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THE FILLING OF CERTAIN SENIOR POSITIONS IN THE
CANADA MANPOWER DIVISION

by

John A. Hunter

A thesis submitted to Carleton University
in partial fulfilment of the requirements
for the degree of Master of Arts in
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School of Public Administration

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THE FILLING OF CERTAIN SENIOR POSITIONS
IN THE CANADA MANPOWER DIVISION

Abstract

The National Employment Service which had failed to become an effective manpower service under the Unemployment Insurance Commission, and later, under the Department of Labour, was merged, on January 1, 1966, with units from the Department of Labour and Immigration Service to form the Canada Manpower Division (C.M.D.) of the Department of Manpower and Immigration.

The thesis describes the filling of 61 key management and support positions at C.M.D. national headquarters and at the five regional headquarters in the period from the merger to January 31, 1967. The training given senior managers is also discussed.

Three themes are identified: the care taken to blend certain attributes to produce balanced teams; the attempt to apply Glassco recommendations concerning staffing; and, the effect upon staffing of decentralization of authority and the introduction of participative management. It is concluded that C.M.D. was successful in recruiting capable officials.

PREFACE

There were two problems which faced me as I prepared this study of the filling of certain positions in the Canada Manpower Division. The first problem was in getting at the facts. In doing this I faced the usual governmental restrictions on the release of information. The second problem was in documenting the facts and conclusions which are incorporated into this thesis. These are problems which must face all persons doing academic research into the current operation of a government department.

I was able to obtain some information from published documents and from public statements of the Minister, the Deputy-Minister, and of the Director-General of the Division. However, most of the information had to come from interviews with Departmental officials. The officials were very co-operative and extremely patient. Yet there was information which they felt they could not let me have because of statutory and administrative limitations imposed upon them. There was also information which they felt they should not release because to do so would make their administrative duties more difficult. For example, the officials were reluctant to release information about individuals who had suffered a loss of responsibility or of status as a result of the merger of the various units into the Canada Manpower Division; they did not wish to embarrass individuals or to open old wounds.

As a ~~sometime~~ administrator myself I sympathized entirely with the officials.

However, as a result of these restrictions I found that there were many gaps in my knowledge of what had taken place in the filling of the various positions. I tried to fill those gaps by intuition and speculation. Whenever possible I tested my assumptions on knowledgeable officials; sometimes I received the classic "cannot-confirm-or-deny" reply, sometimes a slow smile (both of which I took as a form of confirmation), and sometimes I received the helpful, if discouraging reply that an assumption was incorrect. Through testing of this sort I feel that I was able to form a fairly complete and accurate picture of what had transpired in the filling of the positions.

The second problem, deciding what to include in this report and deciding how to document it, was, if anything, more difficult. Some of the material which I had either been given or had intuited was clearly not for publication and it is not presented here. The rest of the material which I had collected could be used but most of the sources could not be identified.

The conclusion one reaches after this review of my methodology is a depressing one: some of the information presented here may be inaccurate and some of the conclusions invalid. To make matters worse

most of the material is presented without formal documentation; the reader cannot check to see whether the facts are accurate and the conclusions valid. Was it worthwhile doing a study which for all these reasons must be considered tentative rather than conclusive?

The conclusion must be that if the subject-matter is important, as I hope the reader will agree it is, then one must seek to obtain whatever information is available and from it derive conclusions. In making this argument I find solace and encouragement in Maslow's comment:

Knowledge is a matter of degree. Any increment of knowledge or of reliability is better than nothing. One case is better than none, and two are better than one. Neither knowledge in general nor reliability in particular is an all-or-none matter. There is no sharp shore-line which marks off the land of knowledge from the ocean of not-knowledge.¹

I am very conscious, to continue Maslow's metaphor, that there may be hidden reefs which I have not charted but I hope that my study adds something to the "land of knowledge" about that extremely important organization, the Canada Manpower Division.

I am grateful for the assistance given so willingly by so many people. Mr. G.G. Duclos, the Director-General of C.M.D. drew upon his experience as an administrator and as an ex-academic to help me, and his officials gave me invaluable assistance. Other members of the Department of Manpower and Immigration also helped. Mr. William Thomson who was Director of the National Employment Service from 1956 until its merger

1. Abraham H. Maslow, The Psychology of Science, (New York, 1966), p.128.

into the C.M.D., and who, almost single-handedly, pulled the Service through two crucial stages in its development also gave me much assistance. Finally, my wife helped with the typing of the various drafts of the thesis.

During the preparation of the thesis I was on leave of absence from the Department of Manpower and Immigration where I am normally employed as an officer in the Foreign Branch of the Immigration Division. The views expressed in this thesis are, of course, my own.

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I

INTRODUCTION

During early 1966 parts of the National Employment Service, the Department of Labour, and the Immigration Service were brought together to form the Canada Manpower Division of the Department of Manpower and Immigration. The Division was instructed to develop an expanded and improved manpower service for the use of both employers and employees.

The plans being made by the Division are dazzling. For example, staffing. On September 1, 1966, the Division had 5,300 employees. This figure will probably double during the next five years. It is hoped that nearly 75% of the recruits will be persons with university degrees. Each spring for the next five years the Division will seek up to 500 new graduates from universities across the nation. In addition, the Division will be looking for more than 150 trained social workers.

Plans are also being made, and implemented, to expand and improve the services of the Division through the training and re-training of staff, and through decentralization of much operational authority from national headquarters to the regions. New premises are being sought for the local offices and facilities are being improved.

The success of these plans will depend upon a number of factors, one of the most important of which will be the number and quality of senior officers at national and regional headquarters. One of the reasons given for the problems which N.E.S. encountered when trying to develop and implement effective manpower programmes was the scarcity of able senior officers. The examiners appointed by O.E.C.D. to investigate manpower policy and programmes in Canada commented, with an understatement which seems to characterize their report, "It would appear that an excessive load of work is being carried by the relatively few senior officers at national and regional headquarters."¹

The subject of this study is the way in which certain of the senior positions at national and regional headquarters have been filled. To do this we will divide the positions into "new" and "old". In the case of "new" positions we will outline the duties, the methods of recruitment and selection used, and we will analyse the qualifications of successful candidates. For "old" positions, that is, positions which existed prior to the merger, we will check to see whether the duties, or classifications have been changed. We will also check to see whether the pre-merger incumbent is still occupying the position. If he is not we will seek to discover what happened to him and why. We will also examine the training given both new and old employees to

1. O.E.C.D., Manpower Policy and Programmes in Canada, (Paris, 1966), p.103. The understatement employed by the Examiners is also shown in this sentence which follows the one quoted above, "We were surprised that the establishment contained only one post for an economist; we were informed that at the relatively low salary at which it was graded it had not been possible to fill it for some time."

orient them to the objectives of the Division.

Certain general questions will recur throughout the study.

How many new people can be inserted into an organization without destroying the continuity of the operation and without destroying the "point of departure" which is needed if change is to be successful? At what points should new people be inserted? What recruitment and selection methods secure the most able new employees? How are recruits from industry introduced to the requirements of the public service with its auditor-general, its comptroller of the Treasury, and its Parliamentary question time? How are existing employees assessed by a new management? What is done with employees who cannot or will not make the adjustment to new methods and new attitudes? Hopefully, the study will provide some answers to these and other questions. I believe that the fact that this is a manpower service, charged with responsibility for promoting efficient use of manpower throughout the economy, gives the answers a particular relevance.

There were two main methods which could have been used in selecting the positions to be studied. First, I could have taken all positions with salary rates above a certain figure - \$10,000 per annum would have been a reasonable lower limit. Second, I could have employed a management and support team approach and chosen those positions which were part of a senior team charged with line or staff, or both, responsibilities. I have chosen to use the latter approach. The first approach would have involved an examination of over 150 positions, if I had used

\$10,000 as the lower limit. This was too large a project for me to handle with available resources. The second approach involved an analysis of some 61 positions, a load which I was able to handle. I chose the second approach for another reason. The management philosophy being introduced into the Division, the philosophy of participative management, attaches great importance to the role of management and support teams. The members of the teams which I have chosen to study are the key officials in the implementation of the Division's programmes.¹

Chapters II and III provide essential background information including: a history of manpower planning and programmes from the late 1930's; an examination of the criticisms levelled at N.E.S.; a description of the various attempts to improve the service offered by N.E.S. culminating in the latest changes announced by Prime Minister Pearson on December 17, 1965; and, an account of some of the favourable and unfavourable factors which acted upon the Department of Manpower and Immigration as it organized and staffed the Canada Manpower Division.

Chapter IV will examine the filling of positions at national headquarters, while Chapter V will carry out the same examination at the five regional headquarters. Chapter VI will discuss the training given senior officials, while Chapter VII will offer some conclusions about the filling of the Division's senior positions.

1. The positions chosen for study are shown in Appendices C and D.

II

THE NATIONAL EMPLOYMENT SERVICE 1940-1965

1. Creation of the Service

The Unemployment Insurance Act 1940 which received royal assent on August 7, 1940, provided for the organization and maintenance of an employment service administered by an Unemployment Insurance Commission, authority for which was contained in the same statute. The need for an effective national employment service had been recognized for some time. Constitutional problems had prevented a federal government employment service; the result was the "Canada Employment Service", a service operated by the provinces and subsidized by the federal government. The National Employment Commission, which was established in 1936 to advise the Minister of Labour concerning problems of employment, unemployment and relief, argued in its interim report that:

The present Provincial Employment Services are in practice unfitted to meet the exigencies of the situation. Divided responsibilities and diversity of aims between different Provinces; unequal development as regards numbers, types and functions of local offices; unsuitable locations of premises; defects in Provincial boundaries when used as economic administrative units, etc., have all tended to result in the provincial Employment Services not being utilized fully by either employer or employee.¹

1. Canada, National Employment Commission, Interim Report (Ottawa July 21, 1937), pp. 17-18.

The Commission, in its final report, recommended,"the prompt¹ modernization and extension of the Employment Service of Canada".

It also argued that the service should be placed under the direction of the federal government. At the same time the Commission argued that there should be provision for strong regional directors and for regional advisory councils so that proper attention would be paid to regional problems.

The Commission believed that a new national employment service should have the following functions:

An efficient employment service should collect and provide necessary statistical information on which broad planning to meet present and future labour requirements of industry and agriculture can be based. It should be a repository for accurate information on i) the labour demands of industry, and ii) the available supply of employable workers.

It should procure reliable data on the qualifications, ability, experience, and general fitness of each worker.

It should link up with the school, on the one hand, and the employer on the other, providing the young man or woman, boy or girl, who has completed his or her education, with some degree of vocational guidance.

It should devise and operate for thousands of workers, systems whereby these workers may be registered, classified accurately, referred to suitable employment and kept informed of basic changes affecting their trades and professions.

It should develop sympathetic co-operation among the public. Prejudice against or distrust of the Employment Service, sometimes found among employers, must be overcome. A modernized service will in itself be the greatest instrument in overcoming this. The wise, pertinent and persistent use of publicity should also be an effective weapon in this effort.

It should go even farther than those men and women workers now in the employable category. Its ingenuity and enterprise should be utilized in an effort to include among the employables, many of those now on the borderline. This may be possible either through

1. Canada, National Employment Commission, Final Report (Ottawa January 26, 1938), pp. 15-16.

retraining or such treatment as may be necessary to restore physical fitness.

It should look into the future, be, as it were, the advance agent for labour requirements.

With the data at its command, it should be able to advise on suitable training projects for youth and retraining for displaced workers.¹

As the examiners appointed for the Organisation for Economic Co-operation and Development noted in their report: "Here, in this 1938 Report, were the blue-prints for a well-conceived and vigorous national network of employment offices."² Twenty-seven years later Canada still did not possess an employment service which could perform these functions effectively.

The Commission also proposed an Unemployment Insurance Fund which would protect certain classes of workers from seasonal, frictional and other short-term unemployment, and an Unemployment Aid scheme which would provide for payments to certain workers not covered by the Insurance Fund or workers who had exhausted their benefits.³ The Commission envisaged a unified administration consisting of the Employment Service, The Unemployment Insurance Fund and The Unemployment Aid scheme. Payments would only be made after certification by the Employment Service that unemployed persons were capable of and available for employment.

The recommendation for an Unemployment Aid scheme was not accepted, but the recommendations for a National Employment Service

1. Ibid., p.16.

2. O.E.C.D., op. cit., p.101.

3. National Employment Commission, Final Report, op. cit., pp. 30-32.

and for an Unemployment Insurance Fund were accepted and after an amendment to Section 91 of the British North America Act these recommendations were embodied in the Unemployment Insurance Act, 1940. As the Commission had recommended, one agency, the Unemployment Insurance Commission (U.I.C.), became responsible for both projects.

It has been argued that, despite the title of the Act, the main purpose of the Unemployment Insurance Act, 1940, was to¹ establish and maintain an effective National Employment Service. According to this argument the collection of contributions and the payment of unemployment benefits were to be ancillary to the operation of an efficient employment service. In the ensuing years, however, the National Employment Service was to be severely criticized for being just an adjunct to the unemployment insurance service, -for being a handmaiden to the insurance side. A perusal of the speech made in the House of Commons by the Hon. N.A. McLarty, the Minister of Labour, on July 16, 1940, when he proposed a resolution concerning the establishment of an unemployment insurance scheme and an employment² service, shows that his main concern was unemployment insurance. He examined the British and American experience with unemployment insurance schemes and he defended the government against charges that

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1. Canada, Committee of Inquiry into the Unemployment Insurance Act, Report (Ottawa, 1962), p.20.
Also: Canada, Unemployment Insurance Commission, Fourth Annual Report, Fiscal Year Ending March 31, 1945, p.7.
 2. Canada, Parliament, House of Commons, Official Report of Debates, July 16, 1940, pp. 1647-1650.

it had been tardy in bringing forward a scheme of its own. The employment service was hardly mentioned. The Leader of the Opposition and other members who participated in the debate also concentrated on the insurance scheme.

The conclusion one draws is that the insurance function was deemed to be of greater importance than the employment function by the members of Parliament who approved the legislation. Indeed, it would have been surprising if the reaction had been otherwise. The nation had just emerged from a severe depression. An employment service, however efficient, would have been of little use during the 1930's. It seemed that what was required during a depression, in addition to an intelligent application of fiscal and monetary remedies, was some scheme for providing financial assistance to the unemployed. The Unemployment Insurance scheme seemed to hold out a promise that in future recessions or depressions some financial assistance would be available to unemployed persons.

There is another reason why the government and the members of Parliament may have concentrated on the insurance aspect of the legislation rather than the employment aspect. In 1937 Premier Duplessis refused to give the assent of his government to the proposed amendment to the British North America Act authorizing the federal government to establish an unemployment insurance scheme. Mr. Duplessis offered to co-operate with the federal government by passing enabling

or concurrent legislation but he would not, he said, surrender the jurisdiction possessed by Quebec in this field. After the defeat of Duplessis in 1940 his successor, Premier Godbout, gave his assent to the proposed amendment. However, Premier Godbout indicated that Quebec would continue to operate its own employment service despite its agreement to the amendment. In the opinion of some Quebec leaders the amendment to the B.N.A. Act gave the Federal Government exclusive jurisdiction only in relation to unemployment insurance. At the very most, according to these persons, the amendment gave the Federal Government concurrent jurisdiction in the area of employment service; at the least, the amendment authorized the Federal Government to operate an employment service only to the extent that some agency had to certify for insurance purposes that workers were truly available for work. For these reasons the Federal Government may have decided to concentrate on the insurance aspect of the Unemployment Insurance Commission Act.

The fact that neither the political leaders nor the people of Canada assigned as much importance to the employment part of U.I.C. as to the insurance side, and the fact that there was a continuing dispute over the extent of the jurisdiction possessed by the Federal Government to operate an employment service tended, throughout the period studied in this chapter, to hinder the development of an effective employment service. As pointed out above, the employment

service never did succeed in meeting the standards set by the National Employment Commission.

The employment service also failed to measure up to the standards contained in another document, Convention 88 (employment service convention) of the International Labour Organization (I.L.O.). This Convention which was ratified by the Parliament of Canada in 1950 was supplemented by I.L.O. Recommendation (No. 83). (Recommendations are not binding on governments as are ratified conventions but, "they inform governments what a majority of workers, employers and government labour experts attending the I.L.O. Conference think should be regarded as a necessary minimum standard".¹ Many of the provisions of the Convention and the Recommendations have been incorporated, in some cases almost verbatim, into the Unemployment Insurance Regulations. The following extracts from the Convention and from the Unemployment Insurance Regulations illustrate the similarities:

I.L.O. Convention No. 88

Article 1

1. Each member of the International Labour Organization for which this Convention is in force shall maintain or ensure the maintenance of a free public employment service.
2. The essential duty of the employment service shall be to ensure, in co-operation where necessary with other public and private bodies concerned, the best possible organization of the employment market as an integral part of the national programme for the achievement and maintenance of full employment and the development and use of productive resources.

Article 6

The employment service shall be so organized as to ensure effective recruitment and placement, and for this purpose shall -
 (e) assist, as necessary, other public and private bodies in social and economic planning calculated to ensure a favourable employment situation.

1. International Labour Conference, Summary of Reports on Unratified Conventions and Recommendations, Report III, Thirty-fifth Session (Geneva, 1952), p.11.

Unemployment Insurance Regulations

Section 25. The aim of the Employment Service is the organization of the employment market as an integral part of a program for the achievement and maintenance of the highest possible level of employment.

Section 36. The Employment Service shall assist, as necessary, other public and private bodies in social and economic planning calculated to ensure a favourable employment situation.

In general the functions of an employment service as set out in the Convention and in the Recommendations are similar to those recommended by the National Employment Commission. These documents provided the guidelines which successive Directors of the Employment Service used in trying to improve the effectiveness of the Service.

2. Problems Faced by the National Employment Service

We have suggested that there were two basic reasons for the failure of N.E.S. to meet the standards set by the Commission and by the I.L.O.: first, that there was a general lack of understanding of the importance of an employment service and a concentration on the insurance function of the U.I.C.; and second, that there was a dispute over jurisdiction between Ottawa and Quebec which deterred the Federal Government from giving the Employment Service the prominence it required. It will be helpful if we look at some consequences which flowed from these basic reasons and also at the consequences of some unrelated events, all of which affected the ability of N.E.S. to play the role assigned to it.

The first place to look is at the organization of U.I.C. The organization as such did not make the Employment Service inferior to the Unemployment Insurance but, given the other factors, it acted to prevent the recommendations of N.E.S. officials from receiving the consideration and attention which they required.

The Commission was, and is, composed of three members, one of whom is chosen to represent the government, one to represent the trade unions, and the other to represent business. From 1940 until 1958 the Commission had an Executive Director who was responsible to the Commissioners for the operation of the whole organization. Beneath the Executive Director, and reporting to him, were the Director, Unemployment Insurance, the Director, Employment Service (the persons responsible for the two separate functions of the Commission) and two staff directors of, Personnel and Administrative Services, and Technical Services. Each Director had several divisions reporting to him.

It is tempting to think of the Commission as divided into two distinct line organizations, Employment, and Insurance with several staff branches providing support services to each. This is incorrect. Formally, at least, the Commission from the Executive Director down through the various levels to the local office manager was one organization with two main functions to perform. As can be seen in Appendix A the line of authority passed, after 1958, from the Commission to the four directors. It was then focussed again in the individual regional directors. The regional directors had assistants; formally, at least, the directors and

their assistants had a "one-over-one" relationship with each other.

Beneath the regional director and his assistant there was a counterpart of national headquarters with a Regional Employment Officer corresponding to the Director, Employment Service, a Regional Unemployment Insurance Officer corresponding to the Director, Unemployment Insurance, and so on.

Most organization charts show the line of authority passing from the Regional Director, or from his assistant, to the local office managers. These managers had beneath them, once again, a counterpart of the Director, Employment Service, who was head of what was called the Employment Branch and a counterpart of the Director, Unemployment Insurance who was head of the Unemployment Insurance Branch. There was also, in each office, an Administrative Services Branch.

The formal organization was difficult to operate. An instruction from the Director, Employment Service to the field should have taken the following path according to the formal organization of U.I.C.: to the Regional Directors who were to consult their Regional Employment Officers concerning implementation; then, from the Regional Directors to the local office managers who in turn would pass the instruction to their respective Employment Branch heads. The line of responsibility upward was, of course, just as tortuous.

Because the formal organization was so cumbersome to operate an informal organization quickly developed along functional lines. Instructions then passed from the Director, Employment Service, or from

one of his divisional officers, to the Regional Employment Officers, to the heads of the Employment Branches in the local offices. The same informal organization developed in Unemployment Insurance. The development of this pattern of informal organization meant that the officials who supposedly provided a unity in the organization, the Regional Directors, and the local office managers became titular except where by force of personality they managed to assert some of their formal authority. These officials became, in the main, coordinators settling minor conflicts between various functional heads within their jurisdictions. Conflicts which were of any significance were usually referred by the functional heads to their respective counterparts at regional or national headquarters. If the headquarters officials were unable to resolve a particular conflict themselves it went, until 1958, to the Executive Director, and after 1958, when the position of Executive Director was abolished, to the Commissioners, themselves.

There seems a natural tendency for central support services to take or receive power from line organizations. This was particularly evident in the Commission. Personnel and Administrative Services had great control over the staff, equipment and facilities received by the Employment and Insurance parts of the organization. Technical Services exercised a strong control function over both Employment and Insurance. It was responsible for auditing, investigation, enforcement, and standards and methods. Thus, one of the central agencies could

determine the resources to be applied to particular programmes while the other central agency, because of its control function, could determine in large measure the content and implementation of programmes.

The need to operate an informal organization and the need to fend off the central agencies meant that the Directors of Employment and Insurance had to be strong persons if they were to be successful. Both the Directors faced the same problems in this regard and if other things had been equal neither would have any advantage over the other in obtaining an equitable share of resources. However, other things were not equal. To make matters worse, there was a basic conflict inherent in the two functions and because of certain advantages enjoyed by the insurance part of organization it not only received preferential treatment in the allocation of resources but it also was allowed to interfere with the operation of the employment service.

The conflict in function resulted in conflicting demands being made upon the local office managers and their staffs. The prime concern of the insurance side was to protect the financial balance in the Insurance Fund. This meant that the insurance side emphasized the importance of placing unemployed workers in employment, almost any employment, within limits. The employment service, on the other hand, was anxious to establish a good reputation with employers so that vacancies would be reported to the service. The employment service could not establish a good reputation if it referred unsuitable workers either to test the intentions of the workers, or in the hope that they might be

accepted. Because of the advantages which the insurance side possessed, which are discussed below, pressure was exerted on local office managers to have the employees make this type of referral.

In this connection it is interesting to compare the N.E.S. with a state employment service in the United States which also had to perform both the insurance and employment functions, but in which the employment function was given priority:

... employers sometimes complained about the poor quality of referrals, and the Employment Service was more concerned about its relations with employers than it was about testing the willingness to work of those unemployed workers who probably would not have been readily hired by employers anyhow.¹

The authors make the point that the administration of the insurance side suffered because of the priority given to the employment function.

This was the reverse of what happened in Canada.

The first advantage that Unemployment Insurance enjoyed was the basic one which we have mentioned, that it was generally considered more important than the Employment Service. There was little appreciation of an employment service as an important tool in the achieving of economic growth. For this reason it was easier for Insurance to convince the Commissioners that it required additional resources.

Another advantage that Insurance enjoyed was that it was easier for the government and for the public to judge whether the Commissioners

1. Charles A. Myers and George P. Shultz, The Dynamics of a Labor Market (New York, 1951), p.92.

had been successful in operating Insurance than to judge whether they had been successful in operating an employment service. The Unemployment Insurance Fund was relatively easy to understand: there was either sufficient money to pay claims or there was not. The number of placements made by the Employment Service, or the degree of penetration of the employment market obtained were not as easy to grasp. In addition, in the pre-Glassco era short-term expenditures were often considered more important than long-term results.

Insurance also had an advantage in the fact that it was esoteric while Employment was commonplace. The Commissioners, it seems clear, were more ready to accept the recommendations of their Insurance experts who spoke a language imported from the field of commercial insurance than they were to accept the advice of their Employment experts.

Insurance had still another advantage in that its work was easier to quantify than was the work of the Employment Service. Processing of claims for benefits could be reduced to a formula without too much difficulty. Finding jobs for unemployed workers on the other hand was, and is, a complex operation. Any work measurement formulae must be applied circumspectly. Technical Services applied a point system to both parts of the Commission without making adequate allowance for the differences in the nature of the duties. The result was that the employment staff either engaged in a highly dysfunctional search for points, or lost positions from its establishment. Either way the Service suffered.

After this review it is possible to understand some of the problems facing a Director of the Employment Service. He had to contend with an unfavourable basic philosophy and he had to overcome many disadvantages in the contest between himself and the Director, Unemployment Insurance for resources. At the same time he had to fight to operate an informal organization and also fend off the attempts of the central agencies and the Insurance side to interfere with the operation of his Service. It was not until 1956 that the Employment Service acquired a Director who had the ability and the personality to make some progress against these obstacles.

There were other problems which affected the performance of the Employment Service. In 1942 the Government transferred the Service to the Department of Labour where it became responsible for implementing the unpopular Selective Service Regulations. After the war N.E.S. was transferred back to the Unemployment Insurance Commission. It tried to establish the trust and confidence of employers and employees which a voluntary employment service needs, but with only limited success. The Service's image undoubtedly suffered because of its wartime role. The task of improving its image was made even more difficult because of its continuing responsibility for certifying individuals as capable and available for employment in connection with unemployment benefits.

A further problem was that responsibility for N.E.S. was divided between the U.I.C. and the Department of Labour in 1946. The Unemployment Insurance Act was amended, in 1946, to make U.I.C.

responsible to the Minister of Labour for the operation of N.E.S., while the Commission remained responsible to Parliament for the operation of Unemployment Insurance. There were a number of reasons for moving N.E.S. into the sphere of ministerial responsibility. The Minister of Labour, the Hon. Humphrey Mitchell, argued that his department should co-ordinate, through the National Employment Service, the various efforts being made to return servicemen and civilians to peacetime employment.¹ Also, he argued, N.E.S. had become involved in a number of programmes not directly related to unemployment insurance, e.g. apprenticeship programmes, employment programmes for the young and old. The Minister felt that since the Unemployment Insurance Act did not make the U.I.C. responsible for these programmes the Commission should not be expected to supervise them. It would, he felt, be better if the Minister, who had instructed that these programmes be initiated, was responsible for the agency implementing them. The Minister also thought that it would be easier to implement Dominion-Provincial programmes if N.E.S. was under his control.

In support of his arguments the Minister pointed out that the United Kingdom had split the responsibility at the top with the Ministry of Labour operating the employment service and the Ministry of National Insurance operating the unemployment insurance scheme. He also noted that the United States and New Zealand were following the same course.

1. CANADA, Parliament, House of Commons,
Official Report of Debates, July 4, 1946, pp. 3105-3107.

It is a little difficult to understand why the Government did not make N.E.S. a branch of the Department of Labour, a step which was taken nearly twenty years later, instead of leaving it with U.I.C. The answer may have been a fear that Parliament, and the public, would view such a transfer as a first step in giving control of the Unemployment Insurance Fund to the Executive. In fact, this fear was expressed in the debate which followed the Minister's statement, despite the fact that N.E.S. was not being moved.¹ There may also have been some doubts about the constitutionality of separating N.E.S. from U.I.C. The amendment to the B.N.A. Act authorizing the Federal Government to establish an unemployment insurance scheme did not ~~provide~~ expressly for an employment service. The justification for an employment service presumably was that an insurance scheme could not be operated without one. Did the Federal Government have the power to separate N.E.S. from U.I.C. and to provide it with many tasks not directly related to the operation of an insurance scheme? By 1964 the Federal Government was convinced that it had this power. It may not have been so sure in 1946.

In any event, the effect of this decision was to add to the problems facing N.E.S. The Unemployment Insurance Commission was responsible for the day-to-day operation of N.E.S. within policies set out by the Minister of Labour. The result was a confusion over

1. Ibid., p.3121.

responsibility which hindered the development of an efficient employment service. One of the consequences of this decision was that research into manpower problems and development of manpower programmes were carried out not in N.E.S. but in the Department of Labour. N.E.S. officials complained that they were asked to implement programmes which they had not been consulted about and which, in some cases, were not workable. Comments by N.E.S. officials about programmes often failed to reach the Department of Labour. They were retained by the Commission which, it would seem, refused to allow a functional line of responsibility to operate between the Department of Labour and the Director, Employment Service. The Employment Service, then, did not acquire the research staff which both the National Employment Commission and the I.L.O. Convention specified that it should have. Its research was done by another body often without prior consultation, and often without post-programme feedback.

As a result of these problems much of the energy of N.E.S. officials was used in simply making the organization work. Also, N.E.S. did not receive the resources it required to be effective; in this connection there is reason to believe that the expenditure of funds on N.E.S. when measured in constant dollars did not increase at all between 1948 and 1965 despite the fact that the population of Canada increased by 60% and the labour force by 40% during that period.

It is not necessary or desirable to attempt to assign responsibility for the failure of N.E.S. to meet the manpower needs of Canada.

The Gill Committee simply concluded, "This seems to have been the result of failure at some level to appreciate the importance of the true role of a national employment service."¹ The Economic Council of Canada also spoke of, "... the general failure to appreciate the important role which a public employment service should play in implementing an integrated manpower policy."²

3. Criticism of the National Employment Service

Regardless of the responsibility for the weaknesses which existed in N.E.S. these weaknesses resulted in much criticism and much agitation for reform. A point which should be kept in mind is that much of the criticism and agitation came from within the organization itself. There is good reason to believe that much of the criticism contained in documents such as the Gill Committee Report, the Report of the Special Committee of the Senate, The Reports of The National Advisory Committee on Employment, and the O.E.C.S. report originated with N.E.S. officials. These officials obviously felt that by being candid with the investigators they would help produce the changes which they had been vainly trying to obtain in more orthodox ways.

In any event, there was criticism that the Service spent too much of its time in referring unemployed workers to jobs in order to test their

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1. Canada, Committee of Inquiry into the Unemployment Insurance Act, Report (Ottawa, November, 1962), p.167.
 2. Canada, Economic Council of Canada, First Annual Review (Ottawa, 1964), p.174.

availability for work, and not enough time in interviewing and counselling with a view to effecting worthwhile placements. There was also the criticism that the employment officers were inadequately trained (in 1949 the basic education required for appointment to the employment officer series was Grade 8) and that they were overworked. These criticisms were usually accompanied by examples. There were stories of girls without knowledge of typing being sent to vacancies for stenographers, and of poorly qualified persons being sent to jobs requiring a high degree of skill.¹ Poor response to their requests for workers encouraged employers to use private employment agencies, or to advertise in the press. A vicious circle then developed as workers refused to use N.E.S. because it did not have a complete list of vacancies, causing more employers to turn to other agencies, etc.

There was criticism that the Service did not collect the type of data required for a proper understanding of the labour market.

There was also criticism that N.E.S., although geographically decentralized, was too highly centralized administratively, and that as a result local problems were not recognized, or if they were recognized, were not dealt with as quickly as they would have been if operational authority had been more decentralized.

Finally, there was criticism that management was authoritarian. "One cannot talk shop to any senior N.E.S. man for long without the

1. Alan Phillips, "The Politics of Unemployment", Macleans, LXXVI (January 26, 1963), p.40.

word 'control' coming up. 'You have to have controls', says J.W. Temple, the Ontario Regional Director'. You have to control coffee breaks, quitting time, starting time¹". Local offices were subject to surprise inspections by teams of officials.² Accompanying these controls were elaborate checks on performance. From 1948 to 1963 each employment officer kept a detailed record of referrals, placements, orders taken of vacancies, and registration of applicants. There was pressure to improve on performance and Phillips claims that many officers admitted "padding" their figures. The "padding" continued despite threats of dismissal, which apparently were carried out whenever offenders were³ detected.

All the criticisms with the exception perhaps of the last two have been accepted as valid by N.E.S. officials. Too much time was taken in referral for insurance purposes, the quality of employment officers had to be improved, more time had to be made available for selection and counselling, more specialists were required. In each case N.E.S. had made proposals to correct the problem; their proposals had either been ignored or rejected, or, if accepted had usually resulted in the provision of only a part of the staff and funds needed.

In regard to decentralization of authority, it may be argued that this would not have served any useful purpose until the regional

1. Ibid., p.40.

2. Ibid., p.44.

3. Ibid., p.43. Peter M. Blau in his The Dynamics of Bureaucracy, (Chicago, 1955), p.43, found this same dysfunctional preoccupation with statistics in the state employment agency which he investigated.

offices had been strengthened and, perhaps, until N.E.S. had been provided with its own Regional Directors.

Much of the authoritarianism in N.E.S. came from the central agencies of U.I.C. over which N.E.S. had no control, particularly Technical Services with its point rating scheme and its surprise inspections. However, the nature of the problems facing the Service required a strong, energetic, outspoken even domineering person as Director. A person any less dominant would have been overwhelmed by the problems facing him. It was perhaps to be expected that such a dominant person would tend to exercise power himself rather than delegate it.

Finally, one must keep the criticism in perspective. Operating with a limited staff and with inadequate funds the members of N.E.S. achieved 1,250,000 placements in 1964-65.¹ There were weaknesses in N.E.S. and it was not as effective as it should have been but there was also some very valuable work.

4. Attempts to Improve the National Employment Service

There were numerous attempts over the years to improve N.E.S. Each time the attempts seemed to result in too little change because of organizational problems and because the resources provided were not adequate.

For example, in 1957 the new Minister of Labour, the Hon. M. Starr, instructed U.I.C. to "re-emphasize" the employment service aspect of its

1. Canada, Unemployment Insurance Commission, Annual Report, Year Ending March 31, 1965, p.3. In the Immediate Post-war Years the figure was Approximately 600,000.

work. In 1960 and 1961 there were re-newed efforts to obtain more staff and better premises but the cut-back in government spending forced a postponement of these plans for improvement.

The Gill Committee in a report published in November, 1962, made many recommendations for improving N.E.S. It recommended more and better staff and it recommended that N.E.S. be moved out of U.I.C. into¹ the Department of Labour. On February 24, 1964, the Minister of Labour, the Hon. Allan J. MacEachen announced in the House of Commons that it had been decided to transfer N.E.S. to the Department of Labour on April² 1, 1965. This decision seemed to indicate that N.E.S. would finally receive some of the resources it required. It also seemed to indicate that the organizational problems would be resolved as N.E.S. became a separate entity with its own regional and local offices. The next chapter considers the period from April 1, 1965, to January 1, 1966, and tries to discover what went wrong.

1. Committee of Inquiry, op. cit., p.168.

2. Canada, Parliament, House of Commons, Official Report of Debates, February 24, 1964, p.157.

III

THE NATIONAL EMPLOYMENT SERVICE APRIL 1, 1965 - JANUARY 1, 1966

1. The National Employment Service and the Department of Labour

As mentioned above the Gill Committee had recommended that N.E.S. be separated from U.I.C. and placed within the Department of Labour. The Committee felt that this move would provide the vigour and co-ordination in employment programmes which had been lacking.

In his statement to the House of Commons in which he announced the Government's decision to accept the recommendations the Hon. Allan MacEachen said:

The primary reason for this transfer is to develop an integrated approach to implementing manpower policy programmes in Canada and to correct the negative image which the employment service suffers in the public mind from its close association with the payment of benefits to the unemployed.¹

Following the announcement a committee was established with representatives of U.I.C., the Department of Labour and Treasury Board to arrange for the transfer of N.E.S. There appears to have been a difference of opinion between the officials of N.E.S. and the officials of the Department of Labour over the way in which N.E.S. should be integrated into the Department. There is some information which suggests that officials in the Department of Labour thought that N.E.S. should be integrated as

1. Ibid.

just another branch of the Department. They saw the role of N.E.S. as restricted to that of implementing certain programmes developed by other branches of the Department. The N.E.S. officials, on the other hand, appear to have wanted N.E.S. to have a status above that of just another branch in the Department. It seems that they wished N.E.S. to have its own research staff to collect and analyse manpower data, and to prepare programmes. In addition, they wished N.E.S. to be responsible for virtually all programmes concerned with employment, including mobility programmes, and employment incentive programmes.

The Economic Council of Canada appears to have received information concerning these differences and in its First Annual Review it included two paragraphs of advice to the Government concerning the role of N.E.S. in the Department of Labour. This is the only example I can find where the Economic Council has chosen to comment specifically on administrative organization in the federal government:

The Department of Labour is the logical department to assume ultimate responsibility for manpower policies. At the same time, however, it must be recognized that the N.E.S. must become the key operational agency for implementing manpower policies. It must also become the sole co-ordinating agency of all policies and programmes related to the labour market. The allocation of responsibility for carrying out manpower policies among a number of separate branches and agencies will inhibit the development of a properly co-ordinated approach to manpower problems.

If the N.E.S. is to assume the kind of role which we believe to be necessary to implement an active manpower policy, it must be given the highest possible stature within the Department of Labour. It must be able to command the services of highly qualified personnel and of the relevant specialized branches of the Department. The chief executive officer of the N.E.S. should work closely with other departments which are concerned with general economic policies. It is only in this way that labour market policy can become effectively co-ordinated with other

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policies in the pursuit of national economic objectives.

The phrase "highest possible stature" must surely mean that the Economic Council intended that N.E.S., within the Department of Labour, should be headed by a deputy-minister. There are several departments with more than one deputy-minister - Health and Welfare is an example. The Council appears to have had this type of organization in mind for the Department of Labour: one deputy to head N.E.S., and another deputy to head the remaining parts of the Department.

While the transfer of N.E.S. took place, on April 1, 1965, N.E.S. remained dependent for some months on common services provided by U.I.C. In addition, employees had not all been assigned to one or other of the organizations by April 1. A committee with representatives of N.E.S. and U.I.C. had been formed in 1964 to divide up the employees on the basis, mainly, of the experience of individuals. Many of the employees wished to be assigned to N.E.S. because they felt that classifications would improve under the Department of Labour while others wished to remain with U.I.C. It was decided in order to ease feelings of disappointment that all former employees of U.I.C. would be eligible for competitions in either U.I.C. or N.E.S. for a period of five years.

At the same time an assessment of all N.E.S. personnel was being conducted preparatory to introducing a new series, the Employment

1. First Annual Review, op. cit., pp. 175-176.
(Emphasis in the original).

Service Officer series. It was intended that the educational requirement for the new series would be university graduation. The assessment programme was intended to determine whether existing employees were of university graduate calibre. Tests were given and interviews conducted and appointments were made within the new series to successful candidates. Unsuccessful candidates continued in the Employment Officer series.

During the summer of 1965 a firm of management consultants was commissioned by the Department of Labour to recommend on the best possible method of integrating N.E.S. into the Department. An interim report was received from the consultants in the late summer of 1965 and it appears that the firm's recommendations paralleled the previous thoughts of the Department, i.e. that N.E.S. should be given the status of a branch within the Department.

Once again, it appears that the Economic Council had been keeping itself informed of developments in the integration of N.E.S. into the Department of Labour. In November, 1965, they completed their Second Annual Review and it once again cautioned against treating N.E.S. as just another branch of the Department of Labour:

It is imperative that the N.E.S., together with relevant labour market functions, be set up in such a way that manpower policy will achieve the highest possible stature. It was not possible for manpower policy to achieve such stature as long as the Employment Service was treated as a subsidiary operation related merely to the payment of unemployment insurance. Nothing will have been achieved by this transfer if the N.E.S. becomes little more than another branch of the Department of Labour.¹

1. Canada, Economic Council of Canada, Second Annual Review (Ottawa 1965), p.180.

There is an unconfirmed report that an official of the Council, several senior ministers, and one or two senior civil servants flew to the Caribbean to discuss the still-unpublished report with the Prime Minister, who was on holiday. A decision was apparently made at that meeting to create a new department to deal with both manpower and immigration.

During the first week of December, 1965, the headquarters staff of N.E.S. moved into the Laurier Building as part of the merger with the Department of Labour. On December 17, 1965, the Prime Minister announced the creation of the new department. His statement stressed the need for an effective manpower policy and it continued:

To achieve the new vigour and co-ordination that is wanted in manpower policy, the government will recommend to Parliament the establishment of a Department of Manpower. It will include those sections now in the Department of Labour that deal with manpower placement and employment services, technical and vocational training and civilian rehabilitation. It will also include the Immigration Branch of the Department of Citizenship and Immigration, in order that immigration policy may in future be effectively co-ordinated with manpower policy generally.¹

2. Merger of the National Employment Service into the Canada Manpower Division

The Government Organization Act, 1966 which was assented to on June 16, 1966 but which was not proclaimed until November 1966 established a Department of Manpower and Immigration with the following responsibilities,

1. Quoted in: Civil Service Review, XXXIX (March, 1966), pp. 6-7.

- "(a) the development and utilization of manpower resources in Canada;
 (b) employment services; and (c) immigration".¹

It was decided that the Department of Manpower and Immigration would be organized into six divisions, Canada Manpower Division, Canada Immigration Division, Program Development Service, Personnel Service, Financial and Administrative Services, and Information Service. The first two were to be the operating Divisions, with the first being responsible for the implementation of most aspects of the Government's manpower policy, and the second being responsible for Immigration programmes. It was also decided that these Divisions would be headed by Assistant Deputy-Ministers. The third Division, the Program Development Service, was to be responsible for conducting research into manpower and immigration problems and for developing programmes in both areas. It was decided that the head of this Division would also be an Assistant Deputy-Minister.

The National Employment Service, it was decided, would form the basis of the Canada Manpower Division. This Division would also include certain parts of the Department of Labour and of the Immigration Service. It is interesting to note that the Division was not given the stature which the Economic Council thought it should have, although it does have

1. 14-15 Elizabeth II, 1966, c.25. S.13. In the Prime Minister's statement the title of the Department was given as the Department of Manpower. "Immigration" was added to the title while the government organization bill was before the House of Commons. Although the Department was known as Citizenship and Immigration until the proclamation of the Act we will refer to it as the Department of Manpower and Immigration throughout this study.

considerably more stature than was planned for N.E.S. in the Department of Labour. The staff of specialists which the Council thought a manpower service should have "at its command" is mainly in the Program Development Division.

3. Objectives of the Canada Manpower Division

In his statement to the press announcing the new Department the Prime Minister had spoken of "co-ordination" and a "new vigour". The organizational changes could be counted upon to produce a reasonable co-ordination among the various programmes. Achieving a new vigour would, it was realized, be more difficult. The objectives of C.M.D. were easy to outline, if not easy to achieve. The heart of the manpower service would be an effective placement and counselling service for Canadian workers, in all occupations, whether unemployed, under-employed, or ineffectively employed. This service would be operated by a staff of professionals and would be able to deal with the needs of three distinct groups. First the service would have to meet the needs of persons who merely required information about job vacancies. This would be the largest of the three groups. This operation would require a complete and accurate record of both vacancies and individuals seeking employment. The existing N.E.S. teletype network would have to be expanded and at some time in the future would have to be hooked into a central computer installation.

The service would also have to be able to deal with a second group of workers: those workers who required somewhat more assistance than

just an introduction to an employer. This would include general counselling as well as information about, and assistance in obtaining vocational training. It might also include the granting of assistance to allow a worker to move to a new location. To provide this type of service the Division's counsellors would require special training and would need a host of special programmes.

Finally, the service would have to be able to deal with a third group: persons so seriously disadvantaged because of social, psychological or other reasons that they needed intensive care by highly trained specialists. It is these persons who make up the hard-core of the unemployed. They remain unemployed in spite of a favourable labour market. The cost of helping these persons, it was realized, would be great but the benefit in economic and human terms would also be great. A "war on poverty" could not be won without victory over this type of unemployment.

This type of placement and counselling service would require, in addition to the special programmes referred to, other support services. It would need, for example, an efficient public relations service to provide the public with information concerning the types of assistance available. It would also need a statistical service to provide information about the labour market. The counselling service would also have to have close liaison with employers, and with local and provincial officials.

The objectives of C.M.D. were very similar to those outlined by the National Employment Commission and referred to in Chapter II. Economic developments in the thirty years after the publication of the Commission's Report had made the labour market more complex and as a

result the services offered by the C.M.D. were bound to be more specialized than those envisaged by the Commission. However it was clear that the framework recommended by the Commission was still valid.

4. Decentralization of Authority and Participative Management

It was decided soon after the merger of the various units into C.M.D. that management within the Division would be in accordance with the related concepts of decentralization of authority, and participative management. This decision had a considerable impact on the filling of the senior positions in the Division and it will be helpful if we examine the reasons behind the decision as well as some of the implications of it.

By its very nature an employment service must be geographically decentralized. This does not mean however that operational authority need be decentralized and, as we have seen, this authority was highly centralized in the national headquarters of N.E.S. In deciding to decentralize operational authority C.M.D. was following the Glassco Commission which had argued: "Unless operations are dispersed and operating responsibility delegated, administrators may be diverted from their essential task by the intrusion of operational questions. Where operations involve dealings with the general public, dispersion and delegation will make departments most responsive to public needs." ¹ The Senior officials of the Division clearly agreed with the Glassco Commission that operational detail should be kept at the lowest possible level. They also agreed that regional and local offices could recognize and deal best with problems

1. Canada, Royal Commission on Government Organization, Report, V.1, (Ottawa, 1962), p.49.

within their own jurisdictions. This argument gained added strength in the case of C.M.D. because of the need for close co-operation with the provinces in matters of education, labour, and welfare; it was clear that there should be senior officials in the field with authority to discuss matters with provincial officials, and to make agreements, within certain limits.

In addition to these arguments there was another argument for delegating operational authority to the field; the delegation permitted the introduction of the concept of participative management. Officials at every level in the organization would share in the development and review of the organization's goals. This would, it was argued, produce a commitment to the goals which would result in better decisions, in higher morale because of a sense of participation, and would help develop administrative skills thus preparing officials for promotion.

The decision to implement these concepts affected the organization and operation of C.M.D. in a number of ways. It affected the filling of senior positions in three different ways. First, the decision meant that there would have to be a change in the values and attitudes which had prevailed in N.E.S. The norms common in the organizational culture in N.E.S. had emphasized independence and dependence: independence of senior management and dependence of the employees upon senior management. The new norms would have to emphasize interdependence among all the levels of the organization. This change in norms affected staffing in that it meant that inherited and new officials would be assessed partly on the basis of their possession of these norms or of their likely ability to

adjust to the new norms.

The decision to implement these management concepts affected the filling of positions in a second way. Decentralization of operational authority changed the role of positions at both national and regional headquarters. In a sense the previous roles were to be reversed: national headquarters which in N.E.S. had exercised an initiating and control function now, under C.M.D., was to have a co-ordinating and consultive function while regional headquarters which had concentrated on co-ordination were to become responsible for initiation and control. This change meant that existing incumbents at the two levels would have to make an adjustment if they were to perform the new roles which their changed positions required. The abilities and interests required for the changed roles suggested that some officials would be unable or unwilling to make the necessary adjustment.

The decision to delegate authority affected the filling of senior positions in a third way. It increased the need for political sensitivity among senior officials, particularly in the regions, and it also lowered the threshold at which political sensitivity became an essential attribute of officials. In N.E.S. most decisions were made at national headquarters by a small group of men who became expert at detecting politically active issues. In C.M.D. most operational decisions were to be made at the regional or local level. Officials at these levels would have to develop the ability to detect the politically sensitive issue. This necessity would place great and conflicting demands upon administrators. Officials

at all levels would have to accept the responsibility assigned to them; the concept of participative management would not work if managers sloughed off responsibility in potentially controversial matters to national headquarters. On the other hand officials had to be prepared to consult with national headquarters on certain issues and to keep national headquarters informed about others. At the same time national headquarters could not attempt to retain all decisions which might be controversial; that too would destroy the concept of participative management.

It is clear that the decision to adopt these management concepts complicated the task of choosing persons to fill the senior positions in C.M.D. The consequences of this complication will be seen in Chapters IV and V.

5. Some Favourable and Unfavourable Factors Affecting the Staffing of the Canada Manpower Division

Before examining the method used to fill the various senior positions in C.M.D. we will look at some of the favourable and unfavourable factors which faced the Division as it undertook this task. These factors are in addition to those previously discussed.

One of the main favourable factors was an awareness by the Government of the need for an effective manpower policy and a willingness to provide the resources required to develop such a service. This new awareness was not just at the political level in government but also, and importantly, at the administrative level. The control agencies seemed more prepared

than formerly to co-operate in providing resources in terms of staff and money, and in providing encouragement. Officials in other departments also supported the development of an effective manpower service.

There was a growing awareness among the public at large that the country needed a sound manpower policy. The Economic Council of Canada in its annual reviews had stressed the need for an efficient manpower service in achieving the goal of increased productivity. Trade union officials and employers' groups also supported an improved service. Concomitant with this new awareness was a new view of the unemployment insurance function. The latter now came to be viewed as a necessary but essentially negative tool to be used when dynamic manpower policies of placing, counselling, moving and training workers had failed. The emphasis had now, after nearly twenty-five years, shifted from unemployment insurance to employment assistance.

There was also growing agreement that an effective manpower service had to be national in scope, although there was less unanimity about this feeling than about the belief in a need for an efficient manpower service. The Federal Government seemed to feel that the time was appropriate for a new initiative by itself in this area. In accordance with the principles of "co-operative federalism" the manpower service would be decentralized and there would be meaningful contact and co-operation between senior representatives of the service and provincial officials. But the manpower service had to be national:

.... I ... mean that the opportunities that the economy offers to people, and therefore in particular the concept of manpower policy, must be national in scope....The organization of manpower policy must reflect this. If Canadians are to be offered the best possible opportunities, the range of information and counselling about employment must be national. And therefore, the federal government with its general responsibility for the economy and for employment, must take responsibility for organizing the manpower service on a national scale.¹

This quotation taken from a speech given by the Minister of Manpower and Immigration, who is also an influential member of Parliament from Quebec, may be taken as a strong statement of the Government's policy in regard to manpower.

There was opposition to this position. In a sense the Minister's speech was a rejoinder to arguments made in a speech delivered by the Quebec Minister of Labour on April 27, 1965. In this speech the Minister argued that Quebec's employment service, the sole provincial employment service, should be expanded:

Quebec, in order to achieve its project of economic planning, must be equipped with an important employment service totally devoted to the policies of this province and at the service of the objectives and the workers of Quebec.

He then went on to criticize the idea of a national service:

It is unacceptable that a national service be used to accelerate the interprovincial mobility of the qualified work force in a context where Ontario is a pole of attraction which is stronger than us. At this moment, Quebec loses constantly its skilled workers while keeping its non-skilled work force.²

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1. The Hon. Jean Marchand, Notes for an Address, to the Conference of Ministers of Education, at Montreal, September 9, 1966, p.10. (Emphasis mine). Notes obtained from Information Service, Department of Manpower and Immigration.
 2. "Quebec Wants Control Over Employment Field", Globe and Mail, April 28, 1965, p.1.

The important point was that the Federal Government felt that both constitutional and political factors were favourable for an expanded role by itself in manpower policy.

There were other factors favouring the C.M.D. as it organized itself. The persons chosen for the positions of Minister and Deputy-Minister, Mr. Marchand and Mr. Kent, possessed considerable influence both within the Government and outside it through previous contacts and experience.

There were also a number of unfavourable factors which tended to act as constraints upon the filling of C.M.D.'s senior positions. There was a shortage of able executives in 1966. Salaries had risen sharply in industry and it was difficult for a government department to compete with industry for good people. There was a particular shortage of executives with training and experience in manpower policy and programmes. This was a worldwide shortage.

The staffing of the Division was also complicated by the conversion of positions which was being conducted by the Bureau of Classification Review. The conversion of positions although accepted as a necessary preliminary to collective bargaining was time-consuming and in some cases affected morale.

The conversion of positions affected individuals indirectly but another programme, the Employment Service Officer appraisal programme, affected individuals, in N.E.S., directly. It was as we have seen an attempt to determine which employees of N.E.S. could be considered to be

of professional calibre. It also attempted to determine the grades within the Employment Service Officer series into which acceptable employees should be fitted. This programme which had commenced while N.E.S. was in the Department of Labour was completed in 1966. Once again, it was very time-consuming, and once again, it affected detrimentally the morale of a number of employees.

The operation of these two programmes, in addition to the consequences set out above, also complicated the task of finding suitable positions for inherited, and, to a lesser extent, for new officials. An official might be assigned to a particular position and later it would be discovered that the position was not, according to the Bureau for Classification Review, important enough to justify an incumbent with his grade, or that he was not competent, according to the appraisal board, to fill a position of that classification.

There were also factors which could be both favourable and unfavourable. One was the state of the economy. In 1966 the economy was continuing the period of growth which had begun in 1961. Unemployment was relatively low and there was a good demand for workers in most occupations. The pressure on the placement and counselling service was relatively low. Employees could be released for training courses and changes in organization could be made without jeopardizing the operation of the service. On the other hand there was concern that the economic cycle might turn downward. The changes had to be made quickly before unemployment began to increase. At the same time technological change

was making workers redundant in some occupations and large numbers of young people were beginning to enter the labour force. These were other reasons for haste in filling positions in the Division.

There was another factor which was both favourable and unfavourable. The Glassco Commission had argued that Departments should have the right to select their own senior officials: "Selection of senior personnel must be carefully geared to the needs of the position to be filled, since the efficiency of a department's working force depends on the capacities of such persons. The onus of the selection should fall on the deputy head."¹ In this way the Commission hoped to introduce into the government service recruiting techniques practised in the private sector of the economy. There was general agreement that the recruiting of senior officials should be simplified so that a deputy head might surround himself quickly and easily with able individuals who shared his objectives. However there was a fear that deputy heads might abuse this power and the Glassco Commission recommended that the Civil Service Commission should certify all initial appointments. Despite the fact that the Glassco Commission wanted the C.S.C. to certify appointments it did not wish the C.S.C. to have "controlling powers".² It was difficult to understand how certification by the C.S.C. would carry any weight if it did not have authority to set conditions within which appointments might be made. The confusion over the autonomy which should be given to Departments to recruit senior personnel delayed legislative and administrative changes.

1. Canada, Royal Commission on Government Organization,
op. cit., p.262.

2. Ibid.

As a result C.M.D. had to fill its senior positions at a time when there was a feeling that the Department should be able to use industrial techniques including the hand-picking of executives, and at the same time a concern, supported by legislative and administrative checks, that the appointments should be made without bias.

This same general situation prevailed in the matter of promotions and transfers. The Glassco Commission recommended that, "Promotions and transfers be made by departments within general guide-lines established by the Treasury Board"¹. Once again there was agreement that departments needed greater freedom in making promotions and transfers but there was little agreement about the type of controls which should be placed on this authority.

These then were some of the factors, almost environmental influences, which affected the filling of the senior positions in the Canada Manpower Division.

1. Ibid., p.269.

IV

Filling of Positions at National Headquarters

1. Introduction

In this and the following chapter we will examine the way in which the positions we are studying were filled; the positions at national headquarters are considered in this chapter while the positions at the five regional headquarters are considered in the following chapter. Each chapter will begin with a description of the positions being studied. This description is intended to give the reader an impression of the changes which have been made in the duties and classifications of "old" positions and an impression of the duties and classifications attached to "new" positions. The description will also attempt to give the reader an impression of the scope of the personnel changes involved in filling the positions.

The second part of each chapter will consist of a simple statistical analysis of some of the variables involved in the filling of the positions. For example we will examine the statistics to see what proportion of positions were filled from within the merged units, from other departments of the federal government, and what proportion from outside the government service. The analysis will be followed by some general comments.

There are some background comments concerning the methods used in carrying out the research for this study which should be discussed at

this point. The broad outline of the C.M.D. has remained relatively unchanged since the middle of 1966. There have been, however, many changes in organizational detail and these are continuing, particularly at headquarters. For the purposes of this study I have taken the organization as it was on January 31, 1967, exactly one year and one month after the formation of the Department of Manpower and Immigration.

Appendices C and D indicate the 61 positions (27 at national and 34 at regional headquarters) which have been chosen for study. The incumbents of the selected positions all participate in one or more of the important management or support teams. The reasons behind the selection of most positions will probably be self-evident from a review of the Division's organization charts. However there are a few positions which require some explanation. I have chosen to include four positions from the headquarters secretariat. I have done this because the incumbents in these positions do more than just facilitate the work of the Director-General. They participate in important teams which link national and regional headquarters. They also help to implement the decisions made by these teams. At the regional headquarters, I have chosen to include the Training Manager positions. The Division is placing great stress on staff training and the incumbents of these positions participate in several important teams. In general, they are much more significant than staff training officers in other departments.

In my discussion of position classifications I am referring to the situation which prevailed on January 31 - subsequent alterations by

the C.M.D. or by the Civil Service Commission have been ignored. Appendix F provides a summary of the salary ranges of the various groups and classes mentioned in this and the following chapter.

Some of the management and support team positions in which we are interested were filled on an "acting" basis on January 31, 1967. A decision had to be made whether to include these "acting heads" in the analysis. I decided to include those acting heads who, in my judgment, were de facto heads, that is those persons who seemed to have been assigned the duties of a de jure head and who seemed to be engaged in carrying them out. I excluded those acting heads who seemed to be fulfilling a simple "caretaker" function.

The decision to decentralize authority has already been discussed. It will be helpful if we elaborate upon this decision as it affected the classification, and duties of positions, and the filling of positions. As has been mentioned authority in N.E.S. was highly centralized. The Director of the Employment Service and his division chiefs exercised a functional but still formidable control over regional employment officials who in turn exercised considerable control over the local office employment personnel. Plans and programmes were formulated in some detail at headquarters and then sent out as instructions to the field. Although

experts will disagree about the advantages and disadvantages of this type of centralization they will agree that it requires a strong headquarters if it is to succeed; that is, a headquarters with a reasonably large number of high classification positions filled with very able people. The headquarters at N.E.S. was not strong in these terms. In the first place, there were not enough positions but the more serious problem was that the positions which did exist were underclassified. The position of Director of the Employment Service was classified at the Senior Officer (S.O.)2 level which while rather low in terms of responsibilities (the comparable position in C.M.D. is an S.O.3) was more or less in line with federal government salaries in the early 1960's. However, the underclassification became obvious in the positions below the Director. The Assistant Director was classified at the Administrative Officer (A.O.)7 level which produced a differential between the Assistant and his superior of nearly \$6000.00, using the first step of each official's grade. The Division chiefs, some of whom reported directly to the Director and some of whom reported to the Assistant Director, were classified in the main at the Unemployment Insurance Commission Officer (U.I.C.O.)5 level and the differential between them and the Director was nearly \$8000.00. It is clear that N.E.S. headquarters had scarcely any middle management to assist the Director in exercising the authority which had been retained at headquarters.

There had been attempts at various times to raise the classification levels of the senior positions, and in effect to create a middle management. The attempts were all in vain. I have been told that some senior officials in N.E.S. were hopeful that the merger of N.E.S. in the C.M.D. would finally produce the upward revision of classification levels. The decision to decentralize a great portion of the Division's operational authority was a serious blow to these hopes. It meant that there was little justification, on that basis at least, for a substantial improvement in classification levels.

In addition the decentralization of authority meant that headquarters personnel would be performing a specialist role as advisers to the Director-General and as consultants to the Regional Directors. It was to be expected that some of the former N.E.S. officials would find that they either lacked the interest or ability to make this adjustment from operational to support and specialist duties. We will try to determine how these officials have reacted (for example, have they sought to transfer from the Division), and we will try to determine how the Division itself has tried to cope with this problem.

There is a final point which the reader should keep in mind, concerning the decentralization of authority. It was decided that the decentralization should be given top priority. This meant that for most of 1966 the Director-General and his immediate staff were occupied

in recruiting and training the senior officials required for the five regional headquarters. The organization of national headquarters proceeded but at a slower pace. As a result most national headquarters branches were understaffed and were kept busy coping with day-to-day problems. We will try to establish just how much progress was made during the first year and one month in staffing national headquarters, and we will also try to determine the consequences of the decision to concentrate on the staffing of regional rather than national headquarters.

2. Director-General

The position of Director-General is comparable in many respects with the position of Director, Employment Service in N.E.S., although the duties have been increased somewhat. As has been pointed out the latter position was classified at the S.O.2 level. It was occupied by Mr. William Thomson at the time of the merger. Mr. Thomson moved with N.E.S. into the C.M.D. but soon after the merger he decided to retire and on March 15, 1966 he left the Division. Mr. G.G. Duclos was appointed Director-General at the S.O.3 level following Mr. Thomson's retirement. The appointment of Mr. Duclos is an example of the hand-picking of executives which has been uncommon in the government service although it is of course one of the traditional methods of executive recruitment in industry. Mr. Duclos, prior to his appointment, was Chairman of a New Brunswick agency, The Community Development Corporation,

and in this capacity had represented the province of New Brunswick at Federal-Provincial conferences on poverty which were chaired by Mr. Tom Kent. Following Mr. Kent's appointment as Deputy-Minister of the Department of Manpower and Immigration he approached Mr. Duclos concerning employment with the new Department. Other persons were considered as well. In the end Mr. Duclos was appointed after the unanimous consent of the Civil Service Commissioners had been obtained.

3. The Secretariat

The Director, Employment Service, N.E.S., had had an Executive Assistant, classified at the A.O.5 level. The Director-General, C.M.D. has a secretariat with four senior officials, all of whom are included in the group we are studying. The classifications of the four positions in which we are interested were, on January 31, 1967: two at the Program Administrator (P.M.)7 level, one at the Economist 3 level, and one at the Administrative Service (A.S.)5 level. Three of the four incumbents had been with N.E.S. while the remaining official, who is the head of the secretariat, had been employed by the Civil Service Commission.

The Secretariat carries out the normal duties of such a body including the facilitating of the work of the Director-General and the providing of a channel for communications up and down in the hierarchy. In addition, as mentioned above, the secretariat participates in several of the teams which link the national and regional headquarters. One team consists of the Regional Directors and the Director-General, one of the

Regional Directors of Operations, and various national headquarters officials, and one team consists of the Assistant Regional Directors (Staff Services) and the Assistant Director-General.

4. The Assistant Director-General

The position of Assistant Director-General is comparable to the position of Assistant Director, Employment Service, although there are increased responsibilities. The classification of the latter position was A.07 while the former is classified at the S.O.2 level. The person who filled the position of Assistant Director, Employment Service is now one of the officials in the Secretariat. The position of Assistant Director-General is being filled by a person who was formerly a Regional Director with U.I.C. He was selected for his new position in the open competition for senior managers which is discussed in Chapter V.

5. The Financial and Administrative Adviser

The Director, Employment Service, in U.I.C. did not have a financial adviser reporting to him. Financial and Administrative matters were handled by an Assistant Director of Personnel for both the Employment and Insurance sides of U.I.C. The Financial and Administrative Adviser is on the establishment of C.M.D. and as such reports to the Director-General. However he has a functional responsibility to the Director of Financial and Administrative Services. The position is classified at the A.S.7 level and the incumbent was formerly with the Department of Labour.

6. Operational Services Branch

The Operational Services Branch is a new creation into which several sections from N.E.S. and the Department of Labour have been fitted. The position of branch Director is classified at the P.M.7 level and is filled by a person who was formerly with the Department of Labour.

One of the sections in the Branch is the Manpower Consultative Service which was formerly a part of the Department of Labour. This section shows the effect of decentralization of authority upon establishment. Under the Department of Labour the head of Manpower Consultative Services was classified at the S.O.1 level. Under C.M.D. much of the authority formerly retained in Ottawa is now with the field offices and the position of head of the Services is now classified at the P.M.5 level. This position is filled by a person who was employed in the Manpower Consultative Services when it was a part of the Department of Labour.

Another section of the Branch is the Industrial Requirements Section. It was formerly part of N.E.S. and the head who was classified at the U.I.C.O 5 level reported directly to the Director, Employment Service. The pre-merger incumbent is now the Auto Liaison Officer, discussed below and the position of head which is now classified at the P.M.6 level is being filled on an acting basis by a person who was with the section when it was a part of N.E.S. He is one of the acting

officials whom I have chosen to include in this study since he appears to be carrying out the duties of a de facto head.

The Executive and Professional Section, another part of the Operational Services Branch, is presently without a head. It was formerly a division in N.E.S. and the head reported directly to the Director, Employment Service. The head who was classified at the U.I.C.O 5 level continued to head the unit when it moved into C.M.D., at a classification level of P.M.6. In N.E.S. this section carried out some statistical and other research into the supply and demand of executive and professional workers. Under the division of responsibilities between the Programme Development Service and C.M.D. research, of a more than short-term nature, became the responsibility of the former. In the middle of 1966 the Head of the Executive and Professional Section was transferred at his own request, it would appear, to the Programme Development Service, presumably to carry on with the type of research in which he had been engaged in N.E.S. It seems that the Executive and Professional Section may disappear in a reorganization of the Operational Services Branch which is being considered.

The Mobility, Clearance and Transportation Section of this Branch was formerly part of N.E.S. where it was known as the Miscellaneous Services Division. The position of head under N.E.S. was classified at the U.I.C.O 5 level and is now listed at the P.M.5 level. The incumbent remains the same.

Attached to the Operational Services Branch is an official known as the Auto Liaison Officer. This is a new position, classified at the P.M.5 level, which was created because of the need of C.M.D. for intelligence reports from auto companies and unions concerning dislocations in this industry. For example, the Liaison Officer obtains information which enables C.M.D. to respond quickly and effectively to economic and social problems caused by layoffs. The present Liaison Officer was formerly head of the Industrial Requirements Division, in the N.E.S. organization.

7. The Training Branch

The Training Branch was a part of the Department of Labour prior to the merger. Under the Department of Labour it had a Director, an Assistant Director and five sections. Two factors have acted to reduce the status of the Training Branch. First, the C.M.D. policy of decentralizing authority has meant that many of the unit's duties have been passed over to regional officials. Second, the transfer by the Federal Government to the provincial governments of responsibility for many types of vocational training has reduced the overall responsibilities of the Branch.

As a result of these changes the position of head of the Branch which in the Department of Labour was classified at the S.O.1 level is now classified at the P.M.7 level. In addition the number of sections within the Branch has been reduced from five to three.

The person who was head of the Branch in the Department of Labour moved with the Branch into C.M.D. but he retired during the summer of 1966. The present incumbent was formerly Assistant head of the Branch. The position of Assistant Director of the Branch was classified at the A.O.8 level in the Department of Labour, and remains, classified at the same level (it had not been converted to the new classifications by January 31, 1967). It is now being filled by a person who was formerly a section head in the Branch.

Two of the five persons who were section heads in the Branch when it was part of the Department of Labour have left the Branch - one is with C.M.D. Regional Headquarters in Halifax while the other is now with the Programme Development Service. Two more of the five section heads remain in the Branch as section heads, at the same classification as before, Technical Officer (T.O.)11. (As mentioned above the fifth section head is now the Assistant Director of the Branch). The third section in the present Branch is headed by a person who occupied a subordinate position in the Branch when it was in the Department of Labour.

8. Technical Services Branch

The Technical Services Branch has no strong antecedents in any of the merged units. In N.E.S. the Special Services Division did carry out some research into occupational testing but at the time of the merger there were no sections and no employees who clearly belonged

to an organization such as the Technical Services Branch. It is preferable, therefore, to think of this as a new unit.

The position of Director is classified at the A.S.7 level and is filled at this level by a person who was formerly with External Aid. He was recruited by the Department of Labour but did not leave External Aid until after the creation of C.M.D. on January 1, 1966.

The only other senior official in this Branch on January 31, 1967 was the head of the Systems Co-ordination Section. This position is classified at the P.M.6 level and is filled at this level by a person who was formerly an officer in the Canadian Army. He was selected after having applied in an open-ended competition conducted by the C.S.C.

This Branch will grow considerably in the next year or so. Plans call for a number of specialists including psychologists, and occupational analysts.

9. Counselling Services Branch

The Counselling Services Branch has its main antecedents in the Settlement and Placement Service of the Immigration Branch of The Department of Citizenship and Immigration. The function of the Branch is to prepare programmes which will assist regional authorities to provide effective counselling and assistance to both immigrants and Canadian residents.

The position of Director of the Branch is classified at the P.M.7 level, virtually the same classification assigned to the head of the

Settlement and Placement Service in the Immigration Branch. The incumbent is the same person.

There are no other senior officials in the Branch as yet. Competitions for industrial psychologists and sociologists and for other specialists will be held sometime in 1967.

One official who was formerly with the Branch and is now head of a special group re-writing the N.E.S. employees manuals is included in our group of senior officials. He was formerly head of the Special Services Division in N.E.S. The position which he now occupies is classified at the P.M.6 level.

10. Vocational Rehabilitation Branch

The Vocational Rehabilitation Branch moved in its entirety from the Department of Labour where it was known as the Civilian Rehabilitation Branch. It is the function of this Branch to prepare programmes to assist regional officials in dealing with persons who through accident, illness, congenital deformity, through age, or for some other reason are encountering difficulty in finding suitable employment.

The position of Director of the Branch is classified at the P.M.7 level, virtually the same classification as in the Department of Labour. The head is the same person.

The two other positions in which we are interested, that of Assistant Director and that of head of the Older Worker Section are

classified and filled by persons at the P.M.5 level. The classifications and incumbents are the same as in the Department of Labour.

The Consultant and Professional Services Section has several well qualified research persons but is without a head and no acting head has been appointed.

11. Employment Stabilization Branch

The Employment Stabilization Branch was created from that part of the Special Services Branch of the Department of Labour which was concerned with the Winter Works Incentive Programme and the Winter Employment Campaign. The remaining part of the Special Services Branch which is concerned with housing incentives is still in the Department of Labour. In the Department of Labour the Special Services Branch had a Director at the A.O.7 level and two Assistants classified at the A.O.6 level. One of the Assistant Directors transferred to C.M.D. and on January 31, 1967 he was acting head of the Branch. He is another of the acting heads who are being included in our study. The position which he occupies is classified at the P.M.7 level.

There are two sections in the Branch, the Planning and Liaison Section, and The Programs Section. Both sections are headed by persons recruited through use of the applications submitted for the senior managers competition (which is discussed in Chapter V). One of the heads is from the Department of Fisheries while the other is a retired

officer from the Canadian Air Force. Both persons are classified at the P.M.4 level.

12. General Comments

We have identified a total of 27 management and support team positions which were occupied on January 31, 1967. A total of 21 of the 27 positions are filled by persons formerly with one of the merged units, while 5 are from other federal government departments or agencies and only one position, that of the Director-General was filled from outside the federal government service.

Of the 21 persons from the merged units the majority, 12, are from the Department of Labour, while 9 are from N.E.S. and 1 from Immigration. The fact that the Department of Labour has traditionally concentrated on co-ordinating federal and provincial manpower policies and on acting as a consultant to business and other governments explains the relatively large proportion of persons from that Department. The role of C.M.D. headquarters as has been pointed out is to provide the Director-General with specialist advice and to co-ordinate regional programmes on a consultative basis. The fact that N.E.S. did relatively little search into manpower problems and the fact that the organization had no real middle management explain why the unit which contributed by far the greatest number of employees to C.M.D. (approximately 5000 of the 5,300 employees) has fewer representatives at headquarters than the

Department of Labour.

A review of the 27 positions indicates that in 14 cases the post-merger duties are little different from the pre-merger duties: these are "old" positions. The remaining 13 positions are different in function and in some cases in level of responsibility: these are the "new" positions.

Of the 14 "old" positions 6 are filled by the same people who filled them before the merger, while of the other 8 "old" positions, 6 are filled by persons who were promoted on the promotion or transfer (5), retirement (2) or resignation (1) of the previous incumbent. In just two cases was someone from outside one of the merged units brought in to fill an "old" position.

Of the 13 "new" positions 9 are occupied by persons formerly with one of the merged units while the remaining four are from other federal government departments or agencies.

The decentralization of authority meant that some positions had to be reclassified downward. This affected the salaries of only two persons, as far as I can determine, and then only slightly, but other officials who have not had their salaries reduced have had their promotion prospects affected; the top positions in their sections have been reduced in rank. All of the persons affected in either of these ways were formerly with the Department of Labour. The positions in N.E.S. were so

underclassified that as we point out below some former N.E.S. officials have had their duties reduced and their salaries increased.

It is difficult to estimate what proportion the 27 positions which had been filled by January 31, 1967 are to the total management and support team positions which national headquarters will ultimately have; as mentioned before much organizational detail has yet to be settled. However I would estimate, from my talks with C.M.D. officials, that the total positions of the type we are studying will reach approximately 40. This means that the present figure of 27 is approximately 67% of the ultimate establishment. The fact that 33% of the headquarters key positions are vacant is due to several factors. First, and most importantly, there was a conscious decision to concentrate on staffing the regional headquarters in order that authority might be decentralized quickly. Second, there were problems in locating the highly qualified specialists required. Third, there was some difficulty in obtaining approval from the control agencies for position classifications high enough to attract the right people. Fourth, the conversion of positions by the Bureau of Classification Review and the Employment Service Officer appraisal programme delayed the filling of some positions.

The last three reasons above are related to the first one: if the Director-General and his immediate staff had given top priority to filling headquarters positions one feels sure that all or most of the positions would have been filled. The fact that headquarters was

understaffed (and the understaffing in the non-key positions would appear to have been greater than in the key positions which we are studying) may have had functional consequences. It is a truism that administrators find it difficult to delegate authority. During the last half of 1966 there was a constant flow of operational authority from national to regional headquarters. A delegation of authority can, of course, be largely frustrated by informal controls imposed by reluctant officials. The fact that headquarters was understaffed meant that the officials were kept busy coping with day-to-day workload; even if they had had the inclination, they did not have the time or energy to impose such controls.

Of the 27 positions which were occupied on January 31, 1967 only one had been filled from outside the federal government service, that of the Director-General. The Prime Minister in his statement of December 17, 1965 in which he announced the creation of the Department of Manpower and Immigration, spoke of the need for a more vigorous manpower programme. One assumed that much of the new vigor would come from persons recruited from outside the government service. As we shall see in the next chapter many of the key regional positions have been filled from outside the government service. It is interesting to ponder why only one outside person was recruited for national headquarters. Part of the answer lies in the nature of the person chosen as Director-General. Mr. Duclos has certain obvious attributes which help explain why no other outside persons were required. He is very knowledgeable about manpower problems, he is

an experienced administrator, and he has enormous energy. He arrived at his new post with a long list of manpower and management concepts which he wanted to employ. In this way he provided the innovation which the Division required.

One might argue that, even if one man could provide the concepts and stimulation required, he would still require the assistance of other outside persons in implementing the various programmes. The fact that the Director-General has not done this suggests: first, that despite the rather poor reputation possessed by N.E.S. the organization did have some capable administrators; and second, it suggests that a person new to a position such as that of Director-General requires the help of persons with experience of the old organization and of the organization's previous relations with other departments and the control agencies. There must be a mixture of expertise and experience.

Another part of the explanation for the large number of positions filled by persons formerly with the merged units is, of course, that the Division inherited a large number of officials with which it had to do something. Many, and perhaps most, of these officials were, after assessment by the Director-General, found to be suitable for positions in the Division. Some officials left the Division sometimes at their own request, sometimes at the request of the Division. Some unsuitable persons, it is reasonable to assume, have been placed in positions simply because the Division could not make alternative arrangements.

(One official volunteered the view that he was not qualified to handle the new responsibilities which had been given to him. He viewed his position as only temporary until either he or the Division found something more suited to his abilities and training).

In general, the impression that one has of the treatment of inherited officials is that most have been placed within the Division either at, or above, their old responsibility level. There was no "purge", or "blood-letting", but a handful of officials have left the Division. One of the factors which made the integration of some of the inherited officials easier was the underclassification which existed in N.E.S. Most officials have benefited from the general upward reclassification of positions even though they may not have received the sort of reclassification which might have been in order if operational authority had not been decentralized.

In Chapter III we mentioned that during the period under study there was some confusion about the proper role of departmental officials in the appointment, promotion and transfer of staff. We mentioned that the Glassco Commission had argued for greater independence for departmental officials in these areas but that because of concern over possible abuse of such independence little had been done to remove the various legislative and administrative controls. In the filling of the positions which we have studied there was just one appointment from outside the federal service, that of the Director-General, and as we have seen a type of "hand-picking occurred,

but only after a search for other candidates and only after the consent of the Civil Service Commissioners had been received.

It is difficult to know what effect the limitations on the right of departmental officials to promote and transfer employees had on the filling of the positions in which we are interested. My impression is that it was a significant constraint without which the Division would probably have made more progress in filling the various senior positions.

The most difficult questions about the filling of the positions are related to the quality of the selected persons: their age, their academic training, employment training and experience, and their personalities. The problems arise partly from difficulty in collecting and quantifying relevant information, and partly in finding something to use for the purposes of comparison. The restrictions on the release of information referred to in the Preface also apply. I will attempt to give some impressions which although necessarily of limited validity may be helpful to the reader.

The average age of the officials whose positions we have been studying seems higher than the average age among officials at the regional headquarters. It seems likely that a majority of national officials are in the age group from 50 to 65 while at regional headquarters a majority are in the age group 35 to 50.

The proportion of persons with university graduation or the equivalent seems about the same at both levels, national and regional,

with perhaps a slight advantage enjoyed by the latter level.

The higher average age and the possibly slightly lower educational level at national headquarters will likely change when the remaining positions are filled. The nature of the positions suggests that the successful candidates will be relatively young and relatively highly educated.

It is almost certainly futile to attempt to generalize about the intelligence and personalities of the senior officials at national headquarters. The only generalization which I would make is that the officials seem to be able persons who are "well seasoned" administrators. They are unlikely either individually or collectively to become flustered by a new situation or a new instruction.

Filling of Positions at Regional Headquarters

1. Introduction

As has been explained U.I.C. divided Canada into five regions: Atlantic, with head office in Moncton; Quebec, with head office in Montreal; Ontario, with head office in Toronto; Prairie, with head office in Winnipeg; and British Columbia, with head office in Vancouver. This same regional breakdown is being used by C.M.D.

The underclassification of positions which we noted at U.I.C. headquarters carried over into the field organization. As an example of this, the Regional Director of Ontario in 1965 was classified at the equivalent of the Chief of Division level and yet he was responsible for both the employment and insurance programmes and for over 3000 employees in more than 80 offices. The C.M.D. Regional Director in Ontario is classified at the S.O.2 level.

The role of the regional headquarters in U.I.C. was one of implementation, with little discretion permitted, of programmes prepared in detail at U.I.C. headquarters. The role of the Regional Director was that of a co-ordinator of programmes. National control of programmes and national consistency of approach seem to have been important objectives of the organization.

The philosophy of C.M.D. is quite different. These extracts from notes supplied to applicants in the senior managers competition highlight the differences:

The Canada Manpower Service is to be a field operation and its organizational structure is to be geared to support the essential activity of counselling and placement of the individual.

This means that the five regional offices of the service will have an importance, compared with the Ottawa headquarters, far greater than in the regional organization of any other government department. There are two reasons for this. One is that the operating offices - the area offices - can function effectively, with the necessary decentralization, only if they have a strong point of contact closer than Ottawa. The second factor is that manpower policy must be acutely sensitive to regional needs. Very good relations with provincial governments are essential and these cannot be achieved unless there is a real measure of responsibility for operational policy at the regional level

For these reasons, it is crucial to the organizational structure that the Directors for the five regions will report directly to the Director-General of the Canada Manpower Service. They are considerably more important than the Directors of the staff groups of the service in Ottawa, and they themselves need considerable staff support in their regional offices. That staff support will be under their control. It will not be directed from Ottawa.

The lines of responsibility will run solely from the Director-General to the Directors of the regions. There will be, of course, communication between staff specialists in Ottawa and staff specialists in the regions. But it will be communication only. It must not confuse the lines of responsibility. The staff specialists in the region will be responsible to the Director in the region and to no one else.¹

1. Mimeographed notes prepared by the Department of Manpower and Immigration, p.2.

The structure of regional headquarters under C.M.D. is also different from that under U.I.C. The Regional Director has two senior assistants, the Director of Operations, and the Assistant Director (Staff Services). The former who is the more senior of the two is in the direct line of responsibility for the area offices (formerly known as "local offices") while the latter is responsible for providing the Regional Director with staff support. To assist him in this he has a team of specialists similar to those outlined in our discussion of the Operational Services Branch, the Counselling Services Branch and the other Branches at national headquarters.

In addition to these two senior officials the Regional Director has four other key officials: a Personnel Adviser, a Financial and Administrative Services Adviser, an Information Officer, and a Training Manager.

For the purposes of our study we will identify the following as the key positions in the regions (the positions in the old U.I.C. organization which are roughly comparable are shown in parentheses):

Regional Director (Regional Director)

Director of Operations (Assistant Regional Director)

Assistant Director-Staff Services (Regional
Employment Officer)

Personnel Adviser (Regional Personnel Officer)

Financial and Administrative Services Adviser
(Regional Administrative Services Officer)

Information Officer (Regional Public Relations Officer)

Training Manager (Regional Staff Training Officer)

As mentioned above, the comparisons drawn are rough. It should be borne in mind that all of the U.I.C. officials listed with the exception of the Regional Employment Officer had dual responsibilities: for the employment service and for unemployment insurance.

We will study the seven key C.M.D. positions in three groups. In the first group we will include the Director, the Director of Operations, and the Assistant Director (Staff Services). In the second group we will study the two advisers, Personnel and Financial and also the Information Officer. Finally we will study the Training Managers by themselves. The reasons for these groupings will become clear as we proceed.

2. Regional Directors, Directors of Operations,
and Assistant Directors (Staff Services)

The importance of these positions has already been outlined. The Regional Directors, in particular, represent the next level of authority under the Director-General.¹ The importance to be given to these positions and the structure to be adopted for regional headquarters was settled by a departmental task force soon after January 1, 1966. A decision then had to be made concerning the filling of these positions. As has been pointed out there were officials in U.I.C. who had been carrying out duties similar to those set out for these top positions. The decision was made that all these positions would be

1. Appendix E provides a diagrammatic interpretation of the distribution of authority within C.M.D.

declared vacant after the approval of the control agencies had been received concerning classification and salary levels. It was decided to hold an open competition to fill the positions.

By the middle of March 1966 the Civil Service Commission with the assistance of the Department had prepared plans for an advertising campaign for the positions and for a competition. In late March advertisements appeared in newspapers across the country. Persons who responded to the advertisements were sent the notes referred to above. The notes set out the qualifications expected of successful candidates:

Candidates should have extensive and progressively responsible experience in a position of senior management in a large scale organization; an ability to negotiate co-operative agreements with senior officials of the private and public sectors; ability to formulate policy recommendations and make decisions; ability to plan and maintain high level of performance within a budget. Personal suitability and satisfactory physical condition.¹

These are the formal qualifications which were used to select the successful candidates. Can one give a little more meaning to these statements by trying to identify characteristics which an "ideal" group of administrators would have possessed? There is no official information available about this but I feel that one can intuit some such characteristics. First one can assume that some of the successful candidates would need to have had experience either in U.I.C. or at least in the Department of Labour. The C.M.D. wanted to produce a

1. Mimeographed notes. op. cit., p.3.

better manpower service but in the meantime it had to cope with an on-going organization. It is only reasonable to assume that one of the three top officials in each Regional Headquarters would need to have had some experience of the existing organization.

A second characteristic one can postulate is that C.M.D. would want to have a fairly broad age distribution among its regional administrators. To have selected all the administrators from a narrow age group would have interfered with the promotion prospects of other people in the organization.

One can also assume, I think, that an ideal group of administrators would have included people with varied backgrounds both academic and employment. If one uses the team concept as a basis for organization one should, almost by definition, seek to obtain persons who can make contributions based on varied experience.

I think that one can also assume that C.M.D. would have included in its ideal group at least one woman and perhaps more. It is likely that the proportion of women in the labour force will continue to grow and it would surely be considered useful to have an administrator who could, as well as performing the usual tasks of a position, act as a representative of the women in the labour force.

I think one can also assume that the ideal officials would have been self-confident and assertive persons. The concept of participative management requires individuals who have both a healthy respect for authority and a certain scepticism about the wisdom of superiors.

Finally, I think we can assume that these ideal officials would have needed a well-developed political sense. The work of the Division is sensitive and its officials must be able to anticipate issues which may have political repercussions.

If our assumptions are valid and it was the case that the basic qualifications were interpreted with these characteristics in mind then the task of choosing the successful candidates must have been a difficult one.

A total of over 1200 applications were received by the C.S.C. in response to the advertisements. Officials in the C.S.C. with the assistance of an official from the Department of Manpower and Immigration conducted a "paper screening" of the applications. This screening reduced the number of applications to about one-quarter of the original total. These applications were then reviewed by a high level committee composed of representatives of the C.S.C. and the Department. This review reduced the number still further, to about 80 applications. Teams of the representatives of the Commission and the Department then travelled across Canada to conduct preliminary interviews with the 80 persons. The reports of these teams were considered by senior officials in the Commission and the Department and the number of candidates was reduced by about one-half. The remaining 40, or so candidates, were called to Ottawa to attend a formal interview before a board which included the Deputy-Minister of the Department, the Chairman of the C.S.C. and the Chairman of the Economic Council of Canada.

The board was able to fill 14 of the 15 regional positions - the board did not feel that any of the candidates had the qualifications necessary for the position of Regional Director, Quebec. The names of the 14 successful candidates were announced by the Minister of Manpower and Immigration in a press release dated August 9, 1966. The Commission conducted a further search for a person to fill the Quebec position and finally was successful in locating a person with the required qualifications. The difficulty in filling the Quebec position seems to have been caused partly at least by the high salaries being offered executives in Montreal.

The following table provides some information concerning the
1
successful candidates:

Position	Atlantic		Quebec		Ontario		Prairie		B.C.	
	P.E.*	Age	P.E.	Age	P.E.	Age	P.E.	Age	P.E.	Age
Reg. Dir.	U.I.C.	53	C.S.C.	53	O.H.E.P.	42	Ind.	46	Ind.	48
Dir. Ops.	D. of L.	46	U.I.C.	48	Ind.	56	U.I.C.	55	B.C. Hyd.	42
A/Dir.S.S.	U.I.C.	60	U.I.C.	45	U.I.C.	61	C.M.H.C.	45	D. of L.	35

Table 1. Age and Previous Employment of Regional Officials.

* Abbreviations:

P.E.: Previous Employment.

O.H.E.P.C.: Ontario Hydro-Electric Power Commission.

Ind.: Industry.

D. of L.: Department of Labour.

B.C. Hyd.: British Columbia Hydro.

C.M.H.C.: Central Mortgage and Housing Corporation.

1. Information obtained from the Press Release of August 9, 1966 and other sources.

Of the five Regional Directors one was from one of the merged units (U.I.C.), one was from the C.S.C., two were from industry (one had been a director of industrial relations, and one had been a self-employed management consultant), and the final official had been a director of employee relations with a provincial corporation, Ontario Hydro-Electric Power Commission.

Of the five Directors of Operations one had formerly been with the Department of Labour, two had been with U.I.C., one had been a self-employed businessman, and one had been a director of information with B.C. Hydro.

Of the five Assistant Directors one had been with the Department of Labour, three had been with U.I.C., and one, the sole woman selected, had been with the Central Mortgage and Housing Corporation in Winnipeg.

In reviewing these appointments we can see somewhat the same pattern which prevailed at national headquarters, where the only outside appointment (outside the federal government service) was that of the Director-General. At the top of the regional headquarters hierarchies three of the five officials were chosen from outside the federal service and only one of the five was from one of the merged units. It is clear that the new ideas and the new vigour are to come from the top at both national and regional headquarters. At the second level of management, that of the Directors of Operations, three of the officials had been with one or other of the merged units. At the level of the Assistant

Directors (responsible for staff services) four of the five officials had been with one of the merged units.

An analysis of the ages of the selected officials (as of August 1, 1966) shows the following:

<u>Age Group</u>	<u>Number of Officials</u>
35-39	1
40-44	2
45-49	6
50-54	2
55-59	2
60-64	2

Table 2. Age Distribution of Regional Officials

Over one-half (8) of the officials are in their forties. Six of the officials have 15 years or less of service remaining before retirement thus providing some opportunity for promotion for other members of the organization.

In each region at least one of the three top officials has had some experience with one of the merged units. In British Columbia the link with the previous units is rather weak - the official concerned had been employed with the Department of Labour for only a brief period before the merger.

In two regions, Quebec and Atlantic, all of the positions which we are considering in this section were filled by persons from the federal government service. The reasons for this are not entirely clear. One suspects that in the case of Quebec the salaries being

offered were not high enough to attract from industry the sort of persons required. In the case of the Atlantic Region it may have been that either there was not the concentration of industry from which the desired persons could come, or that otherwise acceptable persons in other parts of Canada were not prepared to move to the Region, or both.

It appears from the foregoing that most of the characteristics which we suggested that the group of successful candidates would have in addition to those set out in the competition notice were obtained. The group of 15 officials contains persons with experience of the previous units, persons with industrial experience, and persons with provincial government experience. In addition there is a reasonable age distribution and there is, among the group, one woman. There is also a wide range of academic and employment experience.

But are the chosen officials persons with a respect for authority and yet a certain scepticism, persons with self-confidence and an ability to retain and use a large measure of operational authority? It is very difficult, of course, to quantify this characteristic. One has to rely upon subjective impressions in large measure. My impression is that by and large, the Board was successful in choosing people with this characteristic. Some of my interviews with C.M.D. officials were interrupted by telephone calls from regional officials. Without knowing, or without attempting to know, the subject-matter of the conversations

it was clear that the regional officials were exerting considerable pressure on headquarters personnel for more staff and for more and better equipment and facilities. I gained the impression also that this type of behaviour had been relatively uncommon in the old N.E.S. organization. In that organization demands for action, I gathered, usually originated in national headquarters and were passed down to the regions, not vice versa.

It is also difficult to judge whether the officials are politically sensitive. The real test is in the number of complaints received by the Minister about decisions. If there have been complaints they do not seem to have received much publicity in the press. It is perhaps a little early to judge.

3. Personnel Advisers, Financial and Administrative Services Advisers, and Information Officers

In each regional headquarters there are three Departmental, as opposed to Divisional, officials who participate in most if not all the regional management team meetings; the Personnel adviser, the Financial and Administrative Services Adviser, and the Information Officer. These officials have a dual responsibility: first a line responsibility to the Regional Director, and second, a functional responsibility to their counterpart at Departmental headquarters.

The U.I.C. organization had officials with similar duties at the regional headquarters. Under U.I.C. these officials provided a service

for both the insurance and the employment sides. As pointed out in Chapter 2 they possessed considerable informal authority. Yet the classifications were not in keeping with the responsibilities which devolved upon them. As a result the positions tended to be filled by persons with relatively low qualifications.

The classification levels for these positions in the present organization are considerably higher and this is clearly an attempt to obtain better people. These officials continue to have important responsibilities but the intention is that they will be subordinate to the regional director whom they serve.

Personnel Advisers

Under U.I.C. the Regional Personnel Officers had been classified at the Personnel Officer 3 or 5 level depending on the size of the region. Under C.M.D. the positions are classified at the Personnel Administrator 4 or 5 level, again, depending on the size of the region.

Of the five Regional Personnel Officers now in place two were formerly divisional personnel officers with the Immigration Service and were therefore part of the merger into the Department of Manpower and Immigration. The remaining officers were selected as a result of competitions held by the C.S.C.; two were formerly with the Commission itself and one had been with the Department of National Defence. The five persons had, before their selection, been appraised as part of the

Commission's service-wide appraisal programme for personnel officers.

Financial and Administrative Services Advisers

In the U.I.C. organization there were Regional Administrative Services Officers (R.A.S.O.) who performed some of the functions being performed by the Financial and Administrative Services Advisers. The decentralization of authority and the introduction of programme budgeting mean that the latter officials have more responsibility than their counterparts had under U.I.C. Under U.I.C. these positions were classified at the A.O.4 or 5 level depending on the region while the present positions are classified at the A.S.6 and 7 level.

The five Advisers who are now in position were selected after an open competition conducted by the C.S.C. Interviews were held in each region and a representative of C.M.D. was on each selection board. In each region, except the Prairie Region, it was possible to find a local candidate who had the necessary qualifications. The Advisor for the Prairie Region was recruited in Guelph, Ontario.

All five successful candidates were from industry and all had accounting and administrative training and experience.

The advisers have a functional responsibility to the Director, Financial and Administrative Services at Departmental headquarters. A representative of the Director also participated in the selection boards which chose these advisers.

Information Officers

The Regional Public Relations Officers under U.I.C. performed many of the same functions as the Information Officers at the regional headquarters under C.M.D. The former were classified at the Information Officer 3 or 4 level depending on the region. The classifications of the present positions are Information Service 2 or 3 depending on the region.

On January 31, 1967 four of the five positions had been filled, the position in B.C. was vacant. Three of the four incumbents had been with U.I.C. The other incumbent had applied in an open competition held in Toronto by the C.S.C. A representative of the C.M.D. Regional Headquarters in Toronto and a representative of the Director, Information Service were on the selection board.

The fact that three of the four incumbents were formerly with U.I.C. indicates several things: first, that U.I.C. had been conscious for some time of the need for effective public relations and had obtained some able people; second, that an information officer in any field establishes contacts with the various media and with local groups and organizations which are extremely valuable and which tend to make administrators reluctant to replace him with a new person; and finally, that in U.I.C. most of the public relations work had been in connection with employment - it was reasonable that the committee which decided on

the allocation of staff between U.I.C. and N.E.S. should have assigned most of the officers to N.E.S. and that they would theroforo be inherited by C.M.D. on January 1, 1966.

Information officers have the same dual responsibility as have the advisers discussed above. In their case the functional responsibility is to the Director, Information Service at Departmental headquarters.

4. Training Managers

The position of Regional Staff Training Officer in the U.I.C. organization was similar in some ways to the position of Training Manager in the C.M.D. regional organization. The Training Manager differs from his U.I.C. counterpart in the level of sophistication which he brings to the position and in the degree of change in attitudes and skills which he aims for. The Training Manager is hoping to achieve a very radical change in both the way the employees see their work and in the way they perform.

Under U.I.C. the Regional Staff Training Officers were classified at the Staff Training Officer 3 and 4 level depending on the region. In C.M.D. four of the Training Managers are on contract to the Division while the fifth is a permanent employee who was formerly with U.I.C. The salaries being paid to the Training Managers have not been released but it is reasonable to assume that they will be in the \$15,000-20,000 range.

The decision to request authority from Treasury Board to contract with individuals was taken because it was felt that the knowledge and experience required was of a kind which would not be required indefinitely. The contracts were for one year, renewable for another year. It was felt that at the end of two years most of the C.M.D. staff would have been trained, or retrained, as the case might be. The persons on contract are all from industry and they have all had extensive training in staff training and development. The Training Managers were selected by the Regional Directors, subject to the approval of C.M.D. national headquarters.

The Training Managers have a line responsibility to the Director of the Region in which they are located and a functional responsibility to the Head of the Departmental Task Force on Training.

5. General Comments

Of the 34 positions in the regional headquarters which were occupied on January 31, 1967, 15 were filled from the merged units, 9 were filled from other parts of the federal service, 2 were filled from provincial corporations, and 13 were filled from industry. Of the 13 persons from industry, 10 are in staff positions (5 in Financial and Administrative Services, 4 in Training, and 1 in Information Service).

The following table provides some information concerning the effect of the merger upon the previous incumbents of the regional

positions:

Now with C.M.D. at or above old resp. level	Atlantic	Quebec	Ontario	Prairie	B.C.	Total
	1	2	1	2	-	6
With C.M.D. at lower resp. lev.	4	1	1	1	2	10
With U.I.C.	2	3	1	2	3	11
Resigned, retired or transferred	-	1	4	1	1	7
Total	7	7	7	6	6 #	34

Table 3. Effect of Merger on U.I.C. Regional Officials.

Position of Staff Training Officer in B.C. vacant at time of merger.

The term responsibility level refers to the level which the individual occupies in the organizational hierarchy. For example a person who was an Assistant Regional Director in U.I.C. and is now occupying a position which is lower than the position which we have established as the equivalent of the A/Regional Director (i.e. Director of Operations) is, for our purposes, said to be at a lower responsibility level.

The term does not necessarily indicate anything about an individual's salary; because of underclassification under U.I.C. individuals could undergo a loss of responsibility without a loss in salary.

As the table shows 6 of the 16 persons who joined C.M.D. from U.I.C. have remained at their old responsibility level or have had an increase in their level, while the remaining 10 are at lower levels of responsibility.

There does not appear to have been any attempt to have persons retire early to make the task of reshaping the organizations at the regional headquarters easier. Some of the persons who did retire may have decided on that action because of the changes being made but I was unable to obtain any information to support this view.

The relatively large number of resignations, retirements etc. in Ontario do not appear to have any particular significance. It seems that the Regional headquarters in Ontario had several officers who approached retirement age at about the time of the merger.

As with the positions at national headquarters it is difficult to judge the effect that restrictions on the independence of departmental officials in matters of appointment, promotion and transfer of personnel had on the filling of positions. It may be that departmental officials encouraged some individuals to apply for certain open competitions; this might be considered analogous to "hand-picking".¹ However the competitions themselves were conducted according to the usual conditions imposed by the C.S.C. The co-operation of the Treasury Board and the Civil Service Commission in approving classifications and in expediting

1. It is not clear whether this was done or not.

the conduct of competitions assisted the Division. The special procedures which had to be adopted suggested a need for simplified requirements.

The four Training Managers who are employed on a contract basis were "hand-picked" by the Regional Directors, subject to approval from national headquarters.

Certain comments about the quality of regional officials were included in Chapter IV to provide a basis for comparison with the national headquarters officials. It was noted that regional officials seemed to be on average younger than headquarters officials and perhaps a little better educated.

Any generalization which I could make about the intelligence and personalities of the regional officials would be even less well based than those made about the national officials. I had an opportunity to speak to most of the national officials but spoke to only a few of the regional officials. I have formed the impression however that the regional officials like the national officials are able persons. I also formed the impression that the officials welcome change and that they possess considerable energy.

VI

Training of Senior Officials

1. Introduction

Staff training is being given considerable emphasis by C.M.D. A Departmental task force has been set up to prepare training programmes for the Division and, as has been pointed out, Training Managers have been appointed at each of the Regional Headquarters. All employees in all echelons will eventually undergo some form of training designed to provide the attitudes and skills necessary for the operation of an efficient manpower service.

Staff training must, of course, commence at the top. There is little point in teaching employees new techniques or attitudes if they return to superiors who cling to old techniques and attitudes. In this chapter we will examine some of the means employed by the Division to prepare senior officials to operate the sort of organization envisaged by the Deputy-Minister and the Director-General. It is my belief that a discussion of the filling of the senior positions in the Division would be incomplete without this examination of the training programme which followed the filling of the positions.

In this chapter training is used in a broad sense and includes not just formal instruction (lectures, seminars etc.) but also informal interaction of subordinates with their peers, and with their superiors in committees and personal discussions. In this latter category I include discussions which although ostensibly concerned with operational or administrative matters are also a form of training; in discussions of this sort, the subordinate perceives the role expected of him by top management. The formal training methods will be considered in the first part of the chapter and the informal methods in the last part. However before examining the training methods it is advisable to look at the environment within which the training has taken place, and at the purposes of the training.

Sociology and anthropology have assisted research into public administration by their insistence that bureaucracies are social institutions, and that, like other organizations in society they have their own cultures. Every individual who joins an organization comes under the influence of the attitudes and values which make up the culture. Some individuals may resist an organization's values and attitudes more than other individuals, but it is a matter of degree; unless an individual leaves an organization he must, to some extent, be influenced by the culture of the organization.

In Chapter II we pointed to the centralization of authority and the authoritarian behaviour of the supervisory staff which existed in U.I.C. As a result of this type of management certain values and attitudes permeated the culture which existed in U.I.C. These values and attitudes emphasized obedience, caution, and responsibility. They de-emphasized individuality and creativity. The Canada Manpower Division is based on the premise that an effective manpower service requires strong, resourceful officials at the regional and local levels. The attitudes and values which were de-emphasized by U.I.C. must now be emphasized. This is, of course, not easy to do. Organizational changes are fairly easy to make; changes in employees' attitudes and values are much more difficult to produce.

The first task then of C.M.D. was to develop a training programme which would help to change the old attitudes and values. Those senior officials who were recruited from outside the merged units were selected partly because they held attitudes and values consonant with those of the new management. However as the previous two chapters have shown the bulk of the senior positions in C.M.D. have been filled by persons

from the merged units, with the greatest number from U.I.C.¹

In trying to effect this change the Division had to be careful not to arouse unnecessary resistance to change - a certain amount of resistance is expected, of course, when an organization's culture is being altered. The risk of this was particularly great in that part of the organization which was formerly N.E.S. As we have outlined there was much criticism of N.E.S. from 1960 until its merger into C.M.D. on January 1, 1966. As mentioned before, there is good reason to believe that much of the criticism originated with N.E.S. officials. These officials obviously felt that by being candid with the investigators they would help produce the changes which they had been vainly trying to obtain in more orthodox ways. Ultimately the criticism did result in changes, the main one being the creation of C.M.D. In the meantime some of the criticism became attached to the same officials who were trying vainly to improve the organization. Those officials and N.E.S. employees generally felt that they were being unfairly blamed for a situation which was not their responsibility and their morale suffered. The C.M.D. training programme had to take these feelings into consider-

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1. It is probably accurate to say that the attitudes and values possessed by the sections of the Department of Labour and the Immigration Service which were merged into C.M.D. were more in tune with those of the new management than were those which prevailed in U.I.C. Yet most if not all employees of all three units had to make some adjustment.

ation and had to motivate the former N.E.S. officials to change their attitudes and values without implying a further criticism of N.E.S. Additional criticism of N.E.S. would result in attempts to justify the old organization which could only delay the assimilation of new attitudes and values.

Morale in N.E.S. on January 1, 1966 was also low because of the long period of uncertainty about the changes to be made in N.E.S. and about the effect of these on individuals within the organization. It was generally understood that the Gill Committee recommendation made in 1962 that N.E.S. be transferred to the Department of Labour would be implemented. However the actual transfer took nearly three years and was not really completed before the organization was transferred again.

Finally morale was low in N.E.S. because of the Employment Service Officer appraisal programme which had commenced in 1965. The introduction of professional requirements seemed to pose a threat to non-university graduates within N.E.S. Also the method of appraising employees, an intelligence-type test and an interview, seemed to some employees to be unfair; they would have preferred some test based on performance at the place of work. Some of the first results caused a certain amount of alarm; some persons who had held responsible positions were graded at a low level in the series. There is no suggestion that the appraisal programme was not honestly and correctly conducted but coming, as it did, at a time when employees were already disturbed about

other matters it acted to reduce morale to a low level.

All of these factors made the choice of a training approach very important. The wrong approach would result in a dysfunctional attempt to defend the old organization. At the same time the correct approach could capitalize on the widely felt desire for an improved employment service.

The first task then of a training programme was to change the attitudes and values of the inherited employees without creating resistance. The second task was to provide the senior officials, both new officials and inherited officials, with information concerning the Division's objectives and the management concepts it wished employed. The latter points have been touched upon before. Briefly, C.M.D. was to ensure that Canada's manpower resources were utilized most effectively; to help achieve this end authority would be delegated to regional and local levels, the Division would become a goal setting and a goal reviewing organization with participation in decision-making at all levels.

2. Formal Training

The first formal training exercise was a management conference lasting one week which was held in Kingston, Ontario, during July, 1966. All employees of C.M.D. at or above the Employment Service Officer 5 level were invited to attend the conference. This included virtually all of the persons included in our study who had been recruited up to that time.

The course for this conference was prepared by Professor W. Donald Wood of Queen's University. A small sample of items from the crowded programme will illustrate the nature of the course. Dr. Deutsch of the Economic Council of Canada spoke on the topic, "The Canadian Economy and its Institutions". Dr. Davidson, Secretary of the Treasury Board spoke on, "Management and Administration in the Canadian Public Service". Specialists from industry, from government, and from the academic community spoke on the following topics: "A concept of Total Management"; "Financial Management and Programme Budgeting"; "The Current Canadian Scene: Implications for Manpower Policy and Management".

In addition to formal lectures there were workshops at which various management concepts were discussed and considered. There were also panel discussions with various experts from across Canada representing trade unions, industry, and government. The Minister and the Deputy-Minister also attended the Conference.

The impression one receives is that the Conference was a considerable success. It seems to have been particularly successful in giving the delegates an idea of the scope of the changes planned and in convincing them that sufficient resources were to be allocated to provide for an effective manpower service. The nature of the gathering and the number and importance of the guest lectures perhaps did as much as anything to convince the Division's officials that the Government was firmly committed to an energetic manpower policy.

A second national conference of the Division was held in late January, 1967, in Toronto. Once again, virtually all of the officials whom we are studying attended. The main purpose of this conference was to assess the progress made toward the Division's objectives and to redefine and reinterpret the objectives.

The conference opened with a plenary session. This was followed by syndicate sessions with delegates divided into syndicates along functional lines e.g. the personnel advisers met as one syndicate, the regional directors as another syndicate, and so on. These sessions were followed by modified syndicate sessions as syndicates with common interests met together. Finally the conference returned to plenary session to review the progress made in redefining and reinterpreting the Divisions objectives.

One of the matters discussed was the division of responsibility between national and regional headquarters for matters touching on policy. One expects that this will be a matter which will recur with some regularity in the Division in view of its policy of allowing Regional Administrators considerable autonomy.

In addition to these national conferences several regions have held their own conferences. One gathers that the topics covered were similar to those covered at the two national conferences.

Some of the regional adviser groups have had special training. For example, the Financial and Administrative Advisers were given a period

of training in Ottawa following recruitment. They had discussions with a number of Departmental officials about the functions and requirements of the Comptroller of the Treasury, the Auditor-General, Treasury Board and so on.

3. Informal Training

One method of informal training which has been used successfully by the Division is to bring regional officials together for committee discussion with national headquarters personnel. We noted this arrangement when studying the duties of the Director-General's Secretariat. It will be recalled that secretariat officers act as secretaries for several of the committees.

The Regional Directors meet monthly with the Director-General. The meetings rotate among the five regional headquarters and national head-quarters. The meetings normally last two days and cover a wide range of topics.

The Directors of Operations meet bi-monthly and once again the location of their meetings rotates. The Director-General may attend these meetings; the chairman is the regional director who is hosting the meeting.

The Assistant Regional Directors also meet bi-monthly. They meet in Ottawa and their meetings are chaired by the Assistant Director-

General. Branch Directors also attend most of these meetings.

The regional advisers meet together from time to time with their functional heads at national headquarters. These meetings tend to be less frequent than those held by the three top regional officials.

Another form of informal training consists of visits by officials from national headquarters to the regions. The Director-General spends a few days (usually three or four) each month in the field. The Assistant Director-General and some of his branch directors also visit the field, but less frequently than the Director-General.

A final method of informal training is through telephone conversations. The Director-General and his aides spent a good part of each day talking to their regional officials. One cannot over-emphasize the importance of this type of contact in matters of both administration and training.

4. Conclusion

It is too early to make any judgments about the success of the training programme. All one can usefully do at this stage is point to the nature and the dimension of the programme. The training is probably as sophisticated as any attempted in the government service. The resources being devoted to the programme are great.

VII

Conclusion

This Chapter will summarize some of the main points made in the preceding chapters concerning the filling of senior positions in C.M.D. It will also draw some conclusions from the data presented and will point to some possible future trends in the staffing and operation of the Division.

The task given to the Division was to develop a manpower service which would make the most effective use of Canada's human resources. The first job of the Division's top management was to weld into one organization the National Employment Service and parts of the Department of Labour and the Immigration Service. It then had to improve existing manpower programmes and to implement new programmes.

The formation of the Canada Manpower Division is the story, in general terms, of the separation of an employment service from an unemployment insurance scheme, and the invigoration of the employment service. There are many facets to the story. In this study we have concentrated on the staffing of the employment service, and in particular on the filling of senior positions. It is to be hoped that other persons will study and report on other facets of the story.

The staffing of the Division had to begin with the creation of strong management and support teams at national and regional headquarters. The Division inherited a number of officials from the merged units; it had to assess and deploy them. New officials had to be recruited from other parts of the federal service and from outside the service. The need for strong teams of officials was great. It had been decided that considerable operational authority would be delegated to regional officials. Able people would be required at the regional headquarters to receive this authority and to employ it in effective and responsible ways. Able officials would also be required at national headquarters to provide stimulation, co-ordination and advice for the regional offices.

A number of factors affected the development of the management and support teams. There were several important favourable factors. For the first time a Canadian employment service had the full support of the Federal Government; the Government had indicated that it was prepared to allocate the resources necessary to produce an efficient manpower service. A second factor was a favourable environment for the management concepts which the Division wished to employ; for example, the Glassco Commission had recommended the decentralization of operational authority and the introduction of programme budgeting. The Division was fortunate also in having an influential Minister and Deputy-Minister. It also had the support of important governmental and non-governmental

groups. The Division was fortunate to commence its task of reorganization in a period of economic prosperity and low unemployment. The Division was also fortunate that most positions in N.E.S. had been underclassified; this gave the Division some valuable flexibility in the deploying of inherited officials.

There were also unfavourable factors which acted as serious constraints. There was a general shortage of able executives in Canada and it was difficult for government to compete with industry in a period of prosperity. There was a particular shortage of executives with training and experience in manpower problems. The conversion of positions required by the move to collective bargaining complicated the creation and filling of positions. Morale within N.E.S. had suffered because of a number of factors including the Employment Service Officer appraisal programme. Although many of the Glassco recommendations had been accepted they had not all been implemented; there were statutory and institutional requirements which had to be observed and which hindered the staffing of the Division. Time, itself acted as a constraint; the Division had to cope with an ongoing organization and at the same time prepare for an anticipated increase in workload because of an influx of young people into the labour force and because of layoffs caused by automation.

The Division made considerable progress during the period from January 1, 1966 and January 31, 1967 in building management and support teams. Officials were assessed and deployed. New persons were

recruited. Training programmes were begun to teach officials to use new management and manpower concepts.

In regard to the filling of senior positions I have estimated that the Division will, within a relatively short time, have 75 positions of the type we have been studying in this paper, 40 at national headquarters and 35 at regional headquarters. Of that total 61, or just over 80%, had been filled by January 31, 1967. The following Table shows the previous employment of the 61 incumbents.

Department of Labour	14
U.I.C.	18
Immigration	3
Other Federal Gov't Departments and Agencies	10
Provincial Departments and Agencies	3
Industry	<u>13</u>
<u>Total</u>	61

Table 4. Previous Employment of C.M.D. officials.

A total of 36 of the 61 positions (57%) were filled by persons from the merged units while 45 of the positions (74%) were filled by persons from the merged units and from other Federal Government Departments and Agencies. Of the 13 persons from industry 9 were recruited for two of the seven regional positions which we identified as key positions

Financial and Administrative Adviser (5) and Training Manager (4).

Two of the remaining persons from industry were appointed Regional Directors while one was appointed a Director of Operations, and the final one was appointed to one of the Information Officer positions. It appears that outside persons were brought in to fill either very senior line positions or specialist positions for which a serious personnel shortage existed in the public service. For example, of the six top line positions (those of the Director-General and the five Regional Directors) five were filled by persons from outside the merged units and four of the six were filled by persons from outside the federal service.

The effect of the merger upon the inherited officials was mixed. The impression one gains is that more regional officials than national headquarters officials suffered a loss of responsibility as a result of the merger. This was perhaps to have been expected since the delegation of authority to the regions created a need for better qualified officials than had previously been required. Some of the regional officials were bound therefore to find themselves by-passed. Officials at national headquarters, on the other hand, could give up operational authority without necessarily having their responsibility level lowered. The fact that positions in N.E.S. were underclassified meant that very few employees who suffered a loss in responsibility suffered any loss in salary and there was not the drop in morale which might otherwise have occurred.

In Chapter VI we mentioned the danger of alienating former N.E.S. employees through criticism of that organization. This danger seems to have been avoided. Emphasis seems to have been placed on the role which C.M.D. must play in the future, rather than on the inadequacies of N.E.S. in the past.

It would appear then that the Division succeeded in filling the great majority (80%) of its senior positions in the period from January 1, 1966 to January 31, 1967. It would also appear that it accomplished this without any significant drop in morale. The next question concerns the quality of the persons selected for the positions; as I have pointed out this is an extremely difficult question to answer. There is some information which indicates that the average age at national headquarters is higher than at the regional headquarters, and that the proportion of officials with university graduation, or its equivalent, may be slightly higher at the regional than at the national level. I have suggested that as the remaining national positions are filled the average age at the national level will drop and the educational level will rise. My impression is that officials at both levels are capable and efficient.

In the filling of the positions we have observed perhaps three main themes. The first is the blending of various attributes to achieve balanced teams. There has been a clear attempt to blend experienced employees with new employees and older employees with younger employees.

There seems also to have been an attempt to blend officials who are prone to innovate with others who are more inclined to preserve. Some attempt may also have been made to blend persons together on the basis of academic and employment backgrounds.

A second theme is the attempt to observe the spirit of the Glassco Commission recommendations on appointment, transfer, and promotion without disregarding statutory and institutional controls. The Division has attempted to collect a group of executives sympathetic to the objectives and concepts of top management. It has attempted to do this quickly, without the long delays which frequently characterize recruiting campaigns. The Division has had considerable success in this, mainly because of the co-operation received from the control agencies, particularly the C.S.C. Despite this, the various controls seem to have hindered the filling of positions. Perhaps the most troublesome controls were those relating to promotion and transfer of existing staff.

A third theme is the effect of the introduction of decentralized authority, and participative management on the filling of positions. We have observed the effect of these changes on the duties of positions, on the classification of positions, and on the attitudes and values of officials. We have seen for example that more previous incumbents at the regional level suffered loss of responsibility than incumbents at the national level.

Looking ahead, there are several problems which may have an effect upon staffing in the Division. The first problem is in the division of responsibilities between the national and regional offices, and between the regional offices themselves. There are some matters which must be dealt with in the same way across Canada while there are other matters which can be handled differently in the various regions. For example, the drafting of form letters can surely be entrusted to the regions, while determination of the method of compensation for overtime worked by the Division's staff will likely have to be settled nationally. It may be that the secretariat will be expanded to help resolve jurisdictional problems of this sort.

A second problem is the development of an effective reporting system. Although operational authority is delegated, the Minister remains responsible to Parliament for the decisions reached by the Division's officials. A system must be devised which provides the Minister with rapid, accurate information concerning complaints and which at the same time does not induce an excessive caution in regional and local officials. The Division appears to have made considerable progress in developing such a system. Once again, the secretariat may be expanded if the present system proves inadequate.

A third problem is in the area of programme research and development. As mentioned in Chapter III N.E.S. officials believed that the manpower service should have its own research and development organization

in order that there might be close co-ordination between line officials and planners. At the present time C.M.D. and the Program Development Service are co-operating in a number of ways - experienced employment officials have been transferred to the Program Development Service to give it additional experience, and there are several inter-divisional committees. It may be, however, that C.M.D. will decide that it requires a small unit to provide it with some guidance in the area of programmes and policies. The fact that the Immigration Division has retained the Planning Branch which it possessed prior to the merger may be used as a precedent. Any changes in this area are unlikely to occur for some time.

In this study we have concentrated on the staffing of C.M.D. and we have ignored the progress made by the Division in implementing new manpower programmes and in improving existing programmes. There has been much progress. It is recognized by the Division's top management that much remains to be done. The problems facing the Division are numerous, complex, and politically sensitive. Success will not come easily, and the degree to which it is achieved will depend, in large measure, upon the proficiency of the Division's senior officials. Our study suggests that on these grounds there is reason for optimism about the outcome.

NOTES:

1. Some charts show Ass't Regional Director in line between Director and Regional Divisions.
2. Dotted line shows informal line of authority in N.E.S.
3. Chart simplified somewhat.

UNEMPLOYMENT INSURANCE
COMMISSION
1963-64

DEPARTMENT OF MANPOWER AND IMMIGRATION

NOTE: 2(S.O.2) 3(S.O.1) indicates 2 Regional Directors at the Senior Officer 2-level and 3 Regional Directors at the Senior Officer 1 level. The 34 Regional positions being studied are shown in this way.

CANADA MANPOWER DIVISION
TYPICAL REGIONAL HEADQUARTERS

CANADA MANPOWER DIVISION
Distribution of Authority

* District Supervisor

GROUPS, CLASSES AND SALARY RANGES
OCTOBER, 1966

CLASS OR GROUP	ABBREVIATION	LEVEL	MINIMUM	MAXIMUM
Administrative Officer	(A.O.)	6	9127	10653
" "		7	11554	13038
" "		8	13038	14628
Administrative Services	(A.S.)	5	10117	11497
" "		6	11967	13599
" "		7	14020	16886 *
Chief of Division	(C.D.)		16251	17407
Economist	(Econ.)	3	8135	9300
Information Officer	(I.O.)	3	6206	6962
" "		4	6804	7497
Information Services	(I.S.)	2	8261	9386
" "		3	10177	11566
Personnel Administrator	(P.A.)	4	9665	10982
" "		5	10771	12241
Programme Administrator	(P.M.)	4	8947	10168
" "		5	10771	12241
" "		6	12917	14678
" "		7	15340	18476 *
" "		8	17270	20802 *
Personnel Officer	(P.O.)	3	7340	8096
" "		4	7696	8777
Senior Officer	(S.O.)	1	16500	20500
" "		2	18500	22750
" "		3	20500	24750
Technical Officer	(T.O.)	10	11248	13184
" "		11	12417	14008
Unemployment Insurance Commission Officer	(U.I.CO.)	4	9127	10653
" "		5	9688	11342

This (*) indicates that performance pay regulations apply.

GLOSSARY OF ABBREVIATIONS

A.O.	Administrative Officer
A.S.	Administrative Services
C.D.	Chief of Division
C.M.D.	Canada Manpower Division
C.S.C.	Civil Service Commission
E.C.	Economist
I.L.O.	International Labour Organization
I.O.	Information Officer
I.S.	Information Services
N.E.S.	National Employment Service
O.E.C.D.	Organization for Economic Co-operative Development
P.A.	Personnel Administrator
P.M.	Programme Administrator
P.O.	Personnel Officer
S.O.	Senior Officer
T.O.	Technical Officer
U.I.C.	Unemployment Insurance Commission
U.I.C.O.	Unemployment Insurance Commission Officer

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