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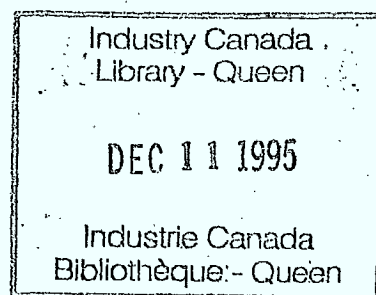
NEED FOR CORPORATE DEVELOPMENT

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**Background information
for the working groups on
corporate development**



Corporate Development Secretariat

November 1989

NEED FOR CORPORATE DEVELOPMENT

Introduction

This paper has been prepared to orient Steering Group and Working Group members toward major corporate development issues facing ISTC. It traces a number of organizational activities relevant to present corporate development efforts. First, it outlines the numerous reorganizations that have characterized the department since 1982, the various studies of employees' morale following these reorganizations and committees established to propose remedial actions. Then, it looks at studies which identified the appropriate role and skills needed to achieve ISTC's new mandate. It finally relates the recent corporate efforts to identify a set of shared corporate values and translate them into concrete actions.

HISTORICAL BACKGROUND

An unstable environment

ISTC would likely head the list of federal departments with the most frequent amalgamations, mergers and spin-offs and results changes in mandate over the last decade. In April 1969, the Department of Regional Economic Expansion (DREE) was created to reduce economic and social irregularities between the different regions of Canada. In January 1982, the Prime Minister announced the merger of DREE with Industry, Trade and Commerce. The new Department of Regional Industrial Expansion (DRIE) kept the functions related to industry and commerce as well as regional industrial development while international trade responsibilities were transferred to External Affairs. In October 1986, the Prime Minister announced the transfer of regional development activities in the Atlantic and the West to the Atlantic Canada Opportunities Agency and to the Western Economic Diversification Office respectively. In August 1987, Industry, Science and Technology was created from the merger of DRIE and the Ministry of State for Science and Technology (MOSST).

These reorganizations occurred during a period of frequent management change. A study of the evolution of the DRIE management structure indicated that "the Department was headed from January 1982 to January 1988 by five different Ministers, two acting Ministers, seven Ministers of State, five Deputy Ministers and five Associate Deputy Ministers".¹ These changes also included some changes in the Ministries of State associated with the department. Since the IT&C and DREE merger, there has always been a Minister of State, Small Business and Tourism; in 1985, there were both a Minister of State, Tourism and a Minister

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Office of the Corporate Secretary, Evolution of DRIE Management Structure since 1981, July 1988.

of State, Small Business; the two were recombined in 1986. Over the years, the profile of these two areas has changed and both areas have had severe cuts in staff and budget.

With this eventful past, there is little wonder that ISTC is described as a mosaic of various cultures with no single identifiable corporate culture.

A work climate in deterioration

Following the merger of Industry, Trade and Commerce and DREE in 1982, the CO community, particularly within the National Capital Region, was concerned that DRIE had a serious and pervasive morale problem. To test this perception and to determine the magnitude of the problem, the Professional Institute of the Public Service of Canada (PIPSC) surveyed all COs within DRIE during the summer of 1984. The report, presented to Deputy Minister Teschke in December 1984, indicated that COs were more or less satisfied with their jobs. However the report stated that COs had a very serious morale problem and that they had serious concerns regarding management effectiveness, their career opportunities and the Department's credibility.

Consequently, the Department established a joint Union/Management Committee in mid-December to recommend improvements to respond to the COs' concerns. The committee's recommendations in Annex I were tabled at DRIE Management Committee and Management Board and presented to the President of the Professional Institute of the Public Service of Canada in April 1985. The department fully supported the recommendations and the Associate Deputy Minister Ritchie requested just before he left the department, that the appropriate officials implement them as soon as possible.

In the fall of 1985, a task force was created by Deputy Minister Kroeger and the two Associates Brown and Wyman. This

task force, composed of senior executives, had the mandate to clarify the role of the department and propose means to improve the department's effectiveness. The task force submitted its recommendations, known as the Reynolds' Report, to Deputy Minister Kroeger in February 1986. The recommendations can be summarized using three broad headings: the role of the department, departmental products, and development and delivery. The latter heading includes recommendations on corporate development issues, with a focus on management and human resources. The Reynolds' report addressed some of the concerns expressed in the first PIPSC study of the COs. The Reynolds' task force's recommendations are listed in Annex II.

During the late summer of 1986, PIPSC initiated another survey of Commerce Officers. Its objective was to monitor changes since the 1984 study and to establish the degree to which the recommendations of the Committee on CO Concerns had been implemented. In presenting the report to Deputy Minister Hession in December 1986, PIPSC concluded that there was very little improvement with regard to management effectiveness, career opportunities and department's credibility since 1984. The report noted that the situation had deteriorated in the regional offices, and that only minor inroads had been made in implementing the recommendations made in 1985. (Both the recommendations of the Union Management Committee and the task force of senior executives were delayed or diffused due to changes in organization leadership.)

Because of COs' concerns about the impact of performance appraisal on employee's morale, PIPSC decided to initiate a separate study on appraisal.²

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In November 1988, the Professional Institute of the Public Service of Canada (PIPSC) surveyed its members to determine their concerns regarding the performance appraisal process. PIPSC submitted their recommendations for change in the government's performance review and employee appraisal policy to Treasury Board in June 1989. These recommendations are in Annex III.

In January 1987, Deputy Minister Hession issued a statement of management direction assuring senior management commitment to organizational development. This statement, described in Annex IV, included a mission statement and corporate values. This was followed by a three-day Executive Conference in April 1987. Organizational development was discussed, and a training and development policy was tabled for comment by conference participants. As well, the tools needed to improve communication were identified. (As with earlier recommendations, the Secretariat found no evidence of follow-up. This was, no doubt, due to the departure of Deputy Minister Hession three months after.)

In July 1987, Harry Rogers was appointed Deputy Minister of DRIE and in August 1987 the Prime Minister announced the creation of the Department of Industry, Science and Technology. In the fall, the DIST Establishment Secretariat was created and a number of working groups established to define the mission, mandate and activities of the new department. Several corporate development issues were examined in conjunction with the creation of the new department.

In late 1987, two studies examined the appropriate role and skills of commerce officers needed to fulfil ISTC's mission and mandate. These two studies were the Industry Marketing Study on Human Resources and the Sector Specialist Study. The Industry Marketing Study was an internal study of the Industry Marketing Branch conducted by the Task Force on Management Practices and Controls. Six critical human resources issues were identified in this study. They concerned CO skill mix, morale in the Industry Marketing sector, training and development needs, the aging of the CO cohort, career opportunities and the effect of office automation. The Sector Specialist Study was launched in response to a request from the Deputy Minister, ADMs and REXDs for a working definition and description of sector expertise. It

expressed the need to clearly define the mandate and role of the department and to develop a sense of corporate purpose. DMC received the conclusions and recommendations of the Sector Specialist Study in January 1988. Recommendations of both studies are presented in Annex V and VI.

Concurrently with the two CO studies, the Human Resources Branch initiated a study of concerns and needs of support staff at Headquarters. The study examined the career development and job satisfaction concerns of support staff. It also looked into the working relationships of support staff with their supervisors and their co-workers, their understanding of the new Department, their satisfaction with the nature and quantity of their work, communications, office equipment automation, training and career progression. The Human Resources Branch presented the study and recommendations, which appears in Annex VII, to DMC in July 1989. A follow-up study of regional support staff is now underway.

To help launch the new department, a three-day Executive Conference was held in February 1989. Its focus was on ISTC people and priorities. Workshop discussions indicated that the department was still in search of a corporate identity largely because no single and identifiable departmental culture had emerged since the 1982 merger; that the sub-cultures in the organization need a common thread to tie them together; and that a somewhat conflicting mandate and lack of internal communications inhibit the development of a strong culture. In order to build on the momentum of the conference, the EXs proposed that, within the next 100 working days, the Deputy Minister engage all members of ISTC in discussions leading to the adoption of shared corporate values.³

Participants in the Corporate Culture Workshop developed a set of eight corporate values along with a list of ways and means

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These led, albeit belatedly, to "corporate focus days" in some branches or other work units.

to implement the values. Both are listed in Annex VIII. The EXs also made several suggestions: that the management team be challenged to apply the agreed-upon corporate values consistently in all departmental activities; that all departmental levels of authority be reviewed with a view to liberalizing current delegations and reducing administrative burdens; that a communication package be prepared to promote the department; and that the appraisal system, the feasibility of appointment to level, the promotion of the awards system, job rotation, recruitment from outside, the decision-making process, the work environment and innovative ways to doing business all be examined further to support the emerging ISTC culture.

In March 1989, the Senior Managers had a similar conference where they reviewed and built on the issues stressed at the EX Conference. They expressed the need for a new corporate culture. They focused on implementation of values or culture and insisted that implementation should not be separated from the real work of the department. For the SMs, the only way to have a credible process would be through visible and concrete action. Recommendations of the SM's Corporate Culture Workshop are presented in Annex IX.

To help meet ISTC's Corporate Culture challenges and needs, and take the lead in ISTC Corporate Development, the Corporate Development Secretariat was created in May 1989. The Corporate Development Secretariat Plan was approved by DMC in July 1989. The role of the Secretariat is to establish a process where employees at all levels are actively engaged in reviewing corporate development issues, proposing solutions to DMC and working to see the solutions implemented; to obtain and maintain top management support for corporate development, and to encourage self-initiated changes in management practices. The Secretariat coordinates its work with other branches of the department involved in corporate development activities.

During the summer of 1989, managers were asked to hold a corporate focus day to elicit employees' views regarding the conclusions of the EX-SM Conferences with particular regard to the workshops on Market Penetration, Entrepreneurial Base and Competitiveness, Science and Technology and Corporate Culture and report back to the ADMS responsible. Recommendations from corporate focus days on Corporate Culture are included in Annex X.

The analysis of the studies and results from conferences and committees reveals a number of common themes and concerns which have been regrouped and detailed in the comparative table attached at the end of the report, just before the Annexes.

The tables are organized under the themes of job satisfaction, communications with higher management, effectiveness of managers, the decision-making process, information sharing, career opportunities, training, recognition of accomplishments and department's credibility. A perusal of the table highlights the similarities among the findings of the different studies. The problems identified the most often were organizational instability, a lack of communications, a misunderstanding of the role and mandate of the department, a view that decision-making is too centralized, no delegation of authority, a lack of sectoral knowledge among managers, a lack of managerial experience, managers' indifference to employee development, no promotion from inside, no recognition of employees' contributions, too much paperburden, not enough priority placed on clients and the department's lack of credibility with clients and other government departments.

Conclusion

In tracing the recent history of ISTC's predecessors' corporate development initiatives, it is evident that organizational and leadership changes have stood time after time in the way of implementation of most of the recommendations. In the face of this persistent pattern of studies done but no changes implemented, it is not surprising that the present corporate development initiative is viewed with deep cynicism: this is seen as yet another exercise in identifying rather than resolving problems.

This unfortunate history creates problems for setting corporate development priorities. While more study may indeed be required to ensure that the best solutions are found, employees are very impatient to "get on with it". For some employees, immediate visible action is the only way for the corporate development effort and the senior officials who support it to develop credibility. Nevertheless, many of the broad issues for corporate development require longer term approaches. Quick fixes cannot, for example, create a more participative style of management. To fix such longer term problems, all employees (and this includes managers who are often just as cynical as other staff) have to "buy in" to the process and to becoming part of the solution.

**SURVEYS, STUDIES AND
CORPORATE MEETINGS**

COMPARATIVE TABLE

SURVEYS, STUDIES AND CORPORATE MEETINGS
COMPARATIVE TABLE

JOB SATISFACTION

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989
Rated "at least good" with the exceptions of "availability of support staff" and "training opportunities"; COs in NCR consider as problems "opportunity to exercise initiative" and "level of teamwork in work area". Very serious morale problem, more serious in NCR than in regions.	No improvement in "availability of support staff" and "training opportunities". Steady deterioration of employee's morale and motivation.	Sense of being over-managed.	Employee morale ranges from high to low; closely linked to job satisfaction. Staff morale not a pre-occupation for Branch managers. Staff morale is good where employees kept informed on plans and objectives and positive about their work; factors impacting on morale: lack of understanding of ISTC mandate, IM role, communications, CIG/CGSRP merger, limited resources for new initiatives, constant restructuring; sense that existing skills will be inadequate to meet new challenges. Morale to improve when IM's roles defined and training needs assessed.	Lack of support staff results in officers doing own clerical work. Officers with expertise thinly spread, overloaded with administrative work, not able to cover substantive issues. Better the specialist the less chance there is for advancement. Serious deterioration in the level of sector expertise in the dept.	Overall satisfaction with working relationship with their supervisors, e.g. advice, appraisal, recognition, feedback; overall satisfaction with co-workers, e.g. teamwork, co-operation, communication. Need better policing of hours; want no more reorganizations. People not treated equally (managers vs. support staff; francophones vs. anglophone; tower east vs. tower west). Concern about quality of lighting in building. Physical fitness facilities needed.	Promotion of a better work environment; augment initiatives to improve reception areas and work stations; review feasibility of establishing on-site fitness facilities.	With little promotion, limited prospects for pay increases and no job perks, SMs require creative and positive ways to maintain job satisfaction.	Employees have chronic low morale, are uncertain about both the mandate and their roles within ISTC. With constant reorganizations and constantly changing priorities, employees lack both a sense of belonging and confidence in their roles and responsibilities. Officers need to know how they can feed into the advocacy/policy process. The ambitious mandate combined with a lack of tools and skills places a heavy burden on employees.

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COMPARATIVE TABLE

COMMUNICATIONS WITH HIGHER MANAGEMENT

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989
Problem in NCR. Middle and senior management fail to communicate with the operational staff.	Little improvement in communications since 84 survey. NCR improvements significantly lower than that in regions. Communication better between COs and lower level mngt than with higher levels. Poor communication with ADM/RXD has not improved. Need greater accessibility to senior managers. Preparers of papers should be involved in mngt discussions. Communications better at Director level especially in regions.	Need for restricted briefings with Ministers involving dept'l officials. Responsibility centres need to know which issues the Deputies want to manage at any particular point.	IM management needs to define with more precision, the roles it will play in ISTC and determine appropriate skills needed.	Nil	Managers need human relations training; problem with how management relates to support staff.	Senior management should be communicating more on a person-to-person basis. More widespread "management by walking around".	Need for more visibility for senior executives. Managers object to being continually second-guessed or being corrected by executives.	Management should keep staff fully informed on current and planned National and Regional activities. Need greater communications from the top-down. Need direction from management on the planning process. Should have skip-a-level meetings on problems and issues where directors can converse with ADMs, officers with DGs. Need strong leadership to determine priorities. More informal encounters with all levels of management are suggested.

SURVEYS, STUDIES AND CORPORATE MEETINGS
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EFFECTIVENESS OF MANAGERS

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus, Day - 1989	
Quality of support from direct manager, general competence of direct manager and manager's level of professionalism towards staff rated at least good; problems in HQ with competence of higher management, little recognition of accomplishments and concern about competence of HRB. NCR staff thinks that middle and senior management lack competence.	More positive view in NCR, more negative in regions than in 1984; COs correlate managers' competence with degree of industry knowledge; mngt lacks business experience and technical expertise. Industry experience of COs under-utilized. Need to reduce no. of dept. cttees to give managers more time to manage staff; need for greater delegation of accountability to managers. HRB staff relations not responsive to all employees.	Require more stability in senior ranks of dept. Need DM to identify issues which require a clearly defined dept. position. More attention needed to long-term tasks and priorities. Sense of being over-managed. Need for greater accountability, leaner processes, more clearly understood priorities and a longer time-frame for planning. Executives in sector branches need to be in place 3 to 5 years to master the complexities of their industries.	Staffing process is unreasonably time-consuming. The dept'l average to staff a position via the competitive process, is 2-1/2 months. IM management must seize all available mechanisms to energize and motivate staff caught on a career plateau.	Lack of management skills; lack of sectorial knowledge by middle mngt. Too much micro-management; too little responsibility. Many positions staffed with officers who lack knowledge and expertise. Need more stringent practices for hiring officers and managers. Experienced sector specialists overburdened with tasks that serve management not clients. Paperburden concerns; administrative inefficiency factors.	Overall satisfaction with supervisor, but problems with how management relates to support staff. Need senior management's attention on changing nature of support duties. Dissatisfaction with HRB regarding staffing, classification systems and career counselling service.	Stability in the leadership of the dept. is very important. Need to promote and support innovative ways to deliver dept. services and programs. Current delegations to be liberalized and administrative burdens to be reduced (e.g., conference attendance and foreign travel).	Systems imposed from both within and outside the dept. are demoralizing managers and limiting their ability to exercise judgment. Executives are not delegating many of their responsibilities properly. End ADM turf battles through clear delineation of roles and responsibilities. Need to overcome EX-SM segregation.	Management should give greater credibility to work plans by acknowledging and demonstrating a commitment to them. Management's roles and attitudes must change to better reflect the realities of limited PYs. Need more direct involvement of managers in the delivery process. Should become client-driven not management system driven. Need for managers to work together if employees are to cooperate between sections. Managers need effective training in human relations; should be trained in participative leadership. ISTC needs	leaders that guide rather than impose; managers that communicate rather than command. Open management leads to a progressive, honest, assertive and credible work environment. Participative management means developing work teams, having flexible work rules and two-way communication between management and employees. Managers need both a long-term vision and sensitivity to employees' concerns. HRB should serve all employees - not just management.

SURVEYS, STUDIES AND CORPORATE MEETINGS
COMPARATIVE TABLE

DECISION-MAKING PROCESS

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989	
	Centralization of decision-making process is directly opposite to events in the business community. Enhanced participation of employees in decision-making could be highly motivating strategy. Those who prepare papers should be involved in discussion at the management level.	Managers who want efficient decision-making need to cover the right bases first. Need to ensure adequate consultations with staff groups in order to provide better quality services to clients.		Decision-making scope too limited due to layers of management.		Need to clearly define and communicate the roles and responsibilities of various dept. decision-making and advisory ctees.	Managers object to being continually second-guessed or being corrected by executives.	System is structured so that decisions and values only reflect management views. Sector expertise not fully utilized in policy development. More consensus-building in decision-making would improve work environment and morale. Team approach to decision-making requires power sharing; success depends on most senior management's sincere commitment. If employees participate in management decisions and feel that they are being listened to, they will have positive feelings towards the organization in the form of	loyalty, team dynamics and honesty. Decisions not always communicated at branch level.

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INFORMATION SHARING

COs 1986 Survey*	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989		
The recom- mendation of Cttee on CO concerns to put in place formal communications mechanism to provide officers with feedback on dept. directions and policies has been imple- mented at 35% in NCR and 40% in regions.	Task forces should be created to manage major and special projects. This approach will build dept. cohesion and inter-branch links. Structured time between HQ and regions if supported by management planning and attention can cross-fertilize ideas/information and create greater cohesion and cooperation.	Enhanced use of rotational assign- ments within and external to IM and enhanced use of matrix management pro- ject task forces.	Info. exchanges are haphazard and regions are without adequate sector data; HQ specialists seldom initiate joint activities, and with exceptions, regions cannot access HQ data bases; regions require improved communications with ISB; need to identify specific people in regions as contacts; require regular info. contacts, semi-annual meetings on issues; regular briefings on horizontal policy issues; regular joint industry tours in regions; pro-active two- way communica- tion; integrate the R.O. and ISB planning and objective setting.	Lack of infor- mation on dept'l plans and issues of importance to support staff. More team work needed.	Hoarding of info. a problem at some levels, particularly in industry sector branches; lack of effective internal communications.	Insufficient opportunity and a lack of appropri- ate mechanisms to promote and maximize infor- mation sharing. Employee don't relate enough to their colleagues where not part of job circle. Lack of info. sharing partly responsible for the less-than- optimal relation- ship between HQ and regions. Persistent lack of communication within and among all levels of the dept.	Should adopt a policy of infor- mation sharing with employees. Work planning process is too much a paper exercise. More time should be allocated for discussion/brain- storming during planning stages. There should be more regular feedback/discus- sions between staff and managers. No central body to look after the sharing of infor- mation between sector branches - they work in isolation. In- formation is seen as power and not to be shared. Employees are not speaking the same language. Need environ- ment conducive to internal	consultation and constant exchange of information. Need a uniform and consistently updated informa- tion system tailored to the needs of clients. Dept. is not an efficient infor- mation gatherer: no effective, legal mechanism in place; conflict with OGDs with legal mechanisms to gather their own data; limited access to these information bases. Have very little knowledge of who was involved in development of products, services and to what extent. We must all be keenly aware of our team players and how to tap the knowledge and	skills residing within our own dept. Support staff must know what is going on if they are to make an efficient contribution. Some information gets lost in the system or is not circulated below the director level. Sprucing up bulletin boards, publishing weekly calendars, devel- oping mini-brief- ing books won't result in parti- cipative manage- ment. Paperbur- den is part of the problem not the solution.

* The COs 1984 Survey contained no comments on information sharing.

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CAREER OPPORTUNITIES

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989
Rated as poor. By-pass current staff in favour of persons outside the Dept. and outside the Public Service.	Poor situation, worsening most dramatically in regions. High interest in transfer to another dept. or another area within dept. Frustrating to see middle and senior managers' jobs filled from outside dept.	Need a continu- ing flow of fresh ideas and con- temporary know- ledge of industry issues. Major and special issues should have suf- ficient dedicated resources with mix of skills and experience. Need more interchange of key personnel with the private sector & develop- mental assign- ments for high potential staff. Strict standards needed for assignment of industry person- nel from outside. Interchange mar- ketted as valu- able for the private sector to learn how government operates.	Serious aging problem; no provision to ensure replace- ment supply of officers; stag- nation in CO level; limited promotion for CO-2&3; upward reclass. of positions improperly used to solve mobility issues; CO-3 becoming work- ing level; CO-1 not being used as developmental mechanism; should use secondments to move staff between IM and other RCs and other depts.; need interchange with labour orgs. Interchange Canada in IM static over past 4 years.	Must use matrix systems for employees to work collective- ly. No mobility for good special- ists; SM category unattractive; lack of promotion from within; lack of concern about career path by HRB; need active training program including private sector exposure, secondments, postings, project assignments. Employment practices and appraisal process unfair. Lack of management commitment to establish career dev. program that would lead sector officers into dept. mngt stream. Some COs are satisfied with career opportu- nities.	Limited mobility, both lateral and upward; dissatis- fied with career progression and with the fairness of "the system"; more distinction between supervi- sory and non- superisory SCY positions; too many agency people; need more and less limited competi- tions, cyclical position reviews, regular rotation; one level should be added between support and officer; classifications undervalue job demands; new program needed for "overqualified" people. Better transfer system, more job sharing, job rotation.	Provide for flexibility and enhanced career opportunities; recognition of a specialist stream in the CO group. Need for new blood; RCs should make resources avail- able through internal re- allocation.	Need career development pro- gram for support staff to develop to officer level; need appointment to level concept; need mobility and to develop skills. Need career mngt strategy which considers succes- sion planning and integration of HQ and regions.	Career aspira- tions and person- al preferences were ignored in DRIE/ACOA split. People were put in jobs without consider- ing their own preferences. Need more rota- tional work assignments, additional work responsibilities. Too much onus on employee for career develop- ment; more ba- lanced tripartite dept. involvement (HRB, manager, employee) needed in facilitating/sug- gesting job rota- tions. Need a mentoring and succession plan- ning program.

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TRAINING

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989
Training opportunities rated as poor.	No improvement in training opportunities.	A task force drawn from Policy Branch and two or three sector branches should be struck to develop a list of topics for briefings or seminars; creation of clubs for learning experiences and improved personal networks.	CO skill mix unbalanced for business facilitator role. Inappropriate staff skills not addressed in formal training and dev.; will need analytical, evaluative, conceptual and writing skills; traditional sector and sub-sector expertise eroding and back-up not yet developed; no mechanism to oversee and assess training plans, objectives and results; need training tailored to branches' needs; need conferences and seminars to meet industry clients and exchange views.	Qualifications for sector specialists unchanged; regions particularly critical of available training; training to be re-evaluated in terms of calibre, usefulness and objectivity; need to determine individual's needs and skills for ISTC; regions need functional and business oriented skills. Need active training program including private sector exposure, secondments, postings, project assignments.	Need more new technology training and orientation program. Training plans in PREA not carried out. As less full time language training is offered, it is necessary for support to upgrade bilingual capabilities through language training after hours to enhance their career possibilities in the Public Service.	Lack of tools to implement the very aggressive mandate of dept. Officers and staff must better understand and use the new tools of intelligence, advocacy and strategic thinking.	Professional seminars needed as part of on-going dept. program. Should develop sector awareness events for employees.	Given dept's changes, training should be accessible to all and not reserved for the good employee as a perk for a job well done. ISTC needs greater commitment to developmental training in light of ISTC new mandate. Analytical skills and consultation with others are prerequisites for a disciplined approach to program access. Support staff require greater opportunity to attend ISTC exhibits and sit in on officer-client meetings.

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RECOGNITION OF ACCOMPLISHMENTS

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989	
Problem in NCR; middle and senior mngt do not have the confidence of the professional staff.	NCR more negative than regions; more recognition given by directors than more senior levels however 54% of NCR COs believe directors do not recognize their accomplishments.	Management should encourage and reward initiative rather than seeking to contain or control it; a professional journal could provide a performance incentive through recognition of individual achievements. Those responsible for the on-going quality of the dept's services or knowledge base need to be recognized for their contribution to dept's credibility. Cross postings between HQ and regions should be reserved for best performers and be a mark of management's recognition of high potential.	Long-service rewarded via upward re-classification of positions due to lack of promotional opportunities and lack of mobility; this quickly damages the intent of the classification system.	Need policies that encourage promotion of competent officers to the management level or provide recognition of their competence and contribution if they wish to remain sector specialists (use of CO-4 category).	Reward system needed to recognize those who work hard willingly.	Need to put more emphasis on the existing reward program and to raise awareness of success stories.	Dept. must design day-to-day operational processes and procedures so staff can be excellent. If excellence is not recognized within - it will not be achieved outside. With little possibility of promotion, limited prospects for significant pay increases and virtually no job perks, SMs require creative and positive ways to maintain job satisfaction.	Need more recognition of individual's contribution to operations and more receptivity to staff suggestions. Promote the image of a successful organization by emphasizing success and rewarding at each opportunity rather than focus on weaknesses and failures. Recognize and encourage professionalism; it will only arise from self-confidence in our abilities and pride in our contributions. Should challenge people and give them more authority, responsibility and autonomy. Officers need recognition, job	enlargement and empowering to be credible and respected by clients.

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DEPARTMENT'S CREDIBILITY

COs 1984 Survey	COs 1986 Survey	Reynold's Study - 1986	IM Study on Human Res.-1988	Sector Specialist Study - 1988	Support Staff Study - 1989	EX Conference - 1989	SM Conference - 1989	Corporate Focus Day - 1989	
Level of confidence of the business community in DRIE's policies and programs is poor; DRIE's reputation both within the Public Service and with the business community is suspect.	DRIE's programs and policies garner little respect from business community and the Public Service; business community's views on DRIE programs slightly more positive in regions; credibility of DRIE can be enhanced with business experience and technical expertise demonstrated by DRIE managers and senior officers.	The Dept's credibility in both govt. and business communities requires greater allocation of resources to longer-term agenda; those responsible for the ongoing quality of the dept's services or knowledge base need to be recognized for the crucial contribution they make to the dept's credibility.	IM has a business facilitator role. This role should be clearly identified to ensure a common understanding when communicating within the sector, the Dept, OGDs and private and public sector clients.	Non-qualified sector specialists are a major impediment to credibility with industry; specialists need to know the product, manufacturing processes and key people to be able to solicit information and maintain credibility. Need for new systems, structures and processes if ISB's are to pursue an increased advocacy role and demonstrate a level of competence consistent with industry.		Dept. so pre-occupied by processes and systems that it cannot adequately focus on the clients.	Central agencies and other ministries look down on ISTC, resulting in a lack of clout in day-to-day operations. ISTC not "competitive" within its own milieu.	Dept. objective globally understood but whether some on-going work should still be part of the mandate remains unclear. Lack of promotional material and ISTC products and services severely restricts the ability to sell the Dept. ISTC identity in regions currently weak and clients indifferent. Not convinced appropriate infrastructure is in place to position the dept. The position and role of ISTC in the big picture of govt. and business is unclear and undefined. No legal authority to advocate clients' cases in OGDs.	Seem to be competing with OGDs rather than working with them. No credibility for advocacy if officers have no influence internally. Dept. is seen as an unknown entity lacking power and prestige. We are weak in our comprehension of science and technology. Uncertainty about our competence, level of knowledge and skills, shakes our confidence and undermines the department's ability to deliver its mandate. Of upmost importance is our yearning for organizational stability and continuity.

RECOMMENDATIONS OF THE COMMITTEE
ON COMMERCE OFFICER CONCERNS

April 1985

1. If it is the intention of management to continue the use of performance measurement system then it should be clearly communicated, by memo to both management and employees, that it is not a time recording system nor is it to be used for appraisal purposes.
2. That HRB communicate with all employees, not later than September of each year, and remind them of the opportunity to request a post evaluation performance review if they so wish.
3. That the identification of training and development requirements/opportunities be recognized as an integral part of the performance review and employee appraisal process.
4. That the employee and supervisor agree on appropriate and achievable training and development objectives for the appraisal period. Also, these objectives should take into full account the employees' career aspirations.
5. That the supervisor follow-up with the employee should there be a need to modify training and development objectives.
6. That the training and development not implemented be recognized in the subsequent performance appraisal and be considered for the following year.
7. That a working group be established, comprised of both Commerce Officers and management, to develop a lateral transfer program which should be implemented by September 1985. (This group will formulate proposals which will ensure management and employee support as well as regional participation.)
8. That PIPSC contact their colleagues in other departments to determine their interest in developing a more co-ordinated approach to lateral transfer/secondments between interested departments.

9. That the working group approach TB with a view to responding to their interest in a lateral transfer/secondment program.
10. That HRB post Notices of Vacancy for one week prior to deciding on the selection process to enable employees to express interest in vacancies. (These notices will include officer level positions up to the SM level.)
11. That management at all levels in the department, either directly (supervisor and next above) or indirectly, make strenuous efforts towards two-way communication with Commerce Officers.
12. That all responsibility units have in place as soon as possible some formal communications mechanism, such as division, directorate or branch level meetings, to provide officers with feedback on overall departmental directions and policies which would impact upon and influence the quality of work they are able to achieve.
13. That there be a direct and continuous supervisor/officer communication in respect of the officer's work, including subsequent disposition of any specific projects, reports or recommendations that the officer may be required to put forward.
14. That officers who have been involved with a specific project of the department be permitted to be present, at least as observers, at DRIE Internal Board, Economic Development Board, Management Committee, Policy Committee, and Executive Committee, to permit them the fullest awareness of departmental policies and approaches.
15. That the feasibility of developing seminars for managers be explored to enhance awareness of different communications techniques in dealing with human resources.
16. That managers be encouraged to utilize various communications techniques that are or can be made available.
17. That the role of HRB to provide advice to management and employees be more clearly communicated.
18. That the department through its Commerce Officers strengthen lines of communication with the private sector in order to develop and promote policies and programs.

19. That line management be reminded of the professional nature of the Commerce Officer community with consequent recognition of such officers to act in a responsible manner with respect to discharging the duties of their positions.
20. That line managers endeavour to diversity assignments within individual positions to utilize the skills possessed by the incumbent and to provide job enrichment and diversification.
21. That management, including line management, make every effort to ensure feedback to the officer concerning projects and recommendations which he or she has made so as to improve the quality of work of the officer and permit the officer to exercise the responsibilities of the position within the policy context of the operating unit and the department.
22. That responsibility center managers review the utilization of support for Commerce Officers, including word processing, to ensure the efficient operation of organizational units and enhance officer productivity.
23. That renewed efforts be made to improve the quality of air in the C.D. Howe Building which would consider the benefits accrued from shutting down the air circulation system at night and on the weekends in relation to reduced productivity resulting from uncomfortable working conditions. Some effort should be made to do comparative cost studies and report results. This should involve pilot studies on selected floors with feedback provided by Fall, 1985.
24. That reduced smoking not be considered as the total solution to the problem.
25. That continued priority be given to the establishment of physical fitness facilities for employees again in consideration of the potential for enhanced productivity.
26. That efforts be made to reduce noise levels in working areas through the covering of computers and word processing equipment.

DEPUTY MINISTERS' TASK FORCE
ON DEPARTMENTAL DIRECTIONS

February 1986

Management

1. Senior management needs to allocate more attention to the department's longer term tasks and priorities and the protection and development of its professional competence.
2. The right structure and use of senior management committees is crucial to the Deputy Ministers' management of the business of the department.
3. The department should manage major and special cases by seconding officers to form full-time task forces for whatever period of time is required to produce and implement solutions. Necessary resources and authority should be identified up-front. Accountability of task force leadership should be clear and should normally be to the Deputy Minister and/or Management Committee.
4. A significant amount of the advice Ministers receive from the department is of a nature that is more effectively transmitted one-on-one than at Executive Committee meetings. More use should be made of restricted briefings with issues being dealt with by the Deputy Minister alone or with limited participation by other officials.
5. The Deputy and Associate Deputies should identify those issues which because of their sensitivity or complexity require a clearly defined departmental position. Those issues should not proceed to Ministers without the Deputy's authority and no subsequent interaction should take place with Ministers' staff without the Deputy being fully aware of the transactions.
6. Because of the highly transactional nature of the department, those issues on which the Deputies are not taking the lead should be delegated to the senior operational executive (ADM, RXD, FEDC). The Deputies should encourage an entrepreneurial management mode on these issues, tasking senior managers to keep them informed as matters become sensitive or open new policy ground.

7. Efforts should be made to achieve greater accountability, leaner processes, more clearly understood priorities and a longer time-frame for planning.
8. Senior managers should be held clearly accountable for the quality of their advice, proposals and initiatives. Performance that is of a standard less than expected should be taken up directly with them rather than being sorted out with their staffs.
9. Initiatives or documents should be precleared in a meaningful fashion with relevant responsibility centres prior to proceeding to decision-making fora and such clearance should be indicated on transmittal slips.
10. The growing practice of having various staff groups "second-guess" recommendations coming forward from senior executives to the Deputies and Ministers undermines the accountability of those executives and significantly contributes to the sense of over-management in the department and the frustration of getting decisions taken in a timely fashion. Preclearance with staff groups clearly identified as having specific responsibility should enable senior management to know that relevant advice has been taken.
11. The government should recognize the critical requirements for stability in the senior ranks of the department, particularly at the deputy ministerial level.
12. DRIE should restructure its sector branches to bring them into line with the present and future structure of the Canadian economy.
13. Ways should be found to indicate that the relative importance of a function is not measured by the number of times it appears on agendas of senior management or ministerial committees.

Human Resources

1. The Department should give serious consideration to establishing a major interchange program with the private sector. Such an initiative should be custom designed if necessary outside of the Interchange Canada program, and

marketed as a ministerial priority to improve relationships with and understanding of the private sector.

2. Management should require sectoral officers to spend two consecutive weeks a year, on travel status, operating in a regional office where their sector is strongly represented. Regional officers with sectoral specialization should spend equal time resident in the relevant sector branch.
3. The professional calibre and motivation of its officers is the department's primary asset. Management should encourage activity that contributes to professionalism by, among other things,
 - a) creating an internal journal to disseminate particularly worthwhile work by DRIE officers,
 - b) arranging seminars on current policy issues,
 - c) establishing clubs with a professional development orientation (tax, corporate analysis) for its employees.

THE PROFESSIONAL INSTITUTE OF THE PUBLIC SERVICE OF CANADA

RECOMMENDATIONS FOR CHANGE IN
PERFORMANCE REVIEW AND
EMPLOYEE APPRAISAL POLICY

June 1989

1. The purpose of the performance appraisal program should be to maximize an employee's contribution to the goals and objectives of the organization through the establishment of mutually agreed performance objectives and periodic feedback.
2. The performance appraisal process should be an integral part of all management and supervisor training programs with focus on the development of inter-personal skills. Completion of performance appraisal training should be mandatory within the first six months of an employee's assumption of supervisory responsibilities.

All supervisors should be evaluated not only on the completion of appraisal reports but on their conduct of the performance appraisal and review process.

Treasury Board should be responsible for developing an information booklet for employees outlining their responsibilities and those of their supervisor in the process. In addition, the role of the review committee and an employee's appeal rights should be outlined.

3. Employees should have the right to participate actively with their supervisor in the mutual establishment of goals and specific objectives upon which their performance will be evaluated. How these goals contribute to the organization's plan must be communicated.
4. Supervisors should be required to meet with each employee at the mid-point in the appraisal period to discuss the employee's progress towards their objectives and if required, revise objectives through mutual agreement.
5. Employees should be given a copy of any written material to be used in the assessment of their performance as it is received.

6. A basic inter-departmental appraisal form and procedure, including common definitions of ratings, should be developed to apply to all employees classified in position-oriented classification plans. For those employees classified in person-oriented classification plans, a distinct appraisal process recognizing the long-term nature of the work and the requirements of the promotion system should be established.
7. The five category level system should be enforced, and managers be required to substantiate their findings with narrative on all principal elements of the job rated. This information should flow from an ongoing communication process.
8.
 - i) The definition of fully satisfactory should be amended by deleting the reference to "sometimes exceeds expectations". The phrase "the employee always completes work on time and within budget" should be replaced by "the employee completes work on time and within budget without significant exceptions."
 - ii) The definition of satisfactory should state explicitly that minor deficiencies in an employee's work are associated with this level of performance. The expectation that this performance rating is a transitory one should also be explicitly stated so that both supervisor and employee are cognizant of the need to address the identified problems.
9. The quota on superior and outstanding performance ratings should be abolished and the ranking of employees as a method of determining their level of performance should be expressly prohibited.
10. Supervisors should be accountable for the implementation of mutually agreed training requirements. All training recommendations not implemented at the end of the appraisal period should be reviewed. Where the training remains applicable, efforts should be made to begin implementation within six months.
11. Management should make available development training and opportunities based on forecasted needs of the organization.

The statement of training needs and career aspirations should constitute the first page of the appraisal report.

12. Employees should have the opportunity to read and discuss their appraisal reports, prior to any review by higher levels.

Input committees should be explicitly banned.

13. Employees should have the right to discuss and sign their appraisal report both before and after the review process to indicate they have read and understood its contents. An additional signature should be required indicating agreement or disagreement with the contents of the appraisal reports.

Employees should be allowed to make oral and written representations concerning their appraisal report. Written representations including comments on the employee's agreement/disagreement with the report should form part of the report.

14. When there is disagreement between the employee and management, an institute representative should have the right, at an employee's request, to attend any meeting during the appraisal process.
15. Employees should be given a copy of the completed appraisal report.
16. Departments should be responsible, through training programs and/or written documentation, to advise employees of their rights with respect to the review and grievance process.
17. A standard review committee process should be instituted and enforced across all departments and agencies with the following minimum requirements:

Review committees must not be allowed to have input prior to the employee obtaining a copy of the appraisal report.;

At least one member of the committee should not be from line management but be an authority in the employee's field of competence. The names of members of the review committee should be made public;

Review committees should not have the authority to alter an employee's performance rating.

STATEMENT OF MANAGEMENT DIRECTION
BY DEPUTY MINISTER HESSION

Introduction - A Winning Strategy

There is no more important objective of the operational energies and activities of the Department of Regional Industrial Expansion than our customers - included among whom are the other departments of the Federal Government, other governments, industrial commissioners, etc., who make up the public or para-public forces of our country focussed on economic growth - but, most importantly, our business clients who make our economy go and make our economic wealth grow. Small businesses, industrial performers, traders and investors, entrepreneurs, and business and technology leaders of Canada are the prime focus of all our efforts in all regions of Canada. From an operational perspective, every executive, manager, supervisor, officers, and employee of DRIE must act on the pre-eminent importance of satisfying the needs of our customers to our corporate, regional and individual success.

This Statement of Management Direction is not intended to describe exact policies, programs and other prescriptions but rather to set the stage for each of you to understand our intentions and to focus your attention on what we believe is the right operational direction for us in the years ahead. You, in turn, are expected to respond with proposed programs, products and services which will give real meaning to these directions in the eyes of our customers. It will be your ideas, your initiatives, your actions and your attitudes that will yield the vitality and the results we seek. By concentrating our energies and cumulative talents on understanding and satisfying the needs of our customers, we will be pursuing a winning strategy for the economic growth and competitiveness of Canada, of Canadian industry, and of Canada's regions.

I. MISSION STATEMENT

The Mission of the Department of Regional Industrial Expansion is:

TO ENHANCE THE NATIONAL ECONOMY BY IMPROVING THE GROWTH AND INTERNATIONAL COMPETITIVENESS OF CANADIAN INDUSTRY AND TO PROMOTE ECONOMIC DEVELOPMENT IN ALL REGIONS OF CANADA.

DRIE's activities are concentrated in the following areas:

- manufacturing, processing and service industries;
- regional industrial development;
- tourism;
- small businesses; and
- trade and commerce within Canada.

II. CORPORATE OBJECTIVES

Our efforts will contribute to the sound development and competitiveness of Canadian industries and sectors and foster the expansion of trade. In pursuing our mission, we will perform in a businesslike way in the achievement of the following broad objectives:

- to promote the establishment, growth, and efficiency of manufacturing, processing, service, and tourist industries;
- to assist investors in the location of industries;
- to provide support services for industrial and trade development;
- to promote the application of advanced technology;
- to assist industry to adapt to changing conditions in domestic and export markets by rationalizing and restructuring;
- to promote industrial development and employment opportunities in regions of slow economic growth;
- to promote the optimum development of income from tourism;
- to develop and carry out programs and projects to foster the expansion of small business;
- to enhance the regional industrial benefits accruing to Canada from major development undertakings;
- to collect, collate, and disseminate up-to-date information on industrial performance, growth opportunities and obstacles to growth in all regions; and
- to coordinate and evaluate federal economic development plans and strategies.

This broad mission and concomitant objectives, conferred by parliament through its legislated mandate, recognize the need for comprehensive policy and program responses to the dynamics of the international, national and regional industrial markets.

Corporate Values

In carrying out its mission, the Department of Regional Industrial Expansion will be guided by the agenda of the Government of Canada and those widely-held corporate values that form the bedrock of the motivation and characteristic behaviour of the department's management and staff; namely:

- . TO MAINTAIN EXEMPLARY COMPETENCE IN EACH OF OUR PEOPLE; AND
- . TO BE THE ADVOCATE OF CANADIAN INDUSTRY IN GOVERNMENT.

In sum, recognizing the growing internationalization of markets and increasing competition, to contribute to Canada's economic success, DRIE must strive to be the best industrial expansion and regional economic development department in the western industrialized world.

INDUSTRY MARKETING STUDY ON
HUMAN RESOURCES

January 1988

1. Industry Marketing needs to define with more precision its skill needs followed by a determination of the appropriate balance of these skills.
2. IM management needs to define with more precision the roles, including the business facilitator role, it will play within the ISTC context and determine the skills that staff will need to achieve the work objectives.
3.
 - i) Individual Branches should review the training patterns shown in the Branch roll-ups to determine if training and development courses are of the appropriate type and distribution.
 - ii) Branches, in consultation with the Training and Development Division HRB, should review course contents and course critiques to determine if (a) PSC courses are inappropriate (b) PSC courses can be adapted to better reflect Branch particularities and (c) tailor made courses are realistic.
 - iii) IM should establish a training and development oversight group to develop a sector training and development framework and to then review and assess Branch training plans against the framework.
4.
 - i) That IM make a strong case that additional resources (PYs and O&M) are critical and must be obtained if the Department is to be positioned to have replacements available when the bulk of the SM, CO-3 and CO-2 populations reach retirement age at approximately the same time.
 - ii) That greater use be made of special programs to maintain the motivation and enthusiasm of CO employees who presently have limited promotional opportunities.

5. IM management will have to carefully consider the clear tendency to move the working level of CO employees from the two to the three level.
6. Within the context of current resource constrained environment industry marketing management should make a more determined effort to increase the level of female and francophone representation in the officer groups.
7. That IM management make greater use of the CO-1 classification as a training and development level for incoming officers or for support staff with the potential to progress to the working level at the minimum.
8. IM should encourage the greater use of mechanisms, other than indeterminate appointments, to introduce "fresh blood" into the Sector.
9. The PCC branch should develop a productivity measure to enable branches to evaluate the effectiveness of the informatics training and the appropriateness of expanded resource allocation on informatics and office automation.

SECTOR SPECIALIST STUDY

CONCLUSIONS AND RECOMMENDATIONS

January 1988

The following are examples of some of the issues, conclusions and recommendations identified during the course of this study. Refer to the individual reports for details.

- . Minimum requirements for a sector specialist should be a relevant technical degree, an MBA or equivalent experience, and five to ten years of relevant industry experience.

- . Need more sector specialists and more branches if DIST advocacy role is to be achieved.

- . Policy of promotion from within for ISBs would motivate specialists, bring in new blood, and increase the credibility of departmental management with industry.

- . Need recognition for superior sector specialists who do not wish to enter the ranks of management. The present limit for such officers is the CO-3 level.

- . Remove the administrative and bureaucratic workload preventing sector specialists from carrying out their mandate.

- . Develop a clear and concise understanding of departmental direction and purpose within all employees.

- . Develop a matrix system to enable sector specialists and functional groups to work toward common goals.

- . Provide specific training that will develop functional and business oriented skills in all employees in support of line activities.

- . Develop specialists for key sectoral areas and have these officers located in headquarters and the regional offices where those sector activities are greatest.

- . Ensure the specialist remains visible and active in industry to provide credible input to the decision-making process.

. Develop sectoral intelligence in those sectors critical to individual regions.

. Develop structures for joint regional-headquarters activities such as work programs, intelligence-gathering activities and shared data bases.

SUPPORT STAFF STUDY
JUNE 1989
SUMMARY OF RECOMMENDATIONS

Short-Term

1. The results of this study should be distributed to all employees to confirm positive attitudes.
2. An assignment program should be developed based on employee requests and requiring minimal administration.
3. Area of competition application should be reviewed to ensure that the limited number of lower level officer positions are open to a larger number of support staff employees.
4. The Human Resources Branch should communicate realistically with employees about their chances of placement from the lateral transfer inventory. A regular review should be undertaken of those candidates in the inventory.
5. Supervisors should be informed of the support staff's "NEED TO KNOW" and should be encouraged to invite them to meetings on issues of importance to them.
6. The Department should ensure that information circulars/bulletins for distribution to support staff employees are clearly and understandably written. A support staff employee should be assigned to review them for readability prior to release.
7. Supervisors should be encouraged to be frank with their employees about reasonable training expectations during the appraisal process.
8. When requested, lamps should be provided to support staff employees in the same manner as they would be provided to officers in order that they may produce their work.

Long-Term

9. A study of office automation and its effect on workload/worktype should be undertaken.
10. Further review should be made of the Officer Development Program studied in 1987 with a view to implementing it.

11. Regular information sessions should be given to employees about creative means such as lateral transfers and outside hours language training to enhance careers in the Public Service in addition to the information already provided.
12. The quality of work environment provided for support staff should continually be reviewed, including appropriate equipment, furnishings and office accommodation.
13. A commitment should be made to support staff employees to report on these recommendations on a regular basis until implementation.
14. A follow-up review should be conducted in one year to evaluate support staff employees' response to actions taken.

Implementation

It is recommended that:

1. The recommendations in this study be approved in principle.
2. A Steering Committee composed of 3 line managers and 3 support staff representatives chaired by the Director General of the Human Resources Branch develop a detailed work plan for implementation of these recommendations.
3. The Working Group of Administrative Support representatives be asked to continue their role as an advisory group during the implementation period.
4. This report and the recommendations be distributed to all staff in ISTC as well as to the TBS and PSC and employee representatives.
5. Senior Management report on progress in achieving these recommendations on a regular basis until implementation is completed.
6. A similar review be undertaken in the regions in the Fall of 1989.
7. A follow-up review be conducted in one year to evaluate the response to actions taken on the recommendations.

EXECUTIVE CONFERENCE

February 1989

PROPOSED ISTC VALUES

Client-Oriented (Services)

Entrepreneurship

Outward/Forward

Looking

PEOPLE

Team Effort

Professionalism

Empowering

Communications

An elaboration on the discussions that lead to the development of the above, follows:

- . PEOPLE are the key to the future of ISTC. Without the personal involvement and dedication of its employees, no organization can be successful in accomplishing its mandate. It is therefore important that all departmental activities related to our personnel be oriented towards the betterment of our employees, both as individuals and as members of a corporate entity.
- . CLIENT-ORIENTED services are as important to this department as company's products are crucial to the industry. Our activities must therefore be oriented towards responding to industry needs in a timely manner and our interface with the industry should be carried out in a business-like manner. Appropriate industry consultations and reporting will be crucial to our advocacy role.
- . Each member of our organization should be an ENTREPRENEUR in his/her own way. In this regard, initiative, pro-activity, and "doing the extra-bit" should be encouraged at all times. As a corollary, freedom to act should not be constrained by excessive administrative controls and procedures.
- . Building competitiveness for our industry implies that we must be OUTWARD/FORWARD LOOKING. Our staff must share the strategic direction of the department, be market/needs-oriented and be able to balance their efforts between the urgent and the important tasks. Being outward/forward looking also implies that we have a vision of where we want

to go and a plan on how we intend to get there; this will help keep our activities in focus and serve as a constant reminder as we go about accomplishing our daily responsibilities.

- . TEAM EFFORT will determine in the most part whether or not we are going to be successful in carrying out our departmental mandate. The tasks at hand are too important and the timeframe too short to rely only on our own individual abilities, strengths and expertise. Co-operation with one another, integration of efforts, cohesiveness and sharing of knowledge will all contribute to the attainment of each others objectives.
- . PROFESSIONALISM can never be stressed enough. Being personally satisfied for a job well done, putting in extra efforts in responding to the demands placed upon us and servicing our many clients promptly (and with a smile) will project the type of image of the organization we want to be.
- . EMPOWERING means giving the necessary tools to the managers and the staff to accomplish their work. It means such simple things as: downward delegation of foreign travel and conference attendance, a more flexible use to the hospitality budget, less internal red tape, etc....
- . COMMUNICATIONS is one of the key ingredients of any successful organization and it is at least as important internally, for our own employees, as it is externally, for the clients we want to serve. Projecting an image, having an identifiable logo, sending a consistent corporate message help build a strong organization and make it easier for our clientele to understand (and remember) what we are all about. But more importantly, departmental staff should also be personal sales people of ISTC and of its services; as a result, they must fully understand, be conversant with and committed to the department's mission, goals, structures, programs and services and be able to provide that information to the industry in a tangible way.

WAYS AND MEANS

- . People
 - appraisal system based on approved values
 - appointment to levels (all)
 - reward good people management
 - job rotation opportunities
 - recruitment from outside
 - championships (creativity)
 - recognition
- . Client Oriented
 - responsive to industry needs
 - disciplined approach to consultation
 - account executives
 - better reception areas
- . Entrepreneurship
 - deregulation
 - seed money for pilot/special activities
 - encourage pro-activity/initiative
- . Outward/Forward Looking
 - discussions on strategic direction
 - market/needs oriented
 - work plan
 - important vs. urgent
- . Team Effort
 - sector teams
 - networking
 - partnership (provinces/OGDs)
 - debalkanization of knowledge/information
- . Professionalism
 - courtesy
 - job well done
 - extra effort
- . Empowering
 - foreign travel approval
 - hospitality (\$)
 - transparent decision making
 - support systems/tools to do the job

Communications

- handbook on department (internal/external)
- image/logo
- corporate message
- telephone system/up-to-date directory

SENIOR MANAGEMENT CONFERENCE

CORPORATE CULTURE WORKSHOP

March 1989

Recommended Action

The fundamental objectives in developing an ISTC Corporate Culture should be:

- . to create a climate of trust through consistency and honesty;
- . to gain understanding and acceptance of the organization's policies and objectives;
- . to eliminate the psychological distance between employees and management;
- . to gain the participation and involvement of all employees;
- . to reduce anxiety and create security; and
- . to foster job satisfaction and employee effectiveness.

Ultimately the systems and the process to implement the action plan for a corporate culture initiative should integrate and motivate the employee body, develop supervisors as leaders of their people and build up the confidence of ISTC employees in themselves, their management and the organization.

The following suggested action plan has four main components: Communications; Administration; Human Resources; and Team Building.

1. Communications

- . Develop a newsletter with regular question and answer column entitled "Ask the Deputy"
- . Prepare videotaped messages on major announcements from senior management and the Minister
- . Establish a daily telephone newslines for up-to-the-minute information on the Department's activities and announcements
- . Publish a weekly calendar of events including trade shows, seminars and external speaking engagements by senior management and the Minister

- . Spruce up bulletin boards through colour-coded messages to differentiate new messages (e.g. senior appointments) and use the new ISTC logo
- . Develop "mini-briefing books" for all employees outlining the ISTC mission and mandate including key programs and activities
- . Measure progress and obtain employee feedback through regular surveys
- . Publish departmental "success stories" and name the individuals involved
- . Circulate model briefings, reports and policy papers to guide other employees and recognize those who have performed well (authorship)
- . Measure client satisfaction and obtain feedback on suggestions for improvement through regular client surveys
- . Develop conflict and issue resolution mechanisms and consider establishing a focal point in the department for employees through the creation of an Ombudsman

2. Administration

- . Increase delegation to SMs in order to provide authority commensurate with their responsibilities, particularly in areas like foreign travel, conferences and hospitality
- . Form an inter-branch SM committee to recommend specific changes in the deregulation of administrative procedures
- . Standardize departmental technology to reduce the paper burden, particularly for Ministerial briefings and correspondence
- . Create single-window, "one-stop shopping" for administrative services, e.g. the purchases of electronic equipment and software
- . Form a cross-sectoral policy committee for special projects including EXs and SMs to draw more fully on the existing expertise and specialization in the Department

- . End ADM "turf battles" through a clear delineation of their roles and responsibilities

3. Human Resources

- . Allocate more funds for employee training and ensure management follow through
- . Recognize individual excellence through departmental achievement and suggestion awards
- . Establish "mini-CAPs" to develop and groom employees at the officer level
- . Establish a career development program for support staff to groom the best and the brightest for roles as officers
- . Effect the "appointment to level" concept to expand career development opportunities and provide incentive
- . Examine the Stats Canada model for possible applications to ISTC including the measures to improve motivation and productivity in support staff
- . Consider job rotation and job enrichment programs to expand horizons, offer mobility and develop skills
- . Establish professional seminars as part of an on-going departmental program to maintain an expert and knowledgeable workforce
- . Obtain employee feedback when evaluating SMS and EXs
- . Develop a career management strategy that considers succession planning and the integration of headquarters and regional office employees
- . Create an employee association run by employees such as the former Industry Trade and Commerce Recreational Association (INTAC)
- . Improve the employee performance appraisal process to make the system more realistic

- . Offer non-monetary benefits to employees as incentive awards for superior performance such as compensatory time off and sabbaticals
 - . Address the SM salary inversion/compression problem through concerted advocacy measures with the PSC and TB
4. Team Building
- . Increase senior management and Ministerial visibility and presence through "walkabouts", i.e. visits of staff at their place of work
 - . Develop sector awareness events for employees such as "industry sector days"
 - . Increase the use and value of staff meetings through cross-sectoral and vertical participation
 - . Avoid segregating EXs and SMS and referring to SMS as "middle managers" - they are part of the Management Category as are the EXs
 - . Create teams to develop a common approach to new skills, such as technology diffusion
 - . Establish a program of regular progress reports on the Department's activities by the DM and ADMs
 - . Nominate and publicize an "employee of the month" to recognize special effort and highlight the activity area
 - . Develop an employee orientation program as the first step in fostering fellowship, loyalty and pride in employees for their organization and awareness of its corporate culture
 - . Ensure that SM managers are involved in all major decisions made by the Department
 - . Establish headquarters-regional office networking forums to exchange and share intelligence and experience

TEXTILE, CLOTHING AND FOOTWEAR DIRECTORATE

Proposed ISTC Fundamental Values

- The main thrust is to work in a PARTICIPATIVE ORGANIZATIONAL structure,
- and
- ISTC corporate values should evolve around PEOPLE - its most important resource.

Our Views:

In establishing the corporate culture, we see a set of four (4) fundamental values which we find are crucial to the establishment of a strong ISTC corporate culture:

1. People:

In the long run, high performance is achieved by people who care for the organization rather than people who are constrained and frustrated by it.

- stimulating people into challenges and giving them more authority, responsibility and autonomy
- promote the image of the "successful" organization by emphasizing "success experiences", rewarding at each opportunity rather than concentrating on weaknesses and failures. People will be more eager to succeed and will seek out more complex challenges.

2. Participative Leadership:

That is none-authoritarian or coercive, but participative; one which defines purpose and goals, then articulate these and foster commitment in people.

- leadership that strives to guide rather than impose
 - managers with a vision of the ideal organization always striving to attain it while being sensitive to employees' concerns
 - managers that communicate rather than command.
- Although formal boundaries exist for administration

* Annex X will be updated once the Secretariat receives new comments.

purposes, there is no boundary that should inhibit consultation and collaboration among all levels of employees.

3. Innovative Work Style:

Where innovation, flexibility and creativity is key. People learn from experience not from relying on controls from outside nor from bureaucratic procedures.

- an organization that thrives in identifying opportunities and solving problems in an innovative and flexible manner
- an environment conducive to internal consultation and constant exchange of information
- an organization that has a uniform and consistently updated information system tailored to the needs of its clients.

4. Client-Oriented:

Focus on who the clients are and identify their needs. Clients are to be served before the bureaucracy.

- an organization that has identified the product/service it can best deliver to clients
- a team approach to servicing clients, where all employees are put in a responsible position to care for the clients
- an environment where professionalism is recognized and encouraged

RECOMMENDATIONS RELATING TO THE FOUR VALUES

PEOPLE

- A program for job rotation, for those employees who express an interest.
- Encourage internal promotions for all employees and an in-house training program for advancement to higher levels.
- We strongly endorse the SM's proposal regarding the delegation of international travel authorization as well as the proposal for mini CAPS.
- Eliminate discrimination regarding travel and hotel accommodation.

- Implement properly structured CO and support staff development programs to be administered by the Human Resources Branch.
- Recognition and reward for outstanding achievement by an employee or group of employees in carrying out various projects (i.e., time off, public recognition, etc.)
- Ongoing training for managers in the appraisal system.
- Sponsor various cultural, athletic and other recreational activities on a cost sharing basis with the department.
- Human Resources Branch should shift from service to management to service to all employees.

PARTICIPATIVE LEADERSHIP

- Participative leadership training for all management categories (particularly in the human relations area).
- Regular and meaningful staff meetings and personal contacts between all staff and senior management.
- Management by consensus.

INNOVATIVE WORK STYLE

- To become more creative by holding divisional problem solving exercises and brain storming sessions (preferably outside the work environment).
- Involve staff on an ongoing basis in critical evaluation of past work with a view to identifying more innovative solutions.
- Under special circumstances, allow officers to work away from their office environment (i.e. special projects at home).
- Simplify the administration of the compressed work week so as to make it more readily understood and accessible to all employees.
- Facilitate communications from the bottom up (i.e. suggestion box or other methods).
- That managers place a greater emphasis on content rather than writing style which, under the current situation, tends to create frustration and exasperation among employees.

CLIENT-ORIENTED

- Take serious steps to reduce the volume of paperwork originating from other government departments and other divisions within ISTC so as to enable more emphasis to be placed on serving clients.

- Develop an employee interchange program with the private sector in order that employees may acquire and develop new skills.
- Encourage employees to keep up-to-date knowledge of their sectors through attendance at conferences and seminars (either domestic or international).
- More in-house training and self development at all levels in client relations (i.e. interviewing skills, telephone answering, etc.).
- Extend certain provisions of the hospitality regulations to COs in travel status.

RECOMMENDATIONS RELATING TO CORPORATE MANDATE AND DIRECTION

Proposals and Recommendations

A 5-year plan with specific departmental goals should be developed. This would connote continuity and stability.

Departmental management should take the lead in establishing a legal basis on which we can gather data for ourselves or access information bases of OGDs such as Statistics Canada.

A Departmental Training Seminar, supplemented with an up-to-date Employees' Handbook, should be made available to all employees and recruits. The seminar should cover an overview of the structure, layout and performance of the organization, a brief description of each major responsibility centre and its contributions to the achievement of departmental objectives.

Training should be provided in areas such as science and technology which present particular difficulties to employees at all levels.

Ongoing information exchange sessions should take place at all departmental levels. Managers should identify key contacts and organize meetings which would bring his or her staff and key groups together. Mixing of personnel from different areas of government would provide a broader range of perspectives.

Employee contributions towards the realization of our mandate goals should be recognized through, for example, Employee of the

Month awards, Product of the Month awards, Internal Awards for Excellence and monthly newsletter announcements.

A national ad campaign describing and promoting ISTC's activities and targeted to the public at large, should be undertaken.

Departmental employees should reinforce the department's identity by giving seminars and speaking at conferences, by serving as visible and effective members of various boards and committees, by leading industry and trade missions, by running booths at trade fairs and by having their work published.

Client consultation should be ongoing to ensure that our products and services are evaluated regularly as to whether or not they meet our client needs. The system should be flexible enough to accommodate new products and services and ensure continuous dialogue.

Each employee must make a personal commitment to develop his or her capabilities to the fullest to serve the department. We should look to each other (the team) for co-operation and support, for the full collection of skills and knowledge necessary to do our jobs.

Management must work with employees to identify weaknesses that may not be so apparent to the individual and/or to identify hidden talents that need to be drawn out. Management should demonstrate genuine interest in the personal development of its staff and provide the encouragement, support and time for employees to participate in learning modules.

Departmental management has a responsibility to better define what is expected of each employee - for the short term and the long term. Management must make a concerted effort to tailor or locate pertinent learning opportunities - and ensure access to these by all employees - Support staff should have ready access to training opportunities that will tap potential that has been trapped within the confines of their current jobs. We have a lot of officer and management material here.

We, the employees, need departmental advocates working for us, scouting new opportunities and helping us carve out our career paths. We need dynamic career counsellors to provide that missing link in the PREA system, to ensure that our career development aspirations do not, as in the past, end up gathering dust in a file ... somewhere.

PLENARY SESSION

Following the presentation, the lively discussion that ensued was marked by commentary that paralleled or supported the views of the working group. Most prominent were comments concerning our identity crisis, our estrangement from our clients and our confusing relationships with OGD's. It was agreed that ISTC's positioning and "raison d'être" need to be better defined and promoted, and clients' perception of the department, adjusted and improved.

The group served up a barrage of examples demonstrating the severe shortcomings in our knowledge-gathering activities and it became obvious that the problem is widespread in the directorate.

Most interesting was the suggestion that perhaps ISTC is filling a role that can be better served by the private consulting sector. The general consensus however was, that, although consultants are excellent resources, particularly for larger firms, the department services a large number of SME's whose access to the professional field is financially limited. Furthermore, it was pointed out that consultants themselves are amongst the department's most prominent clients. It was also noted that the department undertakes important work outside the domain of consultants. At the directorate level, it was appropriate to recall our valuable contributions in such areas as multilateral trade negotiations, our influence in the creation of industry associations such as CANMARC and our successful track record in arbitrating between the clothing and textiles industries, two distinct sectors, whose often opposing positions on a wide range of issues have called for extreme sensitivity and discretion.

CONCLUSION

We appreciate the initiative of our departmental management to encourage our participation in Corporate Focus Day - quite an innovation in itself. This is a very positive opportunity for us to vitalize our energies and to invest in our individual and collective futures. It cannot stop here however. We seek action and are confident that our suggestions today will provide the impetus for change.

FOREST PRODUCTS DIRECTORATE
RECOMMENDATIONS RELATING TO CORPORATE CULTURE

By definition, corporate culture deals with the values shared by an organization. From the Montebello meeting, the proposed values for ISTC were outlined as People, Professionalism, Team Effort, Communications and Client-Oriented. We offer the following recommendations in support of those values.

- There should be regular Divisional, Directorate and Branch staff meetings or information seminars, and all employees (including support staff) should be invited to attend.
- Training for support staff should include course subjects besides secretarial training.
- More emphasis should be placed on career development and encouragement of training of support/intermediate staff for promotion to the officer level.
- In order to foster new skills development and sector based knowledge a program of secondment to private sector organizations and companies, both Canadian and foreign, should be established.
- The compressed work week should become more readily accessible to all interested employees.
- For those interested employees, whether CO's or support staff, a program of job rotation within the Department or the Federal Government should be fostered, since CAP type programs are not available to all.
- An appeals system should be established to review decisions where job training, job rotation, secondment or internal promotion are turned down. Under the administration of the Human Resources Branch, a decision could be reviewed to ensure compliance with established guidelines and policies.
- Management should seek input from employee(s), including support staff, before implementing changes in employee(s) work responsibilities or equipment.
- A system, however informal, of rewarding employees for significant achievement should be contemplated.
- Training programs for management in Participative Management should be developed.
- A system to obtain officer input in evaluating SM's and EX's should be instituted.
- Efforts to improve communications from the bottom up should be encouraged.

- All efforts should be made to ensure adequate funds are available for officers to carry out their sector responsibilities. (i.e. attend conferences and trade shows and undertake company visits and missions)

COMMERCIAL SERVICES INDUSTRIES DIRECTORATERecommendations

1. Commercial Service Industries Directorate and Planning and Analysis Division found the "Focus Day" to be a valuable and worthwhile experience, and it is recommended that this become an annual event.
2. There should be regular annual meetings with senior management (ADM and DG in particular) to discuss items of interest to the staff, and for senior management to use the opportunity to provide staff with progress reports, a general view as to where they think the department is heading, and the challenges for the future.
3. To continue the process begun by Focus Day, there should be regular meetings within the Commercial Service Industries Directorate for staff to discuss items of interest to them. These may or may not result in items added to the Director's regular meetings with staff and the frequency of these meetings does not have to correspond. However, the focus of these meetings should be on identifying means for improving the management/productivity of the Directorate.
4. The current work planning process is too much of a paper exercise. More time needs to be allocated for discussion/brainstorming during the planning stage, and there needs to be more regular feedback/discussion between staff and management. As a minimum, there should at least be a quarterly review/discussion of the work program.
5. Information/discussion sessions should be held for officers on:
 - programs that are currently available;
 - the process for proposing new programs/sector campaigns;
 - and feeding into the advocacy/policy process.
6. Both the Department and the Branch need to develop a more concrete personnel policy for career planning, succession planning, job rotation, etc. This should include improved information dissemination and the provision of assistance on career planning to employees at all levels. The general feeling is that career planning is left almost entirely to

the individual's own resources and that established departmental and Public Service Commission programs are not sufficiently utilized.

7. Recognizing that ISTC must work within guidelines set by the government and the PSC, the Department should put greater priority on resolving the sector specialist career plateauing problem.
8. The Department should proceed quickly with the recommendations of the External Consultations Directorate so that the information flow within the department is improved.
9. The new mandate requires changes in the Department's focus and activities. Nevertheless, there is considerable overlap between the officers' old and new duties. One of the Department's challenges is to define these new responsibilities so that the transition can be quickly made. Senior management has expressed the view that this will involve the development of products and services that are more analytical in nature and more intelligence based. On occasion, the view has been expressed that the current officer complement is not up to this challenge. Recognizing that there are always difficulties during transition periods, some of these concerns could be dealt with through more direction from management. Staff are willing to supply the new products and services, including upgrading their skills through training, but are not always clear on what is expected of them.

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