

Sector Review

Organizational Health & Wellness Trends in the PUBLIC SECTOR

Insights from the WarrenShepell Research Group



WarrenShepell


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EXECUTIVE SUMMARY

The purpose of this study was to gauge how provincial and municipal government employees are coping with current and changing conditions in their work environment and to identify unique employment issues that set them apart from employees in other occupational sectors. We found the following:

1. The provincial and municipal government sectors utilize EAP to a greater extent than other sectors. Utilization is highest for the provincial sector, where it is increasing.
2. Anger symptoms have increased nine times in the provincial government sector over the last three years. They are currently running 48% above national norms.
3. Depression symptoms have doubled in the municipal government sector over the last three years.
4. Levels of personal stress are high and on the rise for both provincial and municipal workers, at approximately 10 per cent of all cases.
5. At 22.6 per cent of all cases, marital and relationship problems remain the most frequently presented issue among provincial and municipal workers, as they are across all sectors.
6. Relative to other sectors, provincial employees are accessing more work/life services over 'traditional' mainstream EAP counselling. The reverse is true for municipal employees.
7. Among municipal employees, access to legal services for issues related to separation, divorce and child custody are approximately 15 per cent higher than the national norm, and access for issues related to child support 66 per cent higher than the norm. The same pattern is not seen in provincial workers.

The government sector is undergoing significant changes to become more efficient and results-oriented. To achieve this, the sector is adopting human resource and management practices from the private sector to transform the way that work is done. The rapid and radical nature of the changes suggest a potential for higher employee distress, turnover, and lower performance in the future. Levels of stress, depression and anger may emerge as critical issues for the sector. However, governments are only beginning to transform. The experience of WarrenShepell in serving the government sector strongly suggests that EAPs, and particularly work/life services, can be valuable additions to change management strategies as means of supporting and leveraging employees in times of upheaval. By marrying these two initiatives, government employers and EAP providers become partners in renewal.

THE INDUSTRY

The public sector is a complex web of general government, pension plan, and government business enterprises. There are three levels of general government: federal, provincial/territorial and local (i.e., municipal). The federal and provincial general governments include ministries, departments, and agencies. Local general government includes municipalities. This report focuses on EAP trends in the provincial and municipal general government sectors.^a

According to Statistics Canada, over 2.9 million Canadians were employed in the public sector in 2003, accounting for 17% of the labour force. Of that, roughly 2.6 million work in government. The provincial and municipal governments account for 349,820 and 362,362 employees, respectively. When these numbers are restricted to 'public administration', these numbers fall to 222,500 and 244,500, respectively^b.

a The federal government differs from provincial and municipal governments in workplace issues and EAP trends. The former will be the subject of a future report. To simplify discussion, provincial and territorial general governments will be referred to as the 'provincial sector.' Local general governments will be referred to as the 'municipal sector.' The provincial and municipal general governments will be collectively referred to as the 'government sector.'

b Public administration is a more specific occupational category used by Statistics Canada.

The 1990s were a period of significant downsizing in the public sector due to restructuring, tight budgetary controls, and program cutbacks. Provincial governments shed 22% of their workforces between 1991 and 1996 compared to 15% at the federal level. This was during a period when the average Canadian industry expanded its workforce by 1%. Although public sector employment recovered somewhat between 1999 and 2002, the vast majority of re-employment (95%) occurred at the federal level.

The government sector is in the midst of a rapid transformation in line with the New Public Management philosophy (NPM). By improving processes, monitoring performance, and restructuring at all levels, the government sector hopes to become more efficient, customer-focused, and results-oriented. Financial management and accountability have become the new mantras. It is estimated that four-fifths of public sector organizations improved their organizational and management

structures between 1998 and 2000 - twice the rate of change recorded for the private sector. Clerical occupations are disappearing in favour of knowledge-based occupations (e.g., managers, professionals, technical specialists). As knowledge work requires continuous improvements in information technology, it is not surprising that the public sector leads the private sector in technological change by a 41% margin.³

A key ingredient in public sector renewal has been the adoption of private sector HR practices to better manage and motivate employees. Government workplaces are moving away from multi-layered, bureaucratic ways of working to more fluid and flatter structures. Additionally, a growing number of governments are entering into public-private partnerships (P3s) - a variety of short- and long-term contracts with private sector companies to deliver public services. The goal of P3s is to eliminate debt and deliver lower-cost services. Governments are also divesting service delivery functions in the quest for efficiency and results.

THE EMPLOYER/EMPLOYEE EXPERIENCE

Government employees are generally better paid than employees in other sectors. The average weekly earnings in public administration positions is \$882.00, compared to \$702.97 for all sectors combined. Pay at the federal level is highest at \$1,043.49, compared to \$833.63 and \$733.54 at the provincial and municipal levels, respectively. Mean annual wage increases in the provincial and municipal sectors are comparable to other sectors with collective agreements, though slightly lower. Work hours in the government sector range from 32-34 hours per week, similar to the national norm. Job stability tends to be highest in the public sector compared to the private sector.⁴ This is partly due to previous permanent layoffs and low 'quit' rates in the public sector.

The nature of work is radically and rapidly changing in the government sector. In accordance with the New Public Management, narrow jobs have become enriched, enlarged, and more fluid. More information and decisions are delegated to self-directed teams. Work arrangements are more flexible, with increased overtime.⁵ The use of 'flexible job designs' in the government sector is now triple that of the private sector in Canada.⁶ However, their increase in

the public sector is a double-edged sword. One employee's 'empowerment' can be another employee's off-loading of tasks. Flexible job designs are intrinsically rewarding, but there is also a potential for work intensification. Indeed, flexible job designs are most likely to be found in government work units with higher public accountability pressures, budgetary constraints, and volumes of work. Flexible job designs may also breed more role ambiguity.

Employer-union relations can also impact the employer-employee experience. Regular strikes, accompanied by lack of control, certainty, and less pay can elevate stress levels. Anger and hostility on both sides of disputes can make for a chilly organizational climate both during and after strikes. Additionally, although job stability is high in the government sector, employees must live with the fear that changes in elected governments may lead to program and department cuts.

Age & Gender

The mean age of provincial government workers in 1997 was 42 years - up from 34 years in 1976. This partially reflects widespread downsizing of younger workers in the 1990s and hiring freezes. At the federal and provincial

levels combined, close to 60% of the workforce have more than 10 years of seniority. The proportion of older workers is also increasing. The most significant employee growth group for governments in general is 45- to 54-year-olds. They now account for 30% of government workforces. While the Canadian population in general is aging, this trend is more pronounced in the public sector. Statistics Canada reports a higher percentage of older workers in the public sector compared to the private sector.⁷ The general government population, specifically, is aging more rapidly than the private sector.⁸

With respect to gender, women (52%) have exceeded men in the provincial government since the early 1990s. However, the split is exactly reversed for public administration across Canada. One interesting finding is that public administration workers across Canada, on average, lose more days of work annually (10.28) than goods-producing industries (8.78) and other service-producing industries (8.58). Female public administration workers, alone, lose an average of 12.10 days per year.

Language / Culture / Ethnicity

Little information exists on language, culture and ethnicity factors in the provincial and municipal sectors. However, the employee base is likely diverse as a result of strict compliance with Canada's Employment Equity Act. By analogy to the federal government (where diversity is increasing), aboriginals, visible minorities, and persons with disabilities stood at 10% in 1997. As baby-boomers are replaced, government workforces are expected to become more culturally-diverse.

Education

Information is lacking on education levels in the government sector. Statistics Canada reports that compared to other sectors, the public sector employs a greater proportion of university graduates.⁹

Training

While little information exists for the provincial and municipal governments, training in the public sector, in general, appears prevalent. One study found that nearly every public sector employer provided training when technological changes were introduced, compared to half of private sector employers. Studies suggest that governments, in general, train more than most Canadian employers.¹⁰ On average, 68% of general government

workers receive training. Over 90% of government units report professional and technical training. One-third of all government training is employee-initiated.¹¹ Despite the prevalence of training in governments, some critics claim that training is insufficient to match the rate of organizational and technological change.¹²

Training in the government sector is related to the use of flexible job designs, which are likely required to cope with greater work demands.¹³ It is important to consider that continuous training, in and of itself, can be a stressor for some government employees, especially if it is matched to the accelerating rate of technological change.

Unionization

Government units are highly unionized, especially those that deliver public services (85%). Unionization is less prevalent among regulatory units (71%). There are also significant differences between 'core' (82%) and 'outside core' units (57%). These rates are still much higher than the rate of unionization in the private sector (18%). The extent of union involvement in government workplaces is correlated with the severity of budget constraints.¹⁴

The quality of labour-management relations in the government sector has been strained in recent years. During the 1990s, over 70% of elected federal and provincial governments cut their operating costs by imposing unilateral legislation which bypassed the collective bargaining process.¹⁵ The cuts affected wages and other working conditions.

Three organizations account for most of the union activity in the government sector. The Canadian Union of Public Employees (CUPE) has over 500,000 members across Canada, including workers in municipalities and social services. The National Union of Public and General Employees (NUPGE) is a family of 15 unions including many provincial public unions. Most of its 337,000 members deliver public services. NUPGE includes the Ontario Public Service Employees Union (OPSEU). The Public Service Alliance of Canada (PSAC), while representing many federal employees, also represents most government employees in the Yukon, Nunavut, the Northwest Territories, as well as employees in some municipalities.

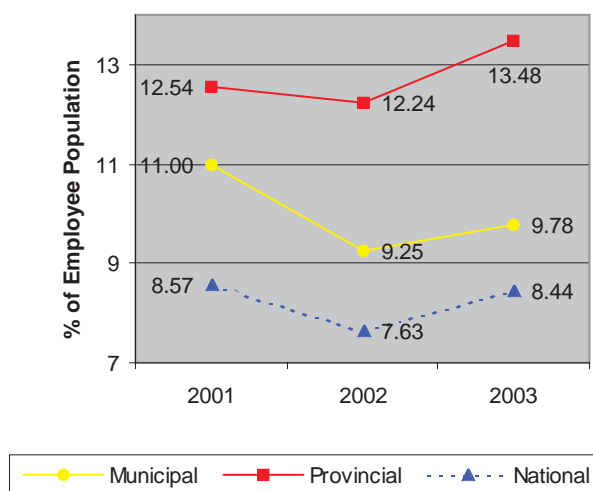
c Due to illness, disability, and/or personal/family responsibilities.

EAP TRENDS

Average Utilization

EAP utilization in both the provincial and municipal sectors runs slightly above the national norm (three-year averages 12.75% and 10.01% versus national norm 8.21%).^d However, while utilization in the municipal sector has generally decreased over the last three years (11.00% in 2001 to 9.78% in 2003), it has generally increased in the provincial sector (12.54% in 2001 to 13.48% in 2003). EAP utilization in the provincial sector exceeded the national norm by over 5% in the last year of study (i.e., 2003).

Figure 1. Trends in Total EAP Utilization



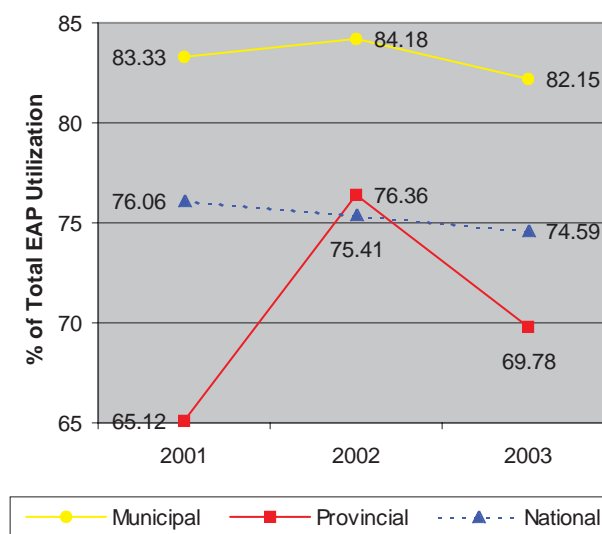
Similar to the norm, most EAP utilization in the government sectors is accounted for by individuals accessing services for the first time. However, the provincial and municipal sectors are seeing more frequent re-accesses for new problems relative to the national norm (three-year averages 45.49% and 41.45% versus national norm 38.82%). New accesses are also trending up in the provincial sector (40.80% in 2001 to 49.75% in 2003), similar to the national norm, but at a faster rate.

EAP and Work/Life Services Utilization Ratio

Mainstream counselling services account for the bulk of EAP access in the provincial and municipal sectors. This is similar to the national norm, where they account for

75.35% of all accesses. However, they account for almost 5% less EAP access in the provincial sector (70.42%) and almost 8% more in the municipal sector (83.22%). Thus, municipal sector employees are accessing 'traditional' EAP services at a higher rate than other types of employees, especially those in the provincial sector.

Figure 2. Trends in Mainstream EAP Utilization



Mainstream Counselling Presenting Issues

The provincial and municipal sectors do not differ greatly from the national norm on the kinds of issues they present in mainstream counselling (i.e., similar rates of presentation, similar rankings). Marital and relationship discord is the most frequent issue, similar to national norm (three-year averages 21.79% and 23.30% versus 22.74% national norm). While the prevalence of this problem is fairly stable at the national level, it has trended downwards in the provincial sector (24.03% in 2001 to 18.25% in 2003).

The municipal sector is trending up in personal stress, similar to the national norm (9.52% in 2001 to 10.62% in 2003). Unlike the norm, the municipal sector has seen a doubling of depression symptoms in the past three years (3.17% in 2001 to 6.42% in 2003). Additionally, anger symptoms have increased nine times among provincial employees (0.31% in 2001 to 2.92% in 2003), surpassing the national norm of 1.97% in 2003. Time will bear out whether these trends represent emerging issues for these sectors.

^d The provincial percentage always precedes the municipal percentage when three-year averages are presented and compared.

Figure 3. Depression Symptoms

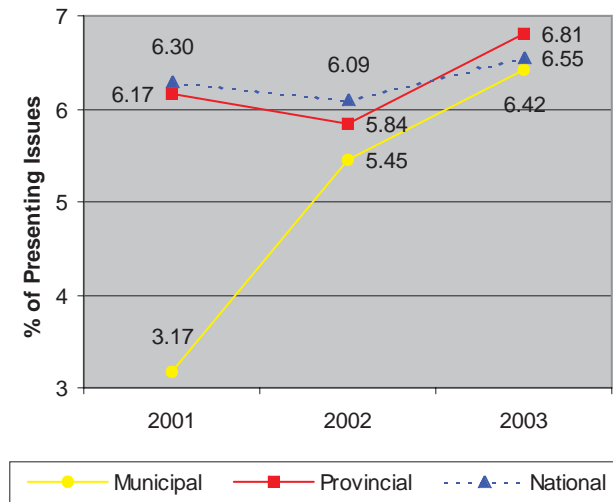
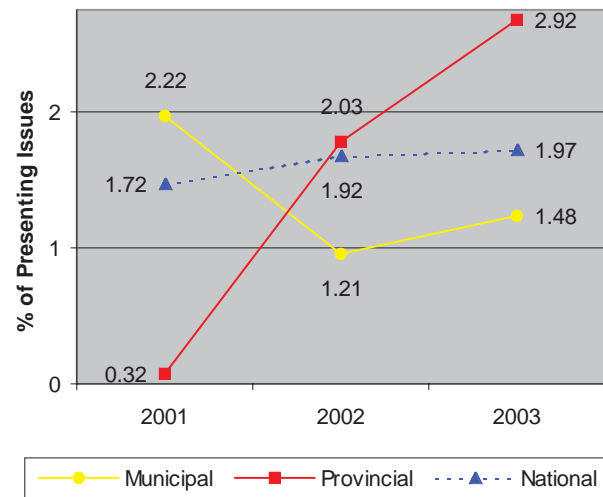


Figure 4. Anger Symptoms



Work/Life Presenting Issues

Legal services are the highest-utilized work/life program in both sectors, similar to the national norm. However, they are utilized less by municipal employees (three-year average 12.45% versus national norm 14.92%). This reflects a general trend among municipal employees to utilize mainstream services more than work/life programs.

Provincial employees access more legal services than the national norm (three-year average 16.44% versus national norm 14.92%) as well as slightly more financial (three-year average 4.35% versus national norm 3.63%) and nutritional work/life services (three-year average 3.70% versus national norm 1.80%). When comparing the sectors on three-year averages, municipal employees are accessing legal (16.44% versus 12.45%) and nutritional services (3.70% versus 0.69%) less often than provincial employees.

When specific legal presenting issues are examined, a conspicuous pattern emerges within the municipal sector. Relative to the provincial sector and the national norm, municipal employees report more problems related to family law (three-year averages 20.33% and 23.31% versus 19.56% national norm), marital dissolution (three-year averages 17.09% and 22.90% versus 20.86% national norm), and child support (three-year averages 5.97% and 9.19% versus 5.53% national norm). Child support issues are also trending up for municipal employees (3.92% in 2001 to 14.75% in 2003). So, too, are custody and visitation issues,

similar to the norm (3.92% in 2001 to 8.20% in 2003). Among financial presenting issues, municipal employees present more debt and credit-related issues (three-year averages 58.19% and 74.08% versus 60.95% national norm).

Other trends to note

Reports of 'high' stress at intake are similar across sectors and with respect to the national norm (three-year averages 41.29% and 42.67% versus 43.00% national norm). The degree of urgency that individuals report is slightly less than the norm (i.e., presenting issues as 'urgent' or 'life-threatening' - three-year averages 39.97% and 37.93% versus 41.74% national norm). This signals that government employees may be accessing EAP more freely in the absence of immediate problems, perhaps for preventive or maintenance reasons. Government employees may also be more comfortable using EAP services, as it has been a well-established component of their benefits plan for many years.

With respect to gender, most accesses in the provincial and municipal sectors are made by women (three-year averages 69.66% and 62.54% versus national norm 64.15%). While this reflects the predominance of women in some government sectors, it also serves as a reminder to government employers that employment relationships need to be gender-sensitive. Additionally, the rate of EAP access among spouses is higher in the municipal sector (three-year averages 8.26% and 15.42% versus 10.77% national norm).

With respect to age, the majority of EAP accesses in both sectors are made by individuals who are between 30 and 49 years of age. However, the rates for this group are higher than the national norm (three-year averages 69.04% and 69.14% versus 62.22% national norm). This may reflect a growing number of older workers in the government sector. Unlike the norm, there is also a growing number of 20- to 29-year-olds and individuals over 50 in both sectors

who are accessing EAP. In particular, the proportion of 20- to 29-year-olds in the provincial sector who accessed EAP increased two-and-a-half times in three years (4.55% in 2001 to 11.42% in 2003). The increase for this age group was less steep within the municipal sector (9.47% in 2001 to 12.77% in 2003). At the national level, it is the 30- to 49-year-olds that are increasing their access to EAP.

TRENDS AND APPROACH TO ORGANIZATIONAL HEALTH

A recent study found that employee burnout and fatigue, hiring and staffing, and loss of experienced workers are among the biggest challenges faced by government sector managers.¹⁶

The New Public Management philosophy appears promising as a framework for government renewal. However, despite the inherent logic in the approach, the changes may be viewed as too radical or rapid for some government employees who are accustomed to status quo ways of working. At the employee level, many of the changes translate to greater amounts of employee involvement and participation. While 'enabling' employees can improve both job performance and satisfaction,¹⁷ it may also lead to higher levels of stress. Increased autonomy can lead to greater workloads and role ambiguity. Sharing more information with employees can also be stressful when technological advances enable the creation and acquisition of greater amounts of information. Since governments are transforming at a much quicker pace than the private sector, the changes may be occurring too rapidly at times for even the most change-supportive employees. Research indicates that public sector employees, on average, are less flexible and adaptive than their private sector counterparts when faced with change.¹⁸ Other studies suggest that public sector managers are more adversely affected by organizational change than their counterparts in other sectors¹⁹ - a sobering fact given the importance of change leadership.

The proliferation of public-private partnerships (P3s) may also impact the future health of government workplaces. While P3s may confer tangible benefits to governments in terms of efficiency and results, there are widespread perceptions among government employees and unions that P3s will degrade the quality of public service (e.g., reduced

access, environmental risks). Time will tell whether P3s are beneficial or detrimental to the public good. In the meantime, government employees with a strong sense of public service motivation may experience high levels of stress that impact their health and job performance. Additionally, although job security is high in the public sector, the threat of future downsizing under private management remains a concern for engaged government employees. Research indicates that the public sector employees who are most highly invested in their jobs are the most adversely affected by job insecurity. The outcomes are more negative job attitudes, more health problems, and higher levels of psychological distress among the employees that governments most wish to retain and enlist as stewards of change.^{20 21}

Attraction, recruitment and retention will continue to be challenges for government organizations in the midst of renewal. On the retention front, more than one study indicates that public sector employees are less committed to their organizations than private and non-profit sector employees.^{22 23} Furthermore, cynicism towards change and a lack of trust in management have been found to lower organizational commitment and retention among public sector employees.²⁴ Best practices in change management will help stem the outflow of stressed and disaffected employees. However, change-related stress will be unavoidable in many cases. EAP programs add value to change management programs by providing appropriate buffers. The importance of EAP is further reinforced when the pace of change is considered. External pressures on governments will not allow for a gradual or piecemeal 'revolution' of government work. Hence, the stress prevention aspects of even the best change management programs may be stretched to capacity in the haste of change.

On the attraction and recruitment front, the aging population has resulted in a smaller pool of young candidates entering the workforce each year. The war for talent is heating up in an era when two-thirds of university graduates state a preference for working in the private sector.²⁵ Graduates are also increasingly being wooed by foreign employers. While government pay is relatively higher than in other sectors, government employers must employ additional strategies to attract the best and the brightest from a diminishing pool of recent graduates. A recent study identified non-wage factors such as benefits and work-life balance as key elements for enabling governments to become 'Employers of Choice' among the 'Nexus' generation.²⁶ EAP programs, especially ones that offer work/life services, are a form of non-wage benefit that enable employees to achieve balance. With respect to the provincial government employees examined in the current study, prevalent use of work/life programs may be one reason why they report only average levels of stress in a sector that is witnessing rapid change.

Government employers should take special heed of rising depression and anger rates in the context of attraction and recruitment. A recent study identified six goals that Canadian public sector organizations are setting in order to become Employers of Choice. Employers contend that

public sector work must be *continuous learning-based, knowledge-based, multi-skilled, creative, flexible and responsive, and collaborative*.²⁷ These goals would be difficult to meet with a depressed workforce. With depressed mood often comes cognitive, motivational, and behavioural deficits.^{28, 29} Absorbing knowledge, applying one's skills and learnings, deriving creative solutions, and responding to problems in a timely manner all require the full extent of one's cognitive and motivational resources. Since depressed individuals also suffer social skill deficits (e.g., social anxiety, low social motivation), collaboration is also difficult.³⁰ Anger, as a social emotion, also weakens collaboration. Hostility, combative interpersonal styles, and especially verbal and physical aggression can poison team cohesion and lead to chilly organizational climates.³¹

It is important for government employers to understand that their efforts to transform work may fall short if the changes are not managed in a way that preserves and enhances organizational health. Current levels of depression, anger, and stress among employees may not be a cause for immediate alarm. However, given that governments have only begun to transform the way that they work, these mood problems may yet emerge as proverbial spanners in the government works.

THE WARREN SHEPELL RESEARCH GROUP

The WarrenShepell Research Group has been formed to gather, analyze and provide commentary on organizational health trends that affect our clients, their employees and families. Collecting and disseminating data about mental health issues, linking with some of the industry's highest profile research institutes and individual scholars, and drawing from our 24 years of expertise in the industry, the WarrenShepell Research Group's mandate is to help our clients and the broader business community understand the intricacies and the impact of poor mental health, work/life imbalances and related issues in our workplaces and in our communities.

The EAP findings contained in this report are based on WarrenShepell proprietary data. The report is supported by a large body of academic and survey research. Most references to this research have been omitted for space considerations. They are available upon request.

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