Creating Capacity

Canada's major government employers are facing many challenges. Service and public accountability expectations continue to increase; capital and operating budgets are not keeping pace with those expectations and the attraction, retention and growth of its human resources are being exacerbated by national shortages of qualified professionals.

by Mark Dixon

ALL LEVELS OF GOVERNMENT in Canada from municipalities, health care providers through to the federal government are facing a huge talent crunch in the coming years. Federal projections run as high as 30 percent of the entire workforce retiring in the coming five years. To avert this disaster and ensure a smooth running public sector, all levels of government are turning to innovative solutions and partnerships to create capacity and win the "war for talent."

To ensure that service needs are met, many are turning to technology, outsourcing and creative internal programs to help human resource departments become more strategic to the organization. The lack of capacity in the public sector is creating a huge cost burden on many organizations and solutions are needed quickly – some of the numbers I have seen paint a scary picture:

- A major Ontario hospital has figured that they spend over $5M per year in additional overtime and temporary workers because they cannot fill their vacancies quickly enough.
- In one western province over $43M annually is spent covering shifts for absent health care workers.
- An Alberta agency told me recently that they lose a great number of candidates because it takes them over five weeks to create an offer letter and the candidate accepts another job elsewhere.

Attracting talent

To succeed in the war for talent, innovative public sector organizations are completing a metamorphosis from personal through strategic and into talent management of human resources to create capacity within their organization. Those that realize they are in competition for talent are already ahead of the curve and have begun to use technology and new thinking to help them attract new talent.

Traditionally when a vacancy needed to be filled, the hiring manager created a job requisition, and the recruitment team posted the job and hopefully started receiving résumés. Once hired, the process was complete until the next time when the whole process started over from scratch. The evolution of this "personal HR" to "strategic HR" has seen organizations turn to electronic job boards and résumés to replace paperbased systems, but they are still often a one job, one candidate type of solution.

New thinking rotates around the concept of creating a "talent pool." A talent pool is a collection of potential candidates that not only could fill the current vacancy but are kept in a database within the system that can be access by any hiring manager within an organization. Between requisitions, the HR team can correspond with the candidates, update them on goings on within the organization and test their availability and interest for new roles coming up. When a new role that matches their skills becomes available, the résumé is instantly available to the hiring manager, dramatically reducing the time to hire.

Recently, the Public Service Commission of Canada issued a request for information (RFI) to look at talent management systems because they have learned that the traditional hiring methods don't lend themselves to sharing of résumés between departments or even managers within the same department. The creation of talent pools helps an organization to attract talent more quickly while using fewer internal resources.

Talent pools get filled from a variety of internal and external sources. Internal job postings, employee résumés and traditional recruiters get combined with outside sources that new recruitment management systems make possible. Sourcing and channel management means going to the market rather than waiting for the market to come to you.

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Today we are seeing innovative public sector employers, like the Calgary Health Region, turning to technology outsourcing to bring a wider range of employees into their talent pool, helping them dramatically reduce their time to hire. The savings generated can be turned back towards more strategic HR initiatives or to support the overall budget of the organization.

When it comes to winning the "war for talent," the public sector can emerge victorious if they adopt the right attitude and begin truly competing for talent.

These five key points can help:

1. Evolve from job requisitions to talent pools/pipelines;
2. Upgrade/enhance technology to make it easier to source and manage talent pools through the implementation of recruitment management systems and processes;
3. Innovate sourcing and channel management practices to proactively fill the talent pool;
4. Align external assessment methodologies with that of your internal talent pool to ensure that all job competencies align with your internal requirements; and
5. Stimulate/revalidate your brand – create a pull that makes candidates want to work for you, those with the most pull will get the best candidates.

Talent retention and productivity

Once candidates turn into employees and employees begin their jobs, two of the biggest challenges the public sector faces is the ability to retain those employees for a career and to gain the most in terms of productivity. One of the barriers to maximizing capacity in an organization is chronic absenteeism.

Occupational health services are now recognized for playing a well-established role in helping to optimize workforce health and productivity. As organizations have determined that employees are their most important asset, they have begun to appreciate the link between employee health and workplace performance and the value of providing for programs that optimize workforce health organizational productivity.

Several public sector organizations have turned to the private sector to help them manage absenteeism through occupational health and wellness programs. At their best, these programs help avert on the job injuries that lead to employees being on short and long-term disability, and help design compassionate "return to work" programs. Often when an employee is off work with an illness or injury, the organizational managers are too busy providing day-to-day service to proactively help reengage the employee and they rarely ever have the ability to match the employee's capacity to work to other roles in the organization.

Coupling "return to work" programs with talent pooling can have a dramatic effect on reducing the average number of days absent in an organization. For example, if an employee normally has lifting and moving duties in their regular role, they may not be able to return to those duties. Rather than staying home, an efficient program may identify that this employee could fill an administrative role elsewhere in the organization, reducing their time away and helping with the overall ability to deliver.

One program I have seen has shaved five days per year off of the average absentee rate for one Ontario hospital. Across a base of 10,000 employees, these represent huge cost savings and have reduced the reliance on hiring more people to get the job done.

Bringing it all together

Few public sector organizations have the capital to invest in the systems, implementation, training and management of the systems that would make the most difference in creating organizational capacity. This is where the case for outsourcing these transactions starts to emerge.

Human resources business process outsourcing (HR-BPO) is one of the fastest growing sectors of the outsourcing world. In Canada, there have been a number of high-profile HR-BPO deals signed by both private and public sector organizations from the big banks to provincial governments and regional health authorities. In the past year, several more public sector organizations across Canada have issued requests for proposals (RFPs) or RFIs to explore the benefits of HR-BPO and how they can use it to create capacity.

In virtually every case, the aim has been the same, to relieve the HR department of the burden of doing the day-to-day transaction processing of payroll, résumé management, disability management and workforce administration and allow them to focus on driving strategic value. When an HR department can focus on strategy, they have the time to develop new branding strategies for employment, focus on recruiting the best available talent, the funding to create new employee retention and reward programs, and help make their organization a more desirable place to spend one's career.

I see the ability for HR-BPO to create tremendous new capacity for organizations. Employees who used to process payroll or answer HR inquiries are now working on setting new policy and attracting even more talent. Through the reduction of absenteeism, new hiring quotas have been lowered and cost savings given back to the business, reducing the burden on finding new employees. The final capacity creator is the shortening of hiring timelines. When vacancies are filled more quickly, less money is spent on overtime and temporary workers, freeing up precious budget dollars to be redirected to providing better services.

Conclusions

With an aging workforce, prices for talent constantly rising and competition from the private sector, attracting and retaining good employees in the public sector will continue to be a major challenge. It will take courage to look at new systems and ways of doing business to help ensure that there is enough talent in the public sector to continue to deliver the key services the public has come to rely on and expect.

Today, the innovative leaders in human resources and talent management are already poking their heads above the rest and using new technology, techniques and HR strategies to fill their vacancies and create more capacity within their systems. �

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