



CANADA

Fourth Annual Report

to

The Prime Minister

on

The Public Service of Canada

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Clerk of the Privy Council and
Secretary to the Cabinet

Canada. Privy Council Office

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the Public Service of Canada

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February 3, 1997

Dear Prime Minister:

I am pleased to submit to you the Fourth Annual Report on the Public Service of Canada. This report is prepared pursuant to the *Public Service Employment Act*.

This year, the Annual Report begins with a report on the progress that has been made in realigning the roles and responsibilities of the Government of Canada. It discusses the profound change that this realignment of roles is having on Canadian society as governments forge new relationships among themselves, lay the basis for new partnerships with other sectors of society and change their relationship with citizens.

In light of the changing role of government, last year's report identified three key tasks for the Public Service of Canada: modernizing service delivery, strengthening policy capacity and building a vibrant national institution adapted to future needs. This year's report discusses the progress that has been made on these tasks and signals further work that is necessary to ensure that progress continues.

The Public Service of Canada makes a significant contribution to the performance of the country and the well-being of Canadians. Canadians and their elected representatives have always been able to rely on a public service that is one of the best in the world. One of the key tasks for all public servants over the next year will be to ensure that this will continue to be the case.

Mr. Prime Minister, under your guidance and with your support, the men and women now serving in the Public Service are willing and able to meet the challenges they face. They are committed to pass on to those who will follow a vibrant institution adapted to future needs and staffed by highly qualified and committed professionals equally ready and able to face the challenges of their time.

Jocelyne Bourgon

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I

Introduction

Last year's report looked at several international trends that are having an impact on the role and functions of government and public sector organizations throughout the Western world. A year later, globalization, new information technologies, fiscal pressures and the changing fabric of society remain the primary drivers of reform.

These determinants of change contribute to rethinking the role of government; the relationship between government and citizens; and, by extension, the organization of and the relationships within the public sector. While Western nations are confronted by the same overall trends, each is nevertheless shaping its own agenda for change. Last year's report concluded that, as the role of government is changing, the Public Service of Canada faces three key tasks. A year later, these tasks remain the primary challenges:

- Modernizing service delivery
- Strengthening policy capacity
- Building a vibrant national institution adapted to future needs

This year's report will

- Report progress on realigning the roles and responsibilities of the Government of Canada

- Report progress on the three key tasks identified in last year's report
- Signal further work necessary to ensure that progress continues

II

The Role of Government

Against the backdrop of the international trends discussed in last year's report, all governments in Canada are facing considerable pressure to adapt their roles to address contemporary needs within society's collective means. In response to pressure for change, governments have already made considerable progress. The profound realignment of roles under way will have major significance for all governments and for every citizen.

The magnitude and nature of the transformation under way and the period of time over which the

An exceptional story about reinventing the role of government is being written in Canada today.

transformation is occurring are unprecedented since World War II. Time will tell if the right decisions have been made and the right balance has been achieved, but it is already clear that an exceptional story about reinventing the role of government

is being written in Canada today.

Regaining fiscal sovereignty

For the first time in a long while, Canada is on its way toward regaining its fiscal sovereignty. There is light at the end of the tunnel.

Five years ago, Canada was facing a serious fiscal problem at both the federal and provincial levels. In 1992–93, the aggregate federal-provincial-territorial deficit had reached 9.6 percent of gross domestic product (GDP). Today, seven provinces have balanced their budgets and five are repaying their debt. As a

result, the combined provincial-territorial deficit has been cut by a full 50 percent since 1992–93.

At the federal level, the deficit amounted to 6 percent of GDP in 1993–94. In relation to GDP, the 1997–98 financial requirements (the amount of new borrowing from financial markets) will be the lowest since 1969–70 and the lowest of any central government in the seven leading industrialized democracies, the G-7 countries. By 1998–99, federal program expenditures (which include all federal spending except interest payments) as a percentage of GDP will be at the lowest level since 1949–50.

This turnaround was achieved without a major service or system breakdown and without the civil unrest that many other countries have experienced. These results are a tribute to the resolve of ministers and governments, who made difficult decisions. But also, and in no small way, they are a tribute to the creativity and the skill of federal and provincial public servants who put forward ambitious proposals and oversaw their careful implementation. This work continues to be carried out every day — with patience, competence and rigour.

While the implications of these changes will take time to assess, if governments pursue their current course, it may mean that

- This generation of Canadians will not leave a legacy of growing debt for the next generation.
- Governments will have collectively regained their capacity to invest in the future of the country.
- Downsizing in the public sector will come to an end.

These impressive results were achieved over a very short period of time. To accomplish them, governments had to move away from the approach of “doing more with less” and recognize the need to make real choices and set clear priorities.

Governments had to make real choices and set clear priorities.

Recognizing that an effective public sector is an essential and critical part of a well-functioning society, governments will soon face two difficult questions:

1. What should government do, within society’s means, to ensure a well-performing modern society?
2. As Canada prepares for the next millennium, what priorities should be pursued to contribute to the betterment of Canada and Canadians?

Program Review

A central thrust of the Government of Canada’s renewal efforts has been Program Review, through which all programs and activities were examined to redefine the role of the government in the future, in accordance with Canada’s collective means.

The outcome of Program Review has already been made public by the President of the Treasury Board in the House of Commons on March 7, 1996. That statement about the basic function of the government is important because it provides a focus for what the government does, and it establishes a benchmark against which all government activities can be assessed.

It affirms that the Government of Canada can best serve Canadians by concentrating its activities around five core roles:

1. *Ensuring that Canada speaks with one voice in the community of nations on issues of concern to all Canadians.* This role addresses the need to defend Canada's sovereignty in a global environment, and includes areas such as foreign policy, international trade, peacekeeping, immigration and defence.
2. *Protecting and strengthening the efficiency of the Canadian economic union.* The Canadian economic union is the base from which Canadian firms and industries learn to compete in the global economy. It is also the economic space where Canadians exchange goods and services, and where wealth and jobs are created. The role of the government includes setting framework laws that ensure the effective operation of the marketplace, such as bankruptcy, competition, and intellectual property laws, as well as sectors of regulatory activity, such as environmental or consumer protection.
3. *Protecting and strengthening the Canadian social union and the solidarity of Canada.* The social union contributes to the quality of life, security and safety of all citizens. It is the sharing community. It also contributes to attracting and retaining domestic and international investment, and it plays a key role in the creation of jobs. To those in need, it provides a system of mutual help, such as assistance to youth, to the elderly and to the unemployed, through transfer and equalization programs. It is therefore a contributor to a strengthened federation.
4. *Managing the pooling of resources for the pursuit of collective goals where a single program or centre of expertise would be more efficient and where there is a limited need for diversity.* This role recognizes the contribution of the Geological Survey of Canada, the Canadian Hydrographic Service, the Atmospheric Environment Service, and Statistics Canada, among others. It recognizes that there are occasions when

citizens are best served by pooling resources.

5. *Acting as the guardian of citizens' rights in a democratic society of parliamentary tradition, governed by the rules of law that protect and promote Canadian values and identity while celebrating our diversity.* This role addresses a wide range of issues, from the government's fiduciary responsibility to Native people to official languages to law enforcement. Security of life and property is one of the hallmarks of Canada, and it contributes to the quality of life and the standard of living of Canadians.

Implementation is always the most difficult part of any reform. It requires courage, persistence and resolve. It is also the test that reveals the true quality of reform.

As decisions are implemented to their full conclusion, Canadians will discover the real extent of the reform that is under way. The most visible sign to date has been "less government." This results from the many difficult decisions that governments have made to reduce services in some areas and eliminate them in others, in order to realign the role of government to address contemporary needs within society's collective means.

A more careful look, however, reveals that while governments are making decisions to reduce the level of indebtedness and bring Canada closer to the goal of balanced budgets, they are at the same time contributing to a profound change in Canadian society. This change includes

Governments are contributing to profound change in Canadian society.

- Forging a new relationship among governments

- Laying the basis for new partnerships with other sectors of society
- Strengthening the relationship between government and citizen

The reforms to date lay the basis for the changes to come.

Forging a new relationship among governments

The realignment of roles by all governments in Canada has

The public debate on overlap and duplication between governments lags behind the reality of change in Canada.

substantially reduced the degree of overlap and duplication among governments that existed even a few years ago. Today, the public debate on overlap and duplication lags behind the reality of change in Canada.

Many of the issues of concern to governments and to the public in the 1980s and early 1990s have either been resolved or are being addressed. The examples are many:

- The Government of Canada has refocussed its role in forestry, mining and energy from local works to research, much of it implemented through federal-provincial agreements.
- Some provinces have eliminated their overseas offices and are building instead on the Canadian network of posts and embassies abroad.
- Federal and provincial governments are pooling their resources in a new Canadian Tourism Commission to promote Canada abroad and co-ordinate domestic efforts.
- The Government of Canada has announced that it will not use its spending power to create new shared-cost programs in areas of exclusive provincial jurisdiction without the consent of a majority of the provinces.

- More recently the Government of Canada signed agreements with Alberta and New Brunswick to transfer responsibility to those provinces for design and delivery of labour market development measures for Employment Insurance clients.

As a result of the progress to date, the direction of reform is now starting to shift from a clarification of roles and responsibilities to the more complex but promising task of forging and defining a more modern partnership among governments.

As the earlier decisions on roles and responsibilities are being

The notion of airtight compartments is giving way to managing interdependence among governments.

implemented, governments are discovering that no amount of streamlining or downsizing — no definitions or statements of roles and responsibilities — will ever replace the need for governments to work together to meet the needs of Canada and Canadians in the 21st century.

The notion of airtight compartments is giving way to managing interdependence among governments to better serve citizens. Again, there are many early signs of progress.

- As for job creation, all governments understand the need to work together. No single government controls all the levers and all must work together to achieve the desired result of creating a favourable environment for jobs and growth — the actions of one impact on all the others.
- Similarly, an efficient social union is not so much a matter of jurisdiction as a matter of portability of entitlements, mobility and mutual help — privileges that extend to all citizens within a country. The issue is not whether each government has a role but how they will choose to work together.

Building on the progress to date, and providing there is a will and circumstances are favourable, the coming years could see the emergence of a new relationship among governments. The next challenge will be to set priorities and make decisions together. Over time, the approach to services to Canadians — and their delivery — could change dramatically.

Laying the basis for new partnerships

As governments have focussed on realigning the role of their public sectors, some conclusions about governance in a modern society have become clearer.

- Canadians need both a well-performing public sector *and* a well-performing private sector — working together. While there is a need to redefine periodically the role of government, there are functions and activities that only government can perform. Similarly, some functions and activities are best left to individuals taking initiative in the pursuit of their legitimate interests.
- The pursuit of the public good is not the exclusive prerogative of government. Many groups, many stakeholders and indeed individual citizens contribute to the public good.
- For government to fulfil its role of looking after the public interest, it must find its proper place alongside others in society. It must rely on its partners. It must recognize, encourage, reward and guide their contribution to the public good. In other words, governments must learn about partnership.

Governments must learn about partnership.

Partnerships in pursuit of the public interest have great potential in the reform of the public sector

- Vis-à-vis clients and *citizens*, who want to have a say in the services government provides and are prepared to take on more

responsibilities

- Among *stakeholders*, who can combine resources to bring about greater results than any one partner could accomplish alone
- Among *governments*, who can provide an integrated approach to service delivery through horizontal integration among departments and vertical integration among governments

Partnerships in pursuit of the public interest are not easy to forge — they take time, they often require cultural change and they come with responsibilities — but they can lead to results well beyond the reach of members acting alone.

There are already many examples of public sector partnership in pursuit of the public interest:

- The Air Navigation System has been established as a not-for-profit corporation, with multiple stakeholders providing financial support in return for input into the use of revenues, the setting of fees, long-term expenditures and service standards. In return, government has an efficient air navigation system that is safe and secure.
- Grocery manufacturers, through a private sector not-for-profit institution, preclear television advertising script, with the process audited by government to ensure conformity with preclearance guidelines. The turnaround time has been reduced from months to hours, satisfying business while continuing to provide consumers with the same degree of protection.
- Federal, provincial and municipal officials are working to optimize food inspection services. For example, in Alberta, the three levels of government have developed collective action plans to address food safety issues such as risk assessments and emergency preparedness. In addition, a pilot project in the dairy processing sector amalgamates federal and provincial dairy

inspection services. The result is a streamlined system where a single federal or provincial employee conducts the inspection for both levels of government. Through this partnership, the integrity of the food safety program and the competitiveness of the food industry are maintained.

- Forintek Canada Corporation is a partnership involving the federal government, six provincial governments and 155 private companies in a not-for-profit corporation to undertake basic and applied research and development in wood products. By combining their efforts, the partners are able to bring together a critical mass of technical and scientific talent that generates significant economies and thus permits partners to draw benefits substantially in excess of their contributions. The partnership delivers “private services” (such as market-oriented research) to industry members and “public services” (such as public safety and environmental research) to government members.

Partnership arrangements recognize that government does not need

Partnership arrangements recognize that government does not need to “do it all” for the public interest to be well served.

to “do it all” for the public interest to be well served.

While there are already many examples of public-private partnership, more and more diverse types of partnerships will emerge over the coming years as lessons are

learned from the experiments currently under way in every government and every department.

Changing the relationship between government and citizen

As governments set new priorities, they are also changing the relationship between government and citizen.

One of the reasons that Canadians support governments as they

Citizens anticipate getting better government.

take the necessary and difficult decisions to set priorities in order to live within society's collective means is that citizens anticipate getting better

government and better quality service for the services that remain. They expect

- The benefits of new technology to offer them more responsive service, flexibility of access, greater autonomy to meet their needs and greater efficiency.
- Work to be organized around their needs (e.g., flexible hours, single-window service).
- Services designed to address the needs of citizens as whole persons. In one place, they want to get *what* they need in a *manner* suited to their circumstances, without concerning themselves with *whom* they must turn to. They hope to see government departments working together (horizontal integration) as well as different levels of government working together (vertical integration).

And finally, citizens expect

- Governments to help them connect to all communities to which they belong, whether these communities are on the other side of the world or right in their own backyard.

Summary

Today, there is a great deal of modernization and experimentation under way in government. This extends to the evolving relationship between levels of government, partnerships with other sectors, and the changing relationship between government and citizens. Over time, these efforts have the potential to change significantly the way governments serve Canadians. Taken together, these measures could also contribute to the renewal of the federation and the strengthening of Canadian unity.

III

The Public Sector of the Government of Canada

In order to understand the reforms that are under way in the public sector, we need to have a good understanding of the public sector of the Government of Canada as it is today.

Diversity of the public sector

There is great diversity in the public sector. Today the public sector of the Government of Canada is composed of 24 departments; 37 Crown corporations; 26 tribunals and quasi-judicial bodies; and at least 48 service agencies of different types. Each organization exists for a purpose, and has its own role and its own culture.

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of the Government of Canada is composed of 24 departments; 37 Crown corporations; 26 tribunals and quasi-judicial bodies; and at least 48 service agencies of different types. Each

Each type of organization is best suited to perform certain types of work. They differ from one another by their management regimes, the degree of flexibility granted to managers, and the nature of the accountability framework for ministers and employees.

The public sector of the Government of Canada today provides the equivalent of 370,000 full-time jobs of which less than half, about 170,000, are in departments. Each organization reports to a minister and through the minister to Parliament.

A minister oversees a family, or portfolio, of independent but related organizations.

equivalent of 370,000 full-time jobs of which less than half, about 170,000, are in departments. Each organization reports to a minister and through the minister to Parliament.

A minister, therefore, oversees a family, or portfolio, of independent but related organizations. Generally a minister oversees

- *A department* — to serve the needs of its minister and the government; to shape laws and policies; and to provide those services that require regular ministerial oversight and direction.

Departmental acts give a minister general authority for management and direction of the department. They also designate the deputy minister as the deputy head of the department and responsible for its financial and human resources management. The deputy is answerable to the minister for the quality of management and advice provided by the department and for any actions taken by departmental officials.

- *Service agencies* — to provide services within an agreed-upon policy and legislative framework. These agencies are usually managed on the basis of greater accountability for results and require only general ministerial monitoring. Many are created by statute, which further defines their accountability. Usually, the minister is responsible (and must answer) for agencies. While the power and accountability relationships between heads of agencies, Parliament and the minister for each agency vary, the head of the agency usually has responsibility for its management, under the direction of the minister.
- *Crown corporations* — to provide businesslike services within an agreed-upon policy and legislative framework. Ministers oversee these corporations by approving their multi-year business plans and tabling their annual reports to Parliament.

Crown corporations have their own statutes that spell out the responsibilities of the minister, board of directors, and head of the corporation. These corporations are responsible to

Parliament through ministers, whose role includes recommending to the Governor in Council the names of prospective members for the board of directors, approving business plans before submitting them to Treasury Board, and tabling annual reports. The president of a Crown corporation is the chief executive officer who, on behalf of the board of directors, directs and controls the business of the corporation.

- *Tribunals* — to make decisions or hear appeals to give effect to government policies at arm's length from the government and on an independent basis. Their independence is key to their effectiveness.

The minister is answerable in general to Parliament for the activities of tribunals in his or her portfolio, but maintains an arm's-length relationship. The minister's role is generally limited to making recommendations to the Governor in Council on appointment of members to the tribunals, and tabling annual reports. The chairperson is usually the chief executive officer of a tribunal, and supervises and directs the work and staff of the tribunal.

These models are part of the *current* reality of the public sector of the Government of Canada. Each one has its advantages and disadvantages, and each is undergoing change. In the past, as in the future, one model did not and will not fit all.

More diversity is likely to emerge.

Over the coming years, it is a fair assumption that more diversity (not less) is likely to emerge as the government experiments with

- Partnership arrangements
- Integrated service delivery among departments and among governments

- New information technologies

The challenge is to encourage experimentation, but to guide it in a manner that is respectful of the basic values and principles of the public sector, that maintains the necessary accountability of ministers, and that ensures appropriate parliamentary oversight.

Core functions of the public sector

Last year's report discussed the core functions of the public sector at some length. These are

- To support the government and ministers by helping to shape policies and laws for the future
- To serve citizens by delivering services under existing laws and policies

Now that the fundamental role of the Government of Canada has been largely redefined, it is time to look at how the public sector can best carry out its dual role of delivering services to citizens in today's society and providing policy support to government and ministers. Chapter IV will report progress made since last year on improving service delivery. Chapter V discusses strengthening policy capacity.

IV

Modernizing Service Delivery

Last year's report noted that one of the three key priorities for the Public Service of Canada would be to modernize service delivery. This would require delivering programs and services from the citizen's perspective and exploring new organizational models, including partnerships with other levels of government and other sectors.

Making progress

Public servants have shown themselves ready to meet citizens' expectations for improved service delivery and are responding with imaginative and innovative solutions. In every government, in many organizations and in all regions of the country, they are making progress in modernizing work methods, service provision, and the development of partnerships. Innovations are taking place at all levels; there are many champions of public sector reform.

Innovations are taking place at all levels; there are many champions of public sector reform.

While there is still a long way to go, it is important to recognize the progress that is being made and to learn from these innovations. The following is not intended to present all of the examples of reform, but to put forward promising avenues to improved service delivery:

1. *Single-window services* are being established to better serve a range of client needs by delivering a variety of services from the same location.

- Canada Business Service Centres, operating in all provinces, bring together the activities and services of federal departments, and often include provincial and private sector participation, to provide single-window service to clients wanting access to government programs for business.
 - Over the course of the last year, Human Resources Development Canada introduced a redesign of its service delivery network, reducing costs and developing alternative service delivery arrangements. In some instances, services became highly integrated with provinces, as in the Canada–Alberta Service Centre in Calgary and in Edmonton where service is completely seamless in terms of jurisdiction, permitting citizens to shop under one roof for jobs, labour market information, Employment Insurance, social services, retraining, apprenticeship programs, pensions, and day-care subsidies.
2. *Horizontal integration* brings together the activities of two or more federal government departments to improve service to citizens and reduce cost to taxpayers and users.
- Work is under way to integrate the food inspection and quarantine-related activities currently administered by Agriculture and Agri-Food Canada, the Department of Fisheries and Oceans, and Health Canada. Over time it might also be possible to achieve vertical integration with provincial and municipal food inspection activities.
3. *Vertical integration* brings together the activities of two or more levels of government to improve service to citizens and reduce cost to taxpayers.
- The National Energy Board and the Ontario Energy Board are working to design a common system for electronic regulatory filing. This will permit participants in the regulatory process to use one system when dealing with

both agencies, leading to greater efficiencies, reduced costs and more rapid settlement.

4. Opportunities are being created for citizens to have *a greater say in the delivery of programs* which affect them, in return for increased responsibility.
 - Local airport authorities bring private sector management and greater municipal involvement to the management of airports.
5. *Technology* is being used *to better serve citizens*. This will free up people to work with clients who have more complex issues to resolve.
 - In 1996, over 4.5 million income tax returns were filed electronically. And, in a pilot project in New Brunswick, 4,677 tax returns were filed by telephone.
 - Through the Electronic Procurement and Settlement System at Public Works and Government Services Canada, the private sector can do business electronically with the federal government for the purchase of goods and services and the settlement of accounts.
 - Canpass (Airport) uses advanced card technology to speed travellers through customs and immigration. It allows low-risk, preapproved, frequent travellers to use a card electronically encoded with their fingerprint to bypass the regular customs interview and use a kiosk instead. Duties and taxes are calculated by computer and charged to the traveller's credit card. Canpass (Highway) gives low-risk permit holders access to a similar system through a special gate.

6. *Information technology* is being used to reach out and better inform Canadians about government services.
 - Thousands of children in more than 7,000 schools can learn about Canada via SchoolNet, an Internet service provided by Industry Canada.
 - Businesses can access over 7,000 documents on Industry Canada's Strategis web site.
 - Treasury Board's Information Management Subcommittee (TIMS) is exploring how technology can be used to improve services to Canadians and Canadian businesses. TIMS, which is composed of deputy ministers, has established three working groups to develop methods for a client-focussed approach to service delivery and to identify opportunities for streamlining service delivery by integrating services both across federal departments and with provinces. Each group has identified pilot projects to respond to specific client needs. The first of the three working groups is looking at how government delivers information to Canadians and to Canadian businesses; the second is looking at how government delivers services to Canadians; and, the third is looking at how government delivers services to Canadian businesses. More than 60 people from 16 departments are represented in these three working groups.
7. *Internal service delivery initiatives* are improving service to our internal clients.
 - Under the sponsorship of the federal regional council, the federal public service in Nova Scotia has developed an Internet system that makes it easier to share resources such as fleet vehicles, boardrooms, training rooms and training courses. The Internet system in Nova Scotia also

supports the Regional Joint Adjustment Committee by allowing employees to post résumés and search for jobs on line.

- Increased training opportunities and lowered costs are resulting from the sharing of training courses in the many Learning Centres established across the country. The Employee Development Centre in the Guy-Favreau Complex (Montréal), for example, offers training, career planning, and orientation services to employees from 15 departments. Training programs are also offered on the Internet.
- Six federal departments located in Les Terrasses de la Chaudière Complex (Hull) have organized collective arrangements for administrative services, resulting in cost savings and improved service. To date, they have collaboratively negotiated fees or leases for such services as postal rates, couriers and photocopiers. Savings of \$6.8 million have been realized since 1993.

These examples have many common features. They are all public sector models. They are fulfilling a public sector mandate in accordance with public sector values and using public sector management practices. They are respecting the fundamental principles of responsible government and ministerial accountability. They are reaffirming the commitment to service. They are signalling that service can be improved by an integrated approach among departments and among governments. They are making use of new technologies.

Commitment to quality service

It is clear that the commitment to quality service is a fundamental responsibility of the public sector that is here to stay — with each improvement that is made, public servants are regaining enthusiasm and pride in their work. Though there remains an impatience on the part of Canadians for better quality service from all levels of government, the recognition by the Public Service itself that service

delivery must continuously be improved and the many examples of improvements that are being made bode well for the future.

The public sector serves citizens rather than customers. It is an important distinction. *Customers* in the private marketplace seek to maximize their individual advantage. If customers are not satisfied with a transaction, they are free to abandon their relationship with the provider at

The public sector serves citizens rather than customers.

will. *Citizens* in a democracy are equal bearers of rights and duties in a community setting. That is, citizenship is not purely individual but rather derives from membership in a wider community of purpose, the democratic community to whose larger interests the Public Service is dedicated. A citizen is expected to work in concert with others, through democratic means, to alter an unsatisfactory situation.

Though service delivery in the public sector is and will remain different from that in the private sector, the public sector is, nevertheless, equally committed to service quality and value for money. Public servants want to meet citizens' expectations and are ready to remove barriers to more effective service delivery.

Public servants want to meet citizens' expectations and are ready to remove barriers to more effective service delivery.

service delivery, but it must be done in a manner that is true to the roles and values of the public sector.

Moving forward

Through the Task Force on Service Delivery Models, a 1996 task force of deputy ministers, we have analyzed some of the barriers to more effective service delivery to citizens; and we have looked at best practices within Canada at the federal, provincial and municipal levels, as well as internationally.

Ministers have a collective responsibility through Cabinet. They also have individual accountabilities that push in the opposite direction. We have discovered that one of the principal difficulties to be overcome is the vertical stovepipes that divide government activities into separate domains of service delivery that do not reflect the interconnectedness of the real world. Pursuit of the public interest requires that ministers and officials rise above individual mandates and act together to meet the needs of citizens.

More often than not, however, the barriers to integrated service delivery are self-imposed. They result from bureaucratic rules and red tape, the protection of turf and a fear of change. When these self-imposed barriers are addressed, we are limited, more often than not, only by our imaginations.

More often than not, the barriers to integrated service delivery are self-imposed.

The Task Force on Values and Ethics, a 1996 task force of deputy ministers, noted: “Truly integrated delivery will require an altogether new order of integrative competence at the front line of service delivery, and an altogether new mindset behind it, one that is truly capable of visioning government from the perspective of the citizen, and reconceiving the way we do things to meet the needs of real people.”

- To achieve this result, *experimentation and innovation* need to be encouraged and supported. It is important to experiment, to learn, to make progress without the comfort of knowing all the facts ahead of time. For example, regional councils of senior federal officials in each province have often been incubators of change and experimentation. They are closest to the clients and their views on how best to meet client needs should be carefully considered. Their contribution is significant.
- It is equally important to accept that there can be no experimentation without *risk*. Ministers and senior officials must accept some of the uncertainty implicit in giving up a degree of control. Not every experiment will be a success. Some honest mistakes will be made. This needs to be understood and accepted. Our commitment should be to learn from these situations.
- We need *leaders who will lead by example* and who are prepared to move from control to trust — from supporting systems to supporting values — from the comfort of process to a commitment to results.
- We must relentlessly pursue the *elimination of self-inflicted impediments* to improved service delivery — such as bureaucratic red tape, turf protection and the fear of change — because these more than anything divert attention and energy from the goal of improved service to Canadians.
- We need to take a “*whole-of-government*” approach in service delivery which looks outward to the public interest rather than inward to the departmental interest.
- Finally, we need a commitment to *partnership* and *teamwork*.

There is no master plan — nor can there be. Everyone must join in and make a contribution. We will learn from each other. In so doing, we will discover new ways of modernizing the public sector and the Canadian federation at the same time.

We will learn from each other.

V

Strengthening Policy Capacity

Last year's report noted the need to pay greater attention to longer-term and strategic policy development and to horizontal and crosscutting policy issues. It also noted the need for every department to replenish its policy capacity in order to be in a position to provide the government with broad policy options in every field. These priorities remain as valid today as they did last year.

Challenges to improved policy development

Providing high quality policy advice to ministers and the

It is important to have a strong and vibrant policy capacity in the Public Service.

government will always be a key role for the Public Service of Canada. The Task Force on Managing Horizontal Policy Issues, a 1996 task force of deputy ministers, noted: "Policy making is central to what

governments are about, and it is the policy development function of government that most distinguishes it from private sector organizations." It is, therefore, important to have a strong and vibrant policy capacity in the Public Service.

Over the past two years, through two deputy ministerial task forces — the Task Force on Strengthening Our Policy Capacity and the Task Force on Managing Horizontal Policy Issues — we have examined the policy advisory role of the Public Service of Canada and identified ways to improve the policy development capacity of the Public Service. Through these task forces, we learned the following:

- The key to good policy is *sustained demand*. Good policy development is an ongoing process, requiring strong, consistent leadership and support.
- There is a need to build a *strong policy community* among departments — a community of policy managers who can share best practices and address common problems concerning policy management and methods.
- The multifaceted nature and rapid pace of change trigger a heightened need for *long-term, reflective policy planning* that ascertains how change will affect Canada's future. Policy-makers must not get caught up in short-term, reactive, crisis-oriented policy development.
- Many of today's principal public policy issues are horizontal in nature. Horizontality requires *corporate rather than departmental action*, a characteristic which is placing new demands on traditional Public Service decision-making structures and culture. The Public Service must expand its knowledge base and increase inter-organizational collaboration to tackle the growing number of crosscutting policy issues that defy the authority and expertise of any single department or even, in a globalized world, any single government.
- In today's world, *a more integrated and collaborative approach to policy development* is required. The policy capacity of the Public Service must be strengthened so that the Public Service views policy development as more inclusive and approaches it in a more inclusive manner. The Public Service must promote the involvement of citizens in the public policy debate in order to meet their growing demands for greater access to information and greater participation in decision making. Citizens want their voices to be heard.

Making progress

The work of the two task forces mentioned earlier and their key findings are now being discussed in all departments. Their recommendations will serve to guide departments and central agencies as they strengthen the policy capacity of the Government of Canada.

Horizontal, Open and Inclusive Policy Development: The most critical elements in improving horizontal policy development and making the process more open and inclusive are a culture shift and strong leadership to reinforce the importance of co-ordination and collaboration across departments, and the involvement of citizens, stakeholders and others in the policy development process. Sustained commitment will be required across government.

A culture shift and strong leadership are needed to reinforce the importance of co-ordination and collaboration.

In many sectors, departments are working more closely together to address crosscutting policy issues and to open up the policy development process. For example, the deputy ministerial Committee on International Affairs provides a forum for dealing with foreign policy issues and their domestic implications. The deputy ministerial Justice and Legal Affairs Committee is a key mechanism for the development of long-term multidisciplinary policies in the area of social justice.

Focus on the Long Term: For policy development and decision making to be effective, it is critical to ensure that the Government of Canada has the capacity to identify and address

long-term policy issues and pressure points, and that it has the information and analysis to take account of future trends in dealing with current policy issues.

To meet these objectives, a project called “Canada 2005” has been launched to identify and analyze the major forces that will affect Canada in the next decade. As part of this initiative, an interdepartmental committee of assistant deputy ministers is undertaking integrated research to provide an

A project called “Canada 2005” has been launched to identify and analyze the major forces that will affect Canada in the next decade.

overview of the pressure points on Canadian society and to propose a research agenda and work program to fill possible gaps in our information base. This will become a permanent process to help achieve the ongoing integration of research throughout the government.

Other elements of the Canada 2005 project include creating opportunities for deputy ministers to hold informal discussions on key issues with experts from the academic and business communities.

Building a policy community: Over the past year, an interdepartmental umbrella group of policy assistant deputy ministers has been established to address shared problems of policy management, methods and best practices in policy work. Two areas of early study for this group are personnel management of the policy community and relations with the external research community. Over time, this umbrella group of ADMs will serve to forge a stronger sense of community among those involved in policy work and thus improve the policy-making process.

Improving the Policy Development Process: As noted in last year's report, Cabinet's strategic focus was reinforced by the introduction of an annual strategic planning cycle. This has contributed to the development of a sustained demand for long-term, strategic policy advice from the Public Service.

Over the past year, Cabinet's strategic planning cycle has been extended to the senior ranks of the Public Service. At the core of this process is an annual cycle of three deputy ministerial retreats. These are linked to the Cabinet planning process and focus primarily on implementing the government's comprehensive policy and management agenda. The work of the retreats is supported by permanent deputy ministerial committees which focus on the management of key operational and policy files.

Cabinet's strategic planning cycle has been extended to the senior ranks of the Public Service.

Among the highlights of deputy ministerial deliberations over the past year has been the creation of a series of ad hoc groups that have supplemented the permanent committees by dealing with specific, issue-driven items. These temporary groups have taken the form of deputy ministerial task forces examining a number of challenges associated with the policy agenda and modernizing the Public Service. They were established to look at issues in greater depth than is possible at a single retreat or biweekly meeting. Over the past year, separate task forces have addressed the future of the Public Service, service delivery models, federal presence, federal presence abroad, overhead services, values and ethics, policy planning, and horizontal policy issues.

The newly devised ADM Forum also gives ADMs the opportunity for more broadly based corporate involvement. It affords them the opportunity to contribute their views on the principal policy and management files of the day and, at the same time, forges a sense of

community and common purpose. The ADM Forum consists of an annual cycle of three meetings. The meetings allow ADMs to examine in depth issues of a corporate nature which they have identified as of interest to the community.

The Association of Professional Executives of the Public Service of Canada (APEX) also helps, through its annual meetings and other forums, to inform and engage a diverse group of executives.

Over the next year, there is a need to extend the strategic planning framework beyond DMs and ADMs to all levels of the Public Service. Including individual public servants in regular deliberations on the increasing number of horizontal issues can only serve to strengthen strategic, integrated, and collaborative approaches to

There is a need to extend the strategic planning framework to all levels of the Public Service.

Public Service management. We need to find vehicles to engage the federal regional councils more directly in the policy development process and to reach downward in departments.

Moving forward

As with service delivery, one of the main challenges to overcome in strengthening the policy capacity of the Public Service is the vertical stovepipes that divide government activities into somewhat artificial domains. While departments are structured so that there is a close fit between the departmental mandate and the main issues facing the government, many policy issues cannot be easily compartmentalized along institutional lines. As noted by the Task Force on Values and Ethics: “Ultimately a truly integrated and horizontal form of service delivery may also lead back, indirectly, to an integrated and horizontal approach to policy. For there is only so much that can be done at the front line if the policies themselves do not work together.”

Public servants will have to rethink how they conceive and develop policy proposals. They will need to focus on their collective responsibility to serve the broader public interest and to work across institutional lines to develop the best possible policy. They must strike a balance in fulfilling both their individual accountabilities to their clients and stakeholders and at the same time their collective responsibilities to the broader public interest.

Public servants will have to rethink how they conceive and develop policy proposals.

They will need to focus on their collective responsibility to serve the broader public interest and to work across institutional lines to develop the best possible policy. They must strike a balance in

There again, this will require a culture change.

- It requires public servants to recognize the interdependence of policy issues and to *work co-operatively* across departmental lines to develop stronger, more integrated policy responses.
- It requires more *open, participatory and transparent decision making*. Citizens want a greater say in policy making. To respond to the increasing expectation among Canadians that they will be involved in policies and programs that affect their interests, it is incumbent on the Public Service to expand the avenues for open and inclusive policy development.
- It requires a collegial policy community working in *partnership* with other levels of government on policy issues that cross jurisdictional boundaries.
- As issues become more complex, it becomes more important than ever to nurture and *mobilize the policy capacity of the broader community* — think tanks, stakeholder groups, and

the academic community — both to fill research gaps and to validate policy direction.

- It requires *sustained leadership* that is committed to investing in long-term policy research and development and prepared to signal that co-operation, collegiality and collaboration are priorities in policy development.
- We need a “*whole-of-government*” approach to policy development which looks outward to the public interest — where departments bring government-wide objectives into their policy development processes and integrate departmental and corporate objectives.

VI

La Relève

Introduction

In today's global environment, the quality of the public sector will continue to make a significant difference to the performance of nations. A high quality public sector contributes to competitiveness, provides countries with a comparative advantage in their competition for trade and investment, and contributes to the quality of life and the standard of living of citizens.

Any country would be handicapped if it could not rely on a strong, competent, professional public service. Any government would be handicapped if it did not have a high quality public service to carry out its policies and programs.

Canadians and their elected representatives have always been able

Canadians and their elected representatives have always been able to rely on a public service that is one of the best in the world.

to rely on a public service that is one of the best in the world. This situation should not be taken for granted. The men and women now in public life and in the Public Service of Canada have an obligation to ensure that it will continue to be

the case.

The previous chapters have provided a progress report on the last 12 months and have given an indication of the reforms to come. The challenges facing public servants most recently have been to help government regain its fiscal sovereignty and to redefine its role.

The focus is now shifting to

- Reinventing the way we serve
- Ensuring a modern and vibrant institution to meet the needs of Canada and Canadians now and in the future

This chapter is about the people serving in the public sector of the Government of Canada.

To perform well, the public sector must constantly retain, motivate and attract a corps of talented and dedicated public servants.

People make the difference in any organization. In the public sector, they develop the policies, they identify the alternative courses of action and the consequences of those actions, they provide

services and they contribute to shaping the future. To perform well, the public sector must constantly retain, motivate and attract a corps of talented and dedicated public servants. There are indications that this could be the most difficult challenge that the Public Service of Canada will face over the coming years.

To meet this challenge, we need to recognize the signs of malaise in the Public Service and understand the factors that have contributed to the current situation. We also need La Relève: our words for our challenge, our commitment, and our duty to develop and pass on a vibrant institution staffed by highly qualified and committed professionals.

The situation today

There is growing evidence that it could become increasingly difficult to retain, motivate and attract people essential to the work of the Public Service over the coming decades.

There is a “quiet crisis” under way in the Public Service today. It is

*There is a “quiet crisis”
under way in the Public
Service today.*

quiet because few people are aware of the crisis and even fewer people have started to do something about it. The responsibility to act rests first with the Public Service.

Public servants must take charge and do all in their power to remedy the situation. Their actions will provide the necessary credibility for them to ask elected officials and Canadians to join the effort.

The problem is showing up in various forms.

- After years of downsizing, some public servants, for the first time, are questioning their career choice.
- Others are not convinced that their skills and abilities are being used effectively.
- Still others, after an exemplary career, would not advise their children to follow in their footsteps.
- Some students would not consider a career in the Public Service if presented with other options.

These are some of the signs of the problem, but they are not the cause. The problem results from what has happened and what has not happened over the past 10 or 15 years. And it will take just as long to change the course of events.

In order to address the cause, it is important to understand better the situation prevailing today. The following list of factors and observations is intended to be illustrative not exhaustive.

1. *The Public Service of Canada has been dealing with downsizing for a prolonged period of time.*

Downsizing started in the early 1980s and has progressively accelerated. More recent program decisions will lead to reducing the work force over a four-year period by approximately 55,000 full-time staff. No organization, public or private, could manage downsizing of this magnitude, and over such an extended period of time, without suffering the consequences.

Those who are leaving the Public Service are facing uncertainty and fear for the future. Those who remain are also facing considerable stress and uncertainty. Downsizing will not translate immediately into less work for those who remain. This will occur as some activities are eliminated and the work is re-engineered. During the transition, many have faced an unrelenting workload increase that is unsustainable over the long term. The lengthy period of stress and uncertainty has led many to question what the future might hold for them in the Public Service.

2. *Criticisms have affected Public Service pride.*

The debate surrounding the realignment of the role of government and the efforts of government to adapt to society's modern needs and to live within Canadians' collective means has affected the public servant's sense of pride.

It is easy to cross the line from the necessary debate about government priorities, role, programs and services to judgmental, and sometimes derogatory, comments about the people who provide those programs and services.

As well, some management literature has been critical of the public sector in general and of public sector management in particular. Briefly, this literature argued that many of the problems of the public sector could be resolved if only it were run like a business. This is a serious oversimplification. Academics specializing in public administration have repeatedly stressed the importance of the distinction between service to citizens and service to customers and the importance of due process to preserve the rights and entitlements of citizens. But their voice has too rarely been heard in this debate.

It is not surprising then that some of the most highly talented and motivated undergraduates and graduates are not showing their usual enthusiasm for a career in the Public Service. It is not surprising either that all this has had an impact on the morale of public servants.

3. *The Public Service is losing some of its most experienced members.*

The generation that entered the Public Service during the period of growth in the 1960s is now eligible for retirement. Over 30 percent of the current executive group will be in a position to retire by the year 2000, and this will rise to about 70 percent by 2005. A similar pattern exists in some of the professional and scientific categories.

These people have served their country well and for many years. They are entitled to retire, to pursue a different career, or to seek out a less demanding lifestyle if they so desire. However, with their departure, the institution will lose a wealth of knowledge, experience and know-how. To prepare the people who will take over will in itself be a major challenge. But there is evidence that an even more troubling trend has started to emerge.

Some of the best of the next generation of public servants are leaving well before their time and before they reach the top levels of the Public Service. Their decision is the result of many factors, including some mentioned in this list. But some are telling us, in their exit interviews, that their decision is also related to the fact that

- Their talents are not being used fully.
 - Their desire to bring about change has repeatedly been frustrated.
 - After many attempts, they have given up hope that necessary reforms to the management of the public sector will take place.
 - Their commitment to serving the public interest remains intact, but they doubt whether they could make a difference in this environment.
4. *It is not possible to talk about morale and motivation in the public sector without raising the question of pay and overall compensation.*

Public servants do not expect the same monetary reward offered in the private sector. It should, however, be possible for public servants who are fully experienced and at the top of their profession to have working conditions, a working environment, and general compensation arrangements that allow them to pursue a career dedicated to the public interest. It should not be necessary for them to leave the Public Service in order to afford to raise a family or to put children through university.

The prolonged salary freeze in the public sector, combined with downsizing and lack of upward mobility, has created anomalies that need to be corrected.

5. *The private sector is actively recruiting Public Service senior managers and professionals.*

Public servants are “knowledge workers” and managers of knowledge workers. They are well trained in dealing with complex issues, reconciling multiple objectives, developing strategic alliances, creating consensus and organizing networks. These skills are increasingly in demand in the private sector today. While competition with the private sector has always been present, it has been heightened by a new and global economy.

6. *The situation prevailing today is not just the result of factors which are outside the control of the Public Service. In hindsight, it is now clear that today’s situation is also the result of not taking corrective measures at the appropriate time.*

Public Service managers did not pay sufficient attention to the combined effect of downsizing and demographic trends in the Public Service. As a result, not enough effort was put into introducing mitigating measures. For instance:

- Over the past 10 years, most *departments have substantially reduced their external recruitment*. The effect of this will be felt for many years to come. There are already shortages of qualified people in some categories. A reduced inflow of new talent also has an impact on the creativity of the organization. Furthermore, with little recruitment, the Public Service has not kept pace with the changing profile of the Canadian population as a whole.

- *Mobility, particularly interdepartmental mobility, is at an all-time low* despite the fact that the changing nature of service delivery and policy issues requires managers and policy analysts to acquire a broad diversity of knowledge and experience. As a result, excellent employees have not been given the chance to prepare adequately for future needs.
- *With downsizing came less opportunity for promotion and upward mobility.* No corporate measures were initiated to mitigate the effect of this and thus ensure that future leaders would be ready to take over when the time came.

In summary, the attention given to human resource management at

Attention to human resources has been insufficient.

all levels has been insufficient to prepare adequately the organization and its people for the future.

La Relève: Our greatest challenge

There are serious challenges ahead, but the situation is not all bad. It is important to keep things in perspective. For example, the Public Service can count on the strength of its people — their expertise, their experience and their commitment. As well, over the past few years there has been real and tangible progress.

- The government provided Public Service managers with the tools they needed to manage downsizing, which they have done responsibly and competently, thus enabling the continued productivity of the work force. With the help of the human resource community, very few people have been laid off involuntarily, and many of those have found employment outside the Public Service.

- With the role of government largely redefined and governments regaining their fiscal sovereignty, we should see the end of downsizing in the public sector.
- The government has put an end to the wage freeze and reinstated wage increments and performance pay.
- Treasury Board is working with labour leaders to prepare for a return to collective bargaining.

Furthermore, a career in the public sector continues to have great appeal. No other career offers the same diversity, breadth of experience, complexity or excitement. This is the base from which to develop a sense of pride and to rethink our approach to human resource management.

A career in the public sector has great appeal.

A rewarding career for public servants is one that provides

- An opportunity to contribute to the public good and to make a difference. The very deep satisfaction associated with making a contribution to Canada and Canadians should not be underestimated. It is the most important motivation of public servants.
- An opportunity to develop one's talents to their fullest potential and to work with colleagues who are equally talented and committed.
- An opportunity to be exposed to the richness and diversity of the organization; to learn, to grow, and to pursue one's personal development.

These are the rewards of a public sector career. This is the base from which we must motivate public sector employees and, by so doing, improve our ability to retain and attract the talent the organization needs now and will need in the future.

La Relève is

- *A challenge* to build a modern and vibrant institution able to use fully the talents of its people
- *A commitment* by each and every public servant to do everything in their power to provide for a modern and vibrant organization now and in the future
- *A duty*, as the guardians of the institution, to pass on to our successors an organization of qualified and committed staff ready to face the challenges of their time

Over the years, there have been many studies on ways to improve the management of human resources, but the results are not commensurate with the efforts. We need a bias for action. Our approach should be to try, to experiment, and to learn as we go. Public servants will more easily

We need a bias for action.

forgive their Public Service leaders for a few errors along the way than they will forgive a lack of trying.

La Relève is everyone's responsibility and it will require everyone's commitment, but it will be particularly demanding for managers. It cannot be done by one person or one department acting alone, and it will require a co-ordinated and sustained effort over a long

La Relève is everyone's responsibility and it will require everyone's commitment.

time. Every individual, every department, every agency and every unit has a role to play.

We need to turn our attention to rebuilding motivation and pride.

We need a new balance between corporate and individual responsibility.

We need to create, through initiatives by everyone, an environment where people are valued, recognized, provided with opportunities for self-development and treated in accordance with the core

values of the Public Service. Every department will be called upon to take initiatives to ensure that the focus on people is real and sustained. We need to strike a new balance between corporate responsibility and individual responsibility. It is unfair to put the burden on individuals alone. There is a departmental and a corporate responsibility.

Departmental planning

To date, the Public Service has had a poor track record for human resource and career planning. However, some departments, such as Statistics Canada and Natural Resources Canada, have been showing us the way and have taught us that focussing on the medium- to long-term can bring meaningful results. We need to learn from them.

Each department has been asked to analyse its human resource situation and to prepare a plan of action.

- What can be done in each department and at the corporate level to build a modern and vibrant organization that can fully use the talents of all its people?
- What can be done to expose employees to the diversity and richness of their institution and thus prepare them to take charge in the future?

- What can be done to build an institution that is more representative of those we serve?
- What can be done to remove the impediments to employees' desire to make a contribution and bring about the changes needed to better serve Canadians?

As departments shape their plan of action, they will also shape the corporate agenda.

Corporate support

At the corporate level, we should undertake only those initiatives

Corporate action should be selective.

that cannot be achieved at another level. Much of La Relève can be addressed through departmental initiatives. However, there is also a need for corporate action. Central agencies owe it to departments to

support their efforts and act decisively in areas requiring corporate attention.

Deputy ministers have already begun to identify corporate issues requiring urgent attention. While

La Relève is not just about executives or high flyers.

some of these corporate initiatives will focus on the executive group, it is important to note that La Relève is not just about executives or high flyers. Nor is it concerned only with younger members of our work

force. La Relève addresses the human resource requirements of the whole Public Service. All employees must have the skills and tools that are essential for their work; they need a supportive work environment; and they need to understand the valuable contribution they make to the quality of

life of their fellow Canadians. As departmental action plans are completed, other initiatives requiring corporate action will be identified and acted upon.

Some issues for corporate action have already been identified. A more comprehensive list will be developed by the end of June 1997. To date, the corporate initiatives include

- Accelerated executive development
- Prequalification of potential assistant deputy ministers
- Appointment to level for assistant deputy ministers
- Compensation and retention
- Support for professional communities
- External recruitment

Accelerated executive development

A prolonged period of downsizing, along with fewer opportunities for promotion and for interdepartmental mobility, has led to little opportunity for managers and potential managers to obtain the diversity of experience that would have prepared them to take over the

People in the executive ranks will be helped to grow further and faster.

institution in the future. To help remedy this situation, early in 1997 we are introducing an accelerated development program for executives with high potential. Executives interested in the program will self identify and will go through a rigorous assessment.

Prequalification of potential assistant deputy ministers

In order to open up the appointment process and provide greater opportunity for advancement and diversity of experience, executives will be invited to volunteer for prequalification to the assistant deputy minister level. Invitations seeking applicants for a generic rather than a position-based ADM pool will be issued regularly. Applicants will be assessed and, if successful, will form a pool of prequalified candidates available for deployment as the need arises.

Appointment to level for assistant deputy ministers

Assistant deputy ministers are key to the leadership of the Public Service of the future. However, in the wake of downsizing, interdepartmental mobility for ADMs has also been more difficult. They have not always been able to benefit from the diversity of experience that a career in the Public Service should permit.

Surveys have shown that assistant deputy ministers would welcome corporate feedback and corporate support, particularly in developing career plans and in acquiring a greater diversity of experience. To provide ADMs with greater support and assistance, the sharing of responsibility between individuals and the corporation must be rebalanced.

The sharing of responsibility must be rebalanced.

The system that we have now — the system that served most of us very well in a period of growth, the system in which every man and woman is on their own to look after their personal career needs — is not working as well in the current environment. And it will not meet our needs in the future. It does not give individuals or the Public Service enough opportunities to diversify experience through mobility, nor does it give corporate support for career development. We need to correct the balance and provide opportunities for mobility. Moreover, assistant

deputy ministers should benefit from corporate feedback, corporate assessment, corporate support, and corporate plans for assignment and reassignment.

Deputy ministers and associate deputy ministers are a corporate resource that has long been nurtured through corporate assessment and feedback, rotations, sabbaticals and training. The time has come when the public sector as a whole must take on more responsibility for fostering the development of the assistant deputy minister community.

The public sector as a whole must now take on more responsibility for the ADM community.

We will, therefore, move to an appointment-to-level system for *new* appointments to the assistant deputy minister level. Appointment to level means qualification to a level and not a job; it means assignment and reassignment; and it means a commitment by the organization as a whole to give the candidate feedback and training on his or her next assignment.

New ADMs will be appointed to a level, not a job.

The rights and personal preferences of assistant deputy ministers who were appointed under the current regime and who choose not to join the corporate system will be respected. An open invitation will be extended to all ADMs to join the new system if it meets their career expectations.

The preferences of current ADMs will be respected.

It may be that the whole executive community would be better served by a similar system. But we will begin at the assistant deputy minister level. We will proceed pragmatically, involving ADMs and the executive community in the design of a system of rotations that

can best meet the needs and expectations of individuals and the Public Service as a whole.

Compensation and retention

The compensation policy of the Government of Canada must ensure that the public sector will be able to retain and attract people with the skills it will need to serve Canadians in the future. Some of these issues will be addressed in the context of a return to collective bargaining.

In order to obtain independent advice concerning executives, deputy ministers, and other governor-in-council appointees, the President of the Treasury Board has established an external consultative committee that will provide advice on compensation strategies and principles and on overall management issues.

But compensation is not the only, nor the most important, factor required to ensure that the Public Service can motivate, retain, and attract the talent it needs. A number of factors are necessary to ensure that public servants have the working conditions that support their commitment to serve the public good. These conditions include recognition and respect; support for necessary reform; an opportunity to contribute, to learn, and to acquire diverse experience. These conditions also include fair compensation.

Support for professional communities

Some professional groups will also need collective attention. For one, the *policy community* is examining ways to improve practices in recruiting, training and managing the careers of people engaged in policy work. As well, the *communications community* is looking to enhance its function. This includes developing core competencies for the director-general level and identifying opportunities for lateral assignments and interchanges. A third community, the *scientific professionals*, is working on a comprehensive strategy for its people.

Other professional communities, such as *human resources*, *informatics*, and *information management*, are beginning to examine ways to renew their ranks and meet their special needs. We need to encourage and support these groups as they identify options and make recommendations on how best to renew their communities.

External recruitment

Recruitment from universities is at an all-time low. Programs designed to attract highly talented and motivated graduates to join the Public Service are not working well. Some programs, such as the Management Trainee Program and the Accelerated Economist Training Program will require

Recruitment issues need to be addressed on an urgent basis.

greater corporate attention. For example, the Management Trainee Program is intended to recruit university graduates and current public servants with high management potential and develop them through assignments for positions at the middle management level. While the quality of candidates is high, the program is not living up to expectations. Departments have significantly reduced their demand for participants, and trainees often find that their assignments lack substance and challenge. These issues will be reviewed in the context of each department's plan of action.

Conclusion

La Relève is first and foremost the individual and collective commitment of public servants to do all in their power to make the Public Service a better place and to leave behind an organization that is better than the one they inherited.

This commitment is the most important ingredient in building a modern, vibrant institution that will meet the needs of Canadians now and in the future.

This is an important and exciting challenge. In dealing with the challenge, we will show a bias for action — which will speak louder than words about the importance of the public sector and of public servants.

VII

Conclusion

We in the Public Service of Canada have lived through an historical period of change resulting from governments taking measures to regain their fiscal sovereignty and realign their role to better serve Canadians. The public sector is entering a new but equally challenging period.

The period ahead will be about

- Forging new relationships among governments
- Laying the basis for new partnerships with other sectors of society
- Strengthening the relationship between government and citizen

This will reaffirm the need for a professional, non-partisan public service. Furthermore, it will require that public servants renew their commitment to serving Canada and Canadians by doing things differently. It will mean focussing on the whole, rather than on the parts, by

- Putting the public interest ahead of the interests of any single department or agency in policy development
- Serving citizens as whole persons by moving from single to integrated services

It will require a culture change:

- Learning to work in teams and in partnerships

- Exploring and experimenting with different ways of doing things, helping each other and learning as we go
- Dismantling barriers and removing red tape

As we move forward, it will be important to protect the capacity of the Public Service to serve the public interest. The values of serving in the public interest and of supporting a parliamentary democracy will always remain central to the role of the public sector. In the past, as in the future, these values are the foundation of the public sector.

- *Loyalty to the public interest as represented and interpreted by the duly elected government of the land* — Loyally helping ministers, under the rule of law, to serve the public good. This requires respect for fundamental democratic values, such as accountability to ministers and, through them, to the citizens of Canada; support for the government of the day; and respect for the rule of law and due process.
- *Service to Canada and Canadians* — This is about values such as excellence, professional competence, quality and efficiency. Public servants must constantly renew their commitment to serve Canadians by enhancing the quality of service, by adapting to changing needs and by improving productivity.
- *Ethical values such as honesty, integrity and probity* — While these values are no different from those found in other sectors of society, they take on a particular meaning in the Public Service, where they mean the ability to hold a public trust and to put the common good ahead of any private or individual self-interest.
- *People values such as fairness and equity* — Because citizens in a democracy are equal bearers of rights and duties, it is a principle of public service that citizens should be treated equitably and not with special favour to some. Balancing the

interests and preserving the rights of citizens in a fair and equitable manner is fundamental to public service.

Mr. Prime Minister, in any organization, people make the difference. With your continued support and the support of your government, the men and women serving in the Public Service are willing and able to shoulder the challenges of their time. I look forward to reporting back to you next year about their struggle, their effort, their success, and their dream of shaping a modern and relevant institution to serve Canada and Canadians.