

Human Resources

Annual Report
2015–2016

**Human Resources
Annual Report 2015–2016**

Province of New Brunswick
PO 6000, Fredericton NB E3B 5H1 CANADA

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Transmittal letters

From the Minister to the Lieutenant-Governor

The Honourable Jocelyne Roy Vienneau
Lieutenant-Governor of New Brunswick

May it please your Honour:

It is my privilege to submit the Annual Report of the Department of Human Resources, Province of New Brunswick, for the fiscal year April 1, 2015, to March 31, 2016.

Respectfully submitted,



Honourable Roger Melanson
President of the Treasury Board
Chair of Jobs Board
Minister responsible for Trade Policy

From the Deputy Minister to the Minister

Honorable Roger Melanson
President of the Treasury Board
Chair of Jobs Board
Minister responsible for Trade Policy

Sir:

I am pleased to be able to present the Annual Report describing operations of the Department of Human Resources for the fiscal year April 1, 2015, to March 31, 2016.

Respectfully submitted,



Gordon Gilman
Deputy Minister

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Minister's message

Through the Department of Human Resources, our government is committed to providing human resource leadership and expertise that promotes excellence in New Brunswick's Public Service built on the values of competence, impartiality, integrity, respect, and service. The department plays a critical role in helping the Government of New Brunswick (GNB) achieve business results through its focus on people as well as on the specific tools and processes that can facilitate and enable success.

The department integrates, connects and leverages human resource corporate oversight while remaining flexible enough to respond to the unique human resource needs of departments and agencies. The department develops and implements corporate human resource policies and initiatives with respect to Official Languages, diversity and leadership development. The department leads the fulfilment of legislative and delegated responsibilities for recruitment, compensation, pensions and benefits, employee development, organizational health and labour relations.

These programs ensure that our GNB workforce is supported and ready to meet the challenges facing our province. To this end, the management of the Department of Human Resources is a partnership to enable the achievement of government priorities.

As President of the Treasury Board, I am proud to work with all the men and women who are committed to providing professional, technical and trade services to ensure GNB's most valuable asset, its employees, are supported.

I look forward to the additional successes that will be achieved in the coming year.



Honourable Roger Melanson
President of the Treasury Board
Chair of Jobs Board
Minister responsible for Trade Policy

Deputy Minister's message

While the front-line departments focus largely on delivering services to the public, the Department of Human Resources' mandate is to provide internal services related to leadership development, talent management, employee compensation and classification, labour relations (including collective bargaining), pensions and benefits administration, and many other services essential to operate the large-scale and multi-faceted GNB organization. In this way, the department supports the readiness of the GNB workforce to drive government's strategic objectives and priorities.

As per government's commitment to remove duplication of services and redundancy across the New Brunswick Public Service, the department led significant efforts in the last year to enable the centralization of human resource services across Part 1 organizations. This initiative will provide for more efficient and consistent service offerings across government. It will also permit GNB's human resources professionals to better leverage and align their expertise to support the broader GNB community.

A talented and skilled workforce is the lifeblood of every organization. In support of that, the department continued to lead the enhancements and standardization of GNB's performance management process. A common process and tool is now available for departments to use that will help ensure a common experience for both managers and employees. As well, the department embedded change management competencies throughout GNB by facilitating corporate wide training sessions for Part 1 GNB people managers. The department offered a five-part learning series to 1,400 GNB people managers including four change management modules and one performance management module. The training translated into about 30,000 total hours of training delivered using 20 in-house trainers from nine Part 1 departments.

The department successfully negotiated contracts with 14 bargaining groups honouring government's commitment to respect the collective bargaining process. The department also continued to provide leadership with regard to corporate projects such as providing active attendance support and using attrition to reduce the GNB workforce.

During the past year, the department continued to manage 11 pension plans along with a number of benefit programs for employees under Parts 1, 2, 3 and 4, as well as some quasi-public organizations. The pension and benefit plans cover more than 51,000 active contributors and more than 30,000 retirees.

In the fiscal year ahead, the department will continue to develop and implement innovative and responsive programs that enable us to support and invest in our greatest resource, our people. Their talent and dedication is the foundation on which the New Brunswick Public Service has been built.

Sincerely,



Gordon Gilman
Deputy Minister

Strategic priorities

Strategy management

The **Government of New Brunswick (GNB)** uses a formal management system built on leading business practices to develop, communicate and review strategy. This process provides the public service with a proven methodology to execute strategy and continuously drive improvement.

The development of the strategy, using the formal management system, starts with a strategic vision of *Moving New Brunswick Forward*. This vision is anchored in four strategic themes which include:

- **More jobs** – Creating the best environment for jobs to be generated by New Brunswickers, by businesses, by their ideas, by their entrepreneurial spirit, and by their hard work. This includes providing seamless support to businesses, leveraging new technologies and innovation by supporting research and development, and developing a skilled workforce by improving literacy and education.
- **Fiscal responsibility** – Getting New Brunswick’s fiscal house in order through a balanced approach to decrease costs and increase revenues.
- **Best place to raise a family** – Designing social programs to make life more affordable and make New Brunswick the best place to raise family.
- **Smarter government** – Providing taxpayers with better value for their money by transforming the culture of government by eliminating waste and duplication, adopting new innovations in technology to improve services and savings and improving accountability measures.

Highlights

During the 2015-2016 fiscal year, the Department of Human Resources focused on the following strategic priorities:

- ♦ *Led significant efforts to enable the centralization of human resource services in Part 1 organizations as part of the Common Services project. Initiatives included an engagement event with 120 HR employees; a visioning event with 150 HR employees, clients and key stakeholders; one-on-one interviews with deputy ministers; a project kick-off with the HR community; bi-weekly project Council of Change Agent meetings; bi-weekly project update meetings with HR directors and assistant deputy ministers of Corporate Services; as well as monthly project team, project board and transition team meetings.*
- ♦ *Implemented enhancements and standardization of GNB's Performance Management process with Part 1 departments, resulting in one consistent process and enhanced tools. Implementation was rolled-out in three phases of "just-in-time" training for people managers. This gave them the relevant tools and knowledge to continue to enable employees in reaching optimal performance. A community of practice, comprising departmental representatives, was established to work with the department to support implementation efforts.*
- ♦ *Utilized a train-the-trainer approach, the department offered a five-part learning series on Change Management to 1,400 GNB people managers, including four Change Management modules and one Performance Management module. The training translated into about 30,000 total hours of training delivered using 20 in-house trainers from nine Part 1 departments.*
- ♦ *Managed 11 pension plans along with a number of benefit programs for employees in Parts 1, 2, 3 and 4 as well as some quasi-public organizations. The pension plans and benefit programs cover more than 51,000 active contributors and more than 30,000 retirees from Parts 1, 2, 3 and 4 as well as several quasi-public organizations such as nursing homes and the University of New Brunswick.*
- ♦ *Focused on building mutually beneficial employee-employer solutions, the department successfully negotiated contracts with 14 bargaining groups.*
- ♦ *Provided advice and guidance to the Women's Equality Branch on the job evaluation process and compensation analysis in support of pay equity. The department continued working jointly with the unions on the pay equity studies for CUPE Local 1840 (court stenographers), CUPE Local 2745 (educational assistants and school administrative assistants) and the New Brunswick Union (Professional Support; Medical Science Professionals; and Specialized Health Care Professionals).*
- ♦ *Continued to provide oversight of the Equal Employment Opportunity (EEO) program. The program provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities in the Public Service. During the 2015-2016 fiscal year, 15 EEO registrants benefitted from funding provided through the program.*

- ♦ *Continued to focus on continuous improvement, enabling it and client organizations to better understand the performance of some processes, find efficiencies and improve productivity. This included the introduction of a three-year Positive Workplace Initiative research project on mental fitness. Departments committed to taking part, and they will play a key role in growing wellness among GNB employees. Participating departments will receive training and guided support to create positive workplace environments by focusing on building the organization's and the employee's practices in mental fitness, resilience and expanded positive leadership.*

Performance measures

These are some of the performance measures implemented as part of the performance excellence process and consistent with government's priorities.

Fiscal responsibility	Measures
Achieve sustainable budget.	Number of positions reduced through attrition in Part 1.
Achieve sustainable budget.	Ratio of actual to budgeted expenditures.
Monitor expenditures.	Wage bill in Parts 1, 2 and 3.
Smarter government	Measures
Employee involvement and productivity.	Percentage of performance reviews completed in Part 1.
Employee involvement and productivity.	Total number of sick days paid in Parts 1 and 3.
Eliminate process waste and duplication.	Improvement rate via continuous improvement.

Fiscal responsibility

Objective of the measure

To achieve a sustainable budget.

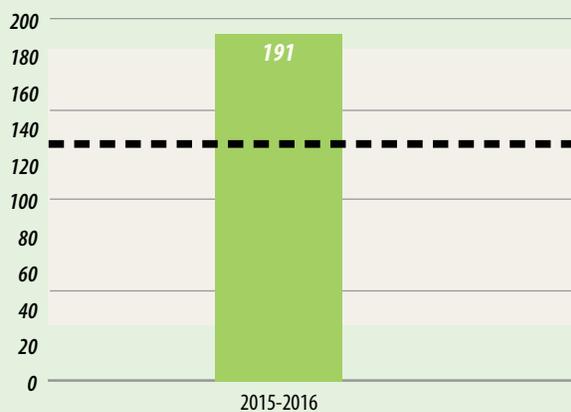
Measure

Positions reduced through attrition in Part 1.

Description of measure

The number of positions reduced through attrition.

Positions reduced through attrition in Part 1 (Civil Service)



Overall performance

A total of 1,388 positions were eliminated from 2012-2013 to 2014-2015, mainly in Part 1 and Part 3. In 2015-2016, an additional 191 positions were eliminated through attrition in Part 1, increasing the Part 1 count to 754 since 2012-2013.

————— **Baseline:** N/A
- - - - - **Target:** 131
Actual: 191

Why do we measure this?

This initiative was renewed in 2015-2016 to support the Strategic Program Review and government's focus on fiscal responsibility while minimizing the impact on employees.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department assigned specific attrition targets to Part 1 to reduce the number of positions. The successful achievement of the attrition objective occurred due to the many projects and actions undertaken within departments and agencies in Part 1.

Fiscal responsibility

Objective of the measure

Achieve sustainable budget.

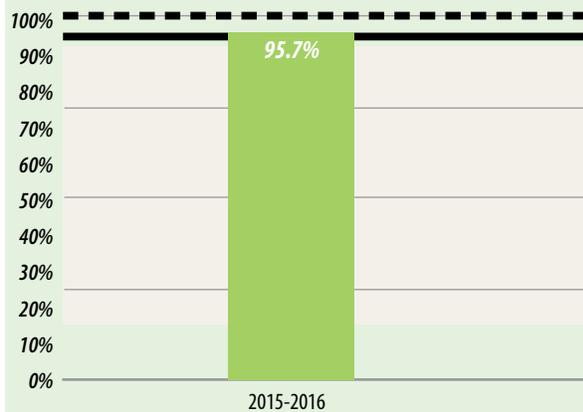
Measure

Ratio of actual to budgeted expenditures.

Description of measure

The ratio measures whether the department is over-budget or under-budget on expenditures. The ratio will exceed 100 per cent when expenses are over-budget and be less than 100 per cent when under-budget.

Ratio of actual to budgeted expenditures



Overall performance

The department was successful in managing expenditures to be under-budget.

————— **Baseline:** 94%
- - - - - **Target:** 100%
Actual: 95.7%

Why do we measure this?

This indicator measures the ability of GNB to manage its overall expenses as compared to its budget. GNB must ensure that expenses are managed in accordance with the budget and be prepared to take corrective action if expenses are projected to be over-budget during the year.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department was diligent in monitoring spending to find administrative efficiencies and savings.

Fiscal responsibility

Objective of the measure

Monitor expenditures.

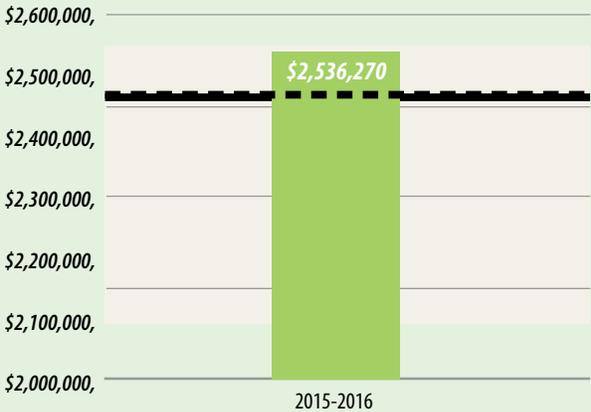
Measure

Wage bill in Parts 1, 2 and 3.

Description of measure

Gross earnings paid to permanent and temporary (casual, temporary term, personal service contract, term) employees.

Wage bill in Parts 1, 2 and 3



Overall performance

Target was not met because of the high number of collective agreements settled in 2015-2016 (14 contracts signed), many with one or more years of retroactive wage payments which were paid in 2015-2016 following the signing of the contract.

————— Baseline: \$2,462,483
- - - - - Target: \$2,464,039
Actual: \$2,536,270

Part	Base (2014-2015)	Target (2015-2016)	Actual (2015-2016)
1	\$554,807	\$557,275	\$572,961
2	\$802,297	\$790,331	\$805,683
3	\$1,105,379	\$1,116,433	\$1,157,626
Total	\$2,462,483	\$2,464,039	\$2,536,270

Why do we measure this?

The wage bill measure indicates the extent to which GNB's initiatives are affecting the wage bill.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

GNB has initiated a number of projects to control the wage bill. These initiatives include wage restraint measures (wage increase below the rate of inflation), attrition, and attendance management to reduce the use and cost of sick leave.

Smarter government

Objective of the measure

Employee involvement and productivity.

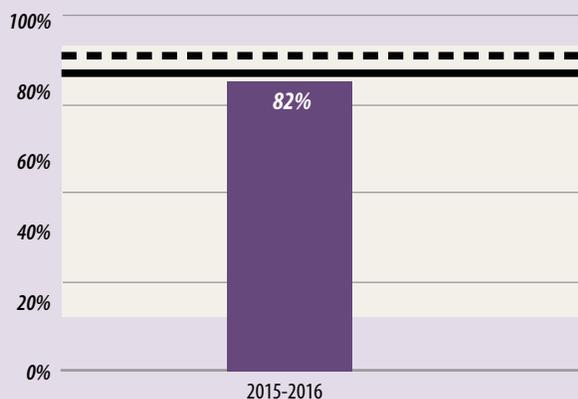
Measure

Percentage of performance reviews completed in Part 1

Description of measure

The completion rates of performance reviews in Part 1.

Percentage of performance review completed 2014-2015



Overall performance

Part 1 departments achieved a completion rate of 82 per cent, which is below the 2015-2016 target of 90 per cent. For the most part the completion rates illustrate the continued efforts departments are making to ensure that employees are receiving their performance reviews in a timely manner.

- Baseline:** 84% of employees received a performance review in the year prior (in 2014-2015)
- Target:** 90% of employees targeted to receive an annual performance review
- Actual:** 82% of employees received an annual performance review

Why do we measure this?

The timely completion of performance reviews provides an opportunity for managers and employees to discuss review and assess the accomplishment of work objectives, demonstrated competencies and overall individual employee contribution against GNB's business results.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department led a corporate improvement project to standardize and enhance the Performance Management process. The changes continue to create a culture of clear accountability, where both managers and supervisors continue to have performance related conversations, feedback is provided and employees continue to develop and are recognized.

Smarter government

Objective of the measure

Employee involvement and productivity.

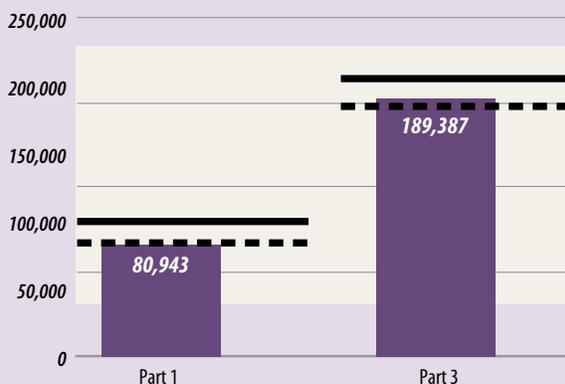
Measure

Total number of sick days paid in Parts 1 and 3.

Description of measure

The number of paid sick leave days used by GNB employees.

Total number of sick days paid in Parts 1 and 3



* Adjusted for organizational restructuring across Parts 1 and 3.

Overall performance

GNB was striving for a 20-per-cent improvement in sick leave usage over a three-year period (2012-2013 to 2014-2015). Sick leave use in Part 1 decreased by 17.9 per cent whereas Part 3 attained a 7.3-per-cent improvement rate. Part 1 usage now compares favourably with national averages and other jurisdictions.

Baseline: (See table)
 Target: (See table)
 Actual: (See table)

Why do we measure this?

When employees are absent from the workplace, there is a direct impact to services, lost productivity of the work unit and increased costs when the sick employees need to be replaced (e.g., in health care and schools).

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department implemented the comprehensive Attendance Support Program, including an Attendance Support Guide for Immediate supervisors. The department continues to review the program to ensure its effectiveness. Part 3 has a variety of attendance management initiatives in place.

Part	Base (2011-2012)	3-year target (2012-2015)	3-year actual (2014-2015)	Base adjusted (2011-2012)*	4-year target adjusted (2015-2016)*	Actual (2015-2016)
1	85,878	68,212	70,012	98,624	82,779	80,943
3	210,580	165,569	195,098	204,381	183,834	189,387

* Adjusted for organizational restructuring across Parts 1 and 3.

Smarter government

Objective of the measure

Eliminate process waste and duplication.

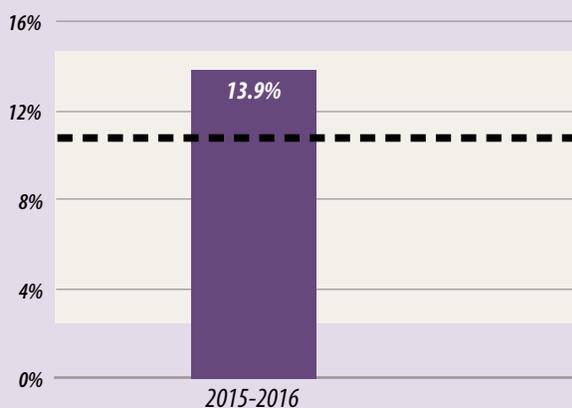
Measure

Improvement rate via continuous improvement.

Description of measure

This measure targets savings (including productivity and hard-cost savings) resulting in continuous improvement efforts as a percentage of the departmental budget. This measure includes all Lean Six Sigma activities such as Lean Six Sigma projects, Waste Walks and Daily Management.

Improvement rate via continuous improvement



Overall performance

The department exceeded the 2015-2016 target, realizing more than \$493,894 in hard (\$138,525) and soft (\$355,569) savings. It is important to note that the improvements were made across all divisions of the department. However, the budget it is compared to does not include the budget for the Pensions and Benefits Division funded by the Pension Plan.

————— **Baseline:** NEW

- - - - - **Target:** 10.5%

Why do we measure this?

GNB has undertaken a cultural change that has increased efficiency and accountability, improved services to the public, streamlined processes and seen continuous and sustained improvements across the provincial government. This is leading to a more focused workplace and more efficient and affordable services for New Brunswickers.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The following projects/initiatives contributed to departmental continuous improvement targets in 2015-2016:

Lean Six Sigma projects:

- Application Development and Support timelines: reviewed the submission, prioritization and delivery process for Information Technology requests in the Pensions and Employee Benefits Division to determine how to expedite delivery as well as implement smarter decision-making while increasing customer satisfaction and managing workloads.
- Adjudication scheduling efficiencies: removed non-value-added work from the scheduling process to allow administrative resource to focus on more value-added tasks and reduce the cycle time for scheduling.
- Processing employer payroll timelines: reviewed the process for uploading payroll data into the department's pension and employee benefit administration system to ensure more timely access to employee information, which facilitates improved service delivery.

Waste Walks: several employees were educated on the 12 types of process waste and were required to apply this knowledge to find waste in their respective processes/work environment. These improvements resulted in \$121,855 in hard and productivity savings.

Daily Management: Daily Management was implemented in 12 business units within the department. This was part of a department-wide Daily Management roll-out to provide teams with the tools and data required to regularly monitor and improve their work using a team

based and data driven approach. Ideas generated through Daily Management conversations accounted for \$38,092 in productivity savings.

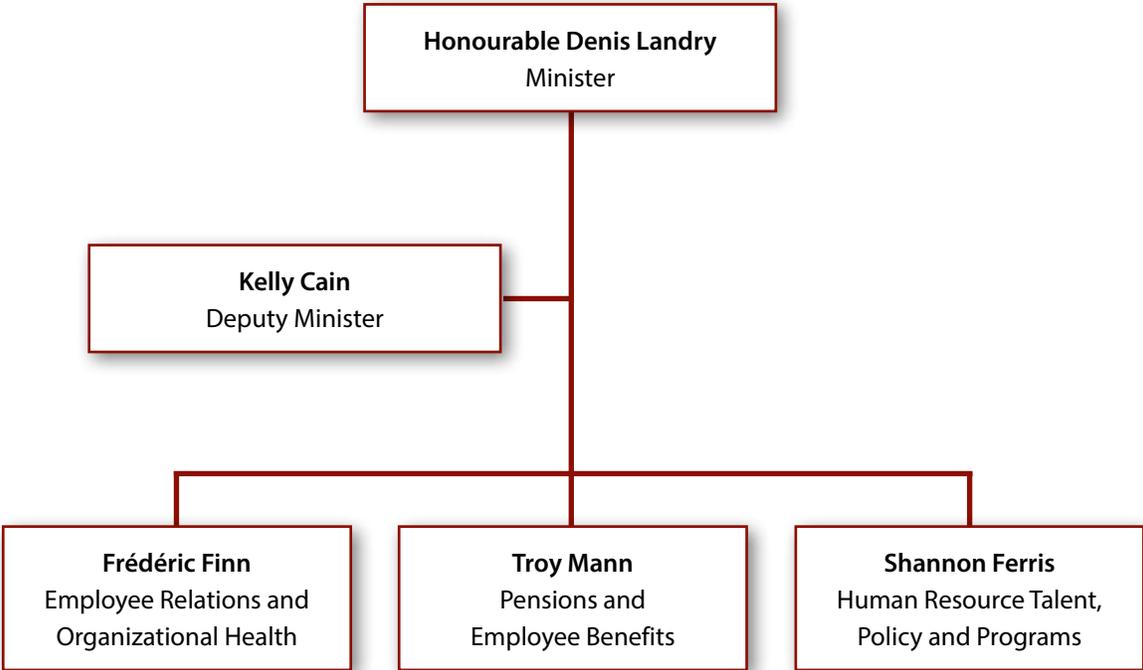
Overview of organizational operations

The Department of Human Resources provides human resource leadership to ensure a high-performing GNB workforce. The department provides strategic direction and advice related to government-wide human resource policies and initiatives such as Official Languages, diversity and leadership development; develops and implements innovative corporate human resource policies and practices; and fulfils legislative and delegated responsibilities for recruitment, compensation, pensions and benefits, employee development, organizational health and labour relations.

In 2015-2016, the department employed up to 122 individuals on a full-time, casual or contract basis. This was 11 more than in 2014-2015. The increase in staff was due to the required significant efforts that the department undertook with regard to the centralization of human resource services across Part 1.

The department's responsibility extends to Part 1 (departments), Part 2 (school boards), Part 3 (hospital corporations) and, in some instances, Part 4 (Crown corporations).

High-level organizational chart



Division overview and highlights

Employee Relations and Organizational Health Division

The division consists of the Labour Relations Services Branch, the Compensation, Classification and Corporate Research Branch and the Healthy Workplace Branch.

The **Employee Relations and Organizational Health Division** is responsible for labour relations, including the negotiation and administration of 24 collective agreements; job classifications; compensation policy; wage bill administration; workforce size and profiles; attendance management and healthy workplaces initiatives; and corporate human resource research, reporting and analysis for Parts 1, 2 and 3. The division has 24 staff, and is organized in three branches.

The **Labour Relations Services Branch** is responsible for all labour relations matters for Parts 1, 2, and 3. This branch promotes the development of employee relations that are responsive to the needs of departments, schools, hospitals and their employees while meeting overall government objectives. Responsibility areas of the branch include:

- negotiating, interpreting and administering 24 collective agreements covering all 40,000 unionized employees in Parts 1, 2 and 3;
- receiving and resolving grievance referrals to arbitration; and
- developing and delivering labour relations workshops to line managers and human resource specialists.

The **Compensation, Classification and Corporate Research Branch** develops, delivers and supports corporate compensation, human resource programs and services to sustain an efficient, quality public service in Parts 1, 2 and 3. Responsibilities include:

- development and implementation of pay plans;
- development and administration of job evaluation methodologies and position classifications for Parts 1, 2 and 3;

- provision of compensation information and costing service to support the collective bargaining and compensation policy;
- corporate research and analysis of GNB's workforce size, profiles and wage bill; and
- working with unions toward application of pay equity in Parts 1, 2 and 3 pursuant to the *Pay Equity Act*, 2009.

The **Healthy Workplace Branch** is responsible for the Attendance Support Program. As GNB continues to strive to become a performance-based organization, supporting employee attendance at work is critical to achieving organizational performance. The Attendance Support Program is a comprehensive and positive step-by-step approach with the objectives of:

- promoting regular attendance at work and a healthy workplace;
- supporting individual employees to overcome difficulties that adversely affect regular attendance and to help prevent attendance concerns from escalating;
- providing guidance and training to management staff responsible for managing attendance concerns; and
- managing attendance fairly and consistently across GNB.

HIGHLIGHTS

The department signed 14 new collective agreements with:

- ♦ *Resource Services (New Brunswick Union of Public and Private Employees).*
- ♦ *Specialized Health Care Professionals (New Brunswick Union of Public and Private Employees).*
- ♦ *Administrative Assistants, Clerical and Regulatory, Office, Data Processing and Duplicating Equipment Operation (New Brunswick Union of Public and Private Employees).*
- ♦ *Professional Support (New Brunswick Union of Public and Private Employees).*
- ♦ *Education Non-Instructional (New Brunswick Union of Public and Private Employees).*

- ◆ Nurses (New Brunswick Nurses Union).
- ◆ Medical Science Professionals (New Brunswick Union of Public and Private Employees).
- ◆ Agriculture, Veterinary, Engineering, Land Surveying and Architecture (Professional Institute of Public Service of Canada).
- ◆ Highway Supervisors (New Brunswick Union of Public and Private Employees).
- ◆ Engineering and Field (New Brunswick Union of Public and Private Employees).
- ◆ Rehabilitation and Therapy and Recreation and Culture Program Officer (CUPE Local 1418).
- ◆ Industrial Training and Certification Officers (New Brunswick Union of Public and Private Employees).
- ◆ Nurse Supervisors and Managers (New Brunswick Nurses Union).
- ◆ Technical Inspection and Laboratory and Medical (New Brunswick Union of Public and Private Employees).

The department is responsible for receiving the referral of unresolved grievances to adjudication and further pursuing their resolution or, in cases where there is no resolution, their hearing at adjudication. The following table summarizes the adjudication activity in 2015-2016.

	Referrals to adjudication carried from previous years	New referrals to adjudication	Grievances withdrawn or settled	Adjudication decisions rendered
Part 1	119	114	67	6
Part 2	23	87	55	1
Part 3	244	216	144	19
Total	386	417	266	26

Part	Base (2011-2012)	3-year target (2012-2015)	3-year actual (2014-2015)	Base adjusted (2011-2012)*	4-year target adjusted (2015-2016)*	Actual (2015-2016)
1	85,878	68,212	70,012	98,624	82,779	80,943
3	210,580	165,569	195,098	204,381	183,834	189,387

*Adjusted for organizational restructuring across Parts 1 and 3.

The department received 411 transactional requests for position classification and/or establishment from client departments in Parts 1, 2 and 3 (compared to 591 in 2014-2015). The department reviews these requests to ensure the proper classification level and an appropriate level of compensation relative to other positions. The average response time for reviewing and processing the requests for human resource transactions (position establishment and/or classification) it receives from client departments was nine days.

Key Performance Indicators (KPIs)

- **Attrition initiative:** Fiscal 2015-2016 was the fourth year of a three-year effort to reduce the size of the workforce in Parts 1, 2 and 3 by taking advantage of the estimated 4,500 voluntary employee exits during that period. Departments were encouraged to review how they provide programs and services to the public to allow them to replace two out of every three vacant positions.

2015-2016 Attrition Targets and Results		
Part	Full Year Target	Full Year Actual
1	131	191

- **Sick Leave initiative:** Fiscal 2015-2016 was the fourth year of an initiative to reduce the annual use of sick leave days among GNB employees.

Human Resource Talent, Policy and Programs Division

The **Human Resource Talent, Policy and Programs Division** is responsible for developing and providing strategic corporate human resource programs, services and advice in the areas of learning and development, Official Languages, workplace equity and diversity, performance management, talent management, leadership development, human resource policies and practices, staffing policies and executive support services.

The division is divided into two branches: Human Resource Programs and Official Languages Branch and Human Resource Talent and Development Branch. This division also carries out corporate service functions for the department including the coordination of legislative items, Memorandums to the Executive Council (MECs) and requests received under the *Right to Information and Protection of Privacy Act*.

The **Human Resource Programs and Official Languages Branch** is responsible for legislation and policies on staffing, diversity and the administrative policies that support terms and conditions of employment in the Public Service, including Official Languages. The branch is also responsible for the administration of the Equal Employment Opportunity Program (EEO), second-language training as well as many other corporate human resources initiatives. Consultants in the branch provide expertise and leadership within the human resource community in organizations across Parts 1, 2 and 3.

The **Human Resource Talent and Development Branch** is responsible for strategic human resource initiatives, including executive development, talent management, performance management, learning and development, as well as many other corporate initiatives. Consultants within the branch provide expertise and leadership within the human resource community in organizations across Part 1.

HIGHLIGHTS

- ◆ *Fifteen Equal Employment Opportunity (EEO) program registrants benefited from funding provided through the program. This program provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities in the New Brunswick Public Service.*
- ◆ *Hosted two successful Executive Dialogues targeting executives in Pay Bands 8 – 12.*
- ◆ *Managed the contract with Le Centre International d'Apprentissage du Français as the second-language service provider for Part 1 as well as for Horizon Health Network. In the 2015-2016 fiscal year, more than 550 learners (an increase of 150 learners) were enrolled in second-language training.*
- ◆ *There has been significant effort undertaken in the last year to centralize human resource services in Part 1. Initiatives during the past fiscal year included engagement event with 120 HR employees; a visioning event with 150 HR employees, clients and key stakeholders; one-on-one interviews with deputy ministers; a project kick-off with the HR community; bi-weekly project Council of Change Agent meetings; bi-weekly project update meetings with HR directors and assistant deputy ministers of Corporate Services; as well as monthly project team, project board and transition team meetings.*
- ◆ *Led the enhancements and standardization of GNB's Performance Management process. The 2015-2016 fiscal year served as a test and migration year for Part 1 departments. The implementation of one consistent Performance Management process and enhanced tools were the outcome. Implementation was rolled-out in three phases of "just-in-time" training for people managers. This gave them the relevant tools and knowledge to continue to enable employees in reaching optimal performance. A community of practice, comprising departmental representatives, was established to work with the department to support implementation efforts.*

- ◆ *In partnership with the Performance Excellence unit, the HR Talent and Development Branch embedded change management competencies throughout GNB by facilitating corporate-wide training sessions for Part 1 people managers. Using a train-the-trainer approach, the department offered a five-part learning series to 1,400 GNB people managers, including four Change Management modules and one Performance Management module. The training was delivered throughout the province during the fall of 2015 and spring of 2016, translating into about 30,000 total hours of training delivered using 20 in-house trainers from nine Part 1 departments.*

Pension and Employee Benefits Division

The **Pensions and Employee Benefits Division** provides high-quality pension and employee benefits services to clients who serve or have served the province. The division administers a number of provincially sponsored pension plans and employee benefits programs for more than 63,000 active employees and 32,000 retirees from Parts 1, 2, 3 and 4 as well as for several quasi-public organizations such as nursing homes and the University of New Brunswick.

The division's stakeholders include about 150 employers, four employee benefit committees and three pension committees. The division provides day-to-day pension administration services under service level agreements with four independent boards of trustees. The division's responsibilities include day-to-day service delivery, policy advice, interpretation, and ongoing support to various boards and committees. In addition, the division provides policy advice to the department on other benefit-related programs (e.g., retirement allowance) and compensation matters.

The division has 81 employees on a full-time, part-time, casual or contract basis and is composed of the following areas: Client Services; Finance, Administration and Information Technology; Pension Policy, Board Support and Member Information Services; and Employee Benefit Policy. These groups are responsible for the collection and remittance of contributions and premiums, insurance claims administration, the calculation and payment of benefits, providing pension and employee benefit

information services to clients, serving governing bodies and committees of pension and employee benefit plans, and supporting corporate policy activities.

The division maintains awareness of developing issues, major trends, risks and events in the pension and benefits industries while providing a highly cost-effective delivery model that incorporates the most modern technologies.

HIGHLIGHTS:

- ◆ *Pension Plan Design: The division is the day-to-day administrator of 11 pension plans. It continues to focus on implementing the significant changes that have resulted from the adoption of shared risk/target benefit models by a number of plans. These include providing information sessions for employees, developing communiqués for employees and employers, updating booklets, forms and online calculators, along with undertaking major upgrades to the pension administration system. Work associated with this major initiative is expected to continue for a number of years.*
- ◆ *Employee Benefit Programs: GNB's employee and retired employee benefit programs are self-insured with third party service level agreements in place for carriers to adjudicate and pay claims. The division is the plan administrator of 15 benefit plans including, group life, accidental death and dismemberment, long term disability, health, travel and dental. There are 136 employer groups participating in the various employee benefit plans. This year a number of activities occurred to enhance employer education and further improve communication with active employees and retirees.*
- ◆ *Employee Benefit Statements: 39,359 employee benefit statements were produced in 2015 for employees, which provided an opportunity to review coverage and beneficiary designations.*
- ◆ *Supplementary Life and Dependent Life: Each May, employees are given the opportunity to increase their life insurance coverage and/or add coverage for their spouse and children. As an optional benefit employees can choose additional coverage at a very low premium rate. This year, 161 employees took advantage of this opportunity.*

- ◆ *Health (active employees): From July 2014 to March 2016, all active employees who had initially declined coverage were given the opportunity to enrol in the health plan with no medical questions asked. As a result of this open enrolment period, 872 employees took advantage of this opportunity and opted for coverage in the health plan.*
 - ◆ *Travel (Retirees): As a result of unfavorable claim experience and an increase in claim costs due to inflationary factors, an increase in the monthly travel rates was required. This is the first rate increase in 14 years.*
 - ◆ *Communication: Educational materials have continued to be developed and distributed. The series of information assists employers and employees with questions about the employee benefit plans. The information is maintained on the department's website and employers and employees are encouraged to visit the website on a regular basis for updated information.*
-

Financial information

Human Resource Management

Fiscal Year Ending March 31, 2016
(\$000)

	Budget	Actual
Personal Services	8,102.7	7,981.6
Other Services	10,886.0	10,637.0
Materials and Supplies	71.0	43.0
Property and Equipment	249.0	109.1
Recoveries	(15,862.0)	(15,470.1)
TOTAL	\$3,446.7	\$3,300.6

The department was underspent by \$146.1.

Summary of staffing activity

Pursuant to section 4 of the *Civil Service Act*, the Deputy Minister of the Department of Human Resources delegates staffing to each Deputy Head for his or her respective departments. Please find below a summary of the staffing activity for 2015-2016 for the Department of Human Resources.

Number of permanent and temporary employees, as of Dec. 31 of each year		
Employee type	2015	2014
Permanent	109	101
Temporary	13	10
Total	122	111

The department advertised 12 competitions, including three open (public) competitions, six closed (internal) competitions, two expressions of interest and one secondment.

Pursuant to section 15 and 16 of the *Civil Service Act*, the department made the following appointments using processes other than the competitive process to establish merit:

Appointment type	Appointment description	Section of the <i>Civil Service Act</i>	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: <ul style="list-style-type: none"> – a high degree of expertise and training – a high degree of technical skill – recognized experts in their field 	15(1)	0
Equal Employment Opportunity Program	Provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities.	16(1)(a)	0
Department Talent Management Program	Permanent employees identified in corporate and departmental talent pools, who meet the four-point criteria for assessing talent, namely performance, readiness, willingness and criticalness.	16(1)(b)	0
Lateral transfer	The GNB transfer process facilitates the transfer of employees from within Part 1, Part 2 (school boards) and Part 3 (Hospital Corporations) of the Public Service.	16(1) or 16(1)(c)	3
Regular appointment of casual/temporary	An individual hired on a casual or temporary basis under Section 17 may be appointed without competition to a regular properly classified position within the Civil Service.	16(1)(d)(i)	0
Regular appointment of students/ apprentices	Summer students, university or community college co-op students or apprentices may be appointed without competition to an entry level position within the Civil Service.	16(1)(d)(ii)	0

Pursuant to section 33 of the *Civil Service Act*, no complaints alleging favouritism were made to the Deputy Head of Department of Human Resources and no complaints were submitted to the Ombudsman.

Summary of legislation and legislative activity

Bill #	Name of Legislation	Date of Royal Assent	Summary of changes
	N/A - None		

The acts and regulations for which the Department of Human Resources is responsible are at:
<http://laws.gnb.ca/en/deplinks?subjectnumber=41>

Summary of Official Languages activities

Introduction

The Department of Human Resources works in partnership with the Executive Council Office – Intergovernmental Affairs on the implementation of strategies and plans on official languages. GNB's *Plan on Official Languages – Official Bilingualism: A Fundamental Value* was launched in July 2015, and work is ongoing to support individual departmental action plans.

Focus 1

Ensure access to service of equal quality in English and French throughout the province:

Strategy:

- Government implemented reporting tools in the area of second-language training to make it more strategic, effective and increase accountability of learners participating in the training program.
- Government implemented additional training opportunities by offering a French immersion program to be delivered as part of the second-language training program.
- Analysis continued to help determine bilingual capacity of the Civil Service to establish a baseline in this area.

Focus 2

An environment and climate that encourages, for all employees, the use of the Official Language of their choice in their workplace:

Strategy:

- All departments and agencies reviewed their linguistic profiles to enable all employees to work in the Official Language of their choice.
- A database reporting tool was implemented to help with regular verification of linguistic profiles for all departments to ensure compliance with new guidelines.
- A departmental linguistic changes tracking tool was implemented for Official Languages coordinators to measure and track linguistic team changes on an ongoing basis.

Focus 3

Strategic means to ensure that new and revised government programs and policies take into account the realities of the province's Official Language communities.

Strategy:

- The government continues to ensure that official bilingualism is included as a fundamental value of the public service and is clearly included in the Code of Conduct of the employees of the Public Service.

Focus 4

Ensure Public Service employees have a thorough knowledge and understanding of the Official Languages Act, relevant policies, regulations, and GNB's obligations with respect to Official Languages:

Strategy:

- Official Languages coordinators in departments and agencies were included in the implementation of a community of practice on Official Languages.
- The Department of Human Resources worked to develop a guide on official languages to support initiatives within the plan on Official Languages to improve knowledge and understanding of the Act.

Conclusion

The work completed by the program manager of Official Languages and the community of practices reinforces that the department's obligations and requirements associated with Official Languages continue to be a significant priority of the Department of Human Resources, both from a lead as well as from a partner perspective. Improvements in supporting programs and systems continue with a focused approach and clear objectives.

Summary of recommendations from the Office of the Auditor General

Name and year of audit area	Recommendations	
	Total	Adopted
2011 Auditor General's Report - Vol. 2 Chapter 3 (3.116) – Transferred to NBISA		

Report on the *Public Interest Disclosure Act*

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the portion of the public service for which the chief executive officer is responsible. The Department of Human Resources did not receive any disclosure(s) of wrongdoings in the 2015-2016 fiscal year.

Appendix

A1: Pension plans

Plan	Year ending	Number of members *	Employee contributions	Employer contributions	Number of pensioners-in-pay **	Pension payroll	Pension fund
<i>Members' Pension Act ***</i>	March 31, 2016	-	2,080	3,461,157	93	3,463,237	N/A
<i>Provincial Court Act and Provincial Court Judges' Pension Act</i>	March 31, 2016	34	450,000	1,308,000	26	1,269,000	43,229,000
<i>Ombudsman Act</i>	March 31, 2016	-	-	-	1	155,225	N/A
Pension Plan for management employees of New Brunswick school districts	December 31, 2015	-	-	-	106	1,316,262	6,629,346
Pension Plan for General Labour, Trades and Services of New Brunswick school districts	December 31, 2015	2,156	3,578,433	5,379,900	1,619	18,696,445	341,257,884
Pension Plan for Full-Time CUPE 2745 Employees of New Brunswick school districts	December 31, 2015	1,060	1,008,599	1,425,099	442	3,323,301	80,065,395
Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick	December 31, 2015	9,661	1,997,682	1,639,533	N/A	N/A	177,142,168

The following plans are no longer being reported as they are now governed by independent Boards of Trustees.

- Public Service Shared Risk Plan
- New Brunswick Teachers' Pension Plan
- Shared Risk Plan for Certain Bargaining Employees of New Brunswick Hospitals
- Shared Risk Plan for CUPE Employees of New Brunswick Hospitals

Number of members includes active, inactive and members on leave.

*Number of pensioners-in-pay excludes deferred pensioners.

**Effective September 23, 2014 all elected Members of the Legislative Assembly enrolled into the Public Service Shared Risk Plan.

A2: Employee benefits summary

	Long-term Disability		Health and Dental		Deferred salary
	General	Nurses and CUPE 1251	Health	Dental	
Plan year ending	30-06-2016	30-06-2016	30-06-2016	30-06-2016	31-12-2015
Number covered *	13,322	6,293	40,830	36,854	38
Number of claims	373	422	N/A	N/A	N/A
Amount of claims	\$7,194,010	\$8,097,594	\$87,824,881	\$19,228,578	N/A
Disability reserves **	\$26,143,000	\$28,823,000	N/A	N/A	N/A
Disability waivers this Year ***	113	129	316	316	N/A
Disability waivers total	373	422	365	369	N/A
Number of Conversions †	N/A	N/A	N/A	N/A	N/A
Conversions charges ††	N/A	N/A	N/A	N/A	N/A

Notes:

* **Number Covered:** Number of employee participants covered – i.e., does not include spousal or child dependants. Health and Dental includes retiree participants.

** **Disability Reserves:** Estimated reserves to fund the future cost for those participants who are deemed disabled.

*** **Disability Waivers:** Participants for whom premium contributions were waived due to disability.

† **Conversions:** At retirement, participants may convert their group life insurance coverage to an individual life insurance policy without the medical evidence requirement.

†† **Conversion Charge:** A charge to the Group Life Plan when a participant elects to convert insurance.

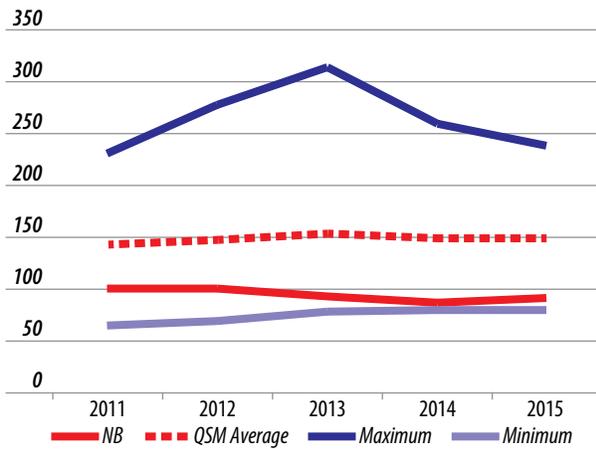
(1) Number of participants covered for EFAP – includes eligible employees of Part 1, 2, 3 and other approved employer groups.

(2) EFAP claims are expressed in terms of accesses to the services.

(3) Program costs are calculated as rate per employee, per month.

	Group Life Insurance			Dismemberment			Employee and Family Assistance Program	
	Basic	Supplementary	Dependant	Basic	Supplementary	Voluntary	Employees	Dependants
Plan year ending	30-04-2016	30-04-2016	30-04-2016	30-04-2016	30-04-2016	30-04-2016	31-03-2016	
Number covered *	36,637	14,570	16,800	36,637	14,570	15,688	45,251 ⁽¹⁾	
Number of claims	58	27	41	88	5	7	3,084 ⁽²⁾	728 ⁽²⁾
Amount of claims	\$2,899,047	\$2,032,899	\$492,000	\$530,667	\$303,769	\$1,599,816	\$1,857,349 ⁽³⁾	
Disability reserves **	\$169,420	\$493,777	N/A	N/A	N/A	N/A	N/A	N/A
Disability waivers this year ***	401	167	195	401	167	184	N/A	N/A
Disability waivers total	1,342	604	704	1,342	604	687	N/A	N/A
Number of conversions †	65	7	0	N/A	N/A		N/A	N/A
Conversions charges ††	\$232,841	\$32,877	\$0	N/A	N/A	N/A	N/A	N/A

A3: Total pension administration cost per total client (\$), (2011 – 2015)



Pensions and Employee Benefits Division is a member of the Quantitative Service Measurement (QSM) Survey along with six other pension plan administrators from across Canada.

New Brunswick public pensions administration cost per client was the second lowest, at \$93 per client. The range of cost within the group was from \$87 to \$234.