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CIVIC AFFAIRS

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PERSONNEL STORY

Fellow Citizens:

On May 29, 1945, the Toronto City Council approved a by-law establishing a new personnel system. The object was to increase efficiency by developing employment at the City Hall into a career service. In this open letter, we describe the important changes initiated by the Council's action and draw attention to the need for three further developments:

1. introduction of in-service training courses for the employees;
2. strengthening of the staff by attracting university graduates into several junior administrative posts;
3. extension of formal appointment safeguards to include heads of departments and deputies.

What's Involved

Like other aspects of local government in Toronto, authority over personnel is divided. The Council has no direct interest in school employees or those engaged by other civic boards, commissions and authorities. The immediate responsibility of the Board of Control and Council comprises all regular civic departments, except police, and extends to the staff attached to the magistrate's courts.

As of September 1st, the group under survey numbered 6,904 persons including 1,552 temporaries. Their wage and salary bill, according to the 1953 Estimates, will reach a total of \$20,580,000 by the year-end. The figure compares with overall appropriations for these departments and applicable expenditures at large amounting to \$43,200,000. Included in the latter are City contributions towards employee pensions, allowances, etc., of some \$1,450,000. Consequently, the cost of manpower will account altogether for more than half the total outlay.

Today, conditions of employment at the City Hall compare with those found in most large industrial concerns. Barring the heads and deputy-heads of departments and five other senior positions, all employees come under a central personnel department. This department is responsible for selecting recruits for the service and qualifying employees for promotion by competitive examination. Bargaining for all except heads and deputies

is handled by three civic unions. The City of Toronto has the union shop. All persons accepted for permanent appointment and temporaries on outside work must join the appropriate union. Only a limited number in top management posts are exempt from membership. Rates of pay and conditions of work are settled under contracts with the unions. The five-day week, sick leave benefits and holidays with pay are the rule; and the entire permanent staff enjoys sizeable pension rights. It is a far cry from the situation of even ten years ago!

Development of the Personnel System

During the war years, attention was drawn to shortcomings in personnel practices by the growth of unions within the service and by the plans for re-establishment of veterans. In January 1945 the City Council appointed a three-member committee to study the situation and recommend changes. The committee's investigations included a field survey of personnel systems in three large United States' cities. The resulting report, which was the basis of the 1945 by-law, covered all the main features of the present system.

A month before the formal by-law was put through, the Council had named a director of personnel. Initially his office was attached for record purposes to the City Clerk's Department; in June 1950, it became a separate department. Numerically, the office is still small--fourteen people all told--but it performs staff services of vital importance to all parts of the municipal service.

The first job of the personnel director was to establish a central employment registry containing adequate descriptions of the work performed by all employees and the qualifications required for each position. More important, the new registry was tied in with a complete re-survey of all civic positions. The purpose was to fix comparable pay scales for all work demanding equivalent performance. It was a long job. First, ladders were prepared grading the positions within each department from the lowest to the highest rating. Then comparisons were made between one department and another and, when uniform grades had been established across the board, rates of pay were assigned. The re-survey, which began in 1946, took until early 1947 to complete. The new position descriptions, including a clear distinction between permanents and temporaries, and the revised wage plan were adopted by City Council on March 31, 1947. To implement the new pay scales required special increases in 1947 totalling \$666,000 together with some \$160,000 for the Police Department.

The full dividends to be realized from a comprehensive job classification and rating plan required adoption of the merit system in appointments and promotions. Again, the way had been cleared for the change in the 1945 by-law. Under its terms, heads of departments were to furnish the personnel director with precise qualifications for all positions. All job classifications were to be routed through the personnel department and the director was required to give public notice of vacancies and secure detailed statements of qualifications from those who applied.

On May 12, 1947 the merit system was formally adopted by the City Council. The essential features of the plan are as follows:

1. With the exception of labourers and temporaries, candidates for original appointment or promotion shall be selected on the basis of competitive examination.

2. For each position classification, the Personnel Director decides whether to hold a Promotional Examination (with competition restricted to present employees), an Original Entrance Examination (open competition), or both.
3. The method of conducting tests may be by written or oral examination, demonstration of physical capacity or skill, evaluation of training and experience or some combination of these techniques.
4. In order to qualify, candidates must secure an overall examination standing of at least 70 marks out of 100. Successful candidates will then be awarded $\frac{1}{2}$ mark bonus for each year of civic service up to a maximum of 15 marks.
5. Eligible lists are prepared by the Director of Personnel according to the total marks awarded. These lists form the basis of staff selection for vacancies under authorized position classifications.
6. For any one vacancy, the Department Head is entitled to select from the three highest rated applicants. Where there is more than one vacancy in the same position classification, the list must include one extra name for each additional person required. In preparing the list for the Department Head, preference is given to present or former permanent employees. All other things being equal, a person with military service will have first chance at an appointment.
7. Original entrants are admitted for a probationary period of six months and are then appointed to the permanent service on a satisfactory recommendation by the Department Head.
8. Permanent appointments and promotions must be recommended by the Director, considered by an Advisory Personnel Committee and approved by the Board of Control and City Council.

As yet, competitive examinations have not been extended to all types of employment. The first promotional examinations were instituted in September 1947, and original entrance examinations for clerical positions began the following year. Now all clerical, supervisory and junior executive positions are filled only after examination. Testing has also been introduced for certain operating and maintenance positions such as automotive mechanics, gardeners, etc. In cases where there is no examination, a list of applicants is prepared according to seniority. The Department Head interviews the applicants and selects the person who in his opinion is best qualified. He must, however, give adequate reason to the Personnel Department for passing over any applicant with greater seniority.

All three civic unions were certified as bargaining agents for their respective employees on December 8th, 1943. The union shop was established in the case of Local 43--the outside workers--on March 5, 1945. Although similar agreements were not confirmed with the other two unions until May 27th of the following year, it was natural that some responsibility for dealing with the unions should be recognized in defining the duties of the Personnel Director. He was instructed under the original by-law to confer with the bargaining agents of the civic unions on grievances relating to any personnel matter or arising out of individual employment problems. This has become a significant part of the Director's work. Nevertheless, the more important recognition of union rights was found in the competition of the Advisory Personnel Committee.

The Advisory Committee was established as counsel both to the Personnel Department--in developing regulations, deciding the form of examinations and so forth--and to the Board of Control--in assessing proposals for appointments and promotions and similar matters that must be referred to it. Additionally, the Committee acts as a board of appeal for the employees on personnel regulations.

Considering its duties, it is significant that the seven Committee members include three heads of departments chosen by their fellows, one representative from each of the three unions and one member of the Board of Control. The scheme is quite similar to the Whitley Councils that have proven so valuable in the industrial field in England. It assumes that labour and management can work together to solve many of their problems. And at our City Hall, the method seems eminently successful.

The Personnel Director is not a member of the Advisory Committee, but he sits in on all their deliberations. He is given a full opportunity to lay his plans before the members and his recommendations, even if opposed by the Committee, are brought before the Board of Control where the Director may speak to them. Indeed, the Committee's role is strictly advisory. Executive authority and policy decisions lie with the Board of Control; staff servicing and execution of policies are entrusted to the Personnel Director.

In the space of a few short years, notable advances have been made in man management at the City Hall. The development of accurate job classifications and scientific pay scales is in itself no mean accomplishment. Recommendations on the size of departmental establishments are developed through three-way conferences of the Chairman of the Advisory Committee (the Board of Control's representative), the Director of Personnel and the Department Head. This enables the Board of Control to base its decisions on adequate facts and authoritative opinion. Monthly reports on departmental strength expose the use being made of temporaries and indicate the number of permanent vacancies.

The system of examinations is sound and makes full use of modern techniques. In practice, every position filled by examination includes an oral board, sometimes preceded by written or practical tests, or both. Orals are conducted by three to five-member boards recruited from department heads and other high-ranking officials many of whom are brought in from outside the service. Every interview is tape-recorded and so can be reviewed by the board members. Unsuccessful applicants are also encouraged to hear the interview played back and to go over their written papers with a personnel official.

Present Shortcomings

Recognizing the advances that have been made, there is yet one fundamental weakness in man management to be overcome if the central personnel system is to achieve the best results. With the objective of building a career service, senior positions other than those requiring a professional standing are in nearly every case filled by promotion from within. As the system now operates, it would appear that standards are too low, particularly in the case of administrative and executive positions.

Most new recruits to the civic service begin work in the lowest positions on routine or labouring jobs, although a heavy turnover forces the personnel department to fill some intermediate positions directly

from outside. In the clerical field, for example, the lowest starting salary is \$35 a week for grade 5's. A large number are also started in the next higher grade at \$42, while competitions are necessary to fill some of the grade 3 positions at \$45 per week. But promotions are relied on for virtually all higher grades.

If the starting pay were the only problem, the system would not perhaps be too unsatisfactory. However, the emphasis in promotional exams is on practical and mechanical efficiency rather than imagination and breadth of knowledge. In an address some time ago the Personnel Director made this comment in regard to the written examinations for clerical positions: "Before bringing applicants before an Oral Board, we determine that they are reasonably proficient in simple arithmetic, spelling of words in everyday use, meaning of words which are commonly used and that they at least have a reasonable knowledge of general everyday matters, particularly those pertaining to the City of Toronto."

The formal educational requirements for administrative and executive positions offer further evidence of the attitude that is taken currently. Other than positions for which a professional standing is mandatory, there is scarcely a post in any department that calls for more than "secondary school or approved equivalent". An exception is found in a few of the most recent position classifications, particularly those established at the request of the Department of Welfare. On the other hand, elementary schooling is still all that is needed for several responsible posts. Again, the fact that the Personnel Department does not maintain records of the actual formal education obtained by its employees shows how little emphasis is placed on this qualification for civic employment.

Many of the present employees at the City Hall joined the service at a time when less importance was attached to formal schooling than is the case today. Also, in the depression years, it was a blunt necessity for many young people to leave school early. But conditions have greatly changed. Today, for certain types of careers, university training is not the exception but the rule.

Administrative Posts: The City of Toronto is fortunate in having a university whose large enrolment is heavily subsidized from Provincial funds. High employment, coupled with generous scholarships and bursaries, has opened the door to young people who are able and interested. Other opportunities for advanced training parallel the advantages of the university. Surely the City Hall should make a conscious effort to tap these rich sources of manpower for some of its administrative posts.

To do so would require the extension of open competitions for original entrance to a selected number of new intermediate positions. The type of examination would have to be modified to reduce the emphasis now placed on familiarity with routine procedures and practices. The duties of the job would have probably to be broadened so that those with more training back of them could learn at their own speed. As a protection to present employees, preference in appointments could continue to be given to people already employed in the civic service. Their prime need, however, is for in-service training opportunities.

In-Service Training: Few people, today would question the advantages of developing municipal employment as a career service where internal promotions are encouraged. Nevertheless, closed competitions which barr outsiders from seeking the better positions can riddle the service with incompetents if those who come in at the bottom are not given a good chance

to improve themselves. An apprenticeship relationship between the employee's present position and the one above him is a help. But in-service training should include regular courses, laid out in cooperation with the schools and the university. The Personnel Department is sympathetic with this objective. However, until definite action is taken, present employees will be disposed to block any significant extension of open competitions. For they will see their own futures too plainly threatened.

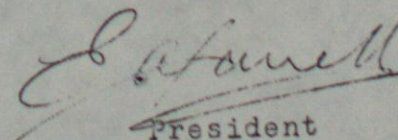
Top Appointments: In spite of the need for further improvements, it should be recognized that Toronto's civic service offers better guarantees of good personnel management than most if not all provincial governments. The system rates high among municipalities on this continent and compares favourably in many of its features with the Federal service. For all this, the major credit should go to our elected representatives. In the circumstances, they should be quick to realize the advantage in extending similar safeguards to the top level appointments that they alone control.

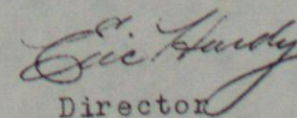
According to provincial law, the Board of Control is required to nominate all heads of departments and sub-departments in case of a vacancy -- a rule that was violated earlier this year. Appointments must be confirmed by the Council, but a two-thirds majority is needed to override the Board's recommendation.

When the Board of Control is called upon to name a department head or other senior official, its members may choose to canvas the service and interview all prospects beforehand. But there is now no assurance that they will do so.

One of the aims of the central personnel system has been to encourage inter-departmental transfers. The objective is to develop persons with more diversified experience and to increase the opportunities for advancement. Consequently it can no longer be assumed that the choice for a deputy or a commissioner's post should be made from within the department.

It is recommended that the Board of Control introduce a by-law providing for a formal selection procedure. While a written examination may not always be feasible, the by-law should require that applications be invited throughout the service and that qualified candidates be interviewed by the Board with the assistance of whatever experts it chooses. The move would do much to round out the merit system.


President


Director