

Annex 3

The First Report by the Prime Minister's Advisory Committee on the Public Service

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The future development of the Public Service requires sound advice, innovative solutions and strong support from both within and outside government.¹

Message from the Co-Chairs

We are pleased to present to you, Prime Minister, the first report of the Advisory Committee on the Public Service. Your leadership in establishing this committee speaks to the value you place on the Public Service of Canada. We welcome the opportunity to bring our diverse experience and perspectives to the critical task you have set for us.

You have given us a mandate to help shape a vital national institution through an examination of the key issues facing the Public Service today: recruitment and retention; policy and legislative barriers; development programs; human resource management policies and practices; and branding the Public Service.

This report describes our role and the approach we are taking to fulfill our mandate. It sets out a framework within which we intend to cast our future deliberations and identifies issues we intend to examine over time. And it provides some initial advice on the pressing issue of recruitment.

The mandate you have given the committee will allow us to use our experience to examine, over the next year and beyond, a broad range of issues related to public service renewal. We appreciate your personal commitment to this endeavour and we are committed to do our part to add value to the process.

While we began our work only a few months ago, we have already heard from a number of experts on the challenges facing the Public Service. At our first meeting, we learned about a number of important matters ranging from recruitment to performance management to aligning human resources planning with the business objectives of government. All of these issues and more are touched upon in this report.

The members of the Advisory Committee intend to take a focused and strategic approach to defining the scope of our work and developing our advice to you. This, our first report, is just the beginning of what we expect will be a most fruitful undertaking.

Role and Approach of the Committee

The Advisory Committee consists of nine Canadians with varied backgrounds and interests who bring different perceptions and experiences of the federal Public Service. Some members have worked extensively in the private sector, while others bring in-depth knowledge of government, and still others come from the university world. Collectively, we reflect all regional perspectives.

As an independent body, we believe we are well positioned to:

- Identify some of the challenges facing the Public Service in its current process of renewal;
- Question current thinking on key issues where our experience is relevant;
- Help to articulate, both to government leaders and to the wider public, the role of the Public Service and its importance to Canada; and
- Recognize, in a more public way than has perhaps been done in the past, best practices and exemplary role models in the Public Service, as well as benchmarking Canadian practice against models from other jurisdictions.

We believe that addressing the challenges facing Canada's Public Service will require sustained effort and attention – not by just a few individuals or organizations, but by all public service leaders and by citizens and stakeholders across the country. In developing our advice, therefore, we intend to draw on a broad range of expertise from both inside and outside government.

We expect that our work will be complementary to that of the Deputy Ministers' Committee on Public Service Renewal. This senior committee is advising the Clerk of the Privy Council on modernizing the business of government to ensure that the 21st century Public Service reflects excellence and leadership at all levels.

We also intend to work with external bodies such as the Advisory Committee on Senior Level Retention and Compensation, which is responsible for providing independent advice on compensation strategies and principles, overall management and long-term strategy for the senior levels of the Public Service.

We will take full account of the Public Policy Forum's recently announced two-year project on the challenges facing the Public Service, especially around issues of leadership, the policy function, accountability, public trust, recruitment and retention.

We intend to be strategic in our use of time and resources. Where there is an opportunity to build on existing initiatives, to collaborate or to leave the research to others, we will do so. For example, some of our members have volunteered to use their networks to expand the number of people we can consult, thus adding to our pool of ideas and innovative solutions from outside the federal government.

We recognize that in this first report we must take care not to pronounce on issues without having had time to consider them in depth. We also know, however, that recruitment is a priority concern to the senior leadership of the Public Service and thus to the committee. We therefore took the time to discuss recruitment at some length at our first meeting and we have developed specific recommendations in this area.

Framework

The Public Service as a national institution

The first premise for our work as a committee is that a well-functioning and values-based public service is critical to the success of every country in today's complex and interconnected world. As a national institution, a high-quality, merit-based Public Service is part of Canada's comparative advantage and a key to competitiveness in the global economy. It also helps provide the foundation for sound democratic government, which is critical to a positive business climate in Canada.

The traditional mission of the Public Service is to provide professional, non-partisan advice and support to government, and high-quality programs and services that are responsive to the changing needs of Canadians. This means developing policies and programs that serve not just one sector or region but all Canadians, and not just for today but also for the longer term. The benefits – often unseen – that Canadians enjoy from the work of public servants include everything from effective regulation in various areas to border services, cultural institutions and the federal contribution to Canada's broader criminal justice system. Federal programs touch Canadians in almost every facet of their daily lives.

A changing world

Our second premise is that the world in which the Public Service is operating has changed significantly over the last 10 to 15 years:

- There is greater demand for transparency and accountability in the workings of government. There are more critics, more rules and greater scrutiny of almost everything done by public servants.
- The relationship with parliamentarians has become much more challenging for the Public Service. Interaction is more frequent, covers a wider range of issues, and has become more intense.
- Demographic shifts in society and in the Public Service present both new challenges (e.g. an aging workforce) and new opportunities to renew this national institution to ensure it is fully representative of the population it serves.
- Globalization has changed the way the Public Service is doing business – most issues have become internationalized.
- The Government of Canada faces an increasingly tight labour market where there is significant competition for skilled people.
- Ever-changing technologies continue to transform the public service workplace, bringing a demand for new skills and new approaches to problems.

To put it simply, the world of program delivery and policy development has become increasingly complex, for all the reasons noted above.

We believe the overriding imperative for the Public Service today is to adapt to challenging new circumstances and to respond in innovative ways to the evolving needs of Canadians. Strong, values-based leadership will be essential if Canada's Public Service is to renew itself and continue to be regarded as one of the best in the world.

Preliminary Observations

The business of government

We believe that public service renewal must be clearly grounded in relevance to the business of the federal government – a business in which people are an integral component. That business includes:

- Policy development;
- Program design;
- Delivering services to and for Canadians;
- Setting and enforcing the regulatory framework; and
- Supporting and enabling all of the above.

The challenge for the Public Service is to exercise these functions and deliver services in a complex environment where objectives can be conflicting and difficult to measure, where there are many stakeholders with competing priorities, where public expectations of government can quickly shift, and where legislative and regulatory requirements can make it difficult to make changes.

In short, as a committee drawn from outside government, we recognize that the business of government is diverse, much of it unique and almost all of it of fundamental importance to Canada. We also recognize that the business of government requires people with a wide range of talents and expertise, properly trained and properly managed. And we understand the continuing importance of the merit principle as the basis for hiring and promotion in the Public Service.

Employee perspectives

In this changing environment, the committee was positively impressed with the results of the recent Public Service Employee Survey. It demonstrated that the majority of public servants are proud of the work they do and believe that the Public Service is a good place to work. While these attitudes are a positive foundation on which to build, the committee believes the Public Service must pay sustained attention to the issues and themes addressed in this report if it is to achieve the full potential of its workforce and fulfill its essential mandate for Canadians.

Performance management

High performance in an institution requires deliberate attention to performance management. There is clear evidence that the performance management program for executives in government is becoming better established and that some departments are beginning to track individual performance over time. There is, however, a need for a better understanding of all aspects of performance management in the Public Service and much work to be done in determining the applicability of best practices from other sectors of society. An essential purpose of performance management is to enable management to align the skills of key personnel with the top priorities of the organization. This will be an area of future inquiry for our committee.

Mobility

Notwithstanding the national presence of the Public Service and the fact that 60 percent of federal employees are located outside the National Capital Region, we understand there is limited mobility

between regions, and in fact even between departments. We believe more can be done to encourage and enable mobility within government, especially that of high-performing employees.

Technology

Technology has greatly facilitated the work of government and enriched the lives of Canadians. We believe, however, that the Public Service can do much more to apply technological innovations inside government. This will greatly facilitate both internal management and the delivery of responsive services to Canadians.

Diversity, representation and official languages

Central to public service renewal is a commitment to a workforce that draws on a diversity of origins, cultures, ideas, experiences and perspectives from all regions of Canada. Diversity also means drawing on talent from industry, academia and the non-profit sector. One issue of concern, however, is that despite efforts to date, the representation of visible minorities in the Public Service is still below workforce availability. There has been some progress in this regard, and continued work and commitment are needed to improve the recruitment and development of visible minorities.

Similarly, we believe that the renewal of Canada's Public Service should reflect a renewed commitment to fulfilling the obligations of the Official Languages Act, both in terms of service to the public and language of work inside government. A national institution must be fully respectful of national values.

Governance

The Public Service Modernization Act has increased the accountability of deputy ministers for human resources management. We have learned that while deputy ministers are formally accountable for human resources management in their departments, there are many institutional players involved in this area including the Treasury Board Secretariat, the Public Service Commission, the Public Service Human Resources Management Agency, and the Canada School of Public Service.

Before we are in a position to provide advice in this regard, the committee believes it must develop a better understanding of the whole picture of institutional responsibilities and accountabilities in human resources management. This will be a key topic on our forward agenda.

Development

There are obviously areas in government today where one can point to excellence in human resources management and there are many examples of innovative and successful programs. But without a coordinated approach, and in the absence of strategic planning that will capitalize on these programs throughout the Public Service, the impact of current successes is bound to be limited.

Effective development of employees, like effective recruitment, should be demand-driven and aligned with business needs. We are aware of a number of targeted programs that are intended to attract and develop future leaders in departments and agencies. We believe more can and must be done to apply these sorts of developmental programs to a broader audience.

The committee believes that successful integration of external entrants to the Public Service – at all levels – is crucial to their effectiveness as employees. Indeed, effective orientation is an integral part of staff development more generally. Here too, we believe more can be done to improve performance to the benefit of both individuals and institutions. In particular, the allocation of top talent in an organization must be aligned with the highest priorities of the government and the highest risk files.

Preliminary Conclusions

On the basis of the foregoing observations, we have come to the following initial conclusions from the first three months of our work as an advisory committee:

1. There is a clear requirement for a strong and sustainable Public Service that can be a source of pride and advantage for Canada in today's globalized economy.
2. While today's Public Service has obvious capacity, commitment and ability, it cannot afford to take these strengths for granted.
3. Renewing the Public Service must produce an institution that is truly representative of Canadians of all backgrounds and from all parts of Canada.
4. There is a need for a strong and positive Public Service “brand” that will support the marketing of the Public Service as an attractive employment option for talented Canadians.
5. To inspire the best performance from employees, it is essential for leaders to model public service values, and to publicly recognize accomplishments that reflect those values. Nonmonetary recognition assumes particular importance in the public service context.
6. The business of the Public Service requires strategic planning that integrates human resources management with business goals, and aligns talent with priorities and higher risk endeavours.
7. The Public Service needs more systematic and rigorous programs of leadership development that involve people with a diversity of skills from across the country, and that equip leaders for success in the future.

Immediate Focus: Recruitment

In this first report, we have chosen to focus our detailed comments on the urgent issue of recruitment. Effective recruitment, together with sound succession planning, is a priority for every successful enterprise.

Our initial observations on recruitment touch on five issues:

1. The importance of basing recruitment strategies and practices on a clear understanding of present and future business needs;
2. The need to link recruitment with effective programs of orientation and employee development;
3. The importance of succession planning;
4. The need for the most senior managers to be personally involved in the recruitment process; and
5. The importance of senior level recruitment to meet immediate needs.

Linking recruitment to business needs

In our work to date, we have learned that the majority of indeterminate hires into the government come through the temporary route. We have also learned that there is minimum intake from external sources at the middle and senior management levels. And we know that as a result of limited recruitment in the late 1980s and the first half of the 1990s, most senior managers and their potential successors in the Public Service are of a similar age and most are eligible for retirement in the next few years. These are compelling facts about the demography of an important national institution.

While short-term hiring is necessary in some lines of business, the committee is of the view that more attention should be paid to recruitment to meet longer-term business needs. Recruitment should be based on an understanding of today's labour market, and a comprehensive demographic analysis of institutional strengths and weaknesses. It should include clearly defined performance measures that will enable comparative benchmarking and an assessment of progress over time.

As a general point, we believe the Public Service should make more effective use of interchange programs and external recruitment, and generally facilitate faster entry to the Public Service at all levels. An important component of an effective recruitment program is effective orientation and sustained support for external recruits.

Post-secondary recruitment

Just as business planning and recruitment must be properly integrated, so too must recruitment and professional development be aligned at all levels. The government should be working with post-secondary institutions to better understand the demand side as well as to anticipate the supply of skilled labour that is available to meet present and future needs.

Succession planning

We know from our varied experience that recruitment cannot be done in isolation and should be connected directly to succession planning. This is an area where the Public Service needs to devote considerably more effort – specifying the leadership needs of each organization, identifying individuals with the potential to assume leadership roles, bringing in external recruits to expand the pool of leaders, and developing and nurturing all of these individuals over time. This is a complex and labour-intensive business and it requires focused and sustained attention.

Personal involvement

We believe senior managers must demonstrate leadership by personally taking part in recruitment programs. One can point to highly effective organizations such as the Bank of Canada, the Department of Finance, and Statistics Canada where senior leaders have understood the importance of investing personal time to obtain the services of talented young Canadians, and have achieved success notwithstanding the competitive labour market.

Senior level recruitment

In a tight labour market, the Public Service faces the same demographic challenges as do other industries. However, the problem for government today is probably more pronounced, especially at senior levels. The Public Service does not have the luxury of time to “grow” all the leaders it needs. It must therefore explore other recruitment options such as midcareer and senior-level entry, and taking measured risks with appropriate support for younger future leaders to address the immediate issue of renewal of its leadership ranks.

Recommendations

On the basis of the foregoing observations, we offer the following recommendations:

1. Departments should take a more strategic and systematic approach to recruitment, one that is based on integrated planning and the identification of business needs, both short and longer term.
2. While the government will always need to employ some people on a limited-term basis, deputy ministers should examine practices in their departments to ensure that the hiring of terms and casuals is based on solid, multi-year planning and is clearly linked to business needs.
3. The Public Service should establish a new 2007-08 benchmark for post-secondary recruitment with a view to hiring most new graduates on an indeterminate basis. It should also make more concerted use of bridging mechanisms to facilitate the hiring of summer students and co-op students into indeterminate positions on graduation.
4. We see no inherent virtue in programs of Public Service-wide recruitment unless there is an identified need for particular skills on a cross-departmental basis. In these cases, the system needs to identify areas of common need and collaborate effectively in recruitment.
5. An external program of recruitment of qualified individuals with the skills to fill senior leadership positions should be developed and implemented on a priority basis.

Next Steps

In our future work, the members of the committee intend to further explore the current environment of recruitment in order to better understand opportunities and barriers to effective recruitment. We also want to understand the drivers behind current recruitment trends – are there innovative approaches outside government that can be incorporated usefully into the public service context?

With specific attention to the senior levels, we will be looking forward to hearing from people who have come into the Public Service as external recruits, in order to discover whether their transition was successful or could have been made easier. We will be asking how programs of interchange and external recruitment can be used more effectively, with more explicit supports for new recruits. We will also explore ways of ensuring that the leaders of the Public Service include Canadians of all backgrounds and regions.

The members of the committee are aware of the complexity of the public environment these days, including public and parliamentary concern over accountability. The view has been expressed in some quarters that some recent control measures run the risk of entangling officials in a “web of rules” that increases neither efficiency nor accountability, leading to a public service culture of risk aversion rather than effective risk taking.

We want to gain more insight into the impact of these control measures on leadership, risk taking, innovation and creativity, and on the capacity of the Public Service to work effectively with other sectors of society. There must, in our view, be a balance among all these elements if public servants are to be responsive to the people they serve and respectful of the trust that Canadians have placed in them.

Finally, the development of solid performance indicators and benchmarking of Canada's Public Service with external (including international) counterparts would also be very useful. Comparative data of this kind would help the Public Service to see itself in a better perspective, to identify current challenges and to help set priorities for action.

Conclusion

The Public Service of Canada is a vitally important part of life in this country. It offers amazing career opportunities for Canadians in a wide range of areas and is a key to Canada's competitiveness in a global economy.

We look forward to continuing our work in support of this vital national institution.

In the heart of most public servants lies the conviction that service to the public, to the public good, or to the public interest is what makes their profession like no other. It is why they choose it, for the most part; and why they keep at it, with enthusiasm and conviction, despite difficulties and frustrations along the way. Service to the public and to the public interest is the vision of the Public Service, and it is a creative, essential and compelling vision.²

1. Prime Minister's press release announcing the creation of the Advisory Committee, November 21, 2006.

2. A Strong Foundation: Report of the Task Force on Public Service Values and Ethics, 1996 (known as the Tait Report).
