

January 28, 2011



**Recommendations on Executive Health, Performance and Productivity  
Presented by the Association of Professional Executives  
of the Public Service of Canada (APEX)  
to the Advisory Committee on Senior Level Retention and Compensation**

Introduction and Context

Following APEX's presentation to the Advisory Committee on Senior Level Retention and Compensation (the Stephenson Committee) on November 19, 2010, the Committee requested APEX's recommendations on concrete ways in which the Employer can positively promote the health of executives in the workplace. The recommendations set out in this document should be read in conjunction with the APEX study "*Executives' Health and Risk Analysis*" presented to the Committee at that time.

Promoting the health of executives is inextricably linked to the much larger workplace context. As a result, APEX recommendations for moving ahead on health take into consideration executives as individuals, the EX community as a whole, the federal workforce at large, and the federal public service as an organization. We believe it is important to recognize, however, that while the impacts of health disorders are most clearly observable in individuals, the underlying causes are very often rooted in the workplace culture, and in organizational structures and processes. The gain from better workplace practices will not only benefit individuals, but the performance of organizations, and the Public Service as a whole.

APEX Principles for Moving Ahead on Executive Health, Performance and Productivity

- Health is the individual manifestation of systemic dynamics. The physical and psychological health of individuals is a window into organizational health, performance and productivity.
- The health and well-being of the public service workforce, including executives, is integrally linked to key public service goals including organizational health, resilience, renewal, workforce engagement, productivity, innovation and high quality service delivery to Canadians.
- Executive health is a shared responsibility between individual executives and their organizations.

A Proposed Target for Change

The APEX study "*Executives' Health and Risk Analysis*" recently presented to the Committee estimated the scope of productivity losses at \$100M annually, representing

10-15% of the executive salary payroll. More importantly, there was an estimated loss of over 1,500 Full Time Equivalents (FTEs) in reduced productivity, representing almost 30% of EX FTEs in the Core Public Administration. The study showed that workplace stress, and its underlying causes, lead to significant adverse outcomes affecting the physical and mental health of individuals as well as the health of the organization.

APEX believes that much workplace stress can be prevented or reduced. We propose a goal of reducing productivity losses caused by workplace stress by 50% over the next three years, by addressing preventable problems and leveraging protective factors as identified in “*Executives’ Health and Risk Analysis*” and previous APEX survey findings.

### APEX Recommendations

**1. APEX recommends that the Employer develop a scorecard that will benchmark, measure, and evaluate changes in workplace health, well-being, performance and productivity, including disaggregated executive information, for implementation in federal departments and agencies.**

- Development of the scorecard should take into consideration data indicative of the empirically proven key risk factors and key protective factors. The essence of the *Executive Work and Health Model* is that too much demand coupled with too little job control, and too much effort coupled with too little reward are stressors that produce adverse health outcomes. Sense of control (flexibility, decision latitude), reward (compensation, recognition), social support (by supervisor and colleagues), and organizational fairness (equitable interpersonal treatment) mitigate risks, reduce workplace stress and improve health outcomes.
- Specifically:
  - The scorecard, an essential tool in change efforts, should provide a composite index of overall health, performance and productivity, as well as discrete measures for federal organizations at both the corporate and sub-organizational level.
  - Proposed measures for inclusion in the scorecard include:
    - Average wkly hours of work
    - Vacation time usage
    - Sickness absence
    - Disability leave
    - Employee turnover (intended and actual)
    - Recruitment and retention
    - Productivity data
    - Performance ratings
    - Incidences of harassment and bullying
    - Employee survey data

- Employee survey data may be collected from APEX executive survey data and /or future Public Service Employee Surveys, including indicators<sup>1</sup> such as whether employees are:
  - coping well with *work demand*.
  - exercising sufficient *control* over the way they do their work.
  - receiving adequate information and *support* from colleagues and superiors.
  - not subjected to *unacceptable behaviours*, e.g. bullying at work.
  - clear on their *role* and responsibilities.
  - *engaged* in the work of the organization.
  
- The scorecard should be considered for integration into the Treasury Board Public Service Management Dashboard, and be accompanied by information on exemplary practices, with a view to promoting linkages to accountability frameworks for Deputy Heads.

**2. APEX recommends that the Employer and Deputy Heads develop a culture of health, well-being, performance and productivity in the federal workplace.**

- Specifically -

Work Demand

- The Employer and Deputy Heads should promote fuller usage of management leave to counter-balance situations where executives are required to work excessive hours over a prolonged period of time.

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<sup>1</sup> The Health and Safety Executive in the United Kingdom has issued a set of mandated standards which cover the primary sources of stress at work that if not properly managed can result in poor health and well-being and lower productivity. Each of the standards features measurable indicators. The six standards, which are to be embedded into everyday custom and practice are:

- **Demands:** *workload, work patterns, and the work environment*
- **Control:** *How much say the person has in the way they do their work*
- **Support:** *encouragement, sponsorship and resources provided by the organisation, line management and colleagues*
- **Relationships:** *promoting positive working to avoid conflict and dealing with unacceptable behaviour*
- **Role:** *Whether people understand their role within the organisation and whether the organisation ensures that they do not have conflicting roles*
- **Change:** *How organisational change (large or small) is managed and communicated in the organisation.*

Reference: A step-by-step approach using the Management Standards

<http://www.hse.gov.uk/pubns/priced/hsg218.pdf>

Reference: HSE Management Standards Indicator Tool

<http://www.hse.gov.uk/stress/standards/pdfs/indicatortool.pdf>

- The Employer should review executive vacation leave entitlement to ensure that it accumulates at a rate not less than the represented workforce.
- The Employer should introduce sabbatical leave for executives for purposes of restoration and renewal for the individual, and as a recruitment and retention tool for the organization. An eight week paid sabbatical could be made available, potentially aggregated with accrued vacation leave, contingent on approval by the Deputy Head. The applicant would need to be a full-time, indeterminate executive with at least 10 years service, including 5 years in an executive position; have met all performance commitments in the years prior to the request; and have demonstrated the value of the proposed sabbatical.<sup>2</sup>

### Executive Control

- The Employer and Deputy Heads should review delegation policies and practices to ensure that executives are provided with the greatest possible authority and control over their workloads, work patterns and work environment; as well as continue to reduce the number of unnecessary rules and supplemental reporting requirements in the federal workplace that impede executive control.

### Social Support and Positive Relationships

- The Employer and Deputy Heads should support mentoring programs that match experienced executives, both retired and active, with new executives in order to provide support with career development, work-life balance and self-care. APEX is interested in working with the Employer on such an initiative and potentially playing a brokerage role.
- The Employer should ensure that resilience, stress management and self-care are integrated into federally sponsored professional development courses and information available to executives.
- A mechanism should be put in place to ensure support, advice and guidance to executives who are accused of wrongdoing (e.g. when poor performers allege harassment by their superior; other irregularities) since executives do

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<sup>2</sup> The federal Senior Executive Service (SES) in the United States provides for sabbatical leave. Agency heads may grant up to 11 months during any 10 year period for study or uncompensated work experience contributing to the employee's development and effectiveness. The employee retains salary and benefits, and the agency may grant travel and per diem costs. To be eligible, the employee must have 7 years of executive service (at least 2 years in the SES), not be eligible for retirement, and agree to remain in Government for 2 years after the sabbatical. <http://www.opm.gov/ses/performance/benefits.asp>

not have the same protections as the represented workforce in such situations.<sup>3</sup>

- The Employer should endorse a charter of conduct specifically for executives that would govern interactions between members of the executive community and commit executives to respectful treatment of each other and the workforce at large.
- The APEX Advisory Service for Executives (ASE), supported by the Deputy Minister Community, presently provides much needed confidential support and assistance to approximately 250 executives annually. The ASE is currently resourced by one (1) EX FTE, and the growing demand for the service is now outstripping capacity. Contingent on a business case, APEX recommends that the Employer support expansion of the current service from one to two EX FTEs.

### Organizational Fairness

- Decisions on performance management and promotion of executives should take into consideration the results of 360° evaluations, to be conducted at least every three years. This would encourage honest feedback, strengthen trust and credibility in performance management and be a key tool in identifying executives who manage their workforce effectively and those who need to modify “toxic” behaviours. In addition, the executive’s health and well-being scorecard results at the organizational unit level should be considered during performance review.
- The Employer should revisit and rebalance the landscape of harassment management. Non-tolerance for harassment, bullying and abuse of power should be re-affirmed. The Employer should clarify what bullying is and its consequences. The actions of offenders are to be taken into account during performance assessment and consideration for promotion.
- It is further recommended that a working group composed of selected representatives of Central Agencies, Deputy Heads and experts in workplace health and productivity provide visible leadership for this cultural change and emphasize the importance of developing strategies that are tailored to the needs of individual workplaces.

**3. APEX recommends that the Stephenson Committee monitor the state of executive health as part of its ongoing senior advisory responsibility.**

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<sup>3</sup> In the United States, federal executives are encouraged by their Senior Executive Association to purchase professional liability insurance. U.S. legislation requires departments and agencies to reimburse senior executives up to 1/2 of yearly premiums. The policies pay for legal expenses incurred when federal executives seek legal advice and support to defend themselves against adverse actions.

- The state of executive health is directly linked to the Stephenson Committee's mandate to develop a long term strategy for the senior levels of the Public Service and to support future human resource management needs.
- APEX strongly supports the Stephenson Committee's expressed principle of EX total compensation comparability with the Canadian Labour Market. Compensation comparability is acknowledged as a contributor to higher levels of satisfaction, well-being and performance.
- In addition, APEX notes that the Prime Minister's Advisory Committee on the Public Service (PMAC), in its fourth report, has committed to learn about and advise on the overall health of the public service workforce. We look forward to PMAC's advice.

In conclusion, APEX is pleased to offer to the Employer joint collaboration on a health, performance and productivity agenda. This could take the form of participation on a high-level sub-committee, or an expert panel, or provision of APEX views to a similar body. APEX is open to creative forms of partnership as the government moves ahead on the increasingly critical issue of health and productivity in the federal workplace.

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