



Seventeenth Annual Report

to

the Prime Minister

on

the Public Service of Canada

Wayne G. Wouters

Clerk of the Privy Council and
Secretary to the Cabinet

For the year ending March 31, 2010

Canada

Library and Archives Canada Cataloguing in Publication

Canada. Privy Council Office
Seventeenth annual report to the Prime Minister on the public service of Canada

Annual.

Text in English and French on inverted pages.

Title on added t.p.: Dix-septième rapport annuel au Premier ministre sur la fonction publique du Canada.

Available also on the Internet: www.pco-bcp.gc.ca

ISBN: 978-1-100-51146-7

Cat. no.: CP1-1/2010

ISSN: 1193-7637

1. Civil service reform--Canada--Periodicals. 2. Civil service--Canada--Personnel management--Periodicals. 3. Public Service 2000 (Canada)--Periodicals.

I. Title. II. Title: Dix-septième rapport annuel au Premier ministre sur la fonction publique du Canada

JL106 354.71'0005

To obtain print copies:

Phone: 613-957-5153

TTY/TDD: 613-957-5741

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Clerk of the Privy Council and
Secretary to the Cabinet



Greffier du Conseil privé et
Secrétaire du Cabinet

Ottawa, Canada
K1A 0A3

March 22, 2010

Dear Prime Minister:

I am pleased to submit to you my first report on the Public Service of Canada, in accordance with the provisions of section 127 of the *Public Service Employment Act*.

This is the 17th report from the Head of the Public Service. The report describes major themes and accomplishments in the renewal of the Public Service over the past 12 months, and identifies areas for future focus. In presenting it to you, I am conscious of the challenging environment in which the Public Service finds itself today.

In developing ideas and plans for Public Service Renewal, I have benefited greatly from the work of your Advisory Committee on the Public Service, co-chaired by the Honourable Paul M. Tellier and the Honourable David Emerson. The Deputy Minister Committee on Public Service Renewal, chaired by the National Security Advisor to the Prime Minister and Associate Secretary to Cabinet, has also provided valuable advice.

Your ongoing support for renewal is key to ensuring that the Public Service continues to serve Canadians well, especially during this period of fiscal restraint.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wayne G. Wouters'.

Wayne G. Wouters

Table of Contents

I. Introduction	1
This Report	2
Current Environment	2
Public Service Renewal in Evolution	4
II. What Was Accomplished in 2009-10	5
Learning from Experience	5
Human Resources Management.....	6
Innovation	7
Measurable Progress in Renewal.....	9
III. Priorities for 2010-11	10
1) Integrated Planning.....	11
2) Recruitment	12
3) Employee Development.....	12
4) Renewing the Workplace (formerly Enabling Infrastructure)	13
5) Engagement	14
IV. Prime Minister’s Advisory Committee	15
V. Conclusion	16

Annex A:	Demographic Snapshot of the Federal Public Service, 2009	17
Annex B:	Results from the 2009-10 Public Service Renewal Action Plan.....	33
Annex C:	Implementation of Canada's Economic Action Plan	40
Annex D:	Benchmarking Renewal	42
Annex E:	Report of the Prime Minister's Advisory Committee on the Public Service	47

I. Introduction

This report is my first as Clerk of the Privy Council, Secretary to the Cabinet and Head of the Public Service. I am honoured to have the opportunity to serve as the head of this vital national institution.

When I arrived in Ottawa from the Government of Saskatchewan in 1982, I joined one of the finest public services in the world. Although I have spent by far the bulk of my career in our nation's capital, I have not forgotten my roots in the Prairies. The values I acquired there have served me well ever since.

Values matter. It's not just what you do that counts, it's how you do it and why. This is a theme that underpins the whole process of public service renewal. We need to be sure that in serving Canadians today and tomorrow, our institution will continue to be guided by the values of public service.

Values endure, but our world is changing. Wherever you work in the Government of Canada today, you can feel the forces compelling change in the Public Service: the recent financial and economic crisis, and the Government's response; the demographic transition occasioned by retirements and the arrival of a new generation of public servants; the growing diversity of our workforce, reflecting an increasingly diverse Canadian population; and, the revolution in technology that has made the Internet a primary working tool and the BlackBerry a near-universal way to connect with others. The cumulative impact to date has been profound, and these forces will continue to have an effect on the Public Service for many years to come.

Public Service Renewal is an ongoing, overarching strategy aimed at equipping public servants to better serve the Government, using new tools and approaches but fulfilling the same mission of excellence in service to Canadians.

This Report

In this report, I outline:

- How I see Public Service Renewal in the current environment.
- What was accomplished in 2009-10, including some notable practices. There is a lot to be learned from this brief catalogue of achievements.
- My priorities and expectations for the coming year in terms of the four pillars of Public Service Renewal – *integrated planning, recruitment, employee development and enabling infrastructure* (which I am now going to call “renewing the workplace”) – as well as overall engagement.

I close with some conclusions about the way ahead.

Current Environment

These are extraordinary times that call for extraordinary efforts from every public servant. To mention a few highlights:

The economy. We are beginning to see signs of recovery from Canada’s worst economic downturn since the Second World War. Despite the fact that our economy is very open and highly exposed to the United States, the decline was less severe in Canada than in other major industrialized countries. Canada entered the downturn in the strongest fiscal position of any G7 country and fared comparatively well during the crisis. This was due in no small part to good public policy. Our financial system has performed remarkably well during the crisis, owing largely to one of the most effective regulatory frameworks in the world.

Budget 2009 and Canada’s Economic Action Plan (see Annex C) put in place unprecedented measures to stimulate the economy and protect the jobs of Canadians. Thousands of men and women in more than a dozen federal departments and agencies, working closely with their counterparts in all provinces and territories and in dozens of municipalities across Canada, made a tremendous

effort to design and deliver the stimulus measures. These public servants, at all levels of government, showed the benefits of working together to tackle common problems.

Fiscal restraint. Budget 2010 continues the economic stimulus measures begun in 2009 and also lays out a plan to reduce the budgetary deficit. This approach will require careful management and tough choices over the medium term. We in the Public Service are part of the equation as the Government seeks to put Canada on a sound financial and economic footing.

Canada's international engagement. We are a trading nation, with significant interests around the world. This year, we will host both the G8 and the G20 summits in June. We are also committed to making targeted efforts to address security challenges and human suffering. The Public Service will continue to support the Government in its international commitments, including those in Afghanistan and Haiti. Our experience in this area has shown what the Public Service can achieve by collaborating across organizational lines to deliver exceptional results under difficult circumstances.

In this complex environment, federal public servants continue to work on policy issues that matter to Canadians, ranging from the economy and unemployment to climate change. They also continue to deliver the reliable, essential programs and services on which Canadians depend. Questions are answered, payments are issued and decisions are made fairly and transparently.

Canadians have high expectations of their Public Service, and so they should. The success of the country hinges on a strong and capable public service. This is why Public Service Renewal will remain my top management priority.

Public Service Renewal in Evolution

Over the past year, the process of renewal has continued. We can see many areas where real progress has been made:

- in deputies and other senior officials putting human resources management higher on their agendas, and fully integrating human resources into departmental business plans;
- in tackling the web of rules by cutting red tape and reducing unnecessary reporting requirements, both within and outside government;
- in building essential internal workplace infrastructure with major initiatives such as the Transformation of Pay Administration, which aims to modernize the public service pay system and ultimately to transform the pay advisory function; and
- in engaging Regional Federal Councils and employees through their communities of practice in defining and pursuing what they want to achieve through renewal.

Much has been accomplished but our agenda must continue to evolve if it is to stay relevant.

Over the past nine months, in meetings with public servants across the country, I have talked about leadership; excellence in policy, programs, service delivery and administration; innovation in the workplace; and employee engagement at all levels.

One theme that has emerged is that *the workplace matters*. In the first several years of the renewal process, our focus has been on the workforce – that is, on people and on people management. While continuing our emphasis on people,

The Public Service of Canada is recognized internationally for its commitment to management excellence. The Management Accountability Framework (MAF), a rigorous system for gauging management performance, has been key to driving steady improvements. The MAF is one of the ways in which we benchmark renewal, as set out in Annex D.

I see a need to pay greater attention to how we work, where we work, the tools with which we work and what work we should be doing.

The workplaces of 2010 have access to technologies that were barely conceivable when I started in the federal public service in 1982. Today's government workplace should take full advantage of the Web 2.0 collaborative tools that have revolutionized the larger world. Other governments and other sectors are taking advantage of such technologies. We should not be left behind.

Today's workplaces should also encourage and facilitate innovation and opportunities for incremental as well as larger-scale improvements in our effectiveness and efficiency. Our essential mission of public service is still hampered by too much time and money devoted to internal administration. In speaking with public servants, it is clear to me that there is a desire to do things differently, to do things better. We need to find ways to harness and support this enthusiasm – to ultimately improve our ability to deliver results for Canadians.

In future, the footprint of the Public Service, its geographic dispersion and ways of operating, will continue to fluctuate in response to Government priorities and the tasks we are called on to perform. That is why a key aspect of renewal is making sure that the Public Service retains the capacity to fulfill its responsibilities, no matter how circumstances change.

II. What Was Accomplished in 2009-10

Learning from Experience

1) *We learned a great deal in managing challenging files.*

From our experience in the **implementation of the Economic Action Plan**, we have seen how it is possible to simplify decision making and speed the flow of information to ministers and Canadians without undermining either due process or the quality of decisions. In the process, we have become much better at what we term responsive and responsible risk management.

Preparing for and responding to the H1N1 pandemic in the summer and fall of 2009 required sustained and coordinated effort. Notwithstanding high expectations and intense public scrutiny, Canada's response was a success. Canada was well prepared and vaccination rates for the population were among the highest in the world. The outcome is a tribute to planning, collaboration and implementation characterized by constant adjustment in our response. Our experience reminded us of the value – indeed, the necessity – of speedy and effective collaboration across departmental lines, with provincial and territorial governments and with international partners.

Our response to the **crisis in Haiti** demonstrated our ability to apply the lessons learned from Afghanistan, of “3D” cooperation among our diplomatic, development and defence capacities. We had Canadian aid on the ground in Port-au-Prince in less than 24 hours.

Hosting the **2010 Olympic and Paralympic Winter Games** was another complex intergovernmental undertaking. Our athletes were exceptional, as were the collaborative, multi-year efforts of many thousands in our public service community who worked to make the Games a global success.

Human Resources Management

2) *We are better organized to manage human resources.*

In 2009, we saw the central human resources function of the former Canada Public Service Agency consolidated within the Treasury Board Secretariat under the leadership of a new Chief Human Resources Officer.

This step may seem far from the concerns of the average public servant. Nevertheless, it was crucial to simplifying governance and empowering departments

<p>Fast-Track Staffing Tools: Departments are increasingly using “single window” desktop applications to facilitate low-risk staffing activities. This makes routine, high-volume staffing activities faster and easier for managers. It also allows human resources advisors to play a more strategic role.</p>

and agencies to do a better job of managing their employees. In government as in life, the simpler and clearer you make things, the better.

Deputies and agency heads have taken up their new responsibilities for human resources management, and central agency roles are now more focused and streamlined.

The challenge ahead is for managers at all levels to make the most of their new responsibilities and authorities. To do this, they need high-quality, timely services from human resources units in their organizations and the right kind of support from central agencies.

The new Chief Human Resources Officer, Daphne Meredith, has taken up her duties with enthusiasm and has been setting out her agenda. Her focus is on leadership and practical progress on important priorities in people management, rather than on rule-making or central service delivery.

Innovation

3) We innovated on the front line and in back offices to support dramatic improvements in service delivery to Canadians.

In helping the Government respond to the economic crisis, public servants moved quickly to create the two regional economic development agencies announced in Budget 2009 – the Federal Economic Development Agency for Southern Ontario (**FedDev Ontario**) and the Canadian Northern Economic Development Agency (**CanNor**).

Service Canada transformed business processes to offer better service to Canadians. It launched an imaging pilot project to shift from a management model based on physical paper to one based on electronic information. This is creating opportunities for significant savings and efficiencies that enable the organization to better serve Employment Insurance recipients and speed up processing times. Employees now spend more time processing applications, and paper consumption and potential errors have been reduced.

To meet an unprecedented surge in demand, **Service Canada's Ontario Region** consolidated its work-sharing activities into a one-stop centre in Mississauga. This centre of specialization was able to ramp up significantly to deliver over 3,000 work-sharing agreements in nine months, involving over \$500 million in Employment Insurance payments to participating Canadians. This innovation resulted in the retention of over 100,000 employees in the workforce during a very difficult period in the Ontario economy. Service Canada centres across the country are now benefiting from this experience.

In Prince Edward Island, one of the most environmentally friendly buildings ever constructed by **Public Works and Government Services Canada** continues to boast energy and water efficiencies beyond the reach of conventional buildings. The Jean Canfield Building showcases the use of recycled products, open floor spaces, and natural lighting and ventilation. Built to standards established by the Canada Green Building Council, the building is aiming for gold certification under the Council's Leadership in Energy and Environmental Design (LEED) program.

At **Natural Resources Canada**, employees are embracing a culture of collaboration and information sharing through a suite of Web 2.0 tools that facilitate content creation, dialogue, decision making and knowledge transfer. With a growing community of bloggers, a wiki housing 8,000 articles, the NRTube video-sharing site with 174 videos watched over 21,000 times, and a powerful search engine, the department has laid the foundation for the development of an Integrated Natural Resources Knowledge Base.

Reaching out and connecting to Canadians in new ways, **Veterans Affairs** launched Facebook pages entitled "Canada Remembers" and "Le Canada se souvient." Veterans' Week exploded on the social networking site, with 180,000 fans. The Veterans' Week vignette featured on television and YouTube was viewed almost 8 million times, bringing remembrance to a new generation of Canadians. Since going live in October 2009, the

Facebook pages have been populated with thoughts on remembrance, photos of loved ones who have served and tribute videos.

One of my priorities for workplace renewal is taking advantage of collaborative technologies, such as **GCPEdia**, the Government of Canada wiki. As of March 1, 2010, there were 12,677 public servants registered on the site and 5,916 content pages. Through my own page on GCPEdia, I am tapping into the knowledge and expertise of fellow public servants who are authoring a discussion document on workplace renewal. This will inform my thinking and that of many other colleagues across government.

These are only a few examples of service and workplace innovations – in some cases launched by individual employees – that are making a real difference to the Public Service and Canadians.

Measurable Progress in Renewal

4) *We made real progress against commitments.*

The 2009-10 Public Service Renewal Action Plan provided public service-wide targets for specific aspects of renewal. A few highlights are provided below. Annex B contains the full results.

- In the area of **recruitment**, departments and agencies are taking a more strategic and coordinated approach, building on their integrated business and human resources plans. They are also taking advantage of the redesigned jobs portal.
- **Employee development and training** programs have been established in almost every department and agency, and learning plans are becoming a regular and meaningful feature of the workplace.
- More rigorous **performance management** is now embedded at senior levels in departments and agencies. Talent management is in place for all executives, and we are moving toward implementation for some non-executive levels.

- We have earned dividends on our investment in **leadership development**, through initiatives such as the Advanced Leadership Program. We see a new generation of leaders emerging to take on senior positions across the Public Service.

An ongoing priority for renewal is to ensure that the Public Service reflects the diversity of the Canadian population. We strive to build diversity at all levels to better serve the Government and Canadians. We are making progress: representation of the four employment equity groups in the Public Service has been increasing (see Annex A for more details). Moreover, Statistics Canada was recognized in 2009 as one of Canada's Best Diversity Employers.

Last year, Monique Collette, President of the Atlantic Canada Opportunities

Agency, looked at the experience of departments and agencies in the areas of **diversity, internal communications** and **official languages**. In her June 2009 report, she noted dozens of ways in which managers and employees across the country are improving their organizations. Concrete steps range from appointing champions to supporting networks and experimenting with web-conferencing.

Executives and managers are responsible for creating an inclusive and welcoming workplace, and managing and retaining a diverse group of employees to produce the best results possible. In addition, I agree with Monique Collette that employees also have a responsibility to create their own opportunities. It is essential that employees each have the chance to make their optimal contribution, regardless of their role, position or level in the organization. We need the contribution of every public servant.

III. Priorities for 2010-11

Public Service Renewal has been framed in terms of four pillars: *integrated planning; recruitment; employee development*; and what we called *enabling infrastructure*, that is, the systems and processes that support the larger process of renewal. We have also paid particular attention to *employee engagement*, that is, the human dimension that enables renewal.

I believe the four pillars remain relevant to our task. However, as we move forward, we need to focus on the workplace. This is where renewal happens, at all levels in departments and agencies across Canada.

If we are to address issues in the workplace, we will have to shift the focus of Public Service Renewal from the most senior levels down into the organization, paying special attention to managers. They are both the carriers and creators of corporate culture. They are the ones who will translate the principles and goals of renewal into the realities of daily work.

1) Integrated Planning

Integrated planning remains the foundation for renewal. We will continue to improve planning at all levels of the Public Service. Planning should be seen as a core business practice for all public servants, one that is necessary to align goals, resources and results.

Done well, integrated planning allows us to clearly identify gaps in the resources required to deliver on priorities, and then to close the gaps by redesigning the work, developing employee capacity or devoting more staff to the effort. We can improve our ability to provide advice to ministers and service to Canadians, while simultaneously reducing costs.

We need to further embed planning in departmental operations and create a culture of planning. Plans need to be truly meaningful and to guide decisions on people and resources. We can do better in this area, and we will have to as we manage in the current period of fiscal restraint.

I believe strongly in the value of planning based on the best available data. However, I want to stress that planning alone is of little value if not accompanied by the skills, capacity and discipline to follow through and implement those plans.

2) Recruitment

My message here is simple – we will continue to recruit. While we will have to look carefully over the medium term at departmental operations and functions and the level of recruitment, we will continue to need new talent to fill both general and specialized needs.

Recruitment must be grounded in integrated planning. The goal is to match recruits strategically to identified business needs. Future recruitment efforts will be aimed at both post-secondary and mid-career candidates. Recruitment will continue to be a key tool in increasing public service diversity and representativeness.

Recruits come to the Public Service at different stages in their careers. Some make a contribution over the short term and others stay here for their entire careers. All have the unique opportunity of serving Canadians and making a contribution to the country.

3) Employee Development

Employee development is the responsibility of both the individual and the institution, but it serves a single purpose: to improve effectiveness and productivity in current and future jobs. This requires going beyond coursework and classroom learning. The task is to consciously create learning environments where knowledge management is done well and where employees have ready access to the information they need to do their jobs.

There has been good progress on employee learning plans. Now we need to continue supporting employee development while demonstrating clear linkages between individual and organizational needs. We also need to improve our ability to prepare public servants to work in new ways and adapt to new challenges.

4) Renewing the Workplace (formerly Enabling Infrastructure)

As noted earlier, the workplace is about how we work, where we work, the tools with which we work and, perhaps most importantly, what work we should be doing. The workplace is the critical link between the public service workforce and our ability to deliver results for Canadians. We must be deliberate about creating workplaces that help us achieve our best. We need the strongest efforts and the boldest ideas. We simply cannot afford inefficiencies and lost opportunities.

To renew the workplace, we must put greater emphasis on collaboration, technology, innovation, back office systems and knowledge management. We must also improve our ability to make choices and set priorities as we carry out our work.

Responding to the challenges facing Canada today requires that departments and, frequently, other governments and sectors work together. Within and across our organizations we need to increase collaboration to improve the quality, speed and efficiency of our work and our service to Canadians. Improving our programs, policy and advice also requires that we do a better job of listening to Canadians and incorporating their views, without presuming on the responsibilities of parliamentarians and ministers. Ultimately, successful collaboration needs to take place at all levels, not just the most senior.

Adopting Web 2.0 technologies such as wikis can help us to improve the productivity of our workplaces and better harness the skills and knowledge of public servants across the country. Moreover, the reality is that newer public servants expect an enabling workplace. They will not stay long if we fail to provide one. Canadians also expect the Public Service to take advantage of new technologies to help meet their needs in new and better ways.

Increased innovation will help us become more effective and efficient. We need new ideas, experimentation and better implementation. However, I recognize that it is difficult to innovate

when hampered by unnecessary rules. That is why unravelling the web of rules at both the public service and departmental levels must continue.

Earlier, I outlined a number of significant public service innovations. While these are notable, more are needed and I look forward to seeing them. However, most opportunities for innovation are local and within reach. Examples include reducing the number of signatures required on a briefing note or the levels of approval required to complete simple tasks.

There is an ongoing need to improve our back office, including our financial and human resources systems as well as related business processes. Many of our systems are decades old and in serious need of modernization to support our operations.

We must be more systematic about how we manage our knowledge and information. These are important government assets that should be captured and shared among individuals and across organizations.

Finally, renewing the workplace includes making conscious choices about how to best use the resources entrusted to us. At the departmental and public service-wide levels, this is about advising the Government on which activities have the most impact, to support strategic funding decisions. Within departments, it is about clarifying which activities are central to our mandates and focusing on those which add the most value.

I encourage deputies, assistant deputy ministers, executives and managers to break down the barriers to effective collaboration, support innovation and the use of technology, and better manage information and knowledge. Enabling people and being more open to new ideas and approaches will be necessary if we are to truly unleash excellence.

5) Engagement

I want to be clear that while I will continue to drive renewal as a management priority, I expect deputies to drive renewal in their organizations. Not only that, I expect all public servants to play a

role and I expect their managers to support them. Employees need to share their ideas. Managers in turn need to listen and be open-minded about the value of new ideas and the opportunities to implement them.

There is often reluctance to do things differently or even to suggest new ways of doing things. I believe that the best way to overcome such risk aversion is to build trust, and that dialogue is the best way to do it. We need more meaningful dialogue between managers and employees on values, expectations and our respective roles in building the Public Service of the future. I look forward to a renewed dialogue on the forthcoming code of conduct for the public sector. For my part, I will continue to listen to public servants in discrete groups and more broadly through a presence on GCPEDIA.

IV. Prime Minister's Advisory Committee

In its fourth annual report, the Prime Minister's Advisory Committee on the Public Service has again done an exceptional job of identifying major renewal issues on which we need to concentrate our efforts.

In previous years, the Committee's advice spurred action in areas ranging from the web of rules to human resources governance and pay modernization. This year, the recommendations focus on supporting strong leadership, staying relevant and connected, and doing business differently. These are themes that resonate with public servants at all levels.

My deputy colleagues and I take the Committee's advice very seriously, and I plan to spend a good deal of time with the members over the coming months. Their work underscores the value of constructive engagement with academia, the private sector, non-governmental organizations and the public.

V. Conclusion

The Public Service of Canada has a proud history of dedicated and professional service. Today we need to renew our commitment to service and professionalism as we help the Government address the challenges facing our country.

Public servants today have different skills, different expectations and, in some respects, different attitudes toward their employers and their careers. Yet, there is consistency in our understanding and adherence to the values of the Public Service. What motivates us is the same mission of service to Canada and Canadians that motivated previous generations of public servants. Our foundation remains strong.

For us to fulfill our mission we have to re-imagine our work and our workplace. Together, we have to recommit ourselves to a public service that preserves our values, while adapting the way we work to the realities of today and tomorrow.

The way ahead will involve empowering public servants at all levels to find new, more cost-effective ways to deliver better services to Canadians and provide higher-quality advice to the Government. All public servants have a role to play in this effort. Our future – our vocation as public servants – is in our hands.

Annex A: Demographic Snapshot of the Federal Public Service, 2009

Introduction

This annex presents key demographics for the federal public service (PS).¹ Information on the current workforce is compared primarily to that from 1983,² the first year for which we have reliable data. Part I offers a glimpse of the whole federal public service, while Part II focuses on the executive cadre.

Demographic Profile of the Public Service of Canada March 31, 2009
<ul style="list-style-type: none">• 274,000 employees (251,000 in 1983)• 55.1% women (42% in 1983)• 42.6% of executives are women (less than 5% in 1983)• 59.7% of employees in the regions and 40.3% in the National Capital Region• 86.1% indeterminate employees; 9.2% term employees; 4.7% casuals and students• 70.9% declare English their first official language; 29.1% declare French• Average age: 43.9 years (39 in 1983)• Average age of executives: 50.3 years (48.7 in 1983)• Public Service represents 0.82% of the Canadian population (1% in 1983)

¹ The “Public Service” refers to the core public administration (departments and agencies for which the Treasury Board is the employer) and separate employers (principally the Canada Revenue Agency, Parks Canada, the Canadian Food Inspection Agency and the National Research Council Canada).

² Other comparison years are used at points, either because of data limitations or to avoid excessive detail in the graphics.

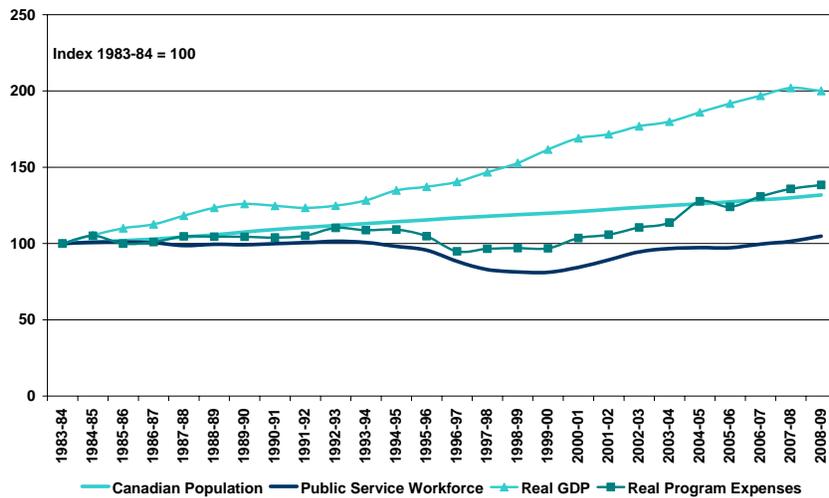
Part I – Demographic Profile of the Public Service

1. Context – Relative Size and Spending

From 1983 to 2009, the Canadian population grew by 31% (from 25.6 to 33.5 million), while the number of federal public servants increased by 9.2% (from 251,000 to 274,000). This means that the Public Service represents a lower proportion of the Canadian population today (0.82%) than it did in 1983 (1.0%).

Figure 1 shows that real Gross Domestic Product (GDP) doubled during the same period, and real federal program spending in constant dollars increased by 38.4%. In 1983, federal program spending as a proportion of GDP was 0.2%. In 2009, the proportion decreased to 0.14%.

Figure 1: Trends in the Economy, Population, Federal Program Spending and the Size of the Federal Public Service, 1983-84 to 2008-09



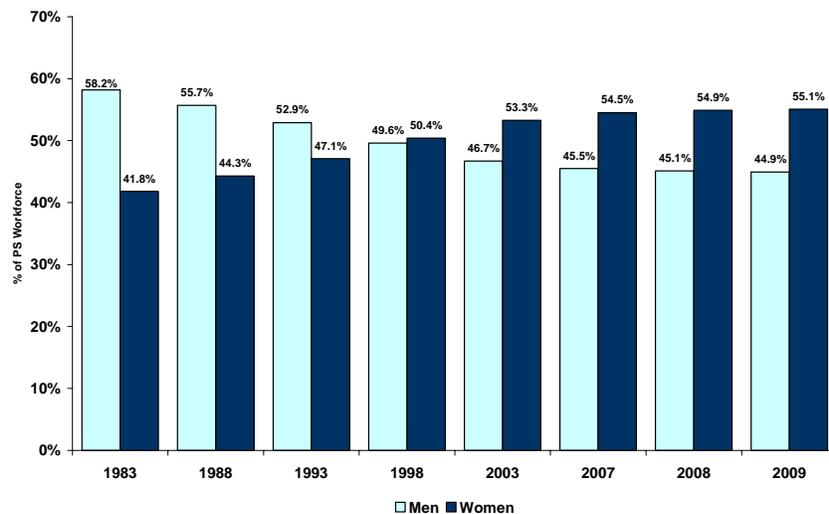
Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

2. Public Service Diversity

a) Gender

In 1983, men made up the majority of public service employees (58.2%), but this gender representation reversed over the past decade. In 2009, 55.1% of public servants were women.

Figure 2: Proportion of Men and Women in the Public Service – Selected Years, 1983 to 2009



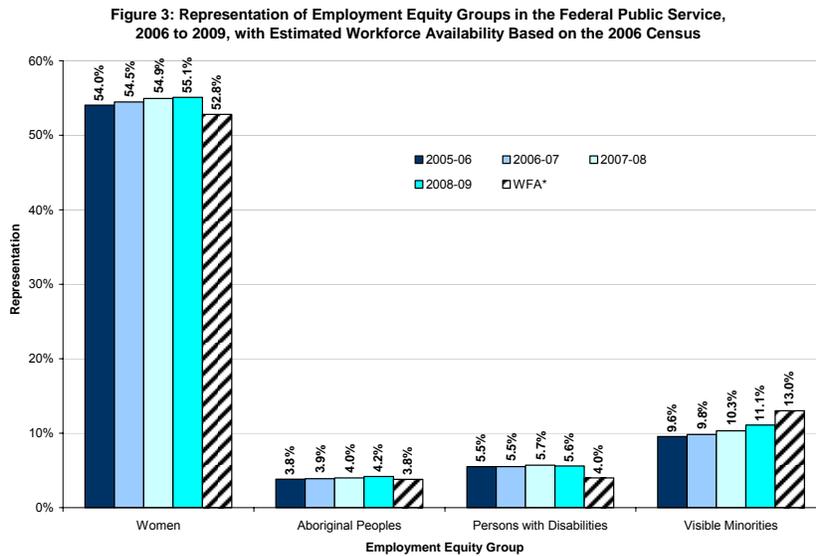
Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

All tenures. Figures do not include employees on Leave Without Pay.

While the representation of women in 2009 was 10.2 percentage points above the representation of men, it was 2.3 percentage points above the workforce availability of women (see Figure 3).

b) Employment Equity Groups

In general, the representation levels of the four designated employment equity (EE) groups within the Public Service have risen modestly in recent years (with a slight decline for persons with disabilities for the most recent year). Employment levels in 2009 for women, Aboriginal peoples and persons with disabilities exceeded their workforce availability (WFA). However, the representation of visible minorities was 1.9 percentage points below their availability.



Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

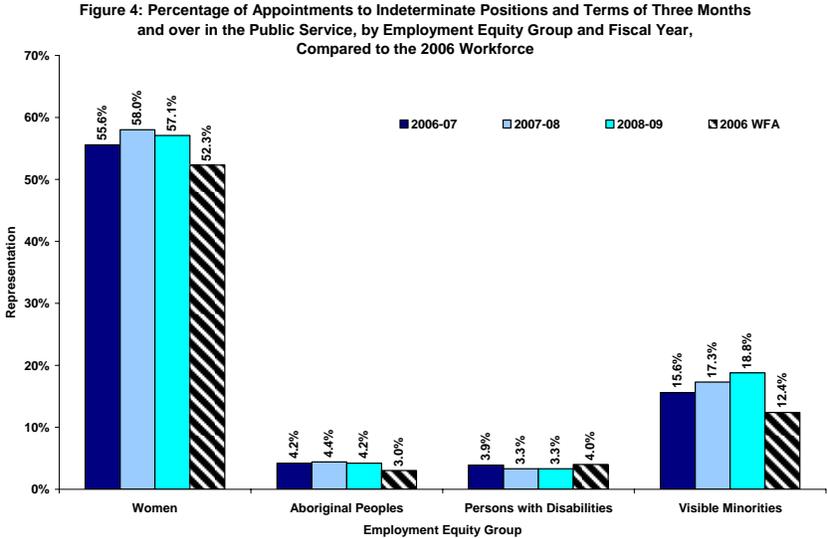
Population: Indeterminate population and term population of three months or more in the core public administration and employees of separate employers. Some small separate employers were not included because of missing information.

* Workforce availability estimates for the federal public service are based on the 2006 Census.

The source of the representation data is the Employment Equity Database, which is populated with self-identification information provided by employees.

The figures are preliminary. Final data for the core public administration will be published only in the next Report to Parliament on Employment Equity in the Public Service of Canada, as required under subsection 21(1) of the *Employment Equity Act*.

Progress in improving the representativeness of the Public Service is evident in 2008-09 hiring for indeterminate and term positions (over three months). Of the new hires, women accounted for 57.1%, Aboriginal peoples for 4.2% and visible minorities for 18.8%. Hiring of persons with disabilities (3.3% of total new hires in 2008-09) is currently below workforce availability.



Source: Public Service Commission (PSC), 2008-2009 Annual Report, Table 9, p. 53.

Population: Indeterminate population and term population of three months or more in the Public Service. In the PSC context, the "Public Service" is approximately equivalent to the core public administration.

For appointments to the Public Service, the percentages for three employment equity groups are based on applicants who applied and self-declared through the Public Service Resourcing System in the preceding two years, and where a match was found in the PSC's appointment file as of March 31, 2009.

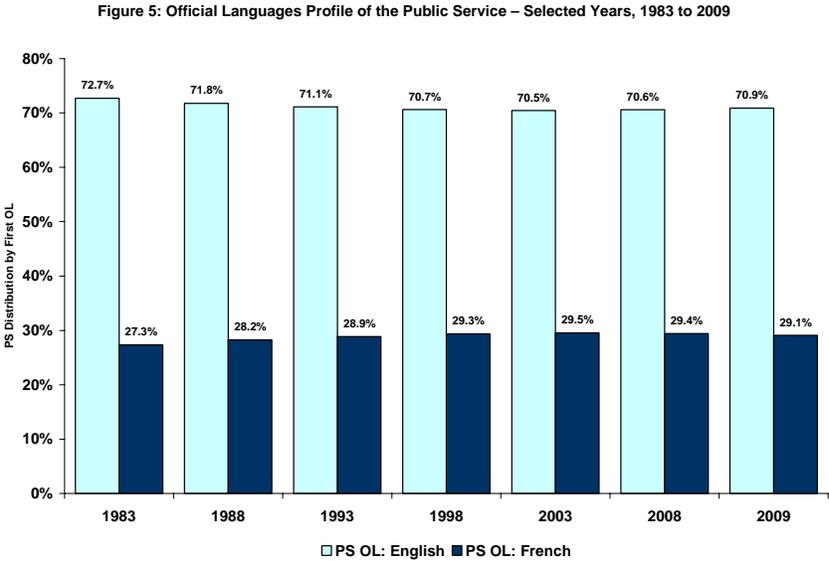
The figures for women appointed to the Public Service are extracted from the PSC hiring and staffing activity files, which are based on Public Works and Government Services Canada's pay file.

These figures exclude specified term appointments of less than three months and appointments to separate employers.

The 2006 workforce availability for the Public Service was provided by the Office of the Chief Human Resources Officer, Treasury Board Secretariat.

c) Language

English is identified as the first official language (OL) of 70.9% of public servants, while 29.1% identify French as their first official language. Figure 5 shows that this proportion has remained relatively stable since 1983, when the figures were 72.7% and 27.3%, respectively.



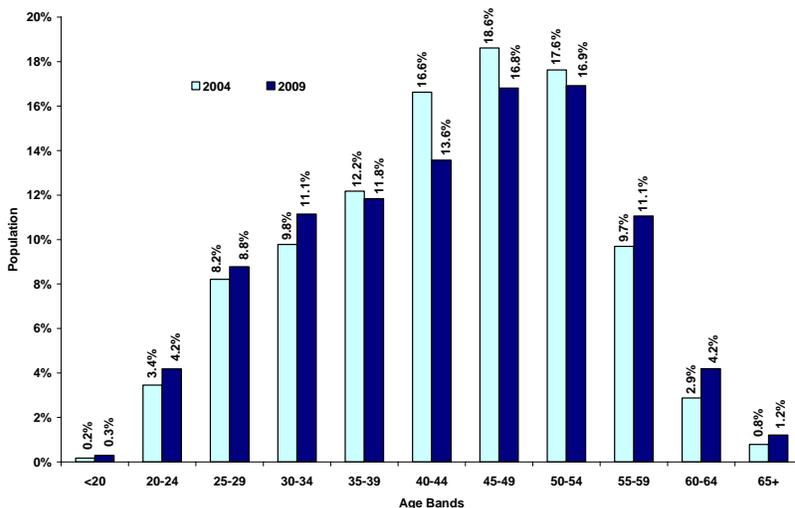
Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

3. Age Profile of the Public Service

Figure 6 compares the public service age distribution of 2004 to that of 2009. It shows a general shift toward the higher age bands. The share of employees aged 35-54 dropped by 5.9 percentage points to 59.1%, while that of employees aged 55 and older increased by 3.1 percentage points to 16.5%. The share of public servants aged 34 and under increased by 2.8 percentage points to 24.4%, owing to recent recruitment efforts.

The average age of public servants has recently begun to decrease, from 44.3 years in 2007 to 43.9 in 2009.

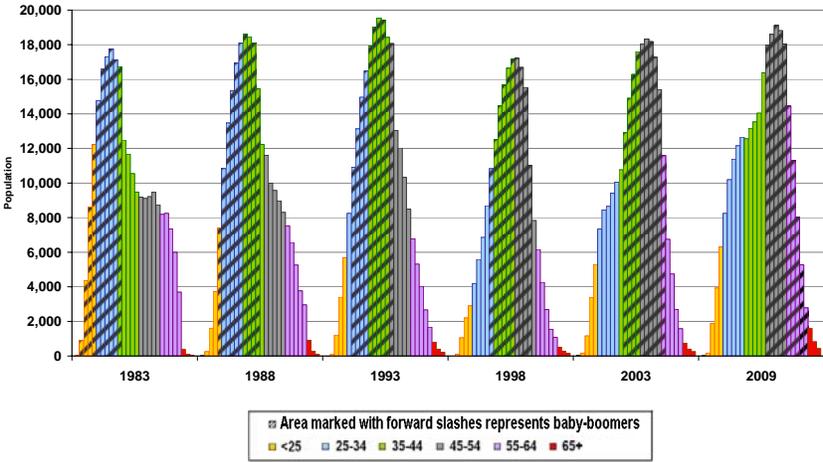
Figure 6: Federal Public Service Population by Age Bands for 2004 and 2009



Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

Figure 7 is an updated version of a chart first presented in the Fifteenth Annual Report. In 1983, public servants of the baby boom generation (bars marked by forward slashes) were mostly under 35 years of age. By 2009, this generation occupied the 45-54 and 55-64 age ranges. Increases in the lower age bands show the next generation of public servants entering the workplace in growing numbers.

Figure 7: Distribution of Public Service Employees by Age - Selected Years, 1983 to 2009



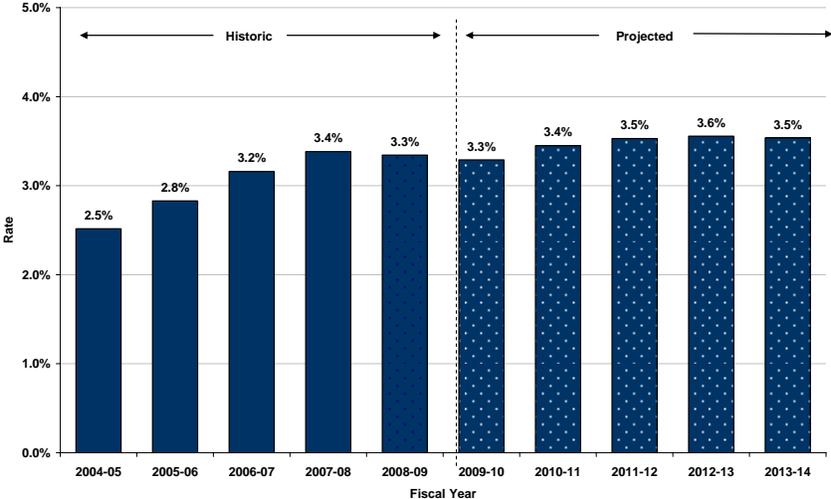
Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

Each vertical bar represents two years of age. Age bands are distinguished by different colours.

4. Retirements

Compared to the previous year, the public service retirement rate declined slightly in 2008-09 (by 0.1%), after steadily increasing by 0.9% between 2004-05 and 2007-08. Projections for the next several years call for a slight increase followed by a level retirement rate, assuming a stable employee population.

Figure 8: Historic and Projected Retirement Rates for Federal Public Servants, 2004-05 to 2013-14



Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

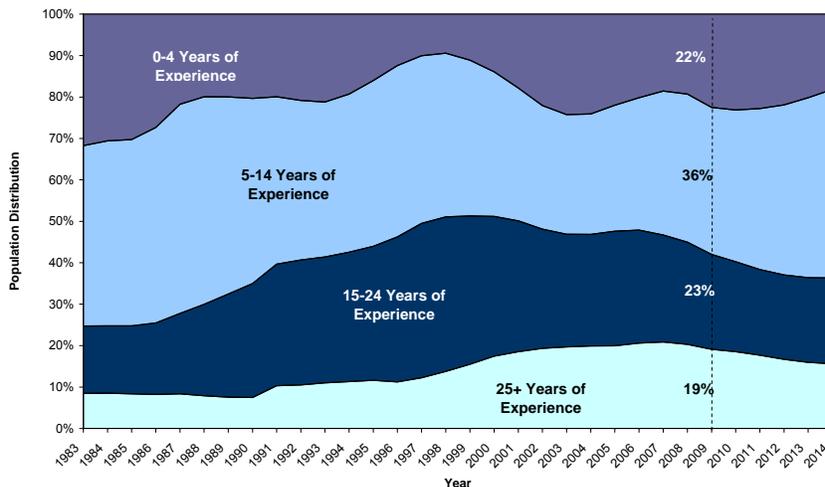
Population: Indeterminate federal public servants, including employees who retire while on Leave Without Pay.

Projected retirement rates assume a stable population. If the overall population increases or decreases in the future, the rate will be affected.

5. Public Service Years of Experience

Reflecting recent recruitment efforts, the percentage of employees with 0-4 years of experience has increased by 3 percentage points over the past year, from 19% in 2008 to 22% in 2009. In contrast, there have been reductions in the proportion of employees with 15-24 years of experience (by 2 percentage points) and over 25 years of experience (by 1 percentage point), and these trends are set to continue. This reflects the general aging of the Public Service and the retirement of those with more years of service.

Figure 9: Years of Experience Bands for Indeterminate Federal Public Servants from 1983 to 2014



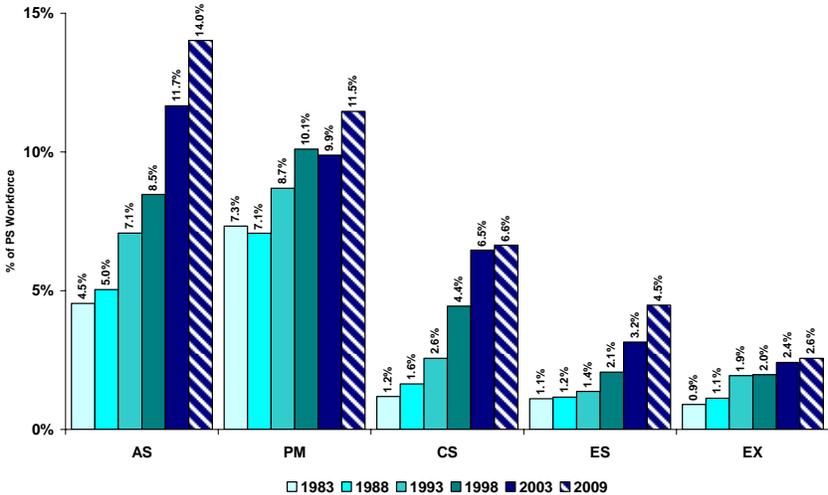
Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

The forecast distribution is based on the indeterminate stable population as of March 31, 2009 (i.e., the current cohort). This population also includes employees on Leave Without Pay.

6. A Knowledge-Intensive Workforce

As noted in the Fifteenth Annual Report, the public service workforce has been transformed since 1983. We are undertaking more knowledge-intensive work to meet increasingly demanding challenges, with the support of innovative technology. Figure 10 shows significant increases in the percentages of employees in the five most knowledge-intensive occupations, such as computer and systems specialists and economists. In 1983, these workers made up only 15% of the workforce, but, in 2009, they represented 39.2%.

Figure 10: Share of Key Occupations in the Core Public Administration
Selected Years, 1983 to 2009



Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

Data based on core public administration only. This includes all tenures and excludes employees on Leave Without Pay.

To provide a true picture of growth and share of occupations historically, this analysis excludes the Canada Revenue Agency (CRA) and the Canada Border Services Agency (CBSA). The CRA was a part of the core public administration until 1999, after which it became a separate employer. The CBSA was created in 2003 as part of the core public administration; a majority of its employees were moved from the CRA.

The occupational groups are: Administrative Services (AS); Programme Administration (PM); Computer Systems (CS); Economics, Sociology & Statistics (ES); and Executive (EX).

Please note that the data for 2009 presented in this figure does not reflect the conversion of the Economics, Sociology & Statistics (ES) occupational group to the Economics & Social Science Services (EC) occupational group, since the official conversion took place on June 22, 2009.

Part II – Demographic Profile of Executives

In addition to providing data for the executive cadre, Part II of this Annex now provides additional demographic information on public servants at the two levels immediately below.

These employees, normally managers and supervisors, are an important population pool in terms of succession planning for leadership roles in the executive cadre.

1. Population Size of the Executive Group

As of March 31, 2009, there were 6,496 executives in the Public Service, an increase of 314 from the previous year. This represents 2.4% of the total workforce.

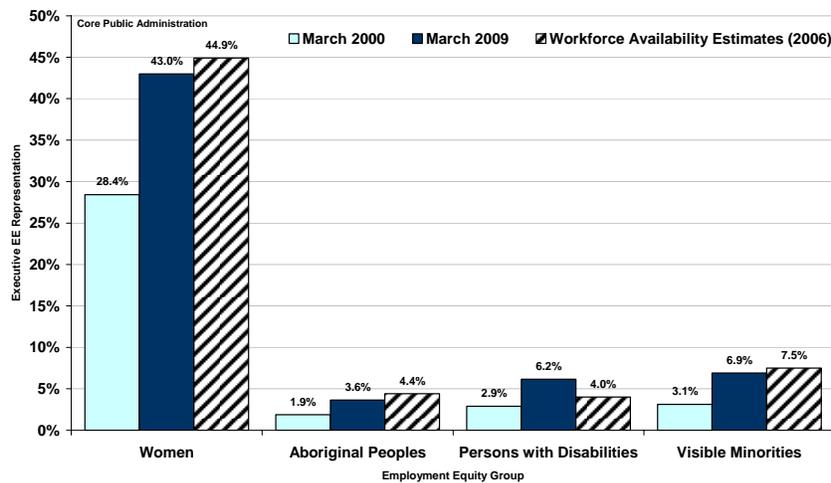
In the two levels below the executive cadre (in the core public administration), there were 10,789 public servants at the EX minus 1 level and 17,361 at EX minus 2, representing 3.93% and 6.33% of the workforce, respectively.

2. Executive Diversity

a) Employment Equity Groups

Figure 11 shows representation levels for the four employment equity groups, comparing 2000 to 2009.

Figure 11: Representation of Equity Groups among Executives in 2000 and 2009, with Estimated Workforce Availability Based on the 2006 Census



Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

Data for the core public administration (departments and agencies for which the Treasury Board is the employer), including indeterminates and terms of three months or more.

The representation of women in the executive ranks increased steadily to 43% of executives in 2009. This is a rise of nearly 15 percentage points since 2000, and a full percentage point higher than in 2008. However, the figure was below the workforce availability of 44.9%.

The representation of women was below workforce availability at the EX minus 1 level by 2.3 percentage points, but it exceeded workforce availability at the EX minus 2 level by 0.7 percentage points.

Representation of the other three employment equity groups also increased at the executive level from 2000 to 2009. It rose from 1.9% to 3.6% for Aboriginal persons, from 2.9% to 6.2% for

persons with disabilities and from 3.1% to 6.9% for visible minority employees.

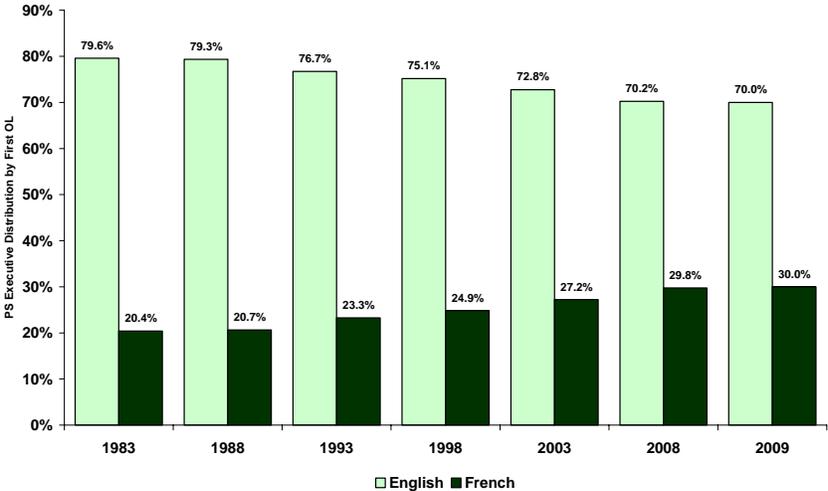
In the two levels below executive, representation exceeded workforce availability for Aboriginal persons and persons with disabilities. In the case of visible minorities, however, it fell below availability by 2.9 percentage points at the EX minus 1 level and 1.6 points at the EX minus 2 level.

b) Language of Executives

Figure 12 shows that French has been identified as first official language by an increasing segment of the executive cadre since 1983. In that year, it was named as first official language by 20.4% of executives. The figure rose to 30% in 2009 (a slight increase over the previous year).

This trend also exists for public servants at the EX minus 1 and EX minus 2 levels from 1983 to 2009.

Figure 12: Proportion of Public Service Executives by First Official Language – Selected Years, 1983 to 2009



Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

Includes all public service executives in all tenures (indeterminate, term and casual). Does not include executives on Leave Without Pay.

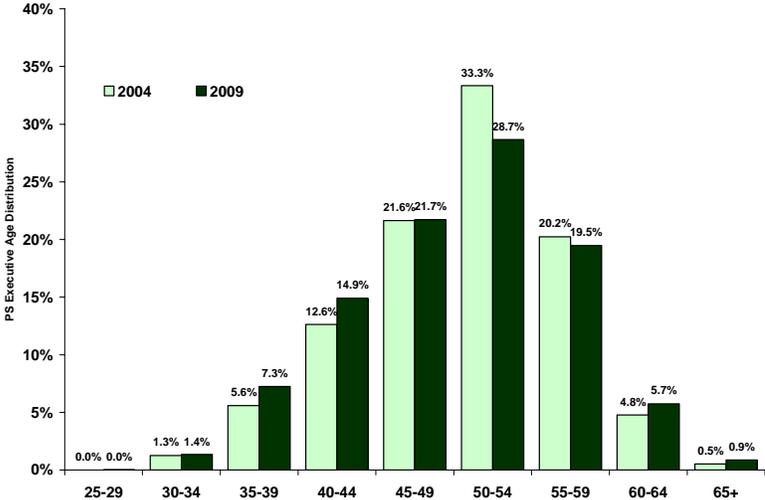
The federal public service is the population for executives; the core public administration is the population for EX minus 1 and minus 2 employees.

3. Age of Executives

Figure 13 compares the age distribution of executives in 2004 and 2009. The share of executives under 50 years of age increased from 41.1% in 2004 to 45.3% in 2009; the share of those over 50 decreased from 58.8% to 54.8%.

The average age of executives decreased slightly over this period, from 50.6 years in 2004 to 50.3 years in 2009. The decrease is reflected at both the EX minus 1 level (from 48.8 to 48.5 years) and the EX minus 2 level (from 45.7 to 45.5 years).

Figure 13: Federal Public Service Executive Population Distribution by Age Bands for 2004 and 2009



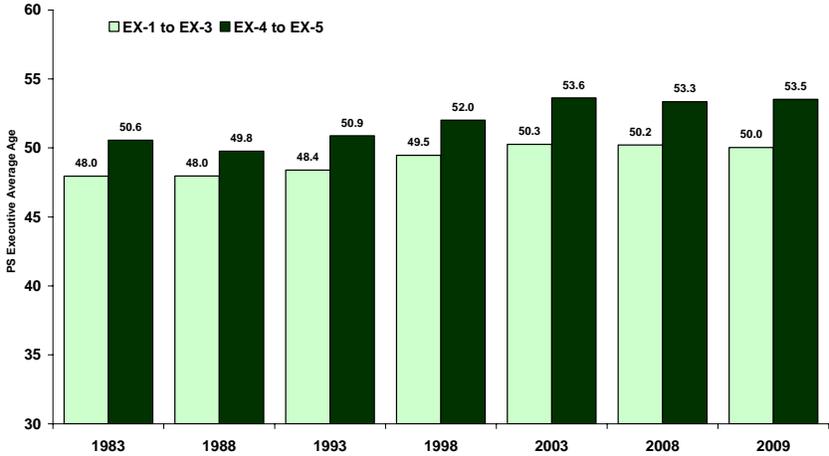
Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

Figures exclude those on Leave Without Pay.

The federal public service is the population for executives; the core public administration is the population for EX minus 1 and minus 2 employees.

Figure 14 shows that, since 2003, there has been relatively little change in the average age of executives at both the EX-1 to EX-3 levels and the EX-4 to EX-5 levels.

Figure 14: Average Age of Public Service Executives and Assistant Deputy Ministers
Selected Years, 1983 to 2009



Source: Office of the Chief Human Resources Officer, Treasury Board Secretariat.

All tenures exclude those on Leave Without Pay.

The federal public service is the population for executives; the core public administration is the population for EX minus 1 and minus 2 employees.

The primary feeder group for the executive cadre is the EX minus 1 level. In 2009, the average age of public servants at that level was 1.8 years lower than the average age for executives (48.5 versus 50.3 years). At the EX minus 2 level, the average age of public servants was 3.0 years lower than the average at the EX minus 1 level (45.5 versus 48.5 years).

Annex B: Results from the 2009-10 Public Service Renewal Action Plan

This annex summarizes progress against the 2009-10 Public Service Renewal Action Plan commitments, as reported by 33 departments and agencies for the year ending March 31, 2010.

LEGEND	
	Commitment Completed
	Significant Progress Demonstrated
	Some Progress Demonstrated

Planning

Integrated business and human resources planning is improving as a fundamental business practice within a developing planning culture.

2009-10 PS Renewal Commitments	Progress and Results
<p>1. In addition to putting a strong emphasis on linking human resources (HR) needs with the organization’s business needs, Deputy Heads will report on what they have done to give effect to the recommendations of the Expert Panel on Integrated Business and Human Resources Planning.</p>	<p> All Deputy Heads are taking steps to integrate the recommendations of the Expert Panel on Integrated Business and Human Resources Planning.</p> <p>There is strong evidence that integrated planning has moved well beyond a paper exercise and is being systematically adopted into the culture, systems and governance structures of each organization.</p>
<p>2. The Chief Human Resources Officer (CHRO) and the Canada School of Public Service (CSPS) will facilitate peer review sessions of integrated plans as a learning event for Deputy and Associate Deputy Heads, with a view to building and sharing best practices.</p>	<p> The CSPS and the CHRO delivered a peer review session of integrated plans for Deputy and Associate Deputy Heads in March 2010.</p>

Recruitment

Capacity is being sustained through successful post-secondary recruitment, by setting annual targets and adopting a coordinated approach to on-campus recruitment.

2009-10 PS Renewal Commitments	Progress and Results
<p>1. Offers of indeterminate employment will be made across the Public Service to at least 4,000 post-secondary graduates, with overall levels of visible minority recruitment exceeding workforce availability.</p>	<p> Close to 4,000 offers will be made by March 31, 2010. As of February 2010, organizations reported hiring 2,536 post-secondary graduates into indeterminate positions.</p> <p>Visible minority groups represent 23% of these appointments.</p>
<p>2. Building on the career fair pilots held in 2008-09, eight Regional Federal Councils, in partnership with central HR organizations and Deputy Minister University Champions, will deliver government-wide career fairs.</p>	<p> Regional Federal Councils, HR organizations and Deputy Minister University Champions delivered six government-wide career fairs in fall 2009 in Nova Scotia, New Brunswick, Quebec, Ontario, and Newfoundland and Labrador, and five in winter 2010 in Saskatchewan, Manitoba and Alberta.</p>
<p>3. The Public Service Commission (PSC), working in collaboration with the CHRO and Deputy Heads, will make its job seeker-friendly website fully operational for all interested Canadians to apply to any job open to external candidates.</p>	<p> Enhancements have been made to the jobs.gc.ca website to be more job seeker-friendly.</p> <p>The site now incorporates a modern look and feel and improved job search tools. It also includes a Career Explorer with career-related information such as featured jobs and career and development programs.</p>

2009-10 PS Renewal Commitments	Progress and Results
<p>4. Deputy Heads, in collaboration with the PSC, will take full advantage of additional funding under the 2009 Economic Action Plan to hire more students.</p>	<p> 29 of 33 Deputy Heads indicated that they received additional funding for student hiring under the 2009 Economic Action Plan and hired additional Federal Student Work Experience Program and co-op students as a result.</p>

Employee Development

Concrete steps have been taken toward retention and development, as necessary investments in our people.

2009-10 PS Renewal Commitments	Progress and Results
<p>1. Building on progress made in 2008-09, Deputy Heads will report on what they have done to:</p> <ul style="list-style-type: none"> o Extend to all executives a rigorous performance management regime that includes the use of indicators and tools (e.g., Management Accountability Framework and Public Service Employee Survey results); o With the support of the CHRO, equip executives and managers with the tools and training needed to effectively manage the full spectrum of performance of employees at all levels; 	<p> 32 of 33 Deputy Heads indicated that a rigorous performance management regime is in place for executives, including indicators and tools.</p> <p> 25 of 33 Deputy Heads indicated that they have developed supporting tools for managers and executives to help them manage the full spectrum of performance.</p> <p>The CHRO has also developed a performance management website that sets out key leadership competencies and behaviours and provides links to sample documents (performance agreements, evaluations, TBS guidelines, etc.).</p>

2009-10 PS Renewal Commitments	Progress and Results
<ul style="list-style-type: none"> o Ensure that commitments are in place for all executives by the end of June 2009, mid-year feedback on progress is provided by the end of November 2009 and, collectively, commitments are coherent from a departmental perspective; and o Ensure that all employees have clear performance objectives in place by end of June 2009 and regular discussions take place between managers and employees regarding performance, career development and related learning needs. 2. A new Leadership Development Framework will be implemented by the CHRO and Deputy Heads to support leadership at all levels. o Corporate development programs will be aligned with the Leadership Development Framework. o Deputy Heads will use the Leadership Development Framework to guide their organizations' leadership development approaches to ensure management excellence. 	<ul style="list-style-type: none">  32 of 33 Deputy Heads indicated that commitments were in place for all executives, mid-year feedback was provided and commitments are coherent.  24 of 33 Deputy Heads indicated that employees established performance objectives with their managers and regular discussions took place between managers and employees.  The Leadership Development Framework is being communicated to departments to help guide their implementation of leadership development activities across their organizations.  A new approach to corporate development programs has been developed. As a consequence, existing centrally managed leadership development programs are being phased out.  28 of 33 Deputy Heads indicated that they are developing internal frameworks, programs and/or strategies with regard to talent management and/or leadership development. Six Deputy Heads indicated that these initiatives are being aligned with the Leadership Development Framework developed by the CHRO.

2009-10 PS Renewal Commitments	Progress and Results
<p>3. A set of best practices and practical approaches to improve diversity and foster recognition and use of both official languages will be provided by Deputy Heads to their managers for departmental use.</p>	<p> The final report and compendium of practical approaches of the Workplace and Workforce Task Force have been broadly distributed, including posting on the CSPS website.</p>

Enabling Infrastructure

Our systems, tools and infrastructure are being streamlined, with fewer, simpler rules and less reporting and with investments such as progress on pay modernization.

2009-10 PS Renewal Commitments	Progress and Results
<p>1. Effective April 1, 2009, departmental reporting on the People Component of the Management Accountability Framework (MAF) will be replaced by a new set of performance and status indicators for tracking the state of the Public Service and people management within it. To ensure success, the CHRO will work with central partners to agree on data definitions and the management and alignment of data gathering and reporting cycles.</p>	<p> Deputy Heads have defined a set of performance and status indicators (including an electronic scorecard), which were put into effect on April 1, 2009.</p> <p> The CHRO has developed a People Management Dashboard to provide public service-wide trend information for central tracking of people management (in addition to MAF scorecards).</p> <p> Work has begun on data definitions using the Common Human Resources Data Model. An agreement on common definitions relative to Staffing and Employee Integration and Learning and Development is also being developed with the PSC, the CSPS and the CHRO.</p>

2009-10 PS Renewal Commitments	Progress and Results
<p>2. In response to the shift in roles and responsibilities regarding people management, the CHRO will review the HR policy suite and reduce central HR policies by one-third.</p> <ul style="list-style-type: none"> o Deputy Heads will ensure that central policies will not be replaced by unnecessary departmental rules. o Working with the advice of Deputy Heads, the Public Service Commission will continue to apply a risk-based approach to its monitoring of staffing in departments and agencies. <p>3. In consultation with employees and managers, departmental standards for key HR services will be further refined (including staffing, classification and pay) and performance against those standards will be communicated to employees.</p>	<ul style="list-style-type: none"> ◆ 32 mandatory people management policies are now at various stages in the review process. To date, recommendations have been made to rescind 11 of them. Analysis is underway on the second group of 21 policy instruments. ◆ 11 of 33 Deputy Heads indicated that they have initiated an internal policy review and will not replace central policies by unnecessary departmental rules. ● The PSC continues to apply a risk-based approach to monitoring and staffing activities. The Staffing Management Accountability Framework has been refined to improve stakeholder engagement. It will be provided to organizations for the 2009-10 assessment cycle following consultations with the HR community. ● 29 of 33 Deputy Heads indicated that they have established standards for key HR services, the majority of which are being refined, tracked and/or assessed, and communicated to all employees.

2009-10 PS Renewal Commitments	Progress and Results
<p>4. With assistance and advice from the CHRO, staged implementation of selected common HR business processes will begin in a minimum of five departments, with a goal of making them more streamlined and cost-effective.</p> <p>5. The CHRO will undertake a comprehensive analysis of the results of the 2008 Public Service Employee Survey (PSES) to support Deputy Heads in their actions to respond to the survey findings, with an expectation that key response actions will be included in organizational HR plans.</p> <p>o The CHRO will launch an annual online survey to better track people management including employee engagement.</p>	<p> 11 departments/agencies are formally engaged in adopting the Common Human Resources Business Process (CHRBP).</p> <p>In its enabling role, the CHRO's Centre of Expertise continues to liaise with organizations to provide tools and guidance. A community for lead implementers has also been established to share lessons learned, bring organizations together and create opportunities for collaboration.</p> <p>The CHRO will soon release the CHRBP 4.0 and make it available to all lead implementers.</p> <p> An analysis of the PSES results was presented to Deputy Heads as part of the release of the survey results.</p> <p>Customized departmental reports were prepared and delivered to heads of HR in fall 2009. They are now being incorporated into organizational planning activities.</p> <p> The CHRO has designed an annual online survey to track people management and employee engagement. A decision was taken not to administer the survey in 2009.</p>

Annex C: Implementation of Canada's Economic Action Plan

To support rapid implementation of Canada's Economic Action Plan, the Government instituted a series of measures to streamline funding approval processes, parliamentary appropriations, oversight mechanisms and communications, while maintaining accountability and sound management of public funds.

The Department of Finance worked on tight timelines to support the Government in presenting Budget 2009 in January, the earliest date for a budget in the history of Canada. As part of the Economic Action Plan, the budget included legislative changes to speed up or reduce approvals for routine, low-risk projects. Cabinet policy approvals were expedited, with Treasury Board submissions being developed concurrently. In recognition of the potential risks associated with accelerated approvals, the Auditor General of Canada was engaged early in the process to discuss the approaches taken. These measures reduced the time needed to implement budget initiatives by as much as six months.

To reduce the typical lag between the tabling of the budget and the date when spending can actually commence (usually several months), Budget 2009 established a special "Budget Implementation Vote," a time-limited authority permitting Treasury Board ministers to disburse up to \$3 billion in stimulus funds directly to departments. This innovation avoided a situation in which departments would have been under pressure to cash-manage large amounts of funding until the passage of the Estimates. The increased accountability demands of this approach were also met.

A steering Committee of Deputy Ministers was established to oversee the rollout of the stimulus measures, serving as a useful forum for horizontal coordination and early identification of any problems. This Committee was supported by smaller "SWAT" teams of deputies focused on specific elements of the stimulus, such as shovel-ready infrastructure projects. Along with reporting departments, the Department of Finance diligently supported the Government in producing quarterly accountability reports to Parliament on the progress of the stimulus measures.

Extensive communication on the Economic Action Plan, using a variety of approaches, was necessary to support both the rapid deployment of the stimulus and accountability to citizens. New, interactive communications technologies, including geo-mapping, were employed.

Implementation of the Economic Action Plan demonstrates that effective and innovative approaches to streamlining approval processes, reducing expenditure delays and communicating more effectively not only are possible but should be encouraged. The most important lesson is that such innovation must uphold the same levels of accountability and transparency that Canadians have come to expect and that they deserve.

Annex D: Benchmarking Renewal

The goal of Public Service Renewal is to create and maintain a high-performing organization. Achieving this goal depends on a strong capacity for assessing how well we are doing our work.

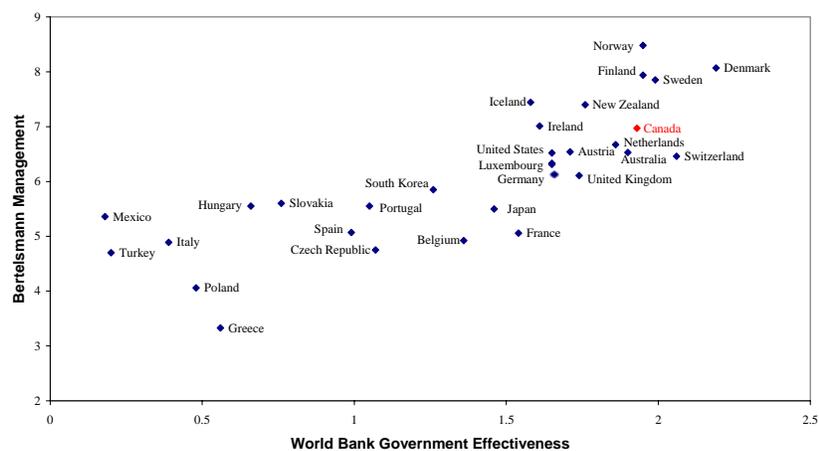
This annex examines:

1. international comparisons of the effectiveness of major public administrations, including our own;
2. our internal framework for ensuring management excellence;
3. our improving focus on people management within that framework; and
4. the importance of gauging employees' perceptions of their Public Service and how it is performing.

1. International Comparisons

Canada ranks high in international comparisons of government performance for 2009.

Figure 15: International Government Rankings



Sources: Bertelsmann Sustainable Governance Indicators 2009; World Bank Worldwide Governance Indicators 2009.

Among the member countries of the Organisation for Economic Co-operation and Development (OECD), the World Bank Government Effectiveness Indicators place Canada in sixth position. The Bertelsmann Management Index ranks Canada eighth. Figure 15 shows Canada's relative position on the two scales. While any such measures are open to interpretation, Canada's ranking on the two indices is suggestive of our relative performance.

2. Management Excellence

The Management Accountability Framework (MAF) is a tool used across the federal government to help departments and agencies improve management capability and performance. Among the several management areas assessed through the MAF, some are aligned specifically to Public Service Renewal goals (people management practices, values and ethics, change management, business planning and risk management). Capability and performance are also measured across functional areas that are key to supporting effective program delivery and sound stewardship of public funds – for example, the areas of financial management and internal audit.

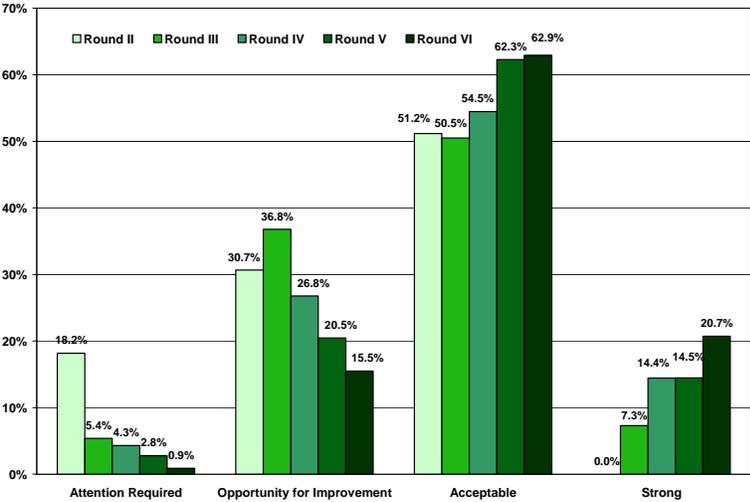
As part of a recent assessment of the United Kingdom Capability Review model, a review of OECD countries found that only four jurisdictions have management performance frameworks similar to the MAF in terms of scope, coverage and approach.

Assessment Area	Canada Management Accountability Framework	United Kingdom Capability Review	United States President's Management Agenda	South Korea Performance Evaluation	European Union Common Assessment Framework
Leadership	•	•			•
Organizational Structure	•	•		•	
Strategy and Policy	•	•		•	•
Partnership Working	•	•		•	•
Resource Management	•	•	•	•	•
Financial Management	•	•	•	•	•
Performance Management	•	•	•	•	•
Risk Management	•	•		•	
Learning and Innovation	•	•		•	•
Customer Focus	•	•		•	•
Performance Results				•	•

Source: U.K. National Audit Office, Assessment of the Capability Review programme, 2009.

Results from annual MAF assessments conducted by the Treasury Board Secretariat show that Deputy Heads are using the MAF to support their management accountabilities and to drive improvements in management performance. Improvements have been made over the years across the various areas of management measured through the MAF. Figure 16 shows that the result has been an increase in the number of organizations performing well in overall MAF ratings.

Figure 16: Overall Management Accountability Framework (MAF) Rating Distribution – Round II to Round VI*



Source: Treasury Board Secretariat.

* Round II was conducted in 2004-05 and Round VI in 2008-09.

From Round II to the most recent Round VI, the percentage of departments receiving an “Attention Required” rating decreased from 18% to only 1%. The percentage receiving an “Acceptable” rating rose from 51% to 63%. The percentage receiving a “Strong” rating increased from 0% to 21%.

3. New People Management Indicators

Effective April 1, 2009, departmental reporting under the Management Accountability Framework changed with the introduction of a new set of performance and status indicators for tracking the state of the Public Service and people management within it. These indicators were developed by the Office of the Chief Human Resources Officer in partnership with key stakeholders, meeting a commitment in the 2009-10 Public Service Renewal Action Plan.

The new indicators under values and ethics include organizational culture and values-based leadership. Under people management, the indicators are: employee engagement; leadership; employment equity; employee learning; performance management; integrated human resources and business planning; staffing; and, official languages.

The People Management Dashboard, launched in March 2010, provides Deputy Heads and central agencies with updated information about people management trends and issues, which will support more responsive business decision making. The Dashboard includes the new people management indicators. It also contains annual departmental scorecards, using a subset of outcome-based key performance indicators and measures, which were initiated in February 2010. The Dashboard will enable departments to attain excellence in people management by providing toolkits based on innovative and exemplary practices adopted by federal organizations and other jurisdictions.

4. Public Service Employee Survey

The fourth Public Service Employee Survey (PSES) was administered in the fall of 2008. For the first time, the survey was offered online and included an expanded target population of participating separate employers. The results were made available in May 2009.

The primary purpose of the 2008 survey was to provide a snapshot of the perspectives of public service employees about their workplace. Overall, the results of the survey point to a strong, capable and engaged public service with a positive perspective on the workforce and workplace. Nevertheless, several challenges were identified, for which ongoing action will be necessary.

Deputy Heads are accountable for promoting and implementing good people management practices in their organizations and are therefore responsible for acting on the PSES results to respond to the specific challenges, strengths and cultures of their organizations. Managers and employees must equally embrace the opportunities to implement concrete actions to realize improvement.

The survey will provide a baseline for measuring future progress in renewing the workplace and the results serve as an important information source for the People Management Dashboard.

Conclusion

Excellence in people management is fundamental to creating energized and effective workforces that, in turn, deliver on the business of government and provide high-quality services to the citizens of our country.

In view of the importance of the Public Service of Canada to this country, and the important role renewal is playing in keeping this national institution strong, our benchmark can be nothing less than excellence.

Annex E: Report of the Prime Minister's Advisory Committee on the Public Service

MESSAGE FROM THE CO-CHAIRS

We are pleased to present to you, Prime Minister, the fourth annual report of your Advisory Committee on the Public Service.

In preparing this report, we have been impressed by the number of opportunities that exist for the Public Service to reinvent the way it does business to serve Canadians better. These opportunities present themselves now. They range from the exciting possibilities that new technologies offer, to a dramatically changing workforce giving rise to new ideas, to the interesting innovations that emerged from the daunting challenge of delivering Canada's Economic Action Plan.

In our view, the circumstances are right for the Public Service to reassess and transform its models for delivering on the business of government. This is an ambitious undertaking. However, we are confident that, with your support, the Public Service can and will succeed. For our part, we are fully prepared to draw on our collective experience to advise you on these issues.

Once again, we appreciate your personal commitment to these matters. We look forward to continuing our work.

The Honourable
Paul M. Tellier

The Honourable
David Emerson

TABLE OF CONTENTS

PART I: SETTING THE CONTEXT	1
PART II: TAKING STOCK	3
RISK MANAGEMENT	3
PAY MODERNIZATION	5
PUBLIC SERVICE RENEWAL	5
HUMAN RESOURCES GOVERNANCE	6
PART III: OBSERVATIONS	6
SUPPORTING STRONG LEADERSHIP	7
IMPLEMENTING THE ECONOMIC ACTION PLAN: IMPLICATIONS FOR THE PUBLIC SERVICE	8
STRENGTHENING POLICY CAPACITY: A RELEVANT AND CONNECTED PUBLIC SERVICE	9
CREATING A MODERN, ENABLED WORKPLACE	10
PART IV: RECOMMENDATIONS	11
PART V: CONCLUSION	12
WHAT NEXT?.....	12
APPENDIX 1: MEMBERS OF THE PRIME MINISTER’S ADVISORY COMMITTEE ON THE PUBLIC SERVICE	14

PART I: SETTING THE CONTEXT

A high-performing and values-driven public service is critical to the success of every country in today's complex and interconnected world. In Canada, our Public Service is a national asset, a part of Canada's comparative advantage and key to our competitive performance in the global economy. It also helps provide the foundation for sound democratic government, which is essential to a healthy society, to a resilient business climate and to our country's ability to navigate economic instability.

In 2009, the working environment in which the federal Public Service operated was complicated and unpredictable. As the country continued to experience a major economic recession, significant health and safety concerns emerged with the onset of H1N1. Innovative approaches were taken to plan and implement the government's Economic Action Plan in a timely and efficient way, and decisive measures were put in place to ensure a coordinated response to national health risks.

"Government capacity is being tested like never before. Decision makers are being confronted by a combination of policy challenges of unprecedented size and complexity – from unemployment to climate change, ageing populations, migration and other long-term concerns. Citizens are turning to governments, seeking immediate solutions to complex problems and demanding high-quality public services to meet their changing circumstances and needs."

Government at a Glance
Executive Summary OECD 2009

More recently in January 2010, following the tragic earthquake in Haiti, the Public Service proved its ability to work horizontally across departments and to mobilize an enormous relief effort. As a result, Canada played an immediate and very valuable role in the international effort to assist Haiti.

It is clear from the experience of the past year that the Public Service has demonstrated its capacity as a strong, innovative institution. It adapted quickly to dramatically changing circumstances, realized opportunities to rethink and improve the way it does business and, most importantly, served Canadians.

We believe we are now seeing tangible results of the concerted efforts to renew the Public Service. First launched in 2006, public service renewal continues to be the top management priority led by the Clerk of the Privy Council. The intent of this management strategy is to ensure that the government and the public are well served by a skilled, knowledgeable workforce now and into the future. The past year has proven the value of having this strategy in place.

As the country enters a period of fiscal restraint, it is clear that the Public Service must reflect the environment in which it operates. That said, we strongly believe that fiscal pressures should not compromise the ability of the Public Service to effectively support the government and serve Canadians. To this end, employee and leadership development, a modernized workplace and strategic recruitment all remain important. Renewal must remain a priority.

Our globalized environment presents both challenges and opportunities for the Public Service to adapt at the same time as internal demographic imperatives provide opportunities to transform the workforce and senior leadership. The quality of the people who move into leadership roles and those who are newly recruited is more critical than ever to ensure the institution remains dynamic and attuned to Canadians' needs.

Meeting this challenge requires deliberate action to:

- support and sustain strong leadership in the senior ranks of the Public Service;
- strengthen policy development capacity;
- ensure the Public Service is relevant, informed and connected with Canadians from all sectors and regions; and

- create a modern workplace that will attract, retain and enable public servants to be responsive, innovative and efficient in serving Canadians.

PART II: TAKING STOCK

The Committee has provided advice to the Prime Minister for over three years and progress is evident. Our last report, *Achieving Results: Accountability and Action*, made three recommendations:

- (1) develop a principles-based approach to risk management;
- (2) renew public service systems and technology with the top priority being modernization of the pay system; and
- (3) sustain public service renewal as a major management priority.

We are pleased to note that the Prime Minister and the Public Service have acted on these recommendations.

RISK MANAGEMENT

A comprehensive government-wide shift to a principles-based approach to risk management will take time. However, progress is being made. New ideas that can improve the way government business is carried out will not be pursued in a culture of risk aversion and zero tolerance for mistakes.

Action to apply risk management to government operations is taking place. In 2009, the Secretary of the Treasury Board publicly reported on how risk management is being used to reduce the numerous complex procedures and reporting requirements referred to as the “web of rules.” Progress is occurring by eliminating ineffective and unnecessary rules, reducing the reporting burden to essential information and modernizing administrative processes and systems.

Central agencies are substantially streamlining and reducing the oversight and reporting requirements placed on departments. Line departments and agencies are taking additional measures to

simplify their internal management processes. A concerted effort to reduce the administrative burden placed on recipients of grants and contributions funding is producing real results.

The impact of this work is significant: the Public Service and recipients of government funding are better able to focus efforts on serving Canadians.

Toward Effective Government: Untangling the Web of Rules

Some practical results

- Eliminating pre-approval requirements for low-risk projects in the Building Canada Fund coupled with departmental collaboration accelerated service to recipients and reduced Treasury Board submissions by up to 80 percent.
- A risk-based approach to audit within Human Resources and Skills Development Canada saved 2,800 audit days and dramatically reduced the burden of multiple audits imposed on recipient organizations.
- Service Canada's e-solutions, including the electronic record of employment and the Newborn Registration Service, benefited millions of Canadians by reducing the time required to post reports to the government.
- The Employee Passport allows up to 75 percent of the core public administration to securely transfer electronic files between departments, reduce paper burden and increase efficiency.

Treasury Board Secretariat, September 2009

This work is on track and must go further. We understand this is the plan.

In our view, developing a culture of innovation, founded on well-considered risk management is essential to a high-performing public service that is accountable, adaptable and focused on results. Sustained attention and commitment will continue to be required at both the political and bureaucratic levels. The Committee will continue to monitor progress on this issue, and offer support and advice wherever needed to accelerate further progress.

PAY MODERNIZATION

Public Service back office systems lag well behind their private sector equivalents. Without investment in more efficient systems, there are serious limits to overall performance of the Public Service.

In 2009, the government approved the modernization of the outdated public service pay system, a 40-year-old inefficient legacy system. Together with the government's earlier investment in the pension system, this is a major step toward modernizing back office support systems required by any large organization. Revitalizing these back office functions will allow efforts to be better focused on service to the public.

The modernization of the pay system is more than a major information technology project. First, this decision represents a significant step toward renewing the foundation for effective human resources management in the federal Public Service. Second, this initiative will completely transform the pay advisory function. In a few short years, the system will be more productive, efficient and cost-effective.

PUBLIC SERVICE RENEWAL

Public service renewal continues to be a critical management strategy to ensure ongoing capacity to deliver on the business of government. We are encouraged by the steady progress that the Clerk and the deputy minister community are achieving by setting, reporting and building on concrete annual goals. Much has been accomplished in establishing a more strategic and rigorous approach to recruitment, talent management, leadership development, and performance management. Such efforts should be applauded and encouraged. At a modest cost, the returns are major—they ensure a public service that is competent, dynamic and adaptable.

HUMAN RESOURCES GOVERNANCE

In response to this Committee's recommendation in 2008, the Prime Minister announced a new human resources management regime for the Public Service in February 2009. The intent of this new governance model was to:

- clarify that deputy ministers have the primary responsibility for human resources management;
- streamline and reduce the number of central agencies involved; and
- shift the central agency role to one of enabling rather than policing deputies.

In March 2009, a Chief Human Resources Officer (CHRO) position was created with consolidated responsibilities for the employer role. The CHRO has moved quickly to take measures to reduce unnecessary central policy and oversight controls. Concurrently, deputies are taking charge of their respective responsibilities for managing people. While it is still too early to assess the success of the new model, we are encouraged by the progress reported to us by the CHRO. This work is a precondition to strategically managing people and talent in the Public Service.

PART III: OBSERVATIONS

The Committee is keenly aware that the reality of the Public Service is one of change and complexity. We have therefore been deliberate in our efforts to stay abreast of both the short- and longer-term impacts of this environment on public service employees and senior leaders. Over the past year, we learned a great deal about the capacity to innovate and deliver results while managing urgent challenges of national import. We have also gained insight into the Public Service's capacity to anticipate important issues that will affect the country and how collaboration with other sectors can usefully inform this work. And finally, we learned about the inadequacies of an outdated public service workplace.

SUPPORTING STRONG LEADERSHIP

The foundation for an effective public service is strong leadership.
During 2009:

- over 20 deputy ministers and associates were either newly appointed or changed portfolios
- over 50 new assistant deputy ministers were appointed

This trend is likely to continue over the next two years as the majority of anticipated public service retirements occur.

A complete transformation in the leadership of the Public Service is taking place as the retirement of the post-war generation and the cessation of recruitment in the mid-1990s play out. In the near term, the effect of this changeover is churn in the senior ranks. Increasingly senior leaders are newly promoted and stepping into critical jobs responsible for delivering major programs and services while at the same time learning on the job. Given the demographics, it will take a few years before this dynamic changes.

Within this context, the importance of rigorous talent management, including succession planning, cannot be overstated.

In our view, the length of time that newly appointed senior leaders spend in their positions must be sufficient for them to fully master the requirements of their responsibilities and exert sustained leadership of their organizations. Mastery of their own departments is also essential to their ability to contribute to whole-of-government leadership and collaboration.

We have also deepened our understanding of the complexities of deputy ministers' jobs, which have expanded dramatically in recent years to include:

- new accountabilities that have increased both deputies' personal responsibilities for management of their organizations, and their involvement in day-to-day transactions;

- extensive portfolio management to promote coherent agendas across multiple organizations reporting to a single minister;
- the need to work horizontally across departments on many complex issues that often transcend the mandate of a single minister, such as Aboriginal policies, immigration, environmental issues and security matters;
- the need to respond to myriad oversight mechanisms in Parliament and the government's central agencies; and
- the need for deputies to manage in an environment of ever present media, public scrutiny and expectations of heightened transparency.

We believe the cumulative consequences of these factors should be assessed along with the possibility of consolidating certain oversight bodies. Too much oversight can lead to a blurring of accountabilities at a time when it is essential for deputies to focus on their core role of providing sound, timely advice to ministers on important public policy issues.

IMPLEMENTING THE ECONOMIC ACTION PLAN: IMPLICATIONS FOR THE PUBLIC SERVICE

In response to the economic crisis, the Public Service was pressed to find new ways to achieve results while managing the trade-offs between risk and speed without compromising the principles of the Cabinet system. It met the challenge.

Actions were taken to expedite implementation of the government's Economic Action Plan through a series of streamlined measures with respect to policy decision making, administrative approvals, implementation, reporting and communications. The Committee was very impressed with this work and believes there are important lessons to be learned for the future with respect to collaboration and the management of risks. The Public Service has a tremendous opportunity to rethink and reinvent the ways it does business by applying these lessons more broadly. This ability to be both responsive and responsible is

critical if we are to deal with the rapid and unanticipated emergence of global and domestic issues.

STRENGTHENING POLICY CAPACITY: A RELEVANT AND CONNECTED PUBLIC SERVICE

It is essential to Canadian interests that the Public Service be proactive in identifying emerging issues and their potential implications for Canada in the longer term. To do this, the Public Service must strike a balance between managing urgent issues and longer term anticipatory and strategic thinking. We understand this has been done through the creation of several policy planning initiatives led by deputy ministers. We believe this work, done well, is extremely important.

A public service operating in isolation runs the risk of becoming irrelevant. We believe that the quality of policy thinking must be enhanced by additional perspectives from citizens, stakeholders and experts from other jurisdictions and other sectors (e.g. business, academia, non-governmental organizations). We believe sound government policy should be shaped by a full range of perspectives, and policy makers must consistently reach beyond the National Capital Region for input and advice.

Furthermore, the Public Service now has an opportunity to engage Canadians, especially younger ones, through the use of Web 2.0 collaborative technologies such as wikis, blogs and social networking. These offer an excellent way for the Public Service to reach out and connect.

Social networking technologies have opened the door to the rapid exchange of knowledge and ideas on an unprecedented scale, and have broken down walls when it comes to sharing of information.

We applaud existing mechanisms to engage with senior external leaders, and encourage the Public Service to consider other potential opportunities to exchange and obtain knowledge and perspectives from Canadians.

Of particular note, we strongly endorse practices such as external advisors from the private sector sitting as members of departmental audit committees. We also recognize the value of the Interchange Canada program for improving policy making and for building knowledge of how government works across sectors.

The Committee has learned this year that universities and senior public service leaders have well-established relationships supported by institutionalized programs and practices. These include: university exchanges, ties between public policy schools and deputy minister champions, close links between government scientists and their university colleagues, and cooperative and other recruitment programs. We encourage the continuation of this collaboration and the greater involvement of universities as well as other sectors in the policy development and review process.

CREATING A MODERN, ENABLED WORKPLACE

Public service renewal must extend beyond the workforce to address the nature of the public service workplace. An enabled workplace will equip the thousands of public servants who deliver essential services to Canadians across the country, to do their jobs better. With the approval to proceed with pay modernization, a major step has been taken to improve the back office systems needed for an enabled workplace. Much more, however, remains to be done. Sustained attention will be required. There are two building blocks for workplace renewal:

- doing business better and more efficiently based on innovative approaches, best practices and new business models. We believe continuous improvement reviews are essential if government operations are to keep pace with the demands placed upon them; and
- creating a workplace that will attract, retain and empower public servants to innovate, collaborate and be responsive to the public. Among other things, this must include the adoption of collaborative technologies that are increasingly widespread in other sectors.

Moving forward in these two areas will permit the Public Service to better serve Canadians and provide quality advice to the government. This will create a workplace where service to the public is enabled, and not just a place where public servants work.

PART IV: RECOMMENDATIONS

The environment in which the Public Service operates will continue to be complex, demanding and unpredictable. Canada will continue to need a public service that is able to adapt and manage risks in delivering results, and is equipped to be productive and connected to citizens. Within this context, the Committee recommends the following actions.

Supporting Strong Leadership

1. Deliberate steps must be taken to manage churn and establish greater continuity in senior leadership positions. Effective succession planning and talent management are essential, given the demographic realities facing the Public Service.
 - Deputy heads should remain in their positions for at least three to five years. This goal should be maintained. We realize this will not always be possible in the short term, given demographic and operational needs.
 - However, when rapid changes are inevitable, it is even more important to have rigorous talent management and succession planning. This should include a systematic approach to developing associate deputy ministers and assistant deputy ministers for more senior positions.

Staying Relevant and Connected

2. The Public Service must ensure it has the capacity to anticipate and plan for issues that will affect the country in the longer term. It must, therefore, be consistently tuned in to the issues and concerns of Canadians.

- The Public Service should adopt a structured approach to tapping into broad-based external expertise. This includes collaboration and exchanges with universities, social policy organizations, think tanks, other levels of government and jurisdictions, private sector organizations and citizens.
- Fiscal restraint that impedes the Public Service's ability to engage face-to-face with external organizations is "penny wise and pound foolish." Public servants must be able to seek out external views and expertise to inform policy development.
- The Public Service must take full advantage of collaborative technologies to facilitate interaction with citizens, partners and stakeholders.

Doing Business Differently

3. The Public Service should find opportunities to work in new and innovative ways with a view to transforming the way it does business and delivers services to Canadians, and to improve its policy-making capacity.
 - Lessons should be learned from the creative measures taken to implement the Economic Action Plan in streamlining decision making, expediting implementation measures and communicating results.
 - This management model of enhanced collaboration and explicit risk management should be replicated for dealing with other initiatives.

PART V: CONCLUSION

WHAT NEXT?

In the coming months, as we enter a period of fiscal restraint, the Committee intends to focus on ways to support the renewal of the Public Service:

- consider and advise on new business models for the Public Service with a view to creating an innovative and productive workforce that continues to deliver increasing value for money by taking advantage of new tools and technology;
- learn about and advise on the overall health of the public service workforce;
- review the impact of changes in human resources governance as the new model matures;
- stay abreast of progress in reducing the web of rules and embedding well-considered risk management practices; and
- continue to advise on a high-performing public service workforce, with particular attention to the critical issue of talent management in the senior ranks.

**APPENDIX 1: MEMBERS OF THE PRIME MINISTER'S
ADVISORY COMMITTEE ON THE PUBLIC SERVICE**

The Honourable Paul M. Tellier, P.C., C.C., Q.C.

The Honourable David Emerson, P.C., Ph.D.

*Tony Comper, Immediate Past President and CEO, BMO
Financial Group*

Donna Soble Kaufman, B.C.L., LL.M, Corporate Director

*Dr. Robert Lacroix, Ph.D., C.M., O.Q., FRSC, Professor
Emeritus, University of Montreal*

*The Honourable Aldéa Landry, C.M., P.C., Q.C.,
President, Landal Inc.*

*Dr. Indira V. Samarasekera, O.C., President and
Vice-Chancellor, University of Alberta*

Sheila Weatherill, C.M., Corporate Director

*L. R. Wilson, O.C., Chairman of the Board, CAE Inc.,
Chancellor, McMaster University*