



## HOW THE CANADIAN ARMY CAN SPEND ITS SALARY WAGE ENVELOPE

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### JCSP 50

#### Service Paper

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# **HOW THE CANADIAN ARMY CAN SPEND ITS SALARY WAGE ENVELOPE**

## **AIM**

1. This service paper aims to outline current challenges experienced by the Canadian Army (CA) in expanding its Salary Wage Envelope (SWE) for public service employees and provide recommendations for its efficient use. This paper intends to give the CA Comptroller and CA leadership ideas to improve SWE outcomes across all levels of the CA, which will, in turn, enhance operational output. This paper will recommend a simple phased option, but should it be endorsed fully or in part, further analysis of the exact implementation method should be conducted to ensure it respects each Level 2s (L2) particularity and is congruent with all applicable policies.

## **INTRODUCTION**

2. Over the past many years, the CA has experienced difficulties expending all the funds from its SWE allocation. Hundreds of thousands of dollars are returned at the end of each fiscal year (FY). In FY 2021-2022, the Ombudsman reported that the CAF returned \$618,505 in SWE, which represents eight percent of its total budget that year.<sup>1</sup> The surplus creates lost opportunities for the CA and its subordinate units and an added burden as the Canadian Armed Forces (CAF) and the Department of National Defence (DND) attempt to reallocate the funds and utilize them at the last minute, usually unsuccessfully.

3. Consequently, the CA Comptroller seeks input from the Joint Command and Staff Program 50 for potential solutions.<sup>2</sup> What is important to understand is that the CA's inability to spend its SWE allocation is a symptom of more significant, widespread issues in the processes surrounding SWE. This is especially witnessed in activities such as the hiring of new employees but is also relevant to a variety of others being conducted by managers across the CA, such as promotions, acting assignments, temporary and casual hires, and approval of allowances, all of which affect the SWE.

4. The paper will discuss current challenges and relevant policies and practices affecting the CA's ability to spend SWE. These challenges can be categorized under authorities, personnel, and processes, which will be further elaborated below. The paper will then recommend changes to processes and structures to alleviate these challenges, thus enabling the efficient use of CA SWE and offering secondary benefits such as improved retention.

## **DISCUSSION**

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<sup>1</sup> Canada, "Annual Report 2021-2022, Report of the Office of the Ombudsman for DND and the CAF for the MND," (Ottawa, 2022), 21

<sup>2</sup> LCol John Cochrane, "Research Topics, JCSP 50 Academic Year 2023/24," Canadian Forces College, (Toronto, August 2023), 6

## Authorities

5. The first issue with the management of SWE pertains to authorities. Policies relevant to the expenditure of SWE mainly include The Instrument of Delegation of Labour Relations, Human Rights, and Political Activities Authorities, Defence Administrative Orders and Directives, and directives issued by the Assistant Deputy Manager – Human Resources – Civilian (ADM-HR(Civ)).<sup>3</sup> Together, they form the body of authorities, delegations, and processes for managing public service employees and associated SWE. Managers, from the Deputy Minister of National Defence (DM) to level (L) 7s or section commanders, usually of the rank of sergeant, are accountable to that body of rules while exercising managerial duties for public service employees. These duties include simple things such as approving leave to more complex activities such as hiring new personnel, with dozens of other activities in between. Each is different and entails its own set of complex rules and processes that involve several other stakeholders, such as human resource advisors, compensation specialists, grievance specialists, security clearance authorities and training and accreditation personnel. The manager is responsible for coordinating the role of each of these stakeholders in the process. They need to ensure each of their files is moving along through every step of the process and resolve problems as they arise. It is cumbersome, time-consuming and requires specific expertise. Civ HR activities are particularly complex, and the necessity to be well-versed cannot be overstated to ensure tasks are completed appropriately and on time.

6. Those conditions create a barrier for the average military supervisor or manager to become effective in managing public service employees. The plethora of online courses that managers must complete before exercising their authority is supposed to address the knowledge requirement. However, the sheer number of them and the general complexity of the topics in question make them barely useful. For example, the Supply Administration Officer of a Base Supply platoon, generally of the rank of Master Warrant Officer (MWO), who manages one or more public service employees, needs to complete 25 mandatory courses to exercise their managerial functions according to ADM-HR(Civ), Director General Workforce Development Defence Learning Calendar (DLC) for Fall 2023.<sup>4</sup> According to the DLC, this accounts for 71 hours of training that the MWO must complete before starting their job. Similar training requirements apply to all supervisors or managers of civilian personnel from the DM to the section commander. These courses are above any trade or job-specific courses and their daily duties. Notwithstanding that, many HR cases are often unique and require knowledge beyond what the online courses provide. Once the required courses are completed, managers and supervisors are accountable for the associated laws and policies regarding any civ HR activities they engage in. General observations suggest they are too complex for supervisors and junior

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<sup>3</sup> Canada, “Instrument of Delegation of Labour Relations, Human Rights, and Political Activities Authorities,” (Ottawa, August 2019); Canada, “DAOD 5005-0, Civilian Human Resources Management,” (Ottawa, February 2003)

<sup>4</sup> Canada, “Defence Learning Catalogue”, (Ottawa, October 2023), 21-22; Canada, “DAOD 5005-0, Civilian Human Resources Management”, (Ottawa, February 2003)

managers to be accountable and effective in that domain. They must rely on specialists for advice and support.<sup>5</sup>

## **Personnel**

7. This leads us to the second issue affecting SWE expenditure: the lack of personnel. This is true both within the military workforce and the civilian one. The CAF is well known to be short about 10,000 military personnel, but this does not account for the public service employee shortages. For example, from 2020 to 2022, the G4 Branch lost over 20 percent of its civilian workforce or approximately 12 indeterminate employees at Canadian Forces Base Shilo.<sup>6</sup> By the summer of 2023, only one new indeterminate employee had been hired despite extensive time and effort invested by unit and formation personnel. That means an additional 20 percent of the workload now had to be done by the remaining 80 percent. One of the reasons for the delay in processing staffing requests is that it is difficult for hiring managers, in the case of the Shilo G4 Branch, platoon commanders of the rank of lieutenant, to keep up with the added work as they are already over tasked and under-resourced. Furthermore, their lack of experience requires more mentoring from ADM-HR(Civ).

8. The lack of experience combined with an overflowing plate is a challenge experienced at many levels along the staffing process, including L5 and L4s. However, staffing, labour relations, and classification advisors are few and far between. The CA has 11 staffing advisors dedicated to it: two or three per L2 plus one for the Headquarters (HQ). To put the workload into perspective, the 3<sup>rd</sup> Canadian Division completed 237 staffing files during FY 23-24. Therefore, the staffing advisors processed approximately 79 files each, not accounting for the ones not completed for various reasons. Each staffing file requires 18 separate documents and processes.<sup>7</sup> Advisors are overwhelmed by the quantity of requests, and it can take weeks for managers to obtain the necessary support. There are so few staffing advisors that they cannot provide the mandated pre-hiring advice to managers. In some divisions, managers are told not to contact advisors until they approve their hire request. Yet, managers need that initial advice to ensure they are asking for the right thing in the right way. Essentially, they are left with a chicken and egg situation where they are asked to put in the requests, and once approved, they will be contacted with the advice, yet they need the advice to put in the request. To summarize the problem, there are no dedicated, competent HR specialists within the CA, including L2 through L5s, to conduct HR activities or provide advice. The task has been delegated to already overworked supervisors and managers by virtue of their position. Their qualification for the tasks boils down to online courses, and the system has restricted access to qualified advice and mentoring.

## **Processes**

9. The last issue discussed will be the lack of a standardized process to approve and action HR requests that involve SWE. Each L2 seems to adopt their own process, some more successful

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<sup>5</sup> I have witnessed this throughout my career as a leader and manager of civilian personnel from platoon commander to G4.

<sup>6</sup> As the G4, I was personally responsible to oversee the hiring of personnel within the Branch.

<sup>7</sup> Canada, "Staffing File Documentation Requirement – DND 2964-E," (Ottawa, November 2023)

than others. One of the aspects concerns the approval process. Within the CA, approval authorities are kept at varying levels based on commanders' comfort levels. Instead of going by The Instrument of Delegation of Labour Relations, Human Rights, and Political Activities Authorities, some formation and division commanders have retained the authority to approve specific HR requests such as staffing for indeterminate positions, new positions, or back pay. The rationale behind this has been to prioritize the limited SWE. However, as we explained above, the CA returns a significant amount each year. The 'red tape' created by these heightened levels of approvals delays the processes so much that units have been unable to spend their initial allocations. Furthermore, this philosophy has bred a culture of scarcity and led to formations and divisions hoarding SWE under the guise of a 'commander's reserve,' further compounding the problem.

10. Systems in place have also differed between L2. For example, some divisions process requests through the chain of command. As discussed above, most military managers and commanders in the CA are not experienced in civ HR; they are usually combat arms officers, which leads to delays due to confusion in the process or lack of confidence in authorities. Their staff is not generally in a better position to advise on the matter, and they must rely on the same overburdened HR advisors from ADM-HR(Civ) for advice. The CA does not have an HR trade, and staff assigned to positions with HR duties are not necessarily chosen based on HR skills or experience.

11. Document retention and management are also not standardized across the CA. Some divisions use e-mails to move documents, leaving no traceable trail. It also prevents files from being followed up with by alternate personnel, and documentation can stall in peoples' inboxes while they are out of the office. It also becomes a secondary duty for these people, and HR e-mails, especially if the recipient is not confident in what to do with them, are often put aside in favour of other priorities. Some delays have been so significant, months and even years, that the form had changed by the time the request was addressed, and managers were asked to redo them, creating further delays. Lack of discipline and proper processes in information management (IM) accounts for significant delays and inefficiencies.

## **CONCLUSION**

12. To conclude, the CA is seeking input to help resolve the problem of SWE being returned year after year. This service paper aims to provide ideas to curb this problem. The issue lies in the inefficient civ HR processes within the L1. Three main aspects create the inefficiencies. The first concerns how civ HR responsibilities and authorities are diffused to thousands of supervisors and managers with limited understanding of the processes. Too few HR advisors are available within ADM-HR(Civ) to bridge that knowledge gap. They cannot mentor and support supervisors and managers in conducting HR activities, which delays the process and, therefore, prevents the timely use of allocated SWE. The second aspect concerns the availability of personnel to conduct civ HR activities within their organizations. Both the military and civilian workforce with the CAF and the CA are short of personnel, which creates an additional workload and prevents administrative tasks from being completed within reasonable timelines. ADM-HR(Civ) also feels the lack of personnel, whose advisors are overburdened, which also delays files. The final aspect of the civ HR process that poses a challenge is the lack of standardized

processes across the CA. Each division utilizes its own methods, some of which are inefficient, further contributing to delays in processing files. These three general issues combined contribute to a cumbersome, ineffective civ HR system that results in unspent SWE every year.

## **RECOMMENDATION**

13. The recommended solution to the problem is to adopt a phased approach. The first phase would entail creating at least one new position, likely of the AS-01/02 group and classification, within CA units that have significant civilian workforce, such as bases and Canadian Division Support Groups. New employees would then be hired into each of the positions indeterminately to ensure continuity. These employees would become civ HR specialists within their respective organizations and would be responsible for advising supervisors and managers on all civ HR matters. They would also be accountable for facilitating civ HR activities such as processing requests and ensuring proper IM. They would bridge the knowledge gap and ensure timely processing of files. Being the sole point of contact for the unit, they would also streamline the process and simplify communications with HR Advisors. It would also give managers and supervisors some time back to accomplish other tasks they are better suited for.

14. The second phase of the project would see the HR specialists within the units adopt a standardized process. After phase one, L2s will have a similar HR structure, and the CA will be able to adopt a standardized process informed by the subordinate units and best practices. The newly hired civ HR specialists will ensure the process is followed. Files will be processed faster through a standardized process. Appropriate IM will enable better tracking and identification of issues and hold-ups. The whole structure will allow a lessons-learned process that will inform improvements over time. Finally, it will also improve the confidence of commanders. Their trust in the system will encourage them to delegate authorities and approvals at the lowest possible level, enabling a timelier process and ensuring better success in SWE spending each FY.

15. The 5<sup>th</sup> Canadian Division (5 Cdn Div) has adopted such a system and was used to inform the recommendation in this paper. It should be used for further analysis of the proposed solution.<sup>8</sup> They have a very comprehensive directive that is easily accessible on SharePoint. They also have dedicated civ HR specialists hired to work in that capacity solely. They also use SharePoint extensively in processing documentation up and down the chain of command for approval, making it traceable and streamlined. Finally, it appears the quality of the structure and process have generated trust from the commanders who have delegated various approval authorities to the lowest possible levels. The 5 Cdn Div system could probably use some improvements; however, it appears to have generated more successful results in HR activities and may have contributed to more efficient use of SWE. Historical data could be further analyzed to validate this theory.

16. Finally, the integration of HR specialists within the CA structure will engender secondary benefits. It will ease the already overwhelming workload of managers and supervisors, which will, in turn, enable them to focus their efforts on other important issues. An improvement in

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<sup>8</sup> I have witnessed how 5 Cdn Div conducts civ HR activities in my role as Base Supply Officer in the Technical Services Branch of 5<sup>th</sup> Canadian Division Support Group in Gagetown, New Brunswick from 2019 to 2021.

hiring processes and other HR activities should translate to more employees being hired, thus lightening the workload for the entire workforce. This will, in turn, improve work conditions and enhance morale and job satisfaction amongst military and civilians alike. A happier, more satisfied workforce has the potential to improve retention within the CA, an issue the CAF is currently battling.



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