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Vol. 32, Issue 3, Oct 2002

Introduction

This article is the fourth in a recent series of articles in Optimum Online on best practices in public sector informatics. The first three articles were written by Bryan Shane.

The first article dealt with the informatics planning model. The second addressed informatics roles and responsibilities in public sector organizations. The third article examined informatics problems tackled through service level agreements. This fourth article looks at human resources (HR) in the field of information technology (IT).

In the "Informatics Planning Model," Shane wrote:

"As a result of poor organization structure, informatics staff are often isolated with little opportunity for career progression and/or lateral transfer. There is little cross-fertilization of ideas and an inability to keep up with latest technological developments. Training is provided on an ad hoc basis or scheduled months before the implementation of the desired technology, resulting in wasted instruction. These typical conditions result in low motivation and morale, which in turn lead to high staff turnover rates. This situation is especially critical given the long lead time to recruit and train (estimated at 6-18 months) new staff . . ." ¹

Let's examine this situation, and review the core issues involved in effective human resources management in informatics. These issues include the following:

- attraction of skilled resources;
- retention and motivation of these resources;
- HR management modernization in the public service; and
- the use of contractors versus staff.

Attraction of skilled resources

Remember the turbulent days of 1998-2000 where the private sector was grabbing everyone off the street who could spell c-o-m-p-u-t-e-r? Career fairs were jammed, newspapers were full of IT ads, headhunters were in their heyday, high tech firms drove up salaries with their aggressive pay practices and IT resources were faced with multiple job offers. The

organizational cost of employee turnover was staggering.

Today's employment environment is much more stable. The bubble has burst, the economy has slowed and the private sector continues to face layoffs. For IT managers, the attrition pressure has eased. Public sector recruitment campaigns are successfully producing the required number of qualified candidates.

This is starting to change. The collective sigh of relief heard through IT management circles in 2001/2002 may be premature. Information technology still remains critical to business and program success. Preliminary indicators are telling us that demand for IT resources is rising, and supply is falling - a classic economic recipe for rising prices.

On the demand side, a recent headline in the *Ottawa Citizen* reported "IT Skills Shortage Ahead." They stated that we've had a very short respite from the talent wars. "The rebounding Canadian economy will create more than 38,000 new information technology jobs in Ontario this year, possibly re-igniting the war for talent among employers." ²

On the supply side, the *Ottawa Business Journal* reported in May, 2002 that the "tech slump is scaring students away from IT." Algonquin College says that the number of students applying for IT courses is falling. The University of Ottawa is expecting 15 to 20 percent fewer applications for the school's computer science program this year. ³

Demographics are also working against us. In September 2002, the *Ottawa Citizen* found that "Two-thirds of the federal, provincial and local government organizations surveyed reported skilled worker shortages. Almost eight in ten of those predicted that situation will continue or intensify over the coming half decade" Furthermore, the public service is aging: ". . . Governments anticipate that almost half of today's public servants could be gone by the end of this decade." ⁴

The message to IT management is simple: with the signs pointing to another storm on the horizon, now may be the time to batten down the hatches and stock the pantry. Translated - take advantage of the current calm waters and take the necessary steps now to ensure the long term retention of your IT staff. This can be, and is being, addressed in a number of ways.

Retention and Motivation

A principal in a large IT consulting firm recently related the story of a senior PeopleSoft developer who left the firm to join a competitor after several years of employment. Since he was the third in a series of departures, management was concerned. They approached the individual with entreaties to stay and questions about why he was leaving. He responded that the time for them to be interested and caring about his wellbeing was two years earlier. After being effectively ignored and taken for granted during that period, he was completely fed up.

How do you keep your IT staff? When there is nowhere else for them to go, it's easy. However, like the proverbial caged bird that refuses to fly away when released, you want your IT staff staying with you because they want to stay with you, even when the IT labour market is bounding with opportunities.

You should first of all look at your workplace demographics. Young computer service staff (CS) in their early 20s are probably not looking forward to their 25 year service award from the Prime Minister. Their focus is on the much more immediate thrill of the job. Turnover rates for young

IT professionals are generally higher than the average.

The Society for Human Resources Management (SHRM) in the United States reports that "the segment of the IT population that's generally more receptive to retention plans are those in their late 20s and older who are growing weary of the nomadic existence they've been living for the past several years. These people are ripe for retention efforts and are eager to put down some roots." ⁵

Let's apply this to public sector informatics in Canada. The Organizational Readiness Office (ORO) of the CIO Branch at Treasury Board Canada Secretariat (TBS) reports that the average age of CS employees in 2001 was 40. Twenty-eight percent of CS's were under 35 years of age, 39 percent were between 35 and 33 and 27 percent were between 45 and 54 ⁶. Given our relatively older population, retention efforts are important and, in fact, should be the norm.

Doug Redden, a former TBS human resource official and past director of the Institute for Government Informatics Professionals at Public Works and Government Services Canada (PWGSC) says that IT organizations should practice "enlightened HR" - a proactive approach to the "care and feeding" of IT resources. ⁷ This approach parallels the thinking of SHRM. Aspects of enlightened human resource management include challenge, skills development, flexibility/lifestyle and rewards and recognition.

Challenge

IT professionals need to be challenged. The best way to lose high tech talent is to bore them.

The *PeopleSoft* developer mentioned above was kept on the same project at the same public service client for several years. This was profitable for the consulting firm, who were focused on quarterly results. So there was no incentive to move him. The individual left to find challenging work and new projects elsewhere. This action-reaction sequence is not uncommon.

Skills Development

Historically, the IT community has been very good at on-the-job skills development and fluid career progression. This distinguishes IT from the other professions, where the focus is on the specific job. In these fields, individuals are hired into a position and generally stay there performing the relatively static duties of that job until the staffing system moves them to another position, where the cycle repeats itself.

In IT, we're still constrained by the arbitrary HR framework of jobs, full-time equivalent positions and classification levels. However, we often see skills development and progression within the position. A CS-02 can learn a new programming language and/or advance his/her skills in other ways, and quite often immediately has an opportunity to perform these new higher-level skills. The IT propensity towards projects and project work drives this ongoing on-the-job development.

The ORO at the CIO Branch of TBS uses a "Generic IT Career Progression" diagram, which graphically illustrates this point. This diagram outlines a virtual structure of 25 positions most prevalent within the IT function in government departments. These range from help desk analyst to LAN administrator to IT unit head. Interestingly, the levels are shown simply as junior, intermediate and senior - not CS-01 to CS-05. ⁸

In many organizations, when budgets are cut the first thing to go is training. This is because

training is a visible expense item, and the impact of less training is not felt until several months or years later. In IT, this would be very shortsighted thinking - since ongoing skills development is an absolute necessity for IT professionals.

Flexibility / Life Style

Flexibility and lifestyle are very important. Your average IT professional is not a 9 to 5 animal. Left to their own devices, informatics workers will work the hours that best suit their personal needs.

Legend has it that Bill Gates was once giving someone a tour of the Microsoft offices. They passed by the office of a systems analyst who was leaned back in his chair, with his feet up on the desk and his eyes closed. The guest gasped and said, "Look at that!" Bill grinned and replied: "Yeah, it's great isn't it?"

By comparison, I know of two senior IT managers in Ottawa who believe in face time. They want their staff in the office from 9 to 5 and beyond. Visible overtime is actively encouraged. These two managers walk the halls around 5:15 p.m. checking the cubicles and noting which devotees are still in the office.

Work-life balance is preached as a core value by many organizations, but few practice it. One of those who advocate but don't practice is a large human resource consulting firm in Toronto, where the halls buzz with activity at 5:30 p.m. on a Friday. Staff are afraid to be seen leaving before senior management does.

On the positive side, the Treasury Board Secretariat appears to be paying very serious attention to the findings of the recent Duxbury (Carleton University) surveys on Work-Life Balance.

It's pretty obvious which approach generates the most productivity, creativity and staff loyalty. As SHRM notes: "Compressed work weeks, telecommuting, job-sharing and 24 hour shifts are all things you should make available, if at all possible. . . . Even small amounts of flexibility score big points." ⁹

Rewards and Recognition

Let's face it: there are no beer fridges in the offices of public sector IT branches. There are no meeting rooms with couches and easy chairs (except perhaps on the executive floor), no pool tables and no foosball machines. On the "cool stuff" scale, it's tough to compete. These well known perks of the private sector do not exist in government.

This does not mean that we don't have ways to show our thanks and appreciation. Many departments have had well-developed reward and recognition programs in place for several years - for all employees.

Recognition means honouring, encouraging and supporting individuals and teams who contribute, through their behaviour and their actions, to the success of the organization. Recognition includes informal, free and low-cost activities as well as formal programs and ceremonies. It involves

- openly giving praise;
- granting monetary and non-monetary awards; and

- celebrating and communicating successes.

For example, in 1991 Revenue Canada launched *Innovation and Excellence (I&E)*, a recognition and award program developed because the department wanted "to actively seek out and take advantage of new opportunities to improve organizational efficiency, employee satisfaction and service to its internal and external clients."¹⁰

I&E is composed of three complementary award programs. The goal of the *Suggestion Award Program* is to encourage employees to make changes to operational practices and procedures. Awards are monetary, and the maximum award possible is \$15,000.

The goal of the *Special Award Program* is to recognize employees whose efforts are meritorious. This award promotes and reinforces key organizational values, such as teamwork, client service and continuing education. Awards are non-monetary. In 1994-95, more than 2,500 employees received special awards.

The goal of the *Minister's Award Program*, the department's most prestigious honour, is to recognize outstanding suggestions or contributions to the department and its clients. The awards may be either monetary or non-monetary, and the maximum award possible is \$10,000. In 1994-95, 112 employees received an award under this program.¹¹

HR Management Modernization in the Public Service

Human resource modernization is clearly a current issue in informatics. In August 2001, the IT community responded to the call for submissions from the (Quail) Task Force on Modernizing Human Resources Management in the Public Service.

The salient points of this submission are as follows:

Private sector businesses have a distinct advantage over the public service in the attraction and retention of IT employees, given their ability to respond to changing markets with flexibility;

Conversely, the IT community in government has been forced to continually find ways to work around a restrictive and complex set of rules, policies and practices that have affected its ability to recruit new people and retain key talent;

"Let the managers manage" is a principle that should underlie how all human resource management is approached;

Currently there is little reward for good performance and virtually no penalty for poor performance. This needs to change;

The IT community describes the public service staffing systems as "so broken that we need to start over." Since this is not possible, the best use must be made of the opportunity to change legislation;

The staffing process must allow staffing decisions to be brought closer to the communities and their managers;

Standardized sets of competencies that describe a broad set of skills would more

effectively illustrate the work of employees and allow a freer movement of staff within organizations and communities;

Unranked pools of qualified candidates need to be created to replace the current ranked ones. When candidates are qualified to be in the pools, there should be no need to continually re-qualify;

The current classification system is outmoded and unaccommodating and should be revised or completely discarded in favour of one that permits easy development of new roles;

Move HR from a transaction-based, policing and clerical role to a strategic, professional human resource advisory service with resources deployed to the local level; and

Delegate HR management authorities to the IT community on those issues that are unique to the IT occupations or ensure that community input is sought on such issues.¹²

Pending anticipated legislation on human resource modernization this fall, the IT community (led by the ORO), has taken the following pro-active steps over the past few years:

- created an IT "community of practice" to provide horizontal coordination across departments and jurisdictions;
- provides demographic information on the size and composition of the CS community and trends, such as hiring and retirement eligibility;
- created the IT e-Learning Gateway project to provide universal access to e-Learning courseware and prepare IT workers to pass certification tests such as the Microsoft Certified Systems Engineer (MCSE);
- created a project management (PM) website, with courses linked to the PM body of knowledge;
- increased the availability of management courses for non-developmental program participants in the IT community;
- created 25 IT competency profiles and a related self-assessment tool;
- improved career planning delivery services for IT;
- worked with the Public Service Commission (PSC) on the advertising and recruitment of IT resources;
- enabled greater use of pre-qualified pools for management staffing;
- created an IT work description repository;
- identified clear management and technical streams up to the CS-04 level;
- created the Computer Systems Group Bridging Program for the re-skilling of employees from other occupational groups to meet the minimum requirements for CS positions; and has
- worked to create a community led, competency based integrated HR framework for informatics.¹³

Contractors Versus Staff

Lastly, a related human resource issue facing IT managers is the use of contractors. Do we buy our IT resources, or do we rent?

Term employees are a readily used "in between" option. The ORO reports that reliance on term employment is growing. As a percentage of total employment, the share of term CS employees

has been around 20 percent for the past few years and peaked last year.

Most IT branches in the public sector are readily distinguishable by their extensive use of consultants and contract staff. This is a key feature of public sector informatics. Look around the room in any meeting or gathering of IM/IT staff and anywhere from 20 to 35 percent of the people in the room are non-staff. This varies considerably from other professional communities, such as finance or HR, who make far less use of contractors.

It is often difficult to tell staff from contractor. Look at the person beside you, which are they?
Many contractors

- work Monday to Friday, 9 to 5 in the client's office;
- have cubicles or offices with their name on the door;
- have the same colour security pass as staff;
- use government computers and other equipment;
- carry government blackberries, cell phones or pagers;
- have remote access to departmental systems from their homes; and even
- have their names in the departmental phonebook.

On several occasions I have heard directors exclaim in surprise "Joe is a consultant!?", upon learning that the skilled resource down the hall, whom they had worked with for months, was not a government employee.

This often creates angst among HR branches and unions, who argue that these positions should be filled by public servants. Employees sometimes wonder why the person sitting beside them, doing the same job with the same skills, is earning twice as much money (forgetting that the contractor is forgoing a pension, employee benefits and job security).

Why is this? In the opinion of many IT managers, the following are the reasons for the use of contractors:

- concerns about the staffing and classification systems;
- greater speed and flexibility in staffing with contractors;
- inability to afford specialized skills at standard public service salaries (although CS rates have become much more competitive);
- insufficient funds to train staff on the newest skills;
- outdated skills that are still needed, but not worth training employees on;
- project work, with discrete objectives and start/end dates;
- skills with a "sunset" limit (i.e. where the skill will soon become obsolete);
- specialized expertise and/or new skills that employees do not (yet) possess;
- staff augmentation - when the volume of work is regularly greater than the supply of staff, or when staff are deployed on second language training, then contractors sometimes become a long term operations solution;
- the need for a "big name" and logo on the cover of a consulting report to emphasize its importance;
- the need for an independent third party to provide objective outside advice; and
- the need for skilled resources on a short term basis.

None of these reasons is going to disappear soon. The challenge for IT branches is balance, finding the optimal and most cost effective balance between the use of contractors and full time employees. They must also steer clear of Canada Customs and Revenue Agency's regulations on

employer-employee relationships.

Conclusion

Society for Human Resources Management says it best: "At the most fundamental level, your (organization) should be a place people want to go every day. Face it, you need them more than they need you. What is required is an attitude, where employees are challenged, rewarded, understood and meant to feel important to the organization."

As evidenced by its performance, the IT community knows the best practices in human resources management, has recognized the challenges before it and is actively rising to meet them.

¹ Shane, Brian, "The Informatics Planning Model". *Optimum Online*, Vol. 31 (Issue 2, Dec. 2001).

² Pilienci, Vito, "IT Skills Shortage Ahead: a study". *The Ottawa Citizen* (May 7, 2002).

³ Hammond, Michael, "Tech Slump Scaring Students Away From IT". *The Ottawa Business Journal* (May 13, 2002).

⁴ Beauchesne, Eric, "Bad Image Hobbles PS in Talent-Recruiting Race". *The Ottawa Citizen* (September 17, 2002).

⁵ Poe, Andrea C., "High Tech Retention: Six Keys to Success". *SHRM White Paper* (Alexandria, VA: Society for Human Resources Management, September 2001).

⁶ "Human Resources Management - IT Community Update: Presentation to ACIM" (Ottawa: Organizational Readiness Office, CIO Branch, Treasury Board of Canada Secretariat, November 20, 2001).

⁷ Redden, Doug, The Redden Group, Kingston, Ontario.

⁸ "Generic IT Career Progression" (Ottawa: Organizational Readiness Office, Chief Information Officer Branch, Treasury Board of Canada Secretariat, November 21, 2001).

⁹ Poe, op.cit.

¹⁰ Quality Services Guide V - Recognition" (Ottawa: Treasury Board of Canada Secretariat, August 19, 1996).

¹¹ Ibid.

¹² "Submissions to the Task Force on Modernizing Human Resources Management in the Public Service" (Ottawa: Organizational Readiness Office, Chief Information Officer Branch, Treasury Board of Canada Secretariat, August 28, 2001).

¹³ Fine, Ed. "Transforming Government Services: Are You Ready?" (Ottawa: PSC - Technology Partners Conference. Organizational Readiness Office, CIO Branch, Treasury Board of Canada Secretariat, May 7, 2002).

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