

The People Side of Operating Budgets

Operating Budgets in themselves will not lead to better or worse management. The decision-making processes to determine the most efficient use of resources, based on setting clear objectives and establishing personal accountability, are the foundation of good people management. OBs provide a broader range of options for managers to make the best use of their people and other resources by applying the principles and values of good management, while respecting the legal framework of the Public Service. Effective planning, recruitment, training and development, organization design and communication are essential to good people management and key to the successful implementation of OBs. Hiring decisions must weigh the costs of salaries and benefits and the investment cost in employees, such as training and development and the learning curve, against the longer-term gains in corporate memory, commitment and productivity and return on training and development. Managers must take into account that hiring indeterminate employees involves multi-year expenditure commitments and investments.

Responsibility, Authority and Accountability

Any charges accruing to a responsibility centre as a result of OB funds movement will be the responsibility of the initiating RC (transfer costs, 3% premium on conversion of minor capital, etc.). Conversely, rebates resulting from OB conversions will accrue to the initiating RC through branch ADMs.

Authorities under the OB regime will evolve over time. The initial authorities regime is reflected in the OPERATING BUDGET TRANSFER FORM (Appendix B).

The basic accountability framework in EAITC will not change with the implementation of the OB regime. However, to the degree that managers have more flexibility to use resources more efficiently, expectations for accomplishments (e.g. productivity) may evolve.

Where to go for help

Please contact MCBA, ADA or MFR for further information or questions regarding implementing Operating Budgets.