

# Executive Cadre Retention and Transition Planning Survey - APEX Conclusions and Recommendations –

October 17, 2001

## General

- Close to 2100 executives and equivalents replied to the survey for a response rate of 32%. Approximately 89 % of the responses were from EX's.
- The average age of all survey respondents was 49.9 years and length of service was 22.6 years. 70% were male and 30% female.
- Statistical analysis of the results revealed that the predominant factors exerting influence on executive attitudes running through the survey were, in order of importance:
  - Leadership and management approach
  - Financial incentives
  - Career change and mobility
  - Organizational culture
  - Workload
- In general, responses to most career, retention, working condition, and learning and development questions were quite positive. However, there also were indications of significant dissatisfaction in particular areas.

## Retirement and Departure Intentions

- Overall, 40% of current executives plan to retire or leave in five years and 75% in 10 years and indicate a fairly high degree of certainty that they will follow through on their plans. 63% intend to leave before pension maximums. Almost one in five respondents indicated they planned to leave the PS as soon as possible, regardless of pension impact.
- The following chart compares the stated departure intentions of the Executive Cadre with PS departure projections based on age, years of service and past trends. The comparison reveals that many executives intend to leave the Public Service sooner than projections might indicate.

### Departure Data: Projections Versus Intentions

| Year      | Projection (%) | Actual Intention (%) |
|-----------|----------------|----------------------|
| 2001-2002 | 4.2            | 4.8                  |
| 2002-2003 | 5.5            | 9.1                  |
| 2003-2004 | 6.7            | 9.5                  |
| 2004-2005 | 7.8            | 6.5                  |
| 2005-2006 | 8.5            | 13                   |
| 2006-2007 | 8.8            | 7.2                  |

- The following chart displays departure intentions by EX level and gender. Data indicate that wholesale turnover will occur at all EX levels.

## Departure Data: By EX Level and Gender

| Level | % gone in 5 yrs |        |        | % gone in 10 yrs |        |        |
|-------|-----------------|--------|--------|------------------|--------|--------|
|       | Overall         | Male   | Fem    | Overall          | Male   | Fem    |
| EX 5  | 61.3            | (69.6) | (37.5) | 87.1             | (91.3) | (75)   |
| EX 4  | 53.2            | (56.9) | (46.2) | 81.8             | (84.4) | (77)   |
| EX 3  | 47.8            | (50)   | (42.3) | 81.5             | (85.3) | (71.9) |
| EX 2  | 47.4            | (50.2) | (39)   | 83.3             | (86.4) | (74)   |
| EX 1  | 37              | (41.5) | (27.9) | 71.7             | (74.6) | (65.6) |

- The statistics suggest that men will retire at a much higher rate than women. This is because the women respondents on average were younger than their male colleagues and men expressed much greater certainty than women that they intended to follow through on their departure plans.

## Departure Data: By EX Level and Region (%)

| Level | Atlantic |        | Ont.  |        | QC    |        | Prairies |        | BC    |        |
|-------|----------|--------|-------|--------|-------|--------|----------|--------|-------|--------|
|       | 5 yrs    | 10 yrs | 5 yrs | 10 yrs | 5 yrs | 10 yrs | 5 yrs    | 10 yrs | 5 yrs | 10 yrs |
| EX 5  | ----     | ----   | 100   | ----   | 100   | ----   | ----     | ----   | 100   | ----   |
| EX4   | 28,6     | 71,4   | 100   | ----   | 100   | ----   | 100      | ----   | 100   | ----   |
| EX3   | 66.7     | 88.9   | 50    | 83.3   | 42.9  | 85.7   | 28.6     | 85.7   | 55.6  | 88.9   |
| EX2   | 55.2     | 89.7   | 59.1  | 90.9   | 46.4  | 89.3   | 61.9     | 85.7   | 50    | 100    |
| EX1   | 30.8     | 72.3   | 40    | 85.5   | 31.5  | 72.2   | 37.3     | 82.4   | 46.2  | 74.4   |

- The data show that departure levels will be higher regionally than in the National Capital Region. Average ages of executives in Ontario and Pacific regions were higher than the survey average, which would contribute to elevated departure percentages.
- High numbers of EX cadre departures will be experienced in particular departments or agencies:
  - By 2 years - - RCMP (31%), DIAND (21%), IC (20%), TC (19%)
  - By 5 years - - HRDC (63%), RCMP (58%), CSC (55%), IC (52%), DIAND (51%), CIC (51%)
  - By 10 years - - RCMP (94%), HRDC (92%), DIAND (84%), PWGSC (82%), TC (82%), DFAIT (81%), CIC (80%)
- Overall, 49% of respondents indicated that they believed that no succession planning was occurring in their department or agency.
- Top reasons why executives plan to leave the PS early are to escape work frustrations and excessive workload and find better work-personal life balance.
- Top enticements that executives say will make them stay, or at least stay longer, are better salaries, increased severance, additional pension accrual and helping with the transition
- Top inducements for retirees to return to the PS are interesting projects, no adverse impact on receipt of pension and interesting work-related travel.
- Statistically, survey analysis shows that the greater the career satisfaction level, opportunity to be mobile and to get experience in several departments, the more likely it is that the executive will stay in the PS.
- Conversely, analysis indicates that the older the executive is, the poorer the organization's culture and internal communications, and the fewer the opportunities for variety in assignments and development opportunities, the more likely it is the executive will leave the PS.

## APEX Conclusions

- The substantial turnover of executives that the survey confirms is coming raises a number of important issues for the Public Service:
  - A need to understand the different requirements and attitudes of younger executives, who will become the new leaders of the Public Service after the transition, and to reflect them in HR planning and programming.
  - A need to identify and adequately prepare replacements for departing executives. Members of potential EX feeder groups may not be inclined or be ready to become executives. Special consideration may need to be given to retention in regions because of elevated departure levels and unique recruitment issues.
  - The PS risks losing executives because of work frustration and workload. This strengthens the case for HR modernization (i.e., values-driven, more streamlined HR regime, etc.).
  - What will keep executives in the PS? The survey identifies for the Employer executive priorities for compensation improvements, i.e., in order of importance: higher salaries, increased severance, additional pension accrual, terminable allowances, and flexible benefits.
  - The survey suggests the cadre's end of career transition interests, i.e. in order of priority: part time work, helping with the transition, sabbaticals, compressed work week, a retirement deployment, telework, reduction in managerial responsibilities, education leave, and job sharing
  - It is clear from survey responses that executives believe that insufficient succession planning is being done in the PS. The survey also reveals which departments and agencies will be hit particularly hard by retirements (and therefore are most in need of succession planning).
  - The survey identifies the priorities of retired executives for incentives that would induce them to return to help with a transition (e.g. non-interference of contracts with pensions and additional pension accrual).

## Careers

- In response to a direct question, a large percentage of respondents expressed satisfaction with their careers (83%), with the degree of satisfaction increasing with the level of the respondent.
- On the other hand, one in four executives were unhappy with career mobility. While such respondents could be found in most sub-groups, they were more likely to be female, under 50 years of age, at lower EX levels, and working in a small or medium-sized department in the core Public Service.
- To improve career mobility, up to 90% of respondents supported government facilitation of lateral movement between departments, greater openness of departments to outside candidates, and specific career management support.
- The highest priority career goal was winning a competition. This goal was most favoured by women, younger respondents and lower EX levels. Those who were not interested in competitions cited satisfaction with current jobs as a main reason.
- Other top career goals were participating in a developmental program or getting an acting assignment or lateral deployment. One in five rated retirement as a priority. Those who did tended to be over 55, more senior and more experienced.
- Respondents who competed for a position in the past two years were asked to rate the competition process:
  - More than half agreed that the selection process was based on competency and that sufficient information was provided.
  - On the other hand, approximately three in five who competed also thought that the competition process favoured departmental or known candidates over others, and about one in four considered that unfairness and lack of transparency were important factors in the process.
- International assignments or executive exchange programs were of interest to three out of five survey respondents.
- A majority indicated that they were uninterested in participating in AEXDP or ADM PQP programs. The one in three interested respondents (not counting those already in these programs) tended to be young, less experienced, and at lower EX levels.

## APEX Conclusions

- Responses to survey questions specifically argue for:
  - improved, more widespread developmental programs for EX's
  - review of the AEXDP program
  - centralized facilitation of deployments
  - changes to the competition process, including fewer competition restrictions
  - more openness by DM's to outside candidates for competitions and deployments

- The survey results indicate a requirement for changes to the competition process and additional career planning and management support for the executive cadre (i.e. more collective management support). This would assist in providing clear growth and advancement paths for executives, increasing career satisfaction and retention, and meeting Public Service requirements for more rounded executives.
- There is a need for greater career mobility for executives and a central broker service to facilitate deployments in order to:
  - provide the executive cadre as a whole with alternatives to the competition process that will allow them to gain experience in other departments and lines of work.
  - provide a more efficient way than individual networking of identifying deployment opportunities.
  - circumvent barriers to lateral movement of executives in the form of departmental silos and individual hiring practices.
  - reduce the risk that executives will stay in their positions too long and become over-specialized or stale. Executive tenure in a position beyond five years should be by exception.
- APEX believes that collective management, staffing and mobility goals for executives could be best realized through implementation of initiatives like:
  - single window of service
  - a development continuum from EX-1 to DM level
  - selection based on individual competencies
  - less focus on knowledge and experience
  - appointment to level, not position
  - unranked, pre-qualified selection pools
  - availability of substantive supporting data on executives.

## Learning and Development

- In 1999-2000, EX's and EX equivalents on average planned 7.4 days of management training and actually took an average of 6.4 days of training. Managers reporting to EX's or EX equivalents planned 7.1 and took 6.6 days of management training on average.
- EX and EX equivalents overwhelmingly think leadership skills (96%), people management (96%), and knowledge management (83%) are the highest priorities for management training.
- EX's and equivalents identified learning events and retreats as their learning methods of choice and preferred sources of training as in-house, CCMD and private firms. CCMD was the source of 21% of the training.

## APEX Conclusions

- The Learning and Development component of the survey provides indications of the executive cadre's learning priorities (leadership, people and knowledge management) and preferred methods of learning and sources of training for planning and programming purposes.

## Working Conditions

- Respondents stated that they worked an average of 53.1 hours per week (including 4.8 hours at home) and traveled an average of 30.1 days a year, spending 5.5 weekends away from home. Overall, these statistics are similar to data collected in the 1997 APEX Health survey.
- Within these overall parameters, there have been some shifts since 1997. The average number of hours worked per week and weekends per year in travel status are up slightly but fewer executives are working excessive hours, less hours are being worked at home, and the total number of travel days per year is down.
- In general, survey participants rated leadership, management approach and culture across the PS positively. However, a number of problem areas were identified in various departments and agencies, in particular leadership effectiveness, stability of organization, resource availability, internal services, and effectiveness of employee training.

## APEX Conclusions

- The survey showed that executives, on average, work approximately the same number of hours and travel the same amount as in 1997.
- Executive responses revealed unevenness in the working conditions and management culture of departments and agencies across the PS.

## Overall APEX Conclusions and Recommendations

- The APEX survey shows that more executives plan to leave the Public service than previously projected and that some departments will be hit particularly hard. The survey confirms that the Public Service has significant transition and retention issues to manage.
- The survey data reveals unevenness in the working environment and management culture for executives across the Public Service. The unevenness is a potentially negative retention factor. Specific examples should be communicated to departments so that problem areas can be addressed.
- The Public Service requires a clear and comprehensive strategy to manage its leadership capital, both in the context of ensuring a smooth transition from one generation of leaders to the next and developing the leadership capacity on an ongoing basis to deliver results for Canadians:
  - La Relève prepared the way but more can be done to ensure retention of executives and a smoother transition.
  - The employer seems to be of two minds concerning retention. It is not clear whether executive retention or fast-tracking of replacements is the preferred goal.
  - Career satisfaction is important to both short and long term retention. Studies suggest that career satisfaction is closely linked to availability of opportunities for continual professional growth, development and advancement. In this respect, executives indicated significant levels of dissatisfaction with the competition process, mobility, developmental programs and aspects of their working environment.
- Survey results suggest that a retention and transition strategy should include:
  - More succession planning in departments and agencies
  - Additional incentives to retain executives and attract replacements
  - Measures to induce retirees to return to help with a transition
  - Provision of accelerated departure incentives for executives who cannot acquire the required skills and competencies
  - Modernization of human resources management in the PS:
    - To help mitigate work frustrations which many executives cited as why they were planning to leave the PS
    - To build on the strong positive reaction of executives at the 2001 Annual APEX Symposium to the Government's strong statement of commitment to HR modernization.
- Enhancement of executive career development, growth and advancement opportunities through the following:
  - Provide comprehensive and effective collective management support from the centre to supplement the current approach of self-identification and self-management of careers.
  - Review the AEXDP and ADM PQP programs and apply the lessons learned to implement a program that meets the continuous development needs of the full executive cadre.
  - Revitalize and expand International and Executive Interchange programs.
  - Replace the competition process for executives with a system of: appointment to level, not position; unranked, pre-qualified selection pools; and a focus on individual competency over knowledge and experience
  - Recognize, promote and facilitate deployments as a valuable alternative developmental experience for executives, including engaging the support and leadership of DM's and of hiring managers in general in making it work, and establishing a central broker capability to manage it.