

**Ministry of Labour and Citizens' Services
2006/07 Annual Service Plan Report**

**Labour
Performance Methodology Report**

July 12, 2007

Labour Performance Measures Description and Measurement Details

Introduction

The performance measures in this Methodology Report are those included in the Labour component of the 2006/07 Annual Service Plan Report. The Annual Service Plan Report provides a description and rationale for each of the measures, along with baseline and target information. This Methodology Report provides additional details on each of the measures that reported 2006/07 results against target, the data sources that were used and (where applicable) additional information on how to interpret the measures or any limitations on the measures.

Goal 1: Laws, regulations and processes that promote productive and mutually beneficial relationships, awareness and satisfaction, and that enable compliance

The Service Plan has three measures for this goal; one for each of the Ministry's three major lines of business – employment standards, labour relations, and workers' compensation.

Measure # 1: Percentage of employers whose employment practices resulted in no complaints being registered with the Employment Standards Branch

This performance measure is an indicator of the level of compliance among British Columbia employers with the *Employment Standards Act*. The measure is derived from two sources: Employment Standards Branch data, which shows the number of employers who are the subject of one or more employment standards complaints over the course of a fiscal year; and BC Stats data on the total number of business establishments with employees over the same period. The expectation is that the percentage of employers whose practices do not result in complaints being registered with the Branch will continue at their current very high levels, and that this will allow the Branch to continue to focus its compliance initiatives and activities on those sectors of the economy where vulnerable workers are most likely to be employed.

In 2006/07, 4,600 employers had complaints registered against them out of a total of 162,732 registered business establishments with employees in British Columbia (i.e., 2.8 per cent). Conversely, 158,132 registered business establishments (i.e., 97.2 per cent) were not subject to complaints. The sources of data were:

- “Establishment Counts by Employee Size, 1995 – 2005, BC Stats (2006); and
- Employment Standards Branch statistics.

This measure was calculated by subtracting the number of unique employers who were the subject of an Employment Standards Branch complaint from the total number of

business establishments (i.e., 162,732 – 4,600), and then dividing this result by the total number of business establishments. That is:

$$(162,732 - 4,600)/162,732 = 97.2 \text{ per cent}$$

Measure # 2: Person-days lost due to strike/lockout activity in British Columbia relative to Canada as a whole (Three-year rolling average, 2003-2005)

This measure is an indicator of the relative degree of labour peace and labour stability in British Columbia compared to Canada as a whole. The measure shows the number of person-days lost due to strikes and lockouts as a proportion of the British Columbia labour force, and compares this with the number of person-days lost across the entire country as a proportion of the Canadian labour force. A score of 1.0 suggests that the degree of labour stability in British Columbia is on par with Canada as a whole, with a score of less than 1.0 indicating relative labour stability (fewer days lost per capita) compared to the rest of Canada, and a score of greater than 1.0 indicating relative labour instability.

The data for calculating the baseline come from two Government of Canada data sources, and are as follows:

Year	British Columbia		All of Canada	
	Person-Days Lost	Labour Force	Person-Days Lost	Labour Force
2004	293,630	2,221,900	3,256,149	17,182,300
2005	509,060	2,263,400	4,149,130	17,342,000
2006	54,216	2,305,100	813,336	17,592,800
Average	285,635	2,263,500	2,739,538	17,372,367

In order to develop a meaningful measure that shows how British Columbia’s person-days lost performance compares with Canada as a whole, it is necessary to standardize the measures to take into account the fact that the Canadian labour market is much larger than British Columbia’s. In this measure, standardization is accomplished by dividing the average number of person-days lost in British Columbia by the average number of people in the British Columbia labour force (i.e., 285,635/2,263,500 = .126). This means that an average of 0.126 person-days was lost in British Columbia for each labour force participant each year over the 2004 – 2006 period. For Canada as a whole, the average number of person-days divided by the average number of people in the Canadian labour force is 2,739,538/17,372,367 = .158 which means that an average of 0.158 person-days was lost in Canada as a whole for each labour force participant over the 2004 – 2006 period.

British Columbia’s person-days lost performance (standardized to take account of the size of the British Columbia labour force) can then be expressed as a proportion of Canada’s overall person-days lost performance as 0.126/0.158 = 0.80. A result that is

less than 1.00 indicates that British Columbia's person-days lost performance is lower than the Canadian average whereas a result greater than 1.00 indicates person-days lost performance that is higher than the Canadian average.

Measure # 3: Average of respondents satisfied or very satisfied with Employers' Advisers Office or Workers' Advisers Office services

This measure demonstrates how satisfied clients are with the services provided by the Employers' Advisers Office and the Workers' Advisers Office. The measure is based on client satisfaction ratings from the following two surveys:

- A survey of Workers' Advisers Office client satisfaction conducted by Wayne Penny and Associates in February 2007; and
- A survey of Employers' Advisers Office client satisfaction conducted by BC Stats also in February 2007.

The surveys specifically addressed the following dimensions of service:

Workers' Advisers Office

- Satisfaction with the personal interactions with the adviser (courtesy, knowledge, respect, professionalism).
- Satisfaction with the information received (timeliness, easy to understand, helpfulness).
- Satisfaction with Workers' Advisers office (location, hours of service, physical access).

Employers' Advisers Office

- Satisfaction with formal training seminars on a number of topics related to occupational health and safety issues such as the prevention of injury, claims management, assessments and appeals.
- Satisfaction with the call service where individuals can speak to a representative to get advice and assistance about workers' compensation legislation, decisions, appeals, and other matters pertaining to occupational health and safety.
- Satisfaction with representation and assistance with Workers Compensation Board proceedings.

One measure – overall client satisfaction – was common to both surveys, and forms the basis for the baseline measurements. While both offices have different client bases and provide different kinds of services for their clients, it is possible that several different dimensions of client satisfaction could be measured consistently across the two offices. In future years, the offices will investigate the feasibility of developing client satisfaction indices that might enable more robust client satisfaction measurement.

Goal 2: Timely and accurate case management and adjudication

Measure # 4: Case disposed of within prescribed timelines

Labour's operating areas and tribunals have established service timelines, either by policy (in the case of the Employment Standards Branch, the Employment Standards Tribunal and the Labour Relations Board) or by legislation (in the case of the Workers' Compensation Appeal Tribunal). The Service Plan reports out on key global measures. Details on other measures may also be found in tribunal annual reports. These key measures are:

- Employment Standards Branch: Percentage of cases closed within 180 days of complaint being registered with Employment Standards Branch.
- Employment Standards Tribunal: Percentage of cases decided within 90 days of date of appeal.
- Labour Relations Board: Average number of backlog cases. (In general, a case is seen as part of the backlog if it has been assigned for more than 90 days and no hearing has been held, or where a hearing has been completed and more than 45 days have passed without a decision). The Ministry is reviewing timeliness and related issues and it is expected that new measures and targets will be developed in 2007/08 for use in future years.
- WCAT: Percentage of cases decided within 180 days of appeal being filed.

In all cases, the baseline year is 2005/06, and all data comes from internal tribunal or branch statistics. In 2006/07, all program areas either achieved or exceeded their performance measures.

Measure # 5: Percentage of Employment Standards Branch determinations overturned by the Employment Standards Tribunal

The Employment Standards Tribunal can cancel decisions issued by the Employment Standards Branch in cases involving an error in the application of law or, in some instances, where new information became available after the Employment Standards Branch's original proceeding. This measure is calculated by dividing the number of Employment Standards Branch decisions that have been cancelled by the Tribunal by the total number of decisions that have been issued.

In 2006/07, 2 per cent of decisions issued by the Employment Standards Tribunal under Section 112 of the *Employment Standards Act* cancelled the Employment Standards Branch's original determination. The number and percentage of determinations cancelled in 2006/07 was dramatically lower than the previous reporting year due, in part, to legislative amendments to the *Employment Standards Act*.

The expectation is that the percentage of cancellations will continue to decline in future years through continuing improvements in Employment Standards Branch decision-making and through regulation and operational policy changes that will ensure alignment between operational policies and procedures, and the Act and its Regulation.

Goal 3: Innovative dispute resolution processes

Measure # 6: Proportion of Employment Standards Branch cases closed prior to adjudication

This performance measure demonstrates the extent to which early intervention and alternative dispute resolution have been used to resolve complaints without having to resort to formal adjudication. The measure is based upon Employment Standards Branch operational statistics, and is derived by dividing the number of cases resolved at the investigation and mediation stages by the total number of cases.

Measure # 7: Percentage of mediation applications settled

This performance measure demonstrates the extent to which mediation appointments made by the Labour Relations Board have resulted in settlements without the parties engaging in strike or lockout activity. The measure is calculated by dividing the number of mediator appointments made under the Labour Relations Code that resulted in settlements without a strike or lockout by the total number of mediator appointments.

In 2006/07, a total of 141 mediator appointments were made under sections 55 and 74 of the *Labour Relations Code*, of which 113 (80 per cent) resulted in settlements without a strike or lockout. The data comes from internal Labour Relations Board statistics.