



---

**Nineteenth Annual Report**

---

**to**

---

**the Prime Minister**

---

**on**

---

**the Public Service of Canada**

---

**Wayne G. Wouters**

**Clerk of the Privy Council and  
Secretary to the Cabinet**

**For the year ending March 31, 2012**

**Canada**<sup>ca</sup>

Blank Page



---

**Nineteenth Annual Report**

---

**to**

---

**the Prime Minister**

---

**on**

---

**the Public Service of Canada**

---

**Wayne G. Wouters**

**Clerk of the Privy Council and  
Secretary to the Cabinet**

**For the year ending March 31, 2012**

**Canada**

## **Library and Archives Canada Cataloguing in Publication**

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

Annual.

Text in English and French on inverted pages.

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

Available also on the Internet: [www.pco-bcp.gc.ca](http://www.pco-bcp.gc.ca)

CP1-1/2012

ISSN: 1193-7637

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

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

JL106 354.71'0005

To obtain print copies:

Phone: 613-957-5153

TTY/TDD: 613-957-5741

Fax: 613-957-5043

E-mail: [info@pco-bcp.gc.ca](mailto:info@pco-bcp.gc.ca)

© Her Majesty the Queen in Right of Canada, 2012.



Clerk of the Privy Council and  
Secretary to the Cabinet



Greffier du Conseil privé et  
Secrétaire du Cabinet

Ottawa, Canada  
K1A 0A3

March 27, 2012

Dear Prime Minister:

I am pleased to submit to you the *Nineteenth Annual Report to the Prime Minister on the Public Service of Canada*, in accordance with the provisions of section 127 of the *Public Service Employment Act*.

In the report, I discuss the many influences transforming our society, and their impact on the Public Service. I also highlight some of the innovations the Public Service has put in place over the past year to meet the evolving expectations of Canadians.

This report comes at a critical moment for Canada and its Public Service. The Public Service will be implementing Budget 2012 decisions and reducing expenditures across government, while at the same time improving the efficiency and effectiveness of government operations and programs. A renewed Public Service will enable us to serve Canadians with excellence now and into the future.

In preparing this report, I have appreciated the insights and advice of your Advisory Committee on the Public Service, co-chaired by the Honourable Paul M. Tellier and the Honourable David Emerson, as well as the Deputy Minister Committee on Public Service Renewal.

Thank you for your continued support for the renewal and transformation of Canada's Public Service.

Yours sincerely,

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

Wayne G. Wouters

Canada 



## Table of Contents

<b>I. Introduction</b> .....	1
<b>II. The World in Which We Serve</b> .....	1
<b>III. Our Evolving Institution</b> .....	4
<b>IV. Pursuing Excellence in the Public Service</b> .....	6
IMPLEMENTING BUDGET 2012.....	7
THE PUBLIC SERVICE OF THE FUTURE.....	8
Collaborative.....	9
Innovative .....	10
Streamlined.....	11
High performing and adaptable .....	11
Diverse.....	12
<b>V. Our Enduring Public Service Values</b> .....	13
<b>VI. The Road Ahead</b> .....	14
<b>Annex A: By the Numbers—A Demographic Profile of the Federal Public Service for 2011</b> .....	15
<b>Annex B: Sixth Report of the Prime Minister’s Advisory Committee on the Public Service</b> .....	19





## **I. Introduction**

Canada's Public Service has always played a critical role in improving the lives of Canadians and securing our country's future. As we embark on the changes to our organizations announced in Budget 2012, we do so from a position of strength. And, as we navigate this important period of transition, the stewardship of this vital institution takes on even greater importance.

In my role as Clerk of the Privy Council and Head of the Public Service, I have been fortunate again this year to see public servants in action both across the country and abroad. Through these interactions I have gained an even deeper appreciation of our daily challenges and successes, and of the professionalism with which our colleagues fulfill their roles. Our Public Service continues to inspire me and I remain convinced that Canada's Public Service stands among the best in the world. It is because of this pride that I never miss an opportunity to share our accomplishments and innovations with my counterparts, both domestically and internationally. All public servants can take pride in our collective achievements.

## **II. The World in Which We Serve**

These are remarkable times in which to be a public servant. As a nation, we are living through a period of significant transformation. Internationally, we are witnessing the emergence of a new, more complex global architecture, as traditional economic and political power wanes and re-forms around emerging nations and alliances. Canada's role and influence in these changes cannot be taken for granted.

Many advanced nations are wrestling with enormous levels of debt and slow economic growth. In their efforts to restore national balance sheets, many have embarked on rigorous austerity programs that are having dramatic impacts on their public institutions and their citizens.

At the same time, the traditional relationship between government and citizens continues to evolve. Enabled by instantaneous

communication and collaboration technologies, citizens are demanding a greater role in public policy development and in the design and delivery of services. They want greater access to government data and more openness and transparency from their institutions.

In some countries, social media have even helped drive regime change, as we saw with the uprisings against authoritarian rule that spread across North Africa and the Middle East this past year. The new political order in the Arab world is still taking shape.

Canada, too, saw its share of dramatic events. Last spring, devastating floods hit Manitoba, Saskatchewan and Quebec's Richelieu Valley and wildfires destroyed much of the community of Slave Lake, Alberta. In response, thousands of Canadian Forces and RCMP members worked tirelessly with local officials to evacuate those in harm's way and preserve homes, roads and vital infrastructure. In the months following these disasters, federal public servants have been collaborating with their provincial and municipal counterparts to help affected Canadians rebuild their lives.

While some public servants worked quickly to help citizens deal with unforeseen events, many others helped chart the nation's future course. For the first time in seven years, the Government has a majority in the House of Commons. The Public Service has a valuable opportunity to support the Government in developing longer-term approaches that will help Canada address its significant and enduring challenges—whether related to the economy, Canada's aging population, or its role on the world stage.

**Strengthening the Relationship with First Nations**

Through a Joint Action Plan launched in June 2011, the Government of Canada and the Assembly of First Nations have committed to working together to improve the long-term prosperity of First Nations in key areas such as education, governance, and economic development. The historic Crown–First Nations Gathering held this past January and attended by the Prime Minister, ministers, members of Parliament, public servants, and several hundred chiefs, helped lay the groundwork for future reforms.

Canada's future growth and prosperity are the focus of a number of key initiatives that we have advanced over the past year. Public servants are working closely with their counterparts in the United States on two major joint initiatives: the Beyond the Border agreement, a new long-term partnership that will strengthen and deepen economic and security links to our most important partner; and the United States-Canada Regulatory Cooperation Council to better align the regulatory approaches of our two nations.

We also worked hard to strengthen Canada's trading relationships with important and emerging economies. Free trade agreements were finalized or brought into force with several partners in Latin America, and progress is being made in negotiations with some fifty countries, including those of the European Union and the Trans-Pacific Partnership, as well as Korea.

Canada has weathered the recent economic downturn better than our G7 counterparts, but unpredictability remains. We cannot be complacent: Canada must be positioned to compete with the fastest growing and strongest economies.

Canada must continue to address its own fiscal challenges if its economy is to remain on a solid footing, and the Public Service will do its part.

#### **Canada's Economic Leadership**

The International Monetary Fund and the Organisation of Economic Co-operation and Development both forecast that Canada will have some of the strongest economic growth in the G7 over the coming year. The World Economic Forum rated our banking system as the strongest in the world for the fourth consecutive year, noting that this is due in large part to our regulatory and supervisory framework for the financial sector.

Canada's economic leadership was recognized when Bank of Canada Governor Mark Carney was named Chairman of the G20's Financial Stability Board in November 2011.

### III. Our Evolving Institution

When I looked back on my previous annual reports and those of my predecessors, I saw a remarkable continuity in the observations and guidance that each offers. While the reports span nearly 20 years, the forces driving change—increasing globalization, ongoing technological advances, fiscal pressures, the changing fabric of Canadian society, and citizens' rising expectations for better and faster services delivered at a lower cost—are recurring themes. Is this because we have failed to react and respond? Not at all. These forces have fuelled the continuous and purposeful renewal of our institution.

The Public Service remains strong because we continue to adapt to our ever-changing context to meet the needs of Canadians. As a result of the renewal efforts launched in 2006, business and human resources planning is better integrated and more rigorous, a dynamic cohort of new public servants has joined our ranks, deputy heads and their management teams have put people management front and centre, and we have modernized many of our administrative practices and systems.

The reality, however, is that the changes unfolding in society are outpacing the adjustments that we have been making within the Public Service. This makes it increasingly challenging for us to remain in step with the post-industrial, networked society we serve.

Although no other organization in the country can match the breadth and objectivity of our policy expertise, we are one of many sources of advice available to the Government. We must use the advantages of our wide networks, the range of our experience, and our ability

#### **A Time of Change**

“In every country, public sector institutions are undergoing change. This is also unavoidable in Canada. Indeed, change is essential if the Public Service is to become a more productive, leaner and more relevant institution, and if it is to remain a career of choice for talented young Canadians.”

— *Sixth Report of the Prime Minister's Advisory Committee on the Public Service*

to integrate diverse perspectives in order to distinguish ourselves in a crowded policy marketplace.

We have moved toward more citizen-focused service delivery. For example, Service Canada provides single-window access to a wide range of Government of Canada programs and services. However, citizens still have to navigate their way through multiple channels to find many of the services they need.

And while we have updated many of our management practices, we must find ways to reconcile vertical accountability and ways of working with an increasingly horizontal and collaborative world.

We have already made some real progress in our campaign to modernize the way we work and serve Canadians:

- More than 80 of our federal organizations use Web 2.0 technologies and social media to share accurate and timely information or to collect data and engage citizens. For example, Canada Border Services Agency uses Facebook, YouTube and Twitter to engage directly with Canadians on border-related issues. The Agency has even created Twitter accounts for all ports of entry, making it fast and efficient for Canadians to receive border wait-time updates.
- The Government expanded its commitment to Open Government through three main streams: *Open Data* (making greater amounts of government data available to citizens), *Open Information* (proactively releasing information about Government activities) and *Open Dialogue* (expanding citizen engagement with Government through Web 2.0 technologies).
- The Red Tape Reduction Commission recently released a series of recommendations aimed at easing the regulatory compliance burden on Canadian businesses. To support the work of the Commission, the Community of Federal Regulators set up an online collaboration tool and more than 1,000 regulatory employees used it to share their ideas for reducing red tape.

- Shared Services Canada, launched in August 2011, is a new common-service organization that will consolidate the resources and personnel for more than 60 internal email systems, 300 data centres, and 3,000 electronic networks. This whole-of-government approach will enable us to modernize our systems, as well as improve efficiency and help lower the cost of our services to Canadians.

And deputy heads have also reported on their organizations' progress against the renewal objectives set out in my *Eighteenth Annual Report*. I am pleased to note that departments and agencies are actively creating the conditions for our institution's future success. Processes are being streamlined, resource-sharing is reducing costs, and employee engagement efforts have increased. Examples of some of the promising initiatives taking place across the Public Service are available on my website.

But we have much more to do, and we are being asked to carry out our mission with fewer resources. Instead of letting this hobble us, it must spur us to explore new ways of working.

We must focus on the results we want to achieve on behalf of Canadians and open our minds to different approaches to delivering on our mission. We must continue to push ourselves to experiment and take intelligent risks. If we can do this, I am convinced that we will be able to do more than ever with the resources that will remain.

#### **IV. Pursuing Excellence in the Public Service**

As highlighted above, the world is changing in fundamental ways, and the Public Service must change with it. Moving forward, the key question we must ask is not whether our institution is the right size, but whether it is working in the ways it must to meet the demands of a new age.

To continue to achieve excellence across all our core functions—policy development, program and service delivery, regulation, and management—we must understand the requirements of the future and align our organizations to meet these needs. In the coming

year, deputy heads will be asked to report back to me on how they are positioning their organizations for the future.

## **IMPLEMENTING BUDGET 2012**

Budget 2012 lays out an ambitious agenda for Canada. I am very proud of our colleagues from across the Public Service; the excellent advice and support they provided to the Government has helped to chart a bold course for our nation.

Budget 2012 also ushers in a new era for our institution. I am equally proud of how professionally and rapidly the Public Service supported the Government to develop options and prepare for deficit reduction. In spite of the real stresses on individuals and teams that this kind of change brings, our senior leadership provided its best advice to ministers; public servants continued to carry out their daily responsibilities with dedication and professionalism; and managers began to prepare for the changes to come.

I am confident that we will see this same level of professionalism and sensitivity in implementing the decisions that have been made.

Success will be measured not only by reaching the reduction targets. Our goal must be to build a stronger and more adaptable institution that is able to meet the demands of the future, even while we adjust to smaller budgets and a smaller public service.

Over the next few years, departments will have to embrace innovative ways of delivering on their core business responsibilities. By working collaboratively across our organizations and beyond, streamlining our processes, and taking advantage of new technologies, we will be able to provide Canadians with better services at a lower cost. This means we must carefully consider the skills and competencies that our

### **Engaged Employees**

The recently conducted 2011 Public Service Employee Survey (PSES) showed that in spite of the uncertainty facing our institution, public servants remain very engaged and committed to their work: 82 percent of employees like their jobs and 94 percent are willing to put in the extra effort to get the job done.

workforce will need to help us achieve this, and use these to guide our decisions as we implement Budget 2012.

As we carry out the challenging work of reshaping our organizations, we will work hard to find new opportunities for those employees whose positions are affected. We will strive to make the best possible use of planned retirements, departures and new vacancies to minimize the impact of reductions.

We must also continue to develop the competencies needed for an evolving Public Service. Professional development should not stop during times of fiscal restraint. And, during the months ahead, our recruitment will be targeted to fill key skills gaps and carried out with a view to the broader, longer-term needs of the institution. But the reality is there will be fewer jobs.

Those whose jobs are affected will be treated with respect and according to work force adjustment agreements that we committed to with their bargaining agents.

Those who leave us for new lives outside the Public Service will have our sincere gratitude for the contributions they have made during their Public Service careers.

### **THE PUBLIC SERVICE OF THE FUTURE**

Although the core work of the Public Service will not fundamentally change in the years ahead, how we work must. The Public Service of tomorrow will be defined by a number of key characteristics—achieving excellence in all that we do will require our institution to be collaborative, innovative, streamlined, high performing, adaptable and diverse.

#### **Investing in People**

“Through this process of change, it is essential to continue recruiting talent...to ensure a continuous stream of leaders for the decades to come. It is also necessary to sustain investments in employee training and development, to ensure that the Public Service maintains the capacity to do its job even as the total size of the workforce is shrinking.”

— *Sixth Report of the Prime Minister's Advisory Committee on the Public Service*



### **Collaborative**

The people who make up today's Public Service bring together a wealth of expertise and experience. They carry out their work in all regions of our vast country, as well as overseas. By embracing more collaborative ways of working together, we will be able to tap the collective intelligence and energy inside our institution to deliver better results for Canadians.

We must also deepen our engagement with a broad network of external partners: other nations, other levels of government, the private sector, civil society, and citizens themselves.

I am confident that the Public Service can take a lead role in galvanizing the collective power of our society to tackle the large and complex issues Canada faces. To do this well, we will need to hone our skills as network-builders, facilitators and partners.

This collaboration will be our springboard for developing the professional, broad-based and creative advice that will serve the greatest range of citizens' needs.

#### **Policy Built on Shared Knowledge**

The Department of Foreign Affairs and International Trade (DFAIT) has been experimenting with an Open Policy Development Model that uses social networking and technology to leverage ideas and expertise from both inside and outside the department. A recent full-day event convened 400 public and private sector participants and produced a number of open policy pilots, e.g., an emergency response simulation involving consular officials and a volunteer community of digital crisis-mappers.

DFAIT is also using GCconnex, the Public Service's social networking site, to open up policy research and development to public servants across departments.

Collaboration is also essential to our ability to provide integrated, citizen-centred service. We have taken important steps toward that goal through Service Canada, which provides citizens with single-window access to a broad range of government services. However, to achieve service delivery excellence we must strengthen our partnerships with other levels of government and

non-governmental organizations, and actively involve the citizens who will use these services in their design and delivery.

### ***Innovative***

Doing new things in new ways comes about only by trying. We must couple creativity with courage and start to work in fundamentally different ways. We must resist the urge to create layer upon layer of rules and processes to shield ourselves from every possible error. This has been our tendency in the recent past. It cannot be our approach in the future.

#### **New Flexibilities, Old Habits**

The recently tabled *Report of the Review of the Public Service Modernization Act* revealed that despite the availability of a range of new staffing flexibilities, we have been reluctant to let go of old approaches, leaving some of the legislation's potential benefits unrealized.

As author William Gibson observed, “The future is already here, it’s just unevenly distributed.” Across our vast enterprise, public servants are already devising creative ways to do a better job and get better results. We need to shine a light on these trailblazers so that we can all learn from their experiments and build on them. Managers and senior leaders can foster innovation—large and small—by encouraging their teams to ask how their work can be done better, test out new approaches and learn from mistakes.

So much innovation in the 21st century is being made possible by well-developed communication technologies. Yet many public servants are frustrated by a lack of access to the Web 2.0 and social media tools that have such potential for helping us transform the way we work and serve Canadians. Public servants should enjoy consistent access to these new tools wherever possible. We will find a way to achieve this while at the same time safeguarding the data and information in our care.

I also encourage departments to continue expanding the use of Web 2.0 technologies and social media to engage with Canadians, share knowledge, facilitate collaboration, and devise new and efficient services.

### ***Streamlined***

Citizens today expect services to be easily accessible, fast and flexible. Public servants need administrative processes and systems that enable rather than hinder their work, while still supporting accountability.

Unfortunately, neither our external nor internal services are hitting this mark. In both cases, we need more than process improvements to meet these expectations; we need to fundamentally transform the ways in which we deliver services and administrative support in our front and back offices. By pooling efforts and resources across departments and deliberately standardizing many of our processes and systems, we will be able to drive innovation and get better value for money.

#### **Shared Services Canada**

Created in August 2011, Shared Services Canada will streamline and reduce duplication in the Government's IT services by managing this infrastructure at the whole-of-government level. This will produce savings and make IT more effective and reliable across the Public Service.

Our technology infrastructure is the backbone of our operations and services. We have made progress in enterprise-wide management of such things as pay and pension services, and now the creation of Shared Services Canada has ushered in a new era for our internal systems and services. By taking advantage of our size, we will be able to deliver streamlined, cost-effective and more secure email, data and network services to all departments. This whole-of-government approach will free up resources for higher value work. We need to adopt a more standardized approach for other key common services, such as human resources and finance.

### ***High performing and adaptable***

In a world where social media can swiftly propel an issue into the spotlight, our lead-time for advice and decision making is shorter than ever. The Public Service must be as adaptable as the world is changeable. Organizations and individuals alike must be agile.

Moving forward, we need to experiment with more nimble workforce models that will allow our knowledge workers and specialists to contribute where and when they are needed rather than only where they are located. We must also continue to identify the tasks and functions that others outside our organization are better placed to carry out.

Boosting productivity across our organizations will also be key to achieving excellence in our core functions. Rigorous performance management is an essential element—all leaders and managers need to focus on getting the best out of their people and other resources. We must develop, encourage and expect excellence from public servants at all levels. And managers themselves must lead by example.

**Building Our Performance Management Capacity**

Important work is being done to help our managers build their performance management capacity. The Office of the Chief Human Resources Officer has developed an online *Performance Management Tool* and the Canada School of Public Service offers a *Performance Management for Managers* curriculum.

In the months to come, I expect all managers to keep their teams focused on the important work we do by setting high standards for individual performance, and expecting employees to meet those standards. All employees should have a performance agreement with their supervisor.

The demanding period ahead will also be an important time to recognize employee excellence—in achieving results, demonstrating organizational values, and being innovative. Recognition comes in many forms: through positive feedback, new challenges, learning opportunities, awards, or public recognition.

***Diverse***

Welcoming, respecting and valuing diversity in the workplace makes good business sense. Different perspectives enrich our understanding of issues and inject new energy and creativity into our work.

Through our renewal efforts, we are working hard to build a Public Service that reflects and benefits from the rich mosaic of backgrounds that make up our nation. I am very pleased with the 2011 Public Service Employee Survey (PSES) results which show that the majority (88 percent) of public servants believe that in their work unit, every individual, regardless of race, colour, gender or disability, is accepted as an equal member of the team.

The 2011 PSES also revealed that the vast majority of public servants feel comfortable using the official language of their choice as they carry out their work. We must not let up our efforts to nurture workplaces that support the use of both official languages, even as we tackle reductions.

Moving forward, Public Service leaders need to continue to capitalize on the diversity of our organization—to draw out talents and ideas, and to recognize what and how diversity contributes to the workplace. This will result in productive and fulfilling work environments, improve our ability to attract and retain great employees, and enable us to better serve Canadians in both official languages.

## **V. Our Enduring Public Service Values**

Our strong and enduring Public Service values will help us navigate the challenging transition we are undertaking.

The new *Values and Ethics Code for the Public Sector*, in effect as of April 2012, renews our deep commitment to a professional, non-partisan, highly ethical public sector. *Respect for democracy, respect for people, integrity, stewardship and excellence* define the federal public sector and set a high standard for the behaviour of all public servants.

Non-partisanship and impartiality continue to be at the heart of the *Code*. They are the source of the trust and confidence that successive governments and all Canadians must have in our ability to serve the public interest rather than personal or private interests.

Respect for these values over many generations is the reason we are one of the most highly regarded public sectors in the world. Even as we look to the future, we must protect, nurture and pass on this proud part of our past to the next generation.

It is not enough for public servants to simply be aware of these values; they must fully commit to them and bring them to life in all of the work they do on behalf of Canadians. I expect Public Service leaders and managers to engage their employees in a recommitment to these essential values through ongoing dialogue about real workplace issues.

## **VI. The Road Ahead**

I am very proud of what the Public Service has accomplished to date and of the vital role we play in serving the Government and the country.

We have a unique opportunity to be part of something important—the chance to shape our institution for a new age. Although the road ahead will not be easy, I am confident that, guided by our enduring values, we will join creativity with courage and continue to take the bold steps needed to transform Canada's Public Service.

We owe it to Canadians and to ourselves to take on this challenge.

## Annex A: By the Numbers—A Demographic Profile of the Federal Public Service for 2011

This annex presents select demographics for the Federal Public Service (FPS)<sup>1</sup> in fiscal year 2010-11, with some focus on the executive (EX) cadre. Arrows in the tables show comparisons (growth, decline, or stability) to the figures for 2009-10.

Supplementary demographic information is available at <http://www.tbs-sct.gc.ca/res/stats/demo11-eng.asp>.

### Number of Employees

Government priorities (including fiscal restraint) drive the FPS population.

Since 2008-09, the **growth** rate has been slowing down. The **FPS population decreased** (-0.21%) compared to the previous year.

Number of Employees	
All Employees ↓	282,352
Executives (EX) ↑	6,966
EX minus 1 ↑	12,397
EX minus 2 ↑	18,702
Deputy Ministers (DMs) ↓	42
Associate DMs ↑	37

### Employee Types

Recently, **fixed-term hiring** (term, casual, and students) **decreased**. Compared to last year, the term population has declined from 9.1% to 8.4%.

While the **indeterminate population increased slightly**, its proportion to other employment types has remained relatively steady since 1983.

Employee Types	
Indeterminate ↑	86.8%
Term ↓	8.4%
Casual and Students ↓	4.8%

<sup>1</sup> The "Federal Public Service" refers to the Core Public Administration (CPA) – departments and agencies for which the Treasury Board is the employer – and separate employers (principally the Canada Revenue Agency, Parks Canada, the Canadian Food Inspection Agency and National Research Council Canada). Data are primarily provided by the Office of the Chief Human Resources Officer and are current as of March 31, 2011, unless otherwise indicated. Benchmark years provided for comparisons usually identify the beginning of a trend, indicate the post-Program Review period, or mark the first year for reliable data (such as the year 1983, used in previous *Annual Reports*).

## Mobility in the Core Public Administration (CPA)

After several years of increased **mobility**, this is now **slowing down**.

Compared to 2009-10, the number of **new**

Mobility in the CPA	
New Indeterminate Employees ↓	11,677
Retirements/Departures* ↑	9,476
Promotions ↓	18,197
Transfers ↓	19,179

\* Including to a separate agency.

**indeterminate employees decreased** by 28.4% and the **internal mobility rate decreased** to 18.1%.

Total **departures remain relatively stable**, continuing to be driven by retirements (73% of all departures).

While most **internal mobility** occurs within the same department, **approximately 3% is between departments**. Continuing the trend of the last decade, the **departure rate** of new indeterminate employees has **remained low** (1-3%).

## Average Age

The **average age** of federal public servants has **slightly increased** from 43.9 years in 2010 to 44.1 years in 2011 (compared to 44.3 years in 2005).

Although steady compared to last year, the **percentage of EXs over 50 decreased** from 58.9% in 2005 to 53.2% in 2011.

Average Age	
FPS ↑	44.1 years
EX →	50.0 years
EX-01 to EX-03 →	49.8 years
EX-04 to EX-05 →	53.3 years
EX minus 1 →	48.4 years
EX minus 2 →	45.8 years
DM ↑	56.1 years
Associate DM ↑	54.9 years

Since 2003, the **average ages of EXs** (at both lower and senior levels) have remained **stable**. While previously also true for deputies and associates, their average age increased from last year.



## Years of Experience

The **proportion of employees in the FPS with 0-4 and 5-14 years of experience increased** from last year.

Meanwhile, the **proportion with 15-24 and over 25 years of experience decreased**.

This reflects recruitment and retirement patterns, continuing trends evident since 2007.

Years of Experience	
0-4 years ↑	23.7%
5-14 years ↑	38.4%
15-24 years ↓	20.3%
25+ years ↓	17.6%

## First Official Language

**Official languages representation is virtually unchanged** from the previous year. This continues a stable trend over the past 25 years.

First Official Language	
FPS: French →	29.2%
FPS: English →	70.8%
EX: French →	30.1%
EX: English →	69.9%

## Representation vs. Workforce Availability (WFA)<sup>2</sup>

In the **past 10 years**, there have been **significant gains in the representation of all four Employment Equity groups**.

Overall, **representation levels of all groups met or were close to meeting workforce availabilities**. This was also true for the EX cadre, with the exception of Aboriginal peoples.

**Women comprised 44.9% of the EX community, a significant gain since 1983 (less than 5%).**

Compared to last year, the **proportion of new hires has decreased for all groups, except for Aboriginal peoples**, which saw a slight increase.

The diversity of the Canadian population has been growing significantly, which will be reflected when workforce availability figures are updated with data from Census 2011.

### Representation vs. WFA for 2010-11

#### *Federal Public Service (FPS)*

#### *Core Public Administration (CPA)*

#### *Executives (EX) and New Hires*

#### Members of a Visible Minority Group

FPS: ↑ **12.6%** vs. WFA: **13.0%**

CPA EX: ↑ **7.8%** vs. WFA: **7.4%**

CPA New Hires: ↓ **18.6%** vs. WFA: **12.4%**

#### Persons with Disabilities

FPS: → **5.6%** vs. WFA: **4.0%**

CPA EX: ↓ **5.4%** vs. WFA: **4.0%**

CPA New Hires: ↓ **2.6%** vs. WFA: **4.0%**

#### Aboriginal Peoples

FPS: ↑ **4.3%** vs. WFA: **2.9%**

CPA EX: ↑ **3.8 %** vs. WFA: **4.5%**

CPA New Hires: ↑ **4.7%** vs. WFA: **3.0%**

#### Women

FPS: ↑ **55.3%** vs. WFA: **52.8%**

CPA EX: ↑ **44.9%** vs. WFA: **45.2%**

CPA New Hires: ↓ **55.2%** vs. WFA: **52.3%**

<sup>2</sup> Workforce availability (WFA) for an Employment Equity designated group is the percentage of these citizens working in occupations in the Canadian workforce that correspond to occupations in the Federal Public Service (FPS), with the data being derived from 2006 Census statistics. Data for new FPS hires come from the Public Service Commission. The employee population for new hires in the Core Public Administration (CPA) is based on those organizations under the *Public Service Employment Act*. Data for the FPS are based on the indeterminate population and term population of three months or more in the CPA and employees of separate employers. Some small separate employers were not included because of missing information. WFA estimates for the FPS are based on the 2006 Census.

## **Annex B: Sixth Report of the Prime Minister's Advisory Committee on the Public Service— Moving Ahead: Public Service Renewal in a Time of Change**

### **MESSAGE FROM THE CO-CHAIRS**

---

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

We are conscious that the Public Service is on the verge of significant changes, driven in part by the immediate requirements of deficit reduction, but also by a more fundamental need to renew public institutions for the future.

Advancing this program of change will require the active engagement of senior leaders, managers and employees throughout the Public Service. It will also need your sustained support and that of your colleagues.

We have benefited greatly from our meetings with you over the past several years. We appreciate your openness to our ideas and our recommendations, and we look forward to being of continued service to the Government and to Canada.

The Honourable  
Paul M. Tellier

The Honourable  
David Emerson



## **TABLE OF CONTENTS**

---

<b>PART I: THE PUBLIC SERVICE IN 2011</b> .....	1
<b>PART II: TAKING STOCK</b> .....	2
<b>PART III: OBSERVATIONS</b> .....	3
1. THE DEFICIT REDUCTION ACTION PLAN .....	3
2. SHARED SERVICES CANADA: A NEW INFORMATION BACKBONE .....	4
3. TOWARD A NEW BUSINESS MODEL .....	4
4. TRANSFORMING PEOPLE MANAGEMENT .....	5
5. INVESTING IN LONG-TERM THINKING .....	6
<b>PART IV: RECOMMENDATIONS</b> .....	7
1. BE DECISIVE AND STAY THE COURSE .....	7
2. CONTINUE TO INVEST IN PEOPLE .....	8
3. GET USED TO THE NEW WORLD .....	8
<b>PART V: LOOKING AHEAD</b> .....	9
<b>APPENDIX: MEMBERS OF THE PRIME MINISTER’S ADVISORY COMMITTEE ON THE PUBLIC SERVICE</b> .....	11



## **PART I: THE PUBLIC SERVICE IN 2011**

This is the Committee's sixth report since we began our work in 2006. The years since then have been marked by dramatic events and significant changes, both here in Canada and globally. These are uncertain times for Canadians and for public servants. Charting a successful course through the next few years will call for courage, imagination and agility from the Government of Canada and from the leaders of Canada's Public Service.

In previous reports, we have described the ways in which the Public Service has been changing to respond to new realities and challenges. The cumulative impact of transformative initiatives over the past five years is significant. They range from a major realignment of responsibilities for human resources management to the consolidation of the government's underlying information infrastructure. And still more change is on the horizon.

The year 2011 has been noteworthy in the Public Service for a number of reasons:

- It was the largest year in the Strategic Review process, generating projected savings of \$1.570 billion in program spending in 13 departments by 2013–14.
- In addition, departments and agencies are entering the third consecutive year of significant restraint on operating budgets. The Government's actions to reduce growth in operating expenses were projected to save \$0.9 billion by 2011–12 and \$1.8 billion by 2012–13. The consequences of these reductions are now being felt across the Public Service.
- It also represents the second consecutive year in which there has been no growth in the size of the Public Service.
- In Budget 2011, tabled in June, the Government announced a new, comprehensive review of programs and operations that will further reduce the cost of government operations by at least \$4 billion annually. In the

forthcoming Budget 2012, departments and agencies will learn the details of their contribution to the Government's deficit reduction action plan. As those decisions are implemented over the coming months, they will mean changes in how government organizations are aligned and resourced to do their work.

- In August, the Prime Minister announced the creation of Shared Services Canada, a new common-service organization that is taking on responsibility for government networks, data centres and email systems.
- In November, the Treasury Board published its guidelines for the use of social media.
- And in December, the President of the Treasury Board tabled the new *Values and Ethics Code for the Public Sector*. The *Code* will better equip managers and employees to meet the challenges of public management in the 21st century. The new *Code* highlights five Public Service values: respect for democracy, respect for people, integrity, stewardship and excellence.

Cumulatively, these measures—and others to come—reflect a determination to fundamentally rethink the role of the Public Service and how it serves Canadians. What is equally important is that these changes be grounded in the enduring values of the Public Service.

## **PART II: TAKING STOCK**

This kind of comprehensive reappraisal of functions and operations is needed. In the private sector, every successful enterprise has been obliged to re-examine how it does business, manages people, and serves its customers. All Canadians are aware of how their lives have been affected by the information technology revolution, which has transformed communication, entertainment, education and commerce. These forces of change affect governments too.



In every country, public sector institutions are undergoing change. This is also unavoidable in Canada. Indeed, change is essential if the Public Service is to become a more productive, leaner and more relevant institution, and if it is to remain a career of choice for talented young Canadians.

We see our Committee's work as a catalyst to this broader process of public sector renewal, one driven as much by larger forces of change in the world as by the priorities of the Government or the particular goals of Public Service leaders.

Our job has been to help identify priorities for change and, as those changes are implemented, to offer what we hope is useful advice based on our collective experience.

### **PART III: OBSERVATIONS**

#### **1. THE DEFICIT REDUCTION ACTION PLAN**

Over the past eight months, departments and agencies have been preparing to meet the goals of the Government's deficit reduction action plan. This has meant reviewing programs and operations with a view to generating ongoing savings in the order of 5 to 10 percent of direct spending.

This process is more than an obligation to deliver savings—it is also one of the drivers for the transformation of the Public Service.

We are pleased to see that deputy ministers are taking this opportunity to think about how to transform and improve their organizations for the future. They are beginning to drive the process of change and positioning their workforce for future success. This is just what was intended in 2009 when deputy ministers were given primary responsibility for the management of human resources.

One of the major tasks that senior leaders will face is the deliberate downsizing of the Public Service. Current provisions of workforce adjustment agreements will make this a particular

challenge. Departures must be managed in a way that does not undermine the longer-term capacities of departments.

## **2. SHARED SERVICES CANADA: A NEW INFORMATION BACKBONE**

In our report last year, we talked about “simplifying business processes and delivery mechanisms to improve access to government services and reduce program delivery costs.” The creation of Shared Services Canada in August 2011 is a significant step toward this goal.

Shared Services Canada is founded on the premise that internal services such as information networks, data centres and email systems are essentially “utilities.” Like electricity or natural gas, they are best delivered by a single enterprise rather than by individual service providers in departments and agencies. Shared Services Canada will consolidate these underlying systems so as to reduce operating costs and facilitate investments in new technologies, thus improving both service and efficiency. We believe the benefits to government as a whole will be substantial.

## **3. TOWARD A NEW BUSINESS MODEL**

A senior manager told us that through the deficit reduction process, he aims to build a 21st century organization, equipped and managed to get the best from its employees and to deliver the best services to Canadians. This vision should underpin the entire process of Public Service renewal and transformation. The elements of such a 21st century organization are:

- A clear mission and longer-term goals;
- Modern technology to enable efficient operations;
- Much faster decision making and quicker “reaction time”;
- Close linkages to partners inside and outside government; and

- An intelligent and respectful approach to people management that is sustained by investments in employee development and communicates clear expectations of performance.

With respect to public sector unions, we have seen that frank and productive dialogue between labour and management can generate results that serve the interests of both sides. This kind of dialogue must continue.

#### **4. TRANSFORMING PEOPLE MANAGEMENT**

In our report last year, we noted the importance of “a modern, flexible and risk-based people management framework” upheld by competent managers who are accountable for results.

The five-year review of the *Public Service Modernization Act* has been tabled in Parliament. We support the review’s finding that continued progress in people management requires capable leadership, appropriate tools and respect for people, rather than major changes to the law or institutions.

Over the past year, we have seen clear evidence of continuing progress in people management. Yet there remains much more to be done in areas such as performance management, disability management and, generally, in getting senior managers to take up their full responsibilities for managing people. We strongly endorse the current disability management initiative. We believe it can produce significant cost savings, improve support to employees, and increase productivity and morale.

Over the coming months and years, changes inside the Public Service will affect many people’s lives. Managing through this period of uncertainty requires clear goals and priorities, determination, timely decisions and open Communication.

## **5. INVESTING IN LONG-TERM THINKING**

Long-term thinking is an area where the Public Service has a vital role to play.

Policy issues today are more complex, more “horizontal,” and, in many ways, more intractable than ever before. In today’s global information economy, every issue facing Canada has an international dimension, as well as a federal-provincial, municipal, local or Aboriginal perspective. On every issue, concerned citizens have a voice.

There are many more players on the policy field today than in previous years, and this is a good thing. Governments must be receptive to ideas and inputs from many sources. Today, Canada’s Public Service must compete for its place at the policy table on the basis of knowledge, rigorous analysis and high-quality advice. It must be able to provide creative solutions as well as accurate and evidence-based diagnoses of problems.

The Public Service can do all these things and the result will be better public policy for Canadians.

It is essential that the Government continue to invest in the longer-term policy and research capacity of the Public Service. This means investing in training and development, and encouraging open and productive relationships with policy centres outside government.

As Ministers move to implement the deficit reduction action plan, they must protect essential policy and research capacity, as well as talent and skills unique to government. Talented people and innovative thinking will be just as important in the future as they are today.

## **PART IV: RECOMMENDATIONS**

On the basis of our work over the past year, our dialogue with officials and our private discussions within the Committee, we make the following recommendations. They are intended to help guide the process needed for the Public Service transformation that lies ahead.

### **1. BE DECISIVE AND STAY THE COURSE**

Every member of the Committee has had experience in organizational transformation, whether in the public or private sectors. Our unanimous view is that transformation requires decisiveness and staying the course, all the while being prepared for unforeseen circumstances. The sooner decisions are taken, announced and implemented, the better for all.

We have learned that successful change depends on treating people fairly—both those who are leaving and those who are staying. The former need to be equipped to get on with their lives and careers; the latter need to see a clear and positive vision for change. Spelling out this vision is partly a political task but, more importantly, it is a task for the leadership of the Public Service. It means:

- Communicating regularly and openly with employees about what is happening and where each institution is going;
- Ensuring managers understand what is expected of them and have the tools they need to do the job; and
- Engaging employees in the process of change and encouraging them to take ownership of their collective future, while acknowledging that this process is challenging and difficult.

Employees can deal with unpleasant facts. What is much harder is to live in an atmosphere of uncertainty.

## **2. CONTINUE TO INVEST IN PEOPLE**

Through this process of change, it is essential to continue recruiting talent, though perhaps at a slower pace, and more strategically. This is needed to ensure a continuous stream of leaders for the decades to come. It is also necessary to sustain investments in employee training and development, to ensure that the Public Service maintains the capacity to do its job even as the total size of the workforce is shrinking.

We were struck by the results of the 2011 Public Service Employee Survey. Despite the stress and uncertainty of fiscal consolidation, employees' satisfaction with their jobs and workplace is remarkably high. Indeed, the survey participation rate of over 72 percent shows that people care deeply about their jobs and about their vocation as public servants. The majority of employees are proud of the work they do (89 percent) and are willing to put in the extra effort to get the job done (94 percent). Yet the survey also revealed a lack of confidence in senior management. Although this finding is not unique to the Public Service, it is obviously an area that should receive attention over the coming year.

## **3. GET USED TO THE NEW WORLD**

We discussed Web 2.0 and the social media tools that are pervasive in society, but only recently adopted by government. We are pleased to see that the Government has published guidelines for the use of social media. This is a positive and necessary step in equipping public servants with the tools and the policy framework they need to engage their fellow citizens effectively. We were impressed by the level of innovation in new approaches and technologies employed in the Public Service today.

These tools are transformative and unstoppable and the Public Service must take full advantage of these new ways of working. The communications challenge for political leaders and deputy heads is not to try to control what cannot be controlled. The task is to ensure that employees understand their responsibilities as

public servants so they can use these new collaborative tools to support their work and the mandate of their organization.

## **PART V: LOOKING AHEAD**

As the Committee enters its seventh year, we will remain closely engaged in the process of renewal and institutional transformation.

We will monitor the implementation of the changes that will flow from the deficit reduction action plan. We will encourage the Government to continue to pursue enterprise opportunities to standardize and consolidate business processes and systems. We will also track projects such as Shared Services Canada, the disability management initiative and other transformative initiatives.

We will pay particular attention to the issues of oversight, reporting and accountability, matters that have long been on our agenda. The Public Service exists to serve government and Canadians, not simply to manage itself. Good management must be seen as a means of enabling effective, efficient and accountable services to the public.

We will continue to urge the senior leadership to equip managers with the tools they need to become great people managers who lead productive, engaged teams in respectful workplaces. We will support continuing investment in employee training and development.

Finally, we will continue to support the Government and Public Service by providing advice and recommendations on a forward vision for the Public Service and how to ensure ongoing success.

We recognize the challenges of leading and managing a 21st century public service within our Westminster system of individual ministerial accountability to Parliament. The Public Service operates within a complex environment that does not easily change. Yet change—transformative change—is what is called for today.

We are truly impressed by the high quality of public servants who dedicate themselves to serving Canada.

Public service work remains a noble calling that deserves the respect and appreciation of all Canadians. Our job is to do what we can to enable the Public Service to live up to the high expectations Canadians have always placed on it.

For all these reasons, we feel honoured to have been given this advisory responsibility in relation to Canada's Public Service. We look forward with enthusiasm to the coming year.



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

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

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

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

*Jacques Gauthier, Executive Vice-President, Dessau Inc. and  
President and CEO, LVM*

*Donna Soble Kaufman, B.C.L., LL.M., Chair, Institute of  
Corporate Directors*

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

*R. Peter MacKinnon, O.C., President and Vice-Chancellor,  
University of Saskatchewan*

*John MacNaughton, C.M., Chairman, Business Development  
Bank of Canada*

*Sheila Weatherill, C.M., Corporate Director*