



Eleventh Annual Report

to

the Prime Minister

on

the Public Service of Canada

Alex Himelfarb

Clerk of the Privy Council and
Secretary to the Cabinet

For the year ending March 31, 2004

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Clerk of the Privy Council and
Secretary to the Cabinet



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Ottawa, Canada K1A 0A3

March 31, 2004

Dear Prime Minister:

Pursuant to the *Public Service Employment Act*, I am pleased to submit to you the *Eleventh Annual Report to the Prime Minister on the Public Service of Canada*.

The Public Service of Canada has, in the past year, known numerous challenges and successes. During the upcoming year, we will continue to build on our strengths and current modernization initiatives while reinforcing the confidence of the public and parliamentarians in this important national institution.

Our commitment to you and your government is to continue to strive for the highest professional and ethical standards of public service.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alex H. f. b.' with a stylized flourish.

Alex Himelfarb

Introduction

I am pleased to present the *Eleventh Annual Report to the Prime Minister on the Public Service of Canada*. It describes some of the key events of the past year that have affected the public service. It recounts our progress in building a better public service, and it sets out what I see as some of the main challenges that the public service faces over the next year and beyond.

This national institution is increasingly important to Canada's future. Several trends — increasing interdependence among all levels of government and among countries, rapid advances in information technology, an increasingly educated and diverse population, and growing attention to issues of good governance — create both the challenge and the opportunity for the public service to reassert and renew its historic role in helping to build our country.

Canadians have high expectations of public servants — and rightly so. They want better services faster and more conveniently for the same tax dollar. They want and deserve transparency and accountability. Now, perhaps more than ever, Canada needs its professional, non-partisan and capable federal public service.

Recent progress

In recent years we have been responding well to these challenges:

- We have shifted the emphasis away from just managing activities to managing for results as well. This is best demonstrated by the Treasury Board's policy

statement, *Results for Canadians*, which marked a clear and deliberate move to a

government-wide management style that is results-driven and principle-based, while ensuring respect for the law.

- We articulated the principles that guide our work as public servants in the *Values and Ethics Code for the Public Service*.
- The *Public Service Modernization Act* gives us new tools to manage human resources better and in a new partnership between unions and management.
- New technology has opened the door to seamless government. Through service transformation initiatives, generally, and government-on-line, specifically, we have been altering how we do our work and improving the range and quality of the services that we provide to Canadians.

Clearly the most important event of the past year for the public service was the transition to the new government. This change involved significant reorganizations of certain departments and functions, which were needed to improve the management of government. I am proud of the public service's performance in providing continuity and helping the new government assume its responsibilities. We are well positioned to work with the government to achieve its agenda of strengthening our social foundations, building a 21st century economy, and ensuring Canada's independent place in the world. In particular, democratic reform and the new management agenda offer new possibilities and ways of working for public servants.

Recent setbacks

We have also suffered some setbacks that we need to examine and learn from. We were all dismayed by what we have heard about incidents of serious mismanagement and, most disturbingly, breaches of the public trust. These incidents sadden all of us and we will address them. However, we know that these incidents are aberrant — they are unique circumstances that cannot be generalized to the vast majority of dedicated, hard-working, competent and highly ethical public servants. But we cannot be complacent. There have been real problems, however isolated, and we need to be sure that they are addressed.

Dealing publicly with these problems is a fundamental part of our work as public servants. This approach has a price, but it is the right thing to do. Over the past few years we have taken a series of measures to be open about our performance challenges — for example, more frequent reports by the Auditor General, publicly available internal audit reports, access-to-information legislation and marked improvements in departmental performance reports. All of these steps are essential elements of an accountable and more effective government.

Balancing control and innovation

The key to addressing these kinds of problems is understanding what caused them in the first place. In the early 1990s, many popular management theories emphasized innovation and service, and devalued rules and control. To some extent, these theories influenced the practice of public administration here and around the world. We began moving away from transactional controls and gave managers more latitude to innovate — to be more creative, to take risks —

expecting that the public would benefit through better service. And most of the time that is exactly what happened. One need only consider the range of successful service innovations that we have introduced over the past decade to recognize how much the public service has changed over those years.

But we also lost some of our rigour. We removed some departmental controls while we were reducing central oversight. As we brought in new staff, we did not make sure that they had the training they needed to do their jobs well. We did not develop the information systems that would help us keep proper track of financial and operational performance. In our drive to serve Canadians better, we may have lost sight, sometimes, of the basics.

Now we have to get the balance right. We have to restore the rigour without smothering the creativity. We know from long experience that more red tape is not the answer; it would surely stifle the creativity that we need in order to serve Canadians well. As well, in our drive for renewed rigour, we cannot lose sight of the fact that the public service is all about people. Whatever change we introduce, we have to do it with humanity, taking care to help staff through transitions and to thrive in the midst of ambiguity and change.

A public service for the 21st century

Getting the balance right, however, is not good enough. We must move beyond assessing our performance based on static rules and measures. We need to be accountable for a higher standard of performance. We need a dynamic model based on continuous alignment of operations with priority results, achievement of those results, and then realignment

with new priorities. In this way, transformation becomes an integral part of our management responsibilities and a defining feature of our organizational culture.

I think it is fair to say that growth comes from challenge. By setting higher standards for the public service and committing to meet them, we will surely grow. We need to describe the ideals to which we aspire, the ones that push us to excel every day on the job. While we may never fully meet them, it is through this effort that the public service will reach its full potential and each public servant will become a leader.

The Public Service of Canada will be:

- known by Canadians for meeting the highest levels of integrity and public trust;
- focused on people, and made up of public servants who are passionate about their work;
- continually transforming its policies and programs through creativity and innovation to serve Canadians better;
- adept at serving the public interest by achieving results that matter and value for money;
- known for showing policy leadership in addressing the diverse and changing needs of Canadians and respected for the quality of its advice and conduct;
- open and transparent;

- reflective of the diversity and linguistic duality of Canadians; and
- a vital institution in which all public servants are leaders.

The challenge is to build on the public service's strengths and current modernization initiatives, while reinforcing the confidence that the public and parliamentarians have in us. Above all, I believe that we need to foster a culture where everyone — at all levels — is a leader; where everyone knows what doing the right thing means and then does it. This goal lies at the heart of the public service of the future.

Setting our goals higher

Each year I set out my corporate priorities for the public service. These are matters that, in my view, require special attention from deputy ministers. For the coming year, I have decided to maintain last year's priorities: official languages, diversity, learning, and modern comptrollership. I have added human resource management as a priority covering the implementation of the *Public Service Modernization Act* and the integration of human resource planning with departmental business planning.

But these priorities are only a part of the larger effort underway to create the conditions in which public servants can continue to excel. This is a continuous process and one that we welcome. We grow as an institution by reflecting on where we are, identifying areas for movement forward, and committing to constant renewal and re-examination. Above all, we learn by celebrating our successes and accepting our mistakes.

In the coming year, we will continue to move forward through other measures such as:

- accelerating the establishment of the comptrollership function centrally and within departments to ensure appropriate oversight of spending;
- implementing the new public service disclosure legislation, once it is passed by Parliament, and developing tools for employees and management to help ensure that respect for our values and ethics is an integral part of all operations;
- through the new Canada School of Public Service, developing and delivering a core curriculum for public servants so that everyone has the skills needed to do their job well; and
- continuing to increase service delivery options for Canadians through our service transformation initiatives and our presence in communities across Canada.

Conclusion

We have had many successes over the past year and I expect even more in the year to come. We have also had some setbacks and we have learned from them.

We will continue to build on the public service of today, with its long and proud history, to create the public service of the future — one that is nothing less than the finest public service in the world. There is always a gap between our aspirations and achievements, and the work to close it is endless. It is by embracing this fact with honesty and courage that we show leadership.

My job, I believe, is to help public servants excel in service to Canadians. And so, my commitment is that when there are obstacles, we will overcome them. When there are opportunities, we will make the most of them. When there are honest mistakes, we will be open about them, fix them, and learn from them. And in times of change and uncertainty, our set of core public service values will be our best compass.