division is responsible for identifying and planning for human resource requirements, the Human Resources division also has a role in anticipate these needs and could provide more support to line managers with the information/resources it needs to plan more effectively for coverage during high vacation periods.

2.13   HUMAN RESOURCES PERFORMANCE MEASURES

All divisions at the board have an interest in the performance of the Human Resources Division. Effectiveness may be demonstrated by measures of a number of organizational attributes including leadership and values; the sustainability of the work force; a productive work force; and an enabling work environment. [41]

Specific performance questions to address might include:

- Is the organization well led? Does the organization have a clear and commonly understood mission, vision and values?

- Are roles, responsibilities and performance standards clearly defined, understood and accepted by all employees?

- Are managers and employees equipped with the necessary tools, support systems and training to meet ongoing demands and adapt to changing conditions?

- Is the organization building the capacity for improved productivity?

- Does the organization bring out the best in its people?

- Do the competencies of staff in the organization match anticipated needs?

- Do internal and external communications foster a good work environment and improved public confidence?

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[41] Government of Canada. Treasury Board Secretariat. Human Resource Policy Branch. Human Resource Accountability Framework. Unpublished. 1994.

The BC Auditor General's WCB Accountability Reporting Review , made the following observations regarding organizational capacity:

"The people working in the WCB are a major determinant of the success of the organization. Stakeholders expressed to us considerable interest in several dimensions of the WCB's "human capital," including the size of the workforce in relation to service demand, the appropriateness of the skill base found in key functions, and the diversity of the WCB workforce in relation to the general population"[42]

". . . Human Resources coverage in the Annual Report, on the other hand, is limited to information on the size of the workforce. In the 1996 Annual Report, mention was made of a joint committee being formed between management and the union on diversity to support multiculturalism and employment equity. However, no information is actually provided on the diversity of the WCB's workforce. In addition, there is no information on the adequacy of the skill base of the staff performing key functions."[43]

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[42] British Columbia. Office of the Auditor General. Accountability reporting review: report prepared for the WCB. [Unpublished; January 1998].
[43] Ibid.

Based on its review the OAG made the following recommendations:

2....that the WCB mission, vision, and values be included in the annual report to the Legislative Assembly.

3...that WCB management report on its code of conduct in the annual report and confirm that the code has been adhered to in all material respects. The possibility of conducting an independent "ethics audit" should also be considered.

4...that the WCB identify key cultural and value dimensions of the organization. WCB management should include in staff surveys a measurement of staff perception of the importance of values and the extent to which they perceive that they are being adhered to by themselves or their colleagues. Management should also identify key service and performance values, competencies, and principles for each key decision making role and report on reinforcement and education activity, as well as client perceptions regarding the exercise of these values (e.g., whether claims are handled fairly, compassionately, courteously and expeditiously).

34...that the WCB inventory required competencies for key functions (e.g., benefit entitlement and rehabilitation), conduct an assessment of the skill base of the incumbents, and report the results to the Panel and to the external stakeholders. This assessment should be conducted periodically, perhaps every two or three years.

35...that the WCB's Executive compensation policy be reported in the annual report.

36...that the WCB continue its employee surveys and report the findings and proposed actions to the Panel.

37...that the diversity of the WCB workforce be reported in the annual report, including any impact the joint committee has on this diversity.

The Human Resources Division reports on a number of different performance measures including number of FTE's (sorted by division and by category), position turnover and employee attrition, absence statistics and costs, queue sizes, recruitment activity and churn ratios, and grievance statistics. The division reports on a number of output measures, but places less emphasis on efficiency and outcomes. The division also initiated employee and management surveys. As the OAG highlighted, the division could also report on a variety of other measures (competencies, workforce diversity, compensation, etc.).

The Alberta Workers' Compensation Board's 1997 Annual Report features a number of measures of corporate human resources performance related to the 1994 Strategic Plan objective, "to improve internal performance and capacity to improve, learn and innovate." The report includes a range of performance information such as human resource planning efforts, internal communication, public consultation initiatives, corporate training effort, and executive compensation.

The Alberta report details the development of an "Integrated People Practices Plan", which was based on the recommendations of four cross functional employee groups in the areas of values, performance development, competencies , planning and budgeting.[44] The Board of Directors and staff also participated in major initiatives to identify corporate beliefs and values. The corporate training effort is described as increasing 38% from 1996 with claimant services staff receiving an average of more than nine days of training per employee, with opportunities ranging from an "Alberta Best" training program to an Internet Corporate Registry and to certification in disability case management.

Unlike the BC board, which separates internal communication and human resource functions, the Alberta board reports on such as the following: an education program for MLA's which is reported to have contributed to a 21% drop in inquires to the Alberta WCB Government Relations area in 1997; a face-to-face communications program to improve the flow of information between management and staff with three President's Forums, quarterly performance reports on objectives for staff and a staff survey.

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[44]Alberta Workers' Compensation Board. 1997 Annual Report. Edmonton (AB): The Board, p. 18.

Externally, quarterly injured worker surveys, semi-annual employer surveys, a long term claims survey and the "Benefit Policies Consultation Project" Specific measures reported also include detailed Schedule(s) of Salaries and Benefits for the Appeal Commission, Board of Directors, Senior Executive, Managers and Full-time Staff.

2.13.1 Employee Survey

In September, 1997, the board commissioned an Employee Survey. The purpose of the survey was to establish a baseline against which the board would be able to measure progress in the organization's culture over time. The survey consisted of 43 statements about job satisfaction, certainty and optimism, sense of contribution, work demand, manager support, group support, and encouragement and recognition. Employees rated on a scales of one (strongly disagree) to five (strongly agree). The response rate was 80% (1655 permanent employees responded) and 1,300 comments.

An external consulting group, conducted the analysis on this confidential survey and a summary of the results/analysis is presented in Tables 18 and 19 below. The consultant cautions that:

"The majority of board employees do not fully understand and support the direction of the WCB, are not well informed about the changes, and are not consulted about the decisions that affect them."

". . . the Survey is simply a measurement which alerts everyone to the ups and downs of progress. As a measurement it provides data rather than speculation and provides a systematic view of the magnitude of issues. To have any sense of the importance of Survey results one must apply it once, then twice and again until the organization can establish its own norms for judging progress."

"In its first application, the Survey results should not be used independent of the knowledge of other factors and should not be used as a 'one-time' scorecard. Successful organization development takes time."[45]

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[45] Workers' Compensation Board of British Columbia. WCB employee survey results: report(s). 8 vols. Richmond (BC): The Board; November 1997, .p.5.

Table 18 – Employee Survey Scores (Highest and Lowest)

	WCB AVERAGE (1655)	HR/ CORP PLANNING (86)	COMP SERVICES (362)*	PREVENT (248)	REHAB (209)	FINANCE (232)
HIGHEST SCORES						
My job is challenging	4.02	⬩	3.85	4.37	3.97	3.84
I would be happy to be still working for the WCB in three years	3.95	4.31	3.82	4.21	⬩	3.91
I'm glad I took my job and would take it again	3.93	4.22	3.64	4.30	⬩	3.87
I am trusted to take responsibility for achieving results	3.92	4.12	⬩	4.14	4.00	⬩
I enjoy my job	3.89	4.02	⬩	4.29	3.83	3.80

	WCB AVERAGE (1655)	HR/ CORP PLANNING (86)	COMP SERVICES (362)*	PREVENT (248)	REHAB (209)	FINANCE (232)
LOWEST SCORES						
The WCB executive have a clear vision for the future	2.66	2.81	⬩	2.65	⬩	2.63
I am well informed about changes and events taking place in the WCB	2.63	2.93	⬩	2.79	2.48	2.52
I am usually consulted about decisions that will affect my job	2.49	⬩	2.11	2.58	2.41	2.71
I receive meaningful personal recognition for my contributions and extra efforts	2.45	2.67	2.04	2.63	2.39	2.44
I have a clear picture of where my division is headed	2.39	2.64	2.21	2.69	2.12	2.41

* Lower Mainland only

⬩ item was not in highest/lowest 5 scores for division

Factor scores, shown in Table 19 below, are developed by grouping employee responses into one of the seven factor groups as listed below.

Table 19 - Factor Scores

	WCB AVERAGE (1655)	HR/ CORP PLANNING (86)	COMP SERVICES (362)*	PREVENT (248)	REHAB (209)	FINANCE (232)
Job Satisfaction - the extent to which employees enjoy their jobs and are proud of their association with WCB.	3.73	3.98	3.49	4.10	3.62	3.64
Certainty and Optimism - the extent to which employees understand and support their direction and feel positive about the future of the organization.	2.76	2.96	2.61	2.99	2.64	2.80
Sense of Contribution - the extent to which employees feel a sense of personal value and contribution.	3.49	3.55	3.29	3.77	3.46	3.39
Work Demand - the extent to which employees believe their workload is something they can manage.	3.35	3.65	3.03	3.55	3.42	3.36
Manager Support - the extent to which employees their managers provide support.	3.49	3.62	3.26	3.57	3.47	3.49
Group Support - the extent to which employees feel their fellow employees provide support.	3.54	3.20	3.51	3.74	3.45	3.42
Encouragement and Recognition - the extent to which employees feel recognized for their contribution and their effort is encouraged.	2.83	3.17	2.47	2.96	2.82	2.85

*Lower Mainland offices only

The board's 1997 Annual Report identifies that it is a corporate goal to improve the work climate by 50% as measured by management and staff surveys and feedback programs, with an optimum score expressed as 4.5 on a 5.0 scale. In 1997 the actual results were reported as 3.45 for managers and 3.31 for staff. The 1998 target is a 3.7 average. The Year 2003 target is an average of 4.25. The Board has not identified what strategies will be in place to improve these scores.

A sampling of survey comments made by employees offers further qualitative feedback::

Management in General

- "Frequent changes in management are disrupting and disconcerting."
- "Managers are out of touch with employee's day-to-day work."
- "Managers should be sufficiently trained before taking their posts."
- "Management should take advantage of the talents, knowledge, and decision making skills of employees."

Change

- "Short-term changes happen without enough consideration of the ultimate. effect on clients and employees."
- "Because change is happening so quickly, there's not time to learn what is necessary."
- "There is too much change happening all at once."

WCB Direction

- "There does not appear to be a clear vision or clear leadership carrying the WCB forward."
- "The direction is constantly changing - much of this is driven by politics."
- "The executive have a clear idea of where the WCB is headed, but is keeping that information from employees."

Job Security

- "Receiving more information about upcoming changes would reduce stress."
- "Many employees worry about their job futures and fear being moved, being put on the surplus list, and losing their jobs altogether."

Workload

- "Manager support and training needed to meet the new demands are lacking."
- "Changing job functions is adding to the workload."
- "Unmanageable workloads are affecting service."

Advancement

- "There is insufficient promotion opportunities for internal candidates. Too many people are hired from the outside."
- "The WCB does not provide the training needed to advance."

Senior Management

- "Senior managers don't trust middle managers."
- "They are out of touch with employee concerns and their work demands."

In opening letters in the Employee Survey Results package, the board's President, and

Human Resources Vice-President recognized that many employees were unclear of

their division and board's future direction. Also noted was employee's uncertainty over personal future as well as a need to address a perceived lack of personal recognition and appreciation. From the vice president's message:

> "These results concern us, and it is our goal to address employee's lack of certainty in the WCB's future and perceived lack of appreciation. Much of this work will begin at the divisional level"

> "Before 1997 comes to a close, each division of the board will analyze its divisional employee survey results. Meetings will be conducted to discuss these divisional results with all staff and to begin developing active plans to improve our work climate."

The consultant made recommendations in two key areas:

1. **Grow Certainty**: ...employees my need more day-to-day involvement in considering plans and their consequences to them personally through greater systemic involvement and personal communication.

2. **Increase Recognition**: "Our view is that this is the 'culture' of the WCB and, in this sense, is probably a long-standing characteristic of the WCB work environment....the kind of recognition "should be of the day-to-day variety . . . personal, job-relevant and social . . . though it may be supplemented by (more) formal means.[46]

The commission asked managers and staff how the survey results were used and what follow-up management has undertaken to address these concerns. Interviewees suggested that although results were made available to the majority of staff, there were some inconsistencies in how the information was shared. Human Resources personnel allocated responsibility to the line divisions and have not provided further support since the results were first released.   There appears to be a consensus that the organization could have done more to respond to the issues raised in these surveys.

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[46] Ibid., p.26.

2.13.2 Management Scan (360 Degree feedback initiative)

External consultants also conducted a "Management Scan" one year earlier in November 1996. In the final report, the consultant notes that:

> "...the scan was not intended as a broad communications survey nor was it expected to provide evidence of the causes of management perceptions. . .The scan was intended only as a simple but very important criteria for measuring progress into the future."

> "As a second purpose, the results of the first application of the scan were intended for review by management. This review would provide a starting point for discussion of the kind of leadership and management practices that would be consistent with the organizations future requirements."[47]

The scan was distributed to 281 management employees with 224 completing the survey. Respondents were asked to rate each question on a scale of 1 (low) to 5 (high) and to indicate how they felt about the subject of the item than they did a year ago which is indicated by the ' % Better / % Same / % Worse ' scores. Results are featured in Table 20 below.

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[47] Workers Compensation Board of British Columbia. WCB Management Scan Results, Richmond (BC): The Board, p.5.

Table 20 - Management Scan Scores (Highest and Lowest)

	Mean Score	Standard Deviation	% Better	% Same	% Worse
HIGHEST SCORES					
My job is challenging	4.6	.66	56%	37%	7%
I generally support the directions of our strategic plan	4.2	.79	61%	31%	8%
I fell like I am accomplishing something important at the WCB	4.0	.93	39%	48%	13%
My work has a positive impact on corporate results	4.0	.91	41%	50%	9%
I enjoy my job	3.9	1.1	40%	34%	26%
I am trusted to take responsibility for achieving results	3.9	.96	28%	54%	18%

	Mean Score	Standard Deviation	% Better	% Same	% Worse
LOWEST SCORES					
I can find the time to step away from my own tasks and manage my area of responsibility	2.5	1.1	10%	46%	44%
I receive meaningful personal recognition for my contributions and extra effort	2.6	1.3	15%	48%	37%
I have sufficient resources to do my job	2.6	1.3	12%	44%	44%
My workload is generally reasonable	2.7	1.3	13%	40%	47%
Managers at WCB generally support each other	2.8	1.0	15%	64%	21%
I am usually consulted about decisions that will affect my job	2.9	1.2	13%	57%	30%

The analysis of these results were:

"Overall WCB management employees see their own jobs as challenging and as making a positive difference to WCB results. Most generally support the direction of the WCB strategic plan. Management employees were fairly positive about the degree to which they enjoyed their jobs. However, a number did not feel as positively about their jobs as they did in the past. As they reiterated in later verbal comments, WCB management employees find it difficult to find time to actually manage their area. Too much time, they say, must be devoted to tasks. This trend is getting worse.

Many managers do not feel recognized for their work. Neither do they feel sufficiently consulted about the decisions that affect them. Managers, they report, continue to offer little support to each other. They do not feel they have the resources they need to do their jobs. The workload is seen as becoming increasingly unreasonable."[48]

Not withstanding the value of "customer surveys" including 360 feedback, the SEC minutes from May 1998 indicate some question over the performance measurement value of the 360 instrument ratings:

"The 360 instrument ratings and question composition were discussed and analyzed. It was pointed out that the instrument is a reality check on behavior rather than a measurement of performance."

Additional human resources related items from the management scan and their respective responses are shown in Table 21 below.

Table 21 - 1996 Management Scan - HR related items

	Mean Score	Standard Deviation	% Better	% Same	% Worse
I am well informed about changes and events taking place in the WCB	3.0	1.2	25%	52%	23%
There are opportunities for me to learn and develop my skills at the WCB	3.5	1.2	20%	59%	21%
I can realistically achieve the work goals I have been assigned	3.1	1.2	13%	49%	38%
I would recommend the WCB to other people as a good place to work	3.5	1.1	25%	62%	13%

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[48] Ibid., pp.7-8

Managers also provided open-ended comments (edited to protect confidentiality):

"Most managers are so overworked and under-resourced that they do not have time to build a team or to give considered thought to their decision making. In many respects, this organization runs in spite of it's management."

"It is my perception that managers at the board have constantly been overburdened with administrative duties which have negatively influenced their ability to provide effective supervision to staff."

"Change is happening at an alarming rate with minimal concern for potential casualties."

"Every manager is burned out by the amount of change. The end result of all the change is unclear."

"Generally, managers at WCB are treated as a "disposable commodity", removed and transferred from their position with any change of VP or organizational change at large."

"While the staff are protected by the Compensation Employees' Union agreement, there is no protection for management in terms of job, regardless of merit, seniority and contribution to WCB."

"I believe that the executive has worked hard to develop a sound business plan, but middle management are working in a negative environment in terms of personal support and development. Directive vs. participative. Limited trust. No feedback (except negative)."

"Manager pay inequities and performance measurements need to be addressed"

"Often the staff earn more than the manager which makes managing more difficult"

"This is a big reason for morale problems – inequity among managers' pay for doing the same kind of work."

"There is a big problem in this organization in terms of compensation, with a bias to the male gender."

"I haven't had a performance appraisal in three years - no feedback - yet I give all of my 23 employees one every year."

"Performance measures should be put in place to recognize and reward performance."

"Senior management does not have, nor does not share, a career development plan for managers."

"Turnover rate at the VP and CEO level are detrimental to long range planning."

The Human Resources division's Strategy #5 (Core Values and Competencies), as defined in the 1998 Corporate Business Plan, was created to "develop and cascade a leadership model and philosophy based on agreed to core values and competencies." Activities related to this strategy include:

- Improve core group SEC 360 feedback "People Perspective" scores. Close the gap between baseline scores and optimum scores by at least 50% over the next 4 years, 12.5% per year.

- Improve "first round of Directors" 360 feedback scores. Close the gap between baseline scores and optimum scores by at least 50% over the next 4 years, 12.5% per year.

- Implement a new management performance review system based upon: Core competencies, KPI's, agreed projects and objectives, and career development and planning.

- Implement a new management training program to reinforce and develop core competencies, job skill and professional development, in conjunction with line divisions.

Of the strategies on this list, the commission has identified that the division has made specific progress with respect to the new management performance review system. However, there appears to be considerably more work required to define and implement these other strategies for enhancing managerial performance; senior line management share this responsibility.

2.14   LABOUR RELATIONS

Labour relations provide another barometer of human resources effectiveness. During the board's 1996 strategic planning process, the environment of mistrust between management and the union was identified as a significant weakness. In 1993 there were only 63 grievances. In 1995 the union withdrew its participation in all joint committees and the number of grievances grew to 214 in 1995 and 255 in 1996. In 1997 only 98 new grievances were filed.

To address this issue and support the implementation of the 1996 Strategic Plan, the division established a "Labour Relations Strategy".[49] This is consistent with the corporate goal of creating an environment in which "the board's relationship with the Compensation Union is based upon mutual respect and understanding." A labour relations course was delivered to Human Resources Managers, Human Resources Advisors and line managers throughout 1997 to reinforce the strategy.[50] A new Managers HR Corporate Policy guide was developed and information on new Discipline Policy and Absence Management policy was also provided.

Another foundation of the labour relations strategy was to provide resources to support technological change as required to administer Articles 67 and 70 of the Collective Agreement. Article 67 outlines technological change, adverse effects, Notice of Change and information requirements, consultations on change and the effect of the employment and salary guarantee. Article 70, Employment and Salary Security, Collective Agreement provides for the establishment of a "surplus list" of employees who are displaced from their positions because of technological change.

In January 1996, the Human Resources Division appointed a Manager, Strategic Transition to lead the action plan dealing with the human resources issues inherent in technological change, and to identify positions for employees on the surplus list. A full – time Compensation Employees' Union resource or "Technological Change Coordinator"

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[49] Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Labour relations strategy. Richmond (BC): The Board; May 1996.
[50] McConchie, J Lamberc McConchie R, Jewell K. Fair and effective Management of Performance problems. McConchie and Company. 1997.

was provided by the board and an additional union resource was also available during e-file implementation. A Corporate Technological Change Committee and four Divisional Technological Change Committees were established. Each committee is made up of a Compensation Employees' Union Executive Chairperson, several Stewards from the Division being represented, the Technological Change Coordinator, Compensation Employees' Union Business, Manager and President. In addition, the board hired a third party to facilitate the technological change process and to survey staff. The 1997 Compensation Employees' Union Annual Report confirms that that 60 Notices of Change were filed in 1996 and another 40 were filed in 1997.

These initiatives have supported the strategic changes at the board, including significantly increased levels of human resources activities (e.g., recruitment, internal surveying, job analysis and evaluation, joint technological change committees). The Compensation Employees' Union conducted a membership study in the first half of 1997 from which a number of key findings emerged:

- Job Security is the most pressing top-of-mind issue for members.
- Members are very worried about the effect that technological change will have on them, especially as it relates to job security.
- 70% of members say their current workload at the board is manageable.[51]

The division's 1998 Business Plan points out that grievance activity is down significantly, "We believe that a contributing factor to this decline is increasing consistency in the administration of the collective agreement and proceeding to arbitration on substantive issues rather than making expedient settlements."[52] In addition, board personnel interviewed by the commission noted that several provisions in the April 1, 1995 agreement have been clarified as the board and the Union have awards that guide them on how certain contentious aspects of the agreement are to be interpreted.

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[51] Compensation Employees' Union Membership Study : report on quantitative research (March 1997) conducted by Viewpoint Research.
[52] Workers' Compensation Board of British Columbia. Business plan 1998: Human Resources Division, Richmond (BC); The Board, p.8.

The Compensation Employees' Union, in it's 1997 Annual Report, also acknowledges the sharp decline in grievances and the positive impact of arbitration. It gives credit to the Steward body that "moves quickly to settle issues before they escalate into formal grievances" as well as crediting the efforts of joint Compensation Employees' Union/employer committees, especially in the area of technological change."

Table 22 - Number of Grievances (1995-1998)

	1995	1996	1997	1998est
Grievances (filed)	255	224	102	130
Grievances per FTE	0.12	0.11	0.05	0.06
Grievances (settled)[53]	165	82	69	19

(Source: Workers' Compensation Board of British Columbia. Key performance indicator report [June 30,1998]. Richmond (BC): The Board: 1998.)

As Table 22 and Table 23 below indicates, there has been a significant decrease in the number of grievances filed in the period 1995 to the present, which appears to suggest that the labour relations strategy is having a positive impact. While the number of grievances filed in Prevention and Medical Services seems to be steady, Compensation Services and Administrative Services have declined. The establishment of a full-time Manager of Organizational Effectiveness in these areas may explain these results. It appears to have been an effective strategy.

Table 23 - Grievances filed by Human Resources Operation Group

	1995	1996	1997	1998 (to June 30)
Administrative Services	81	40	20	22
Compensation Services	142	139	46	48
Medical Services	25	17	11	3
Prevention	25	27	25	5
Total	255	223	102	72

(Source: Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Response to Question 18 Royal Commission request August 4, 1998. Richmond (BC): The Board; 1998.)

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[53] Workers' Compensation Board. Human Resources Division. Response to Question 18 Royal Commission request dated August 4, 1998. Richmond (BC); The Board, 1998.

Table 24 below indicates that recruitment/selection remains the primary source of grievances and appears to be on the increase for 1998. This is an expected result, given the recent implementation of the new KSA model, and the high level of business re-engineering underway at the board.

Table 24 - Grievances by type (top 5 only)

Type of Grieve	1997	1998 (to June 30)
Recruitment/Selection	46	37
Conduct	13	6
Rights	6	5
Compensation	10	4
Hours of Work	2	4

(Source: Workers' Compensation Board of British Columbia. Key performance indicator report [June 30,1998]. Richmond (BC): The Board: 1998.)

The following Tables 25 and 26 below provide further evidence that the Human Resources labour relations strategy is having a positive impact. Table 25 indicates that in 1998 100% of grievances files were settled through alternate dispute resolution and that not a single grievance went to arbitration. The next Table 26 reflects the resultant savings in the average cost of a grievance per employee per year; this cost is down significantly in 1998 to $148.93 from $354.75 in 1997.

Table 25 - Proportion Of Grievances Settled Each Year

	1998 (YTD June 30)	1997	1996	1995	1994	1993	1992
# of grievances filed	72	102	223	255	214	62	60
# of grievances settled	19	69	82	165	164	64	60
proportion of grievances settled	26.4%	67.6%	36.8%	64.7%	76.6%	103%	100%
% settled through arbitration	0%	13%	4.9%	0%	2.4%	11%	8.3%
% settled through ADR	100%	87%	95.1%	100%	97.6%	89%	91.7%

(Source: Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Response to Question 18 Royal Commission request August 4, 1998. Richmond (BC): The Board; 1998.)

Table 26 - Average Cost of Grievances Per Employee per year[54]

1998	1997	1996	1995	1994	1993	1992
$148.43	$354.75	$268.86	$252.94	$220.12	$107.33	Data not available

(Source: Workers' Compensation Board of British Columbia. Human Resources and Corporate Planning Division. Response to Question 18 Royal Commission request August 4, 1998. Richmond (BC): The Board; 1998.)

2.14.1 Highlights of 1998 Collective Agreement

In 1997 the board and its employees renewed the Collective Agreement for a period of four years, from April 1, 1998 to March 31, 2002, with 90% of members voting in its favor. The agreement complies with Public Sector Employer Council guidelines which

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[54] The Human Resources Division advises that these figures are based on the following figures: 50% of salary cost of Labour Relations personnel (budget 48.01); 33 1/3% of salary cost of Human Resources personnel (budgets 13.09, 13.07, and 13.04); and all of the costs allocated to legal and consulting fees in budget 48.01 (budget codes 7000 and 7001).

place strict limits on wage increases (PSEC is a subcommittee of Cabinet). It offers four years of employment security and a modest salary increase. The agreement is the same as 1995 except for the following letters of understanding:

1. **New gender-neutral job evaluation plan.** The WCB and Compensation Employees' Union agree to create a plan to modernize the 30-year-old job evaluation plan by May 31, 1998. All jobs will go through the new job evaluation system, and the money set aside for pay equity (1% of payroll per year from April 1, 1995) will be applied where the equity adjustments are required.

2. **Joint committee on gainsharing.** The Union and the board will each appoint three members to an equal-representation, Joint Committee on Gainsharing (JCOG). The Committee will generate, examine and initiate changes, initiatives and programs that are capable of generating service and/or productivity improvements that will attract a justified portion of the up to 1% gainsharing payments and salary increase that will be available under the 1998-2002 Collective Agreement.   The committee will also establish the substantial share of the gains that derive from real productivity and service improvements that will accrue to each Party. Two areas the joint committee will be looking at to find savings are alternate dispute resolution and disability management (return to work).

3. **Joint committee on training and development.** Sets down a commitment to enhance training at the WCB. It also suggests that new career streams be established to help staff advance throughout the organization. [Refer to Part III of this report for further details.

4. **Grievances under clause 15.09**. Settles a long-standing obstacle between the Compensation Employees' Union and WCB on the difficulty of knowing when a temporary position becomes permanent. All existing grievances under clause 15.09 were withdrawn and 25 of the 125 active temporary employees will be offered permanent positions in Richmond by March 31, 1998.

5. **Memorandum of agreement.** Established the terms and conditions for renewing the collective agreement. The contract, which runs from April 1, 1998 to March 31, 2002, has a clause allowing the parties to reopen negotiations on wages and gainsharing on April 1, 2000.

2.15 WORK ENVIRONMENT

The Compensation Employees' Union Submission to the Royal Commission points out that it's members, and particularly those who interact directly with clients, "have been threatened with bombs, knives, guns, baseball bats and vehicles. They have been sworn at, spit upon, and slandered. Their families have been frightened, their vehicles damaged."[55] The submission then continues: "The level of verbal violence and threatened physical harm to which our members are subject to is astonishing and completely unacceptable."[56]

The Compensation Employees' Union's submission also acknowledges that although this is a serious problem, it is not the norm. Adjudicators, in their "quasi-judicial role"[57], are sometimes deemed as adversaries by clients. The following comment underlines the extent to which their role shapes the work environment for many of its members:

"The environment in which sympathetic and benevolent justice will flourish requires nurturing. High volume, stress-laden workplaces have, as their inevitable consequence, the bureaucratization which so many presenters have lamented: form letters, delays in returning calls, abrupt encounters, voice mail. The public sector has been listening to the siren call of the private sector: more with less, downsize, re-engineer, flat budgets. As positions are left unfilled after retirement or resignation, those who are left have to shoulder increasing responsibilities. In such circumstances, it is the details of attention to the individuality of each claimant that will suffer. Yet, it is precisely that level of attention which is required. In the words of Hunt, Barth and Leahy, "the claims process at the WCB is necessarily designed to handle a huge volume. At the same time, it is important that each claim and each claimant receive the individual attention they deserve."[58]

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[55] Compensation Employees' Union. Submission to the Royal Commission, Jan. 29, 1998 p.3.
[56] Ibid.
[57] Ibid., p.1.
[58] Ibid., p.3.

2.15.1 Safety, Health and Security

The mission of the board's Safety, Health and Security (SHS) Department as outlined in its 1998 Business Plan, is:

"To provide a safe working environment for WCB employees, visitors, and physical plant, by promoting the Safety, Health and Security Program through education and training, while ensuring compliance with the Industrial Health and Safety Regulations (now OHS)."

Its services are provided to line managers and all WCB employees, Local and Central Safety Committees, board-wide. The department meets this mandate through education, training and support:

- developing and standardizing safe work procedures, developing WorkSafe programs, (such as earthquake preparedness, workplace inspections, etc.), conducting audits and research
- providing electronic surveillance of the physical plant, teaching client service, and threats workshops
- carrying out ergonomic reviews and producing RTW plans, and injury statistics for analysis, and
- maintaining fitness programs that combine with activities that link to external agencies.

In 1996/97 the department developed a new program with input and feedback from Prevention Division. Five manuals were developed, which have won awards from the Society for Technical Communications and International Publications Awards:

- WCB Safety, Health and Security Program – Corporate Handbook of Policies and Procedures (interprets health and safety regulations)
- WCB Safety, Health and Security Site-Specific Program – Guide to Site-specific Directions and Procedures (customized for each location)

Other planned activities for the department outlined in the 1998 Business Plan include:

- updating and expanding the 1996/7 Action plan to meet the new OHS regulations and related standards (e.g. CSA);
- setting of new targets to meet the challenges of the Diamond Project and WorkSafe Plan;
- training for new and existing staff that will enable them to meet the challenges of the department's primary and pivotal work;
- structuring and training small group feedback programs;
- SHS will work with managers on the Safety Program to enable the managers to train and educate their staff; and
- SHS will research external data, with WCB's across Canada and BC Crowns, similar to their sub group, to set internal standards for policies and procedures and set targets for injury rates, and program awareness.

In its assessment of its human resources, the SHS Business Plan points out that a number of staff have completed the Train-the-Trainer part of the Provincial Instructors Program, backed by the University of Alberta and run through Vancouver Community College to enable them to develop and teach programs to provincial standards.
An insert to the board's 1997 Annual Report highlights the accomplishments of the SHS program (e.g., 1997 was the first year that the board participated in the Canadian Occupational Health and Safety Week (COHSWeek). It was championed by the board's Central Safety Committee. The board won two awards for its efforts: Best New Entry and Best Entry in the Provincial Crown Corporations category.

The Canadian Society for Safety Engineering national award program also recognized the board for the following: the new SHS program, Threats of Violence and Diffusing Hostility Program, Health and Fitness Program and publications on Workstation Ergonomics and Earthquake preparedness. The department won the achievement award for organizations over 500 employees.

2.16   NEW INITIATIVES & PROGRAMS (ONGOING OR RECENTLY COMPLETED)

The Human Resources Division's 1998 Business Plan articulates it's strategy as follows:

> "Significant activity levels during the next three years will be centred on the development of learning programs to meet corporate training and development needs and the continuing development and facilitation of competency-based HR programs, including performance management, career and succession planning and salary administration programs."

Other initiatives are outlined in the following subsections.

2.16.1 Threat Management System:

The objective of this project is to provide all board staff, who have a business need, access to the threat information which is already being documented in the existing Threat Management System (TMS) operated by the Safety, Health and Security Department (SH&S). This group receives threat reports from staff but cannot easily make them accessible to more than a few staff. More importantly, SH&S cannot provide staff with access to the accumulated threat report history. As a result, staff cannot determine if SH&S should be consulted prior to meeting with clients or to making work site visits.

2.16.2 Joint Employment Systems Review (ESR) Project:

The first phase of this project is designed to review current compensation, employee benefits, and job evaluation policies and practices to identify and address any barriers that adversely affect employees.   The review results will include recommendations for appropriate changes necessary to address any barriers found and guidelines to assist the Job Evaluation Committee in establishing a new job evaluation plan. This first phase is scheduled for completion in November. The goal of employment equity at the WCB will be the fair treatment of members of the designated groups (women, aboriginal

peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority) and equitable representation throughout the workplace.

2.16.3 Revision of Personal Harassment Policy:

The Personal Harassment Policy was first approved in July, 1993. After four years of experience in administering the policy, the board has identified some areas which require revision. The substantive changes made were in the areas of:

- Confidentiality - to more accurately reflect both the requirement for freedom of information and protection of privacy.
- Racism - to give the issue of racism a stronger emphasis.
- Informal Resolution - to put an emphasis on the informal resolution of harassment complaints.
- Appeal Procedure for Management and Exempt Employees - reference to the existence of an appeal procedure for this group.

2.16.4 Management Performance Review and Development Program:

In 1997 the WCB Performance Review and Development Program for Managers was implemented.[59] This program is built on the WCB's Core Values developed from the internal Management Scan. It is intended to be an ongoing initiative which compiles annual summary to feed into management development plans. The objectives of the new program are to:

- Provide a systemic, consistent and fair method of evaluating the performance of individuals.
- Provide individuals with knowledge of the performance standards they should be meeting.

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[59] Workers' Compensation Board of British Columbia. Human Resources Division. Performance review and management development program handbook. Richmond (BC); The Board; April 1998.

- Provide support to individuals who want to develop themselves in the context of their existing job or in the attainment of new responsibilities.
- Promote the development of people from within and increase the likelihood that the organization can rely on its own people to meet it human resources needs

The Program was implemented in the Spring of 1998. The initial feedback from Managers interviewed by the commission is that many recognize its' value, but feel they do not have the time or resources to support implementation. Managers in the Human Resources Division provided some initial training, but more supports may be required given that performance appraisals have not been regularly conducted for some time in many areas of the board. Staff have also suggested that performance appraisals have been inconsistent and/or in some areas of the board, non-existent. The Human Resources Division, in consultation with the Compensation Employees' Union, should consider developing a similar program for staff.

2.16.5 Corporate Ethics Program:

Subsequent to the 1997 Auditor General of British Columbia's Report "Ethics Codes in the Public Sector" and the results of an Internal Audit Department management survey concerning the WCB Standards of Conduct, the Panel of Administrators approved a SEC recommendation to develop a Corporate Ethics Program. The program consists of a revised standards of conduct, the establishment of Ethics Advisors and a Chief Ethics Advisor, training and communication for managers and directors, and an annual management declaration certifying compliance which will be reported to the Panel of Administrators and published in the Annual Report.

PART 3: STAFF TRAINING AND DEVELOPMENT

3.1   PURPOSE

The section presents brief highlights from recent studies of training in Canadian organizations and examines the board's corporate staff training and development role. The management of training is one indicator of the overall effectiveness of the board's human resources function as it influences, in a significant way, the board's ability to deliver key services and implement strategic initiatives.   As the Office of the Auditor General of Canada states:

> "Training represents one of the most significant investments an organization can make in its human resources, affecting not only productivity and job satisfaction and future capability, but requiring the commitment of substantial funds and time."[60]

[60] Canada. Office of the Auditor General. Payroll costs management subject matter series: staff training, Ottawa (ON): The Office; July 198, p.1.

3.1.1 BACKGROUND AND DEFINITIONS

"Training" can be undertaken to achieve a number of specific purposes which may include any of the following:

- **Professional, Technical and Vocational Training**: training to ensure that employees are able to perform their present function at the level of performance required by the employer;

- **Retraining**: training to prepare redundant employees for alternative employment;

- **Occupational Health and Safety Training**: training to ensure that employees are aware of safety and/or occupational health standards in the workplace;

- **Orientation Training**: training to provide new employees with information about their work environment; and,

- **Developmental Training**: training to ensure that qualified personnel will be available to meet identified human resources requirements.[61]

The Office of the Auditor General of Canada asserts that "the structure and implementation of training activities in an organization are affected by underlying management culture, philosophies and policies," and that "some form of these steps, with appropriate management control should exist regardless of the location, focus, or scope of training and development activities." Table A identifies the training process and sets out evaluation criteria for each stage.

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[61] Ibid., p. 5.

Table 27 – Training Process Evaluation Criteria
(Adapted from: *Canada. Office of the Auditor General. Payroll costs management subject matter series: staff training. Ottawa (ON): The Office; July 1981.*)

Training Process	Evaluation Criteria
Identify and analyze needs	• Reference should be made to job descriptions, performance appraisals, operational and human resources plans in identifying training needs. • Documentation describes whether the organization intends to expand, reduce or otherwise change its programs or activities thus creating changed organizational needs which affect training. • Training is integrated with the human resources planning process. • There are external or market factors influencing the supply of human resources and creating the need to train them rather than acquire already trained resources, taking into account the impact on career progression and morale. • There are necessary processes and systems within the organization to adequately identify and analyze needs.
Plan training programs	• Staff are devoted to planning training programs; or if training is contracted -out, guidelines and standards for selecting criteria are specified and contractors are monitored. • Documentation of training plans is readily available including: corporate, functional and individual plans. • Training plans establish behavioral change/learning objectives which are attainable and as specific and measurable as possible. • Criteria for measuring achievement of training objectives are specified. • Options for delivering training are identified (e.g., in-house, contract).
Implement programs	• There are internal resources (both financial and personnel) and facilities available and used for the implementation and monitoring of programs. • Time is made available to participate in staff training programs.
Evaluate courses and review programs	• Evaluations were conducted, adequate methods were used and results were considered. • Training programs changed or were eliminated as a consequence of evaluation results. • Evaluation results are communicated to suppliers of programs including those outside the organization. • Managers compare results to pre-determined change objectives and follow-up with further training for employees if required.

3.1.2 TRENDS IN STAFF TRAINING AND DEVELOPMENT

The Conference Board of Canada's national survey of training and development in large and medium-sized Canadian organizations is one of the main sources used by Canadian executives to benchmark practices and expenditures. The most recent study, published February 1997, is based on a survey of over 200 organizations representing major industries in the private sector as well as crown corporations, quasi-public sector organizations and government departments.[62] Key results of this study are summarized below:

- in the near future to reposition for growth, respondents see the management of human resources as focusing on upgrading skills, retraining, and adapting employees to new technologies;
- teamwork is currently the critical challenge in training and development for all employee groups --- this approach to work organization, since it involves a genuine culture change, requires a significant investment in training and development;
- senior management and supervisors need development in leadership, change management and coaching/mentoring skills;
- while corporations are making progress in assessing the effectiveness of training and development, much remains to be done in tracking training and development expenditures accurately in order to measure return on investment; and,
- competency based performance management and human resources development is becoming the model of choice for Canadian industry.[63]

Eighty percent of the responding organizations had a training and development department or division and sixty-two percent identified that they have a formal training and development policy, which is a smaller proportion than in past surveys.

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[62] Jean-Pascal Souque. Focus on Competencies: Training and Development Practices, Expenditures and Trends. Report 177-96. Ottawa, Ontario :The Conference Board of Canada. (November 1996), p. 2. [Note: 1,150 questionnaires were sent out with response rate of 19 per cent (219)...The sample consisted of large and medium size public and private organizations. The median organization in the sample was one with sales and services revenue of $275 million and 1,600 employees.]
[63] Ibid.

Investment in work place training can be measured using a number of indicators. The most common indicators used to evaluate the impact of training and development activities have been primarily input measures, such as number of courses available, hours of training delivered, number of days spent on training and development, dollars spent, number of employees served by each training employee, training and development expenses as a percentage of total payroll. Fewer organizations measure the impact of training using outcome measures such as improved performance and service quality. To demonstrate the value and impact of training and development, organizations need data to demonstrate both outcomes and costs.

There are a number of difficulties with gathering information on training in the workplace. For example, it can be difficult and time-consuming to capture the informal training that is learned "on-the job" and from mentoring. It seems to be equally challenging to document formal training activities because of a lack of consensus on what should be measured and because few organizations systematically track these activities. For example, in the Conference Board of Canada 1997 survey, fewer than one-third of responding organizations could put a precise figure on their training costs even though 84% percent of respondents reported having a formal training and development budget, and 68% reported having a tracking system for training activities.[64]

Reasons cited by respondents for not being able to capture costs precisely include the following:
- decentralization of training and development activities to business units;
- pushing decision making and accountability down the line;
- implementation of new or alternative methods of deliver, such as "just-in-time" training;
- the making of training available at employees' discretion; and,
- the freeing of time for increased value-adding activities.[65]

With an incomplete picture of total costs, however, it is difficult to evaluate outcomes or the return on investment from training activities relative to other activities. Data in the

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[64] Ibid., p. 7.
[65] Ibid.

survey from the organizations that did capture costs, indicate that per capita spending varied by region, industrial sector and organizational size. The survey concluded that average spending per employee was $850 per year, with British Columbia organizations at $1098 per year; annual expenditures for private sector and government services in British Columbia was slightly higher at $1,303 per capita.[66]

The Conference Board survey also found that pressures to control administrative costs and downsizing have impacted how training and development are organized and delivered. On average (i.e., using the mean results), surveyed organizations reported a ratio of one training and development staff member per 170 employees, a ratio that varied with organizational size. The typical survey respondent (i.e., the median result), had 1 training and development staff member for 220 employees that varied by industrial sector.[67]

The Conference Board study identifies five critical challenges to improving training activities:

- Aligning training with business goals;
- Senior management commitment;
- Development of a culture of continuous/lifelong learning;
- Increased resources – time, human and financial; and
- Effective evaluation.[68]

To foster more consistent evaluations of the impact of training, organizations need establish definitions and standards of training expenditures to capture total costs (e.g., salaries for in-house training, overhead office supplies, amortization of equipment, off-the shelf and custom designed materials, courses, conferences, seminars, travel and accommodation for internal and external training events, tuition aid/educational assistance, training consulting services, professional memberships etc.).[69]

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[66] Ibid., p. 9.
[67] Ibid., p.11.
[68] Ibid. p. 23.
[69] Ibid., p.25

Ekos Research Associates and the Canadian Policy Research Network undertook two Workplace Training Surveys (WTS) in 1995 and 1996.[70] They used their findings to characterize a continuum of organizational modes of training:

1. **Incidental Learning Only** - no formal investment in training; the only training that takes place is on the job - two-thirds of organizations fit into this category; however because a disproportionate number are small, their share of the workforce is only 35 percent.

2. **Event-triggered Learning** - organizations where, in addition to incidental learning, formal training is undertaken, but only in response to specific triggers including the introduction of new technology, turnover, or workplace reorganization. The training that results is essentially seen as a cost association with the event. About one-quarter of establishments, employing approximately 40 percent of the labour force conforms to this model.

3. **Learning Organizations** - see continuous learning as an integral part of the workplace, and indeed, business strategy. The commitment to training is likely quite formalized in the sense of having an accounting framework for training activities; an explicit process for assessing training needs both for employer's succession planning and for the employee's career development planning; benchmarking and environmental scanning capabilities; and procedures for evaluating learning outcomes.....at most 10 percent of firms are learning organizations. [71]

Training and development is linked to the overall human resources management framework and priorities. It is an important component of quality assurance and also influences the realization of corporate performance standards and goals.

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[70] Betcherrman, G, Leckie, N and K McMullen. Developing Skills in the Canadian Workplace - The Results of the Ekos Workplace Training Survey, (1997) Canadian Policy Research Networks.
[71] Ibid., pp.51- 54.

3.2   THE WCB's CORPORATE TRAINING FUNCTION

Training is an issue that has been raised at various time throughout the history of the board.   In January 1976 in response to employers' concerns with administrative costs, P.S. Ross and Partners conducted an organizational and management review authorized by the British Columbia Lieutenant Governor Order in Council. In this review, training was described as being led by line divisions and primarily technical in nature with a focus on immediate job performance and minimum involvement of centralized training help. Referencing the role of human resources personnel in providing advice and coordination on training programs, the reviewers noted that there was "a lack of clarity of definition of their role in training or of acceptance of their involvement."[72] To address this gap, the consultants recommended:

> "...the personnel department be allocated formal responsibility for assisting with coaching and training of trainers, monitoring training effectiveness and assisting technical trainers as required with planning of these training programs."[73]

It is not known what, if any changes, were implemented to act on this recommendation. For most of its history it appears that the focus of staff training and development has been on technical knowledge and skills with line divisions holding primarily responsibility because of budget constraints.   The board advises that in the 1980's responsibility for managing corporate training activities shifted several times from Superintendent to Manager to Director back to Manager. Corporate training function had no profile until the early 1990's.

Under the Board of Governors the President/CEO, Ken Dye, established a Corporate Education and Development Program, appointed a centralized training coordinator, and dedicated corporate delivery staff over and above the divisional efforts.   The third floor of board's Granville Building (now Prevention Division) was established as a board-wide training facility. Corporate training concentrated on board-wide general skills and management development. In the first years of its operation, two program calendars per

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[72] P.S. Ross and Partners. Review of Organization and Administration Workers' Compensation Board of British Columbia. January 1976, p. 64.
[73] Ibid.

year were produced, offering more than ten thousand training days to staff on a variety of topics - everything from "New Employee Orientation," "Coping and Communicating," "On Being a Leader," to "Survival First Aid" and "Preparing Useful Manuals."   Staff submitted a registration form to Corporate Education and Development indicating the courses in which they wished to enroll. Board personnel delivered the one day "New Employee Orientation" workshop, but the majority of programs were delivered by external consultants. The President also sponsored a corporate program which provided a $1000 grant and an interest free loan for staff members who wanted to buy home computers.

In 1994 the SEC attempted unsuccessfully "to align operating costs with a benchmark to be set to track training costs as a percentage of payroll."[74] However, in late 1994 the centralized training function, known as the "Organizational Effectiveness Unit" was disbanded, and responsibility for training was once again devolved to line management. The Human Resources Division's 1996 Business Plan confirmed that "there are currently no resources allocated to core management training or technical training."[75] Board management told the commission that the corporate training role at this time was minimized because of an "executive view that the divisional efforts were sufficient without a centralized delivery team, " and "pressures to cut administrative expenses."

The Administrative Inventories[76] make a number of references to insufficient resources for training and professional development programs.   However, coverage of these issues is incomplete. In respect to the management of change, board personnel interviewed by the commission pointed to an improved labour relations climate and

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[74] Workers' Compensation Board of British Columbia. Senior Executive Committee Minutes. May 11, 1994. Richmond (BC); The Board, 1994.
[75] Workers' Compensation Board of British Columbia Business plan 1996: Human Resources Division, Richmond (BC); The Board, p.3.
[76] See for example: Hunt HA. Workers' Compensation Board of British Columbia. Assessment Department administrative inventory. Kalamazoo (MI): W.E. Upjohn Institute for Employment Research; 1992; Hunt HA, Barth PS, Leahy MJ. Workers' compensation in British Columbia: an administrative inventory at a time of transition. Kalamazoo (MI): W.E. Upjohn Institute for Employment Research; 1991; Hunt HA, Barth PS, Leahy MJ. The Workers' compensation system of British Columbia: still in transition. Kalamazoo (MI): W.E. Upjohn Institute for Employment Research; 1996; Rest KM, Ashford, NA. Occupational Safety and Health in British Columbia: An Administrative Inventory. Cambridge (MA): Ashford & Associates; 1992; Rest KM, Ashford, NA. Occupational Health and Safety in BC: An Administrative Inventory of the Prevention Activities of the Workers Compensation Board. Cambridge (MA): Ashford & Associates; 1997.

acknowledged that training was project based according to line division needs. Several interviewees noted that progress was being made on the human resources front, and cited the management and employee surverys, the coaching and mentoring of management staff undertaken by external consultants, and the developmental work on "Core Values".

As noted previously in this report, the Panel of Administrators' Human Resources and Compensation Committee assumed responsibility for annually reviewing the board's training and development plan including details of intended training and development together with results of the prior year. This review has never been undertaken. As a consequence staff training and development has had minimal corporate oversight. Since 1995 there have been several attempts to re-establish a centralized corporate training function.   When the commission first began asking the board questions about corporate training in the Spring of 1997, a corporate training function was non-existent. The following are select comments made by board personnel in interviews with the commission on the subject of corporate training:

> "...the person in this organization who has the shortest life expectancy than all of them is the Corporate Training Manager....if we can't get consistency in that - it's hard for human resources and corporate development to move forward - there needs to be a plan and commitment that outlives the incumbent."

> "...training not like anything else that has been done in this organization, has been reactive rather than proactive and it's hard to be good when you're reacting. It's hard to prepare people when you are reacting to service failures or problems or learning after the fact....the people who lose are the front line workers that are expected do deliver and they're not sure what is going on."

> "In terms of challenges probably our biggest challenge right now is trying to keep up with the pace of change, let alone precede it, so that we're prepared...making sure that we deliver training just in time...the right thing at the right time because we don't have a lot of resources dedicated in the organization to training."

The Human Resources Division's 1996 Business Plan identified the need for a board-wide training and development strategy with the following priorities:

> "...needs assessment; measurement systems; customer service training; corporate training plan; integrate technical training; HR/LR training management and development; management training and development; management training and leadership; finance; tap into existing suppliers; partner with other organizations; secondments; regulatory requirements (e.g., WHMIS); specific HR issues (e.g., surplus lists); leave computer training with ISD, include orientation."[77]

In January 1996 a Manager, Corporate Training was hired by the Human Resources Division to focus on board-wide general skills and management development needs, but was seconded to Compensation Services Division for approximately one year to represent management on technological change committees and support staff during the transition to the E-file system.   This position became vacant again in April 1998; the Human Resources Division advises that there are no plans at this point to fill this position as these responsibilities have been rolled-up with those of another manager in the division.

One of the consequences of not having a corporate training role has been a lack of internal support, consistency, and equity between divisions. The board does not appear to be clear on what the role of corporate training should be. One interviewee commented, "it is hard to fight that again and again".

3.3   NEW CORPORATE TRAINING AND DEVELOPMENT INITIATIVES

In October 1997 the SEC requested a review of the way training was purchased, developed and delivered at the board. The Human Resources Division brought forward a Corporate Training Strategy, which was approved in February 1998.[78]   This strategy

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[77]Workers' Compensation Board of British Columbia. Business plan 1996: Human Resources. Richmond (BC); The Board; 1996, p.11.

[78] Workers' Compensation Board of British Columbia. Human Resources Division. Response to Question 7 Royal Commission request dated August 4, 1998. Richmond (BC); The Board, 1998.

provides recommendations for a corporate training function and proposes an implementation plan.

The development of this strategy was informed by an internal document review and interviews with SEC, the Compensation Employees' Union, and line managers. The results of these interviews are presented qualitatively. Some of themes from this report are as follows:

- The purpose of training is to deliver the skills and knowledge required to meet business objectives;
- There is a real need for management and leadership training at the WCB;
- Corporate training should act as an integrator and catalyst for all WCB training, constantly looking for synergies and opportunities to eliminate duplication;
- Training groups must work together to help the organization break down silos and foster collaborative solutions;
- Training must continue to find ways to support both corporate and divisional change initiatives;
- New WCB employees need to be orientated to the board so that they understand its mission and see clients in a positive light;
- There is a need for an effective and consistent approach to accreditation for individuals in the key field jobs; and
- Employees must be encouraged to see personal development as their responsibility with the board providing resources to meet their goals.[79]

The strategy makes recommendations regarding the establishment of a corporate training council and the re-establishment of the corporate training function.

3.3.1   Corporate Training Council

The proposal approved by the SEC establishes a Corporate Training Council. The role of the Council is to provide ongoing guidance on training issues within the WCB, including management training and development. The Council is comprised of line

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[79] Ibid.

managers and two vice presidents (Finance and Information Services Division and Human Resources Division).   It is hoped that having two members of SEC on the Council will result in commitment and also foster a corporate approach with the concomitant allocation of resources appropriate to achieve the designated strategies. As of July 1998 the council had met three times.

In preliminary meetings, the Training Council prioritized management and supervisory training, general business training and job-specific training.

3.3.2   Joint Council On Training And Development (JACTD)

In addition to the Corporate Training Strategy, the 1998 collective agreement includes a memorandum of understanding which establishes a Joint Committee on Training and Development. This four member, equal representation committee has a mandate to recommend the establishment of training strategies, training programs, accreditation programs and lines of progression for certain positions in the bargaining unit in a manner that will enhance client satisfaction, job performance, career development and organizational effectiveness.

The JACTD also has the mandate to recommend the establishment of job families and lines of progression comprised of hierarchies of classifications in respect of which senior applicants with sufficient ability to acquire the knowledge skills and abilities necessary for entry into the highest classification in a hierarchy within a specified time frame may be selected as trainees. Specific training programs, standards and timeliness for progressions will be developed by Human Resources and presented to the JACTD for approval. As of August 1998, this committee had not met.

3.3.3   Corporate Training Strategy

The SEC approved the Corporate Training Strategy to coordinate board-wide training activities. Resourcing in 1998 consists of one manager and clerical support.   The activities identified for the corporate training function are to:

      (a) propose and get agreement on a set of fundamental principles to guide training/performance consulting decisions;

(b) design and get agreement on a common training development methodology;

(c) recognize the trend towards performance consulting as an extension of training and work with divisional training units to help the board move in this direction;

(d) support organizational change within the board with a cadre of effective facilitators;

(e) re-design the orientation programs for new employees and mangers;

(f) develop training to support the new performance review system;

(g) develop management training programs to allow managers to close gaps in their management and leadership skills identified through the 360 degree feedback;

(h) conduct a needs assessment of the general business skills required for WCB jobs and identify the most cost efficient ways of making training for these new skills available;

(i) establish a common platform for computer based/multimedia training;

(j) develop a common approach to certification training which allows line divisions to identify which positions should be certified and how these programs should be resourced;

(k) develop and publicize a board policy which encourages employees to take responsibility for their own personal development and is linked to career planning and the education assistance program (tuition reimbursement);

(l) establish guidelines for the cost of program materials, instructor fees, design and development fees etc., and encourage all areas of WCB to stay within these guidelines; and

(m) implement and manager a train monitoring, record keeping and reporting system.

This work plan appears to be very ambitious given the current level of resources allocated for implementation.

3.3.4 Professional Development Expenditures

A budget for professional development is available corporately through the Human Resources Division and through the individual line divisions. Human Resources also has a budget for the Tuition Reimbursement program, whereby employees pursue approved personal education and skill development on their own time ($500 for Managers, $400 for bargaining unit employees and $300 for temporary employees). The board also pays for staff membership for professional associations and training costs related to professional or association conferences, seminars, conventions, including Board sponsored in-house courses

The individual cost centre in which the dollars have been budgeted is responsible for tracking their own training expenditures through the accounting system. The division advises that guidelines for the cost of program materials, instructor fees, program design and development were established in 1998 and that more detailed guidelines will be developed by the Training Council during 1999.

In the Spring of 1997 the commission requested information on corporate policies, procedures and expenditures relating to executive professional development. Additional information was requested from Divisional managers in subsequent interviews and in letters to the Compensation Services and Rehabilitation Division (June 1998) and to the Human Resources Division (August 1998).

The lack of corporate policies was a risk area for the organization. Without criteria for approval, the authorization of expenditures may be inconsistent and inequitable. Previously, a letter had to be on file that says that if the individual leaves the organization after two years, two-thirds of the board's expenditure on professional development has to be paid back. The process was for the Vice Presidents to nominate candidates to the President for review and approval.

To address the organization's vulnerability in this area, which was likely provoked by questions from the commission, the SEC approved an "Residential Executive Development Program Policy" on July 23, 1998 to clarify the requirements, procedures and criteria for selecting participants to attend such programs. According to the SEC

submission, the purposes of the program are to provide selection criteria that will be used to determine Executive Program participants, ensure consistency in selecting the candidates, and ensure the WCB is obtaining value for the money it invests in these programs. The Human Resources Division's submission notes that other Crown Corporations were contacted to ascertain their policies in this area and that none had a formalized program.

The board selected two Directors to participate in Residential Executive Development Programs in 1997. In 1998, the board has sponsored four Directors to participate in the programs. Two directors were budgeted by the Human Resources Department to attend the UBC Executive Program and two were budgeted by the Compensation Services Division - one enrolled at Queens, the other at Western. The cost for the 1998 commitments is $57,400. This figure does not include salaries while attending the program. The board's new policy and procedure do not clarify this issue. If salaries are paid for participants to attend the courses are included the total costs of the program are greater (e.g., 14 plus weeks of Director level salaries and benefits).

3.3.5   Corporate Training Expenditures

During the April 1997 public hearings, the commission asked the board to provide data on the percentage of payroll being allocated to training. Although the vice president of the Human Resources Division produced some numbers for the commission, the board appears to have had a difficult time meeting that request and has subsequently been unable to reproduce the same, or similar figures.   The division was asked to reproduce these numbers again by counsel for the BC Federation of Labour during the Spring 1998 public hearings.

Divisions at the board use different methods for tracking staff training. As a result there are substantial differences in practice across the board. Some use single-user software, but most tracking is done manually.   Managers have advised that reports tracking training costs is hard to compile and that the data is often inaccurate. In addition, data collected across the board is difficult to compare because of different definitions of how training and development expenditures are accounted.

Due to the significant training activity related to the implementation of strategic projects, the Human Resources Division purchased training server software in 1997. The software is intended to meet the needs of all the divisions and business units in tracking training and staff development. The system supports all of the standard training administration functions including skills tracking, computer based training, and has extensive accounting features.

The benefits of the new system are:

- improved managerial control over training budgets and effectiveness;
- better corporate information to support executive decision making;
- improved customer service (more accurate and timely information in a more convenient process);
- infrastructure that supports computer based training and intranet delivery; and
- less time consuming and more cost effective administration.[80]

3.3.6   Learning Center

The establishment in February 1998 of Compensation Services Division's Learning Center demonstrates the independence of the line divisions in determining training needs and strategies. It also exemplifies the difficulties the corporate training function has in exerting any influence over divisional strategies.

The Learning Center (based in Richmond, with 12 computer stations in area offices) was established in February 1998. The goal of the Center, modeled after a similar program in Alberta, is to provide staff with the opportunity to gain the new skills required by the Service Delivery Strategy through self-directed learning delivered through a state-of-the-art Computer Based Training system. The Center's courses are voluntary and do not include any curriculum related to Act or board policy.

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[80] Workers' Compensation Board of British Columbia. Training administration software business case: Human Resources Division, Richmond (BC); The Board, 1998.

goals. The initiative was originally intended to be for compensation services employees only and the commission has been told that it was only after some controversy that the Center became a "corporate initiative" and three additional computers were added for other board staff to access. The explanation, offered by management, that the division's transformation strategies could not wait for a corporate process to be initiated raises questions about the effectiveness of the Senior Executive Committee at establishing corporate human resources objectives, and hightens the concerns raised earlier in this report about he lack of a formal board-wide human resources plan.

3.3.7   Certification/Accreditation Initiative

One of the strategic activities in the Human Resources Division 1998 plan is to develop, jointly with line divisions, certification/ accreditation programs for key officer level jobs. Currently, there are no career paths within the board (vocational rehabilitation consultants, psychologists, ergonomists, occupational therapists, occupations hygiene/safety officers). The plan to achieve this is to first identify the programs and the positions to be included in the certification programs: second, examine internal versus external accreditation; and third, build staff support necessary to achieve accreditation.

The 1997 Annual Report lists the strategic goal with staff "to achieve 90% accreditation level for professional staff". The 1998 target is "key positions identified and development of accreditation programs and curricula under way".   For example, tt is anticipated that certification (either Accredited Rehabilitation Professional Designation (ARP) or Canadian Association of Rehabilitation Professionals (CARP) or Canadian Certified Rehabilitation Counselor (CCRC) designation will be required to practice as a VR professional in Canada.

As of August 1998, any progress in meeting this target is not known; However, one interviewee highlighted the challenges it poses:

> "The challenge we face in developing officer level positions - Employer Services Representatives, Occupational Health Officers, Occupational Hygiene Officers, Case Managers, Entitlement Officers - and the assumption for a lot of people who have not - who don't have a good awareness of training and development is that we should be able to teach them that job in a week. These people are

making complex decisions that affect people's lives in a big way. They need to appreciate the impact of that decision. They need tools and skills so they can make the decision or know how to make the decision that's based on good judgment, criteria - there's a lot of things that they have to integrate and this is not a simple business and takes longer than some people think."

Testing, despite the issues it raises in labour relations context, is one way of measuring the outcomes and effectiveness of training activities. For it to work, the board needs to define up- front what staff need to be able to do when they leave the training program and then apply relevant and accurate tests to measure those competencies. These tests can be a good point to measure the accountability of training activities (e.g., does it deliver people with the skills to do the job?). This kind of testing is a component of the board's new Case Manager training curriculum.

3.3.8   Career Planning Pilot Project And BoardNET

In 1998 the Human Resources Division piloted two one-day career development workshops for staff, and made a "WCB Career Planner" available to all employees through BoardNet. The workshop is intended to help employees:

- identify their career related values, interests, skills, style and professional identify;
- learn to seek data and feedback from supervisors and others in order to very self-perception and identify capability gaps;
- set realistic career goals;
- learn to link career goals to the goals of the organization;
- focus on the changing world of work, both internally and externally;
- design a career development plan;
- provide "position biographies" (e.g., total number of positions, average seniority hours etc.);
- identify sample career streams within the organization;

- describe the SA's and KSA's for specific positions; and

- identify qualifications and other attributes for specific positions within a "career stream".[81]

The twenty-five pilot participants welcomed the initiative, and based on their positive response, the SEC approved the implementation of the program board-wide. The intent for BoardNET is also to eventually load specific training curriculum so that employees have additional opportunities for self-directed learning.

3.4   LINE DIVISION TRAINING

The implementation of the board's Strategic Plan has required a considerable investment in training and development (e.g., E-file, Case Management, Call Centers etc.)   Although some progress appears to have been made, the need for adequate training continues to be raised by board personnel. Recent comments made by senior management in October 1998 identify that it remains one of the number one constraints in the plan:

> "As a result of the different model now being put into place (one which is more production orientated), the demand for skilled staff has increased and become a limiting factor in role out... Management development is the second tactical issue. The job of being a manager in the WCB is a tough one...the reality is that many managers are not equipped to move down this path."[82]

In order to provide an estimate of the board's total investment in staff training and development, the commission asked line divisions to provide information about their training costs for the period 1995 to present. Although the data provided was often incomplete and presented in various formats (e.g., investment per employee, budget vs. actual, training hours vs. days), based on the information that was provided by Finance and Information Services Division, Rehabilitation and Compensation Services Division

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[81] Workers Compensation Board of British Columbia. Career planning pilot project: Human Resources Division, Richmond (BC); the Board, 1998
[82] Workers' Compensation Board of British Columbia. Senior Executive Committee Minutes (October 16, 1998) Richmond (BC); The Board, 1998.

and, the Prevention Division only, a very rough estimate is that the board's actual costs of delivering training from 1996 to 1998 (to YTD April 30) were over $4 million (e.g., course development and delivery costs). This estimate does not include the salary costs of attending training, which has both travel and salary components.

Incorporating attendance costs in this estimate increases the board's total investment significantly. For example, Prevention Division estimated that attendance costs in 1997 were approximately $1,000,000 (with staff time costed at a rate of $50 per hour). Rehabilitation and Compensation Services Division informed the commission that a total of 6713.95 training days were provided in 1997 (Costing staff time at $350 per day multiplied by 6714 days equals approximately $2.35 million in attendance costs, excluding travel). In addition, training budgets also appear to have been increased in 1998; adding these enhancements increases the totals significantly. For example, Rehabilitation and Compensation Services Division budgeted $3.7 million for training and staff development in 1998. Thus, it would not be surprising if the board's total investment in staff training and development (attendance and delivery costs) amounted to over $10 million in the 1996 to 1998 period.

The commission also requested, and received, extensive documentation on the training associated with the numerous initiatives currently underway. Given the volume of this material and the ongoing evolution of the strategies, the commission has not done an assessment of the effectiveness of the training that is being delivered. However, through interviews with board personnel and through requesting and tracking the curriculums associated with the implementation of various strategic initiatives, the following general observations about the board's training processes can be made:

- The board is not aware of its investment in training.
- Line divisions do not have formal policies and standards relating to staff training and development.
- In the absence of corporate standards, there are considerable differences in the staffing, resourcing, development, delivery and evaluation of training activities across the board.
- There are variations the use of "mentoring" as a means of delivering on-the-job training; this issue was raised by the Compensation Employees' Union and during the public hearings - it is a practice should be closely monitored.

- There is a lack of continuity and consistency in implementing training programs.
- Training needs identification is not informed by human resource plans or individual performance reviews. There are a few exceptions in which individual training plans are developed (e.g. Information Services).
- Divisional training plans are incomplete, or do not exist.
- Processes and criteria for evaluating the quality and effectiveness training are ad hoc (e.g., quality of instruction and facilities).   Post training job performance is rarely evaluated.

3.5   CORPORATE TRAINING ISSUES

The preceding discussion highlighted a number of issues with training at the board (e.g., inadequate training plans and performance appraisal, lack of training policies and standards, etc). In light of the foregoing, it appears that there are several challenges to implementing the new Corporate Training Strategy.

A number of outstanding issues that may need to be addressed to ensure the success of the corporate training function as it was envisioned in the strategy. First, is the issue of adequate resources. It is not apparent whether sufficient resources will be made available to implement the strategy, or whether the full cost of implementing the strategy was formulated. In 1998 resourcing consists of a manger and required clerical support; with the statement, "though resourcing adjustments may be made in the future, a large internal development or delivery capability is not recommended." If there is not adequate commitment to providing the necessary resources to implementing a corporate training function, outcomes (either positive or negative) will be difficult to demonstrate.

Another issue is the strategy's design. There is no discussion of whether alternatives were considered, nor any assessment of the benefits, costs or projected outcomes inherent in the strategy or how it will be evaluated. The strategy does not define line divisions' role or how it meets the needs of board personnel in Regional Offices. Although some board personnel expressed hope that the strategy would be implemented, some are doubtful whether the commitment to training and development in the organization is genuine. One interviewee questioned why a corporate training role was even required and commented, "we can't wait" for that role to materialize.

Given the importance of the boards human resources in effecting the board's strategies vision, the future role and performance of corporate training needs to be closely monitored. The board needs to demonstrate more commitment if an effective corporate training function is ever to be fully realized.

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APPENDIX 1 - Royal Commission Information Request (August 4, 1998)

The commission has interviewed Divisional staff and has reviewed the Corporate Plan, the HR Division's Business plans, and the Key Performance Indicators and has the following additional questions:

1. Please provide updated Human Resources Division organization charts.

2. Please provide the commission with the results of the internal survey HR Division conducted respecting HR services and a copy of the survey instrument which was used.

3. The Key Performance Indicators Report provides total FTE's sorted by Division and by Category. Please provide an additional breakdown for each division by category (i.e., senior management, management, CEU permanent staff, etc.) for the period 1995 to 1998 year to date.

4. Please provide a 10 year Human Resources Division Budget Summary. If possible, please also provide an additional breakdown by service center for the period 1995 to 1998 year to date (i.e., salary, contracts, consultants). For example, include in your response the corporate budget for staff training and development for the period 1995 to 1998 year to date.

5. By Division , what is the number part-time, casual, contract staff, number and location of occupational groups for which the WCB is the sole/primary employer? What are the cost of this "temporary help" for 1995 to 1998 year to date?

6. Apart from benefits the Board is required to pay by law, what other benefits does the Board provide to employees? What is the cost, per employee, of these benefits? What is the total cost to the organization of these additional benefits?

7. The commission understands that the HR Division has a budget for professional development and that additional budget is made available by line divisions. What are the corporate guidelines and policies for professional development expenditures? Are these expenditures monitored and tracked?

8. Information provided to the commission indicates that in the past three years actual FTE levels do not meet the FTE budget. Please explain why there are constant vacancies in most divisions and whether there are any strategies in place to address these vacancies? For example, why are the FTE targets not being met?

9. Please provide an explanation for the high T/O and low attrition rates in 1998? (See KPI pD-3).   Are there performance targets for these measures? How are these activity measures related to recruitment used by the Division to monitor performance?

10. Please provide the number of terminations (involuntary) by category (i.e. mgmt, CEU full time, CEU part time). Information provided to the commission indicates a steady decline in voluntary terminations from 1992 to 1997. Please provide the expected rates by category for 1998. Does the Division have any explanation for this trend? Are exit interviews being conducted on a regular basis?

11. Please provide a breakdown of the average age and seniority of board employees. Suggested breaks include:

Demographics of WCB permanent employees by age and years of service:

Age Breaks:
age 35-50
age 19-35
age 50 and over
age 55 and over

Years of Service Breaks:
under 5 years
5-10 years
10-15 years
15-20 years
20-25 years
25 years and over

12. Please provide a breakdown of vacation time for current board employees (i.e., how many get 1 week, 2 weeks, etc - not looking for the allowances from collective agreement, but actual).

13. Describe the processes, methods, and models the Board uses to plan for future human resources requirements. Who identifies human resource requirements? To whom and how are they communicated? How far do these plans extend into the future? Who is responsible for developing these plans? What are the respective roles of line management and Human Resources Division professional staff? Are there any forecasts made in regard to: 1) overall HR needs? 2) replacement of existing personnel? 3) key positions (i.e., succession planning). Please provide sample copies or templates of regular reports used for forecasting and estimating human resources requirements. What are the recognized strengths and weaknesses of human resource planning? What plans or strategies exist for overcoming those weaknesses or building on those strengths?

14. The September 1997 discussion paper for SEC on retirement incentives indicated that each division had estimates of anticipated vacancies, emerging surplus classifications, and recruitment needs. This analysis was supported by demographic analysis that identified job classifications subject to surplus. Please provide the commission with copies of these reports for each division for the years 1995 to 1998 year to date. How many board employees (by category and by Division) are expected to retire over the next 5 years? (annual breakdown)

15. Succession planning has been identified in some Divisional plans as a critical success factor. Is there a corporate plan to address this issue?

16. Please confirm the following description of the recruitment process. Line divisions are responsible for identifying staffing requirements. When these requirements are identified, the line manager then works with the Human Resources Division throughout the recruitment process with designated HR Advisors providing support on an as needed basis. Recruitment activities may include carrying out job task analysis, job evaluation, writing position descriptions, screening applications, testing and interviewing. Consultants are also brought in, on an as needed basis, for special projects (e.g., case manager job task analysis, validity testing). Is this process similar for management and CEU staff? If not, please explain. Also, please describe how recruitment priorities are determined.

17. Information provided to the commission indicates there were 450 postings in the first half of 1998 - what is the net expected increase in FTE's? (budget forecast shows a net increase of 99 FTE's – what is planned for the other 351 FTE's?)

18. Please provide the commission with grievance statistics for the years 1992 to 1998 year to date. What is the number of grievances, by division, filed, settled, withdrawn and abandoned (Administrative Services, Compensation Services, Labour Relations, Medical Services, Prevention Services) and by grievance type (i.e., work assignments, selection, termination of employment, leaves, etc.) What proportion of grievances were settled each year – proportion through arbitration and alternate dispute resolution processes? What is the average cost of a grievance per employee in this time period?

19. A number of Human Resources reports covering planning, labour relations, compensation etc. are reported regularly to Senior Executive Committee. Please indicate the timeframes for which these reports are available and what other regular reports are made. Examples include the following:
    - Quarterly upcoming troubleshooters and arbitration report
    - Quarterly overtime report
    - Yearly absenteeism/vacation employee reports (statistics and costs)

    a) What information on human resources is routinely produced for line managers and staff specialists? Who produces it, in what form and how frequently? Is this information accurate? timely? If not, why not?

    b) What changes would you make to the existing human resource management information system? Have there been any recent studies to examine information needs and/or the effectiveness of this system?