Public Service 2000

The Renewal of the Public Service of Canada

The Government of Canada
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Cat. No. BT74-1/3-1990
ISBN 0-662-57951-8
The Public Service of Canada is fundamental to the successful functioning of our democratic institutions and of our country. It serves Canada ably, and has contributed immeasurably to our stable economic and social environment, to our achievements as a modern industrial nation, and to our values and identity as a people.

Throughout this century, the Public Service has provided an ever-growing number and variety of services to Canadians. Successive Governments have worked with the Public Service and valued its professional, loyal and non-partisan character.

Canadians expect their institutions of government to work with and support them as they prepare for the challenges of the 21st century. Canadians expect their Public Service to be effective and up-to-date, providing them with the highest quality of service and staffed and led by Canada’s ablest men and women.

My colleagues and I share the expectations of our fellow citizens, and we take responsibility for ensuring that the Public Service will be in a position to provide Canadians and successive Governments with the best possible professional, loyal and non-partisan service.

Public Service 2000 is the Government’s initiative to ensure that these expectations are satisfied. We believe that the policy for renewal set out in the White Paper will equip the Public Service to serve Canada and Canadians into the 21st century.

As Prime Minister of Canada, I hold a custodial responsibility on behalf of all Canadians to ensure the continued effectiveness of this great national institution. I am proud to be associated with the men and women of the Public Service of Canada, and it is with pride that I present to all Canadians the policy of the Government for the future of their Public Service.
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The Public Service and the Need for Renewal
The Need For Renewal

On 12 December 1989, the Prime Minister announced Public Service 2000, an initiative to renew the Public Service of Canada. The Prime Minister explained that the purpose of the initiative was

... to foster and encourage a Public Service that:

- is professional, highly qualified, non-partisan and imbued with a mission of service to the public;
- recognizes its employees as assets to be valued and developed;
- places as much authority as possible in the hands of front line employees and managers; and
- provides scope for different organizational forms to meet differing needs, but in the context of a single Public Service.¹

The Prime Minister stated that

To this end:

- the government’s employment and personnel management regime will be made less complicated and burdensome for managers and employees alike;
- central administrative controls will be reduced so as to give Deputy Ministers greater freedom to manage their departments and clearer accountability for results;
- the roles of central agencies and of systems of personnel and administrative control throughout the government will be clarified and simplified; and
- innovative ways to encourage efficiency and improve program delivery will be developed.²

¹ "Public Service 2000 ... the policy of the Government of Canada concerning the measures necessary to safeguard and promote the efficiency and professionalism of the Public Service in order that it may serve Canadians effectively into the 21st century." Office of the Prime Minister, 12 December 1989.
² Ibid.
The policy statement explained the background to the initiative in the following terms.

The Canadian Public Service is justly regarded as one of the finest in the world. It has been built up over 75 years on the pillars of merit, equity and non-partisanship. It is a uniquely Canadian institution, created by Canadians to reflect the needs of the country and its people. Every day, millions of Canadians rely on the Public Service for everything from the inspection of food and drugs to safe landings at Canada’s airports, from the issuing of passports to the provision of employment services, from weather forecasting to the processing of millions of cheques.

Over the years, the Public Service has been tasked to satisfy the demand for many new programs and services, and in recent years it has had to do so within a climate of increasing fiscal restraint and with a significant reduction in personnel. This task has been made even more difficult by traditional institutional structures and controls that do not encourage efficiency or improvements in service to the public.

The complexity of the administrative regime governing the Public Service has been recognized as a serious problem for more than a decade. The need for simplification, greater devolution of authority and responsibility, and increased efficiency, is higher now than ever before.

To equip public servants for the 21st century, and to enable them to function effectively in the context of continuing restraint, fundamental changes are required to the ways in which the Public Service is structured and managed.  

An intensive examination of these issues flowed from the Prime Minister’s announcement. The thrust has been to create a new consultative and client-oriented culture in the Public Service. This White Paper presents the results of this work and sets out the Government’s policy for the future of the Public Service of Canada.

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Ibid.
The Public Service of Canada

The Importance of the Public Service to Canadians

Public Servants work in support of the interests of all Canadians. They hold a public trust that requires of them an exceptional standard of personal integrity. They are charged with the duty

- to provide Ministers with advice and support on policy, programs and the management of issues;
- to administer the laws of the land impartially and to provide the professional support necessary for the good government of Canada; and
- to provide their fellow citizens with an ever-increasing number and variety of public services.

The Service has been tasked to create programs and services, to do so within a climate and with a significant task has been made even institutional structures and efficiency or improvements decisions have been made within the framework of the Public Service Act. The service is structured and adapted for the unique needs and challenges of Canada's diverse population. The Service is designed to be responsive to the needs of Canadians and to ensure that the values of democracy, accountability, and transparency are upheld. The Public Service is committed to providing the highest level of service to Canadians, and it is supported by a commitment to excellence and innovation. The Service is proud of its history and is dedicated to serving Canadians for generations to come.

The Public Service is a force for Canada’s national unity. It is representative of the entire country and is represented in every region. It is a powerful integrative national institution that has shown Canadians that there is strength to be found in developing the values and aspirations that underlie the diversity and cultural riches of this enormous country. The Public Service has been the principal vehicle for giving real meaning to linguistic equality. Its policies on employment equity and the removal of barriers to the advancement of women and minority groups reflect the importance that Canadians attach to fairness and tolerance.

The Public Service exists to serve Canadians and those they elect to govern them. The institution attempts to reflect the best of Canadian society. When Canadians look at the Public Service they see themselves.

The Public Service is, therefore, uniquely Canadian. It has evolved to reflect our society and culture, and it has developed institutions and practices that serve our special needs. Over the years the Public Service has developed and matured in step with the emergence of Canada as an important member of the world community. Along the way, the Public Service has attracted Canada’s ablest. Their dedication, particularly those who founded today’s Public Service during the 1930s and 1940s ensured that Canada would have the talent and administrative expertise to enable successive Governments to develop for Canada the economic and social infrastructure that Canadians now take for granted. Canada’s history in this century demonstrates
the importance of the Public Service in helping to create the conditions for a strong economy and a society that works.

Canadians have come to rely on Public Servants for a wide range of everyday services that they take for granted. On any given day air traffic controllers supervise the safe takeoff and landing of over 13,000 aircraft; Agriculture Canada inspectors process over 35,000 tons of meat; members of the Department of National Health and Welfare provide medical services to 16,500 Canadians.

In the course of a year, Parks Canada records 18 million visits; Indian Affairs and Northern Development provides education to more than 100,000 students; External Affairs issues 1.2 million passports; Canada Customs processes 110 million travellers; the Department of Supply and Services issues 112 million Canada Pension Plan, Old Age Security and Family Allowance cheques.

These are just a few of the services provided. Public Servants also support the policy agenda of the Government of the day, offering advice and developing options for decision by Ministers. These policies form the core of the agenda of the Government. Public Servants also design and administer the programs that flow from them.

The Public Service is a professional organization performing a wider variety of functions than any other organization in the country. With two-thirds of its members outside the National Capital Region, it serves all Canadians across the land. Most Public Servants are highly skilled and motivated; they are also citizens, making an important contribution in their own right as members of their communities throughout Canada.

Most Canadians recognize that the effectiveness of the Public Service is fundamental to the success of the country and to their individual well-being. The Government wants to help them to understand better the role of the Public Service and why its renewal matters to them. Thus one of the purposes of this White Paper is to foster a better understanding of this distinctly Canadian institution.

The Size of the Public Service

The federal public sector has over 500,000 people working in some 400 separate organizations.

- There are 26 statutory departments of government directly presided over by Ministers.
There are some 80 agencies whose degree of independence of Ministers varies widely.

There are some 100 Crown corporations including subsidiaries, most of which are to a significant degree independent of Ministers.

There are more than 200 tribunals, councils and advisory bodies whose status in relation to Ministers and Parliament varies widely.

And there are the Canadian Armed Forces and the Royal Canadian Mounted Police each having a unique status governed by law and convention.

These organizations and their members fall into three main categories:

1. There is the Public Service (capital "P", capital "S") proper. The organizations — principally departments — falling within this category share the following characteristics: they are under the direct authority of Ministers and provide them with close support and advice in carrying out their responsibilities; their members are appointed by the Public Service Commission; and they are, strictly speaking, employees of the Treasury Board. They account for somewhat less than half of all members of the federal public sector and constitute its most highly regulated portion.

2. There are agencies and tribunals engaged in research, advisory and regulatory functions that have a degree of independence, in many cases almost total, of Ministers. Their members are as a rule not appointed by the Public Service Commission, and they are, strictly speaking, employees of the Treasury Board. They account for somewhat less than half of all members of the federal public sector and constitute its most highly regulated portion.

3. There are Crown corporations that fulfil essentially commercial functions. As a rule, they operate at some considerable distance from Ministers, and they have their own employment and administrative regimes.

The "Public Service" that serves as the focus for this White Paper consists of the departments and agencies falling into the first category, and the particulars of the policies being presented apply to this group. Nonetheless, the broad themes of this paper, particularly those dealing with values, service, innovation and deregulation will have wider application across the entire federal public sector.

**How the Public Service is Governed**

The principle of ministerial responsibility governs the Public Service.
When all is said and done ... in our system ministers are elected to decide whereas officials are appointed to administer and advise.¹

This constitutional responsibility of ministers is the cornerstone of the accountability of Public Servants, and it is essential to an understanding of the way in which the Public Service is organized and regulated.

Ministers are individually and collectively responsible to the House of Commons for the activities of government including the management and conduct of the Public Service. Individually, Ministers are responsible for the administration of the decisions of the Government and the activities of Public Servants falling under their jurisdiction. Collectively, they are responsible for the decisions of the Government as a whole and the activities of all of their colleagues.

The practical application of individual and collective ministerial responsibility is a large subject. Two elements are, however, fundamental to a discussion of the management and administration of the Public Service.

- The individual responsibility of Ministers is expressed in their legal responsibility for the departments over which they preside and which form the basic organizational blocks of the Public Service.
- Ministers are collectively responsible for the standards according to which the Public Service is managed. This flows from the constitutional requirement that Ministers agree on the total spending estimates (i.e., planned spending) to be laid before Parliament, which gives them a collective interest in, and responsibility for, the management of the Public Service.

Each department of government is established by Parliament through enabling legislation. All departmental Acts provide for the formal appointment of the Minister by the Crown (on the advice of the Prime Minister), vest in the Minister the powers, duties and

functions for which he or she will be responsible, and give the
Minister the control and supervision of the department.

Parliament’s right to approve taxation and to vote money for the
operations of government is the cornerstone of our democracy. The
responsibility of the Ministry to the House of Commons is based on
its role in advising the Crown on the exercise of the power of the
state in such a way as to command the confidence of the House.
This may appear somewhat theoretical, but it imposes on the
Ministry the very practical necessity to present Parliament with a
unified set of estimates.

The Treasury Board, formally a statutory body of Ministers and
in practice a committee of the Cabinet, is the body charged with
ensuring that the spending proposals of individual Ministers and their
departments are reconciled into a single set of estimates. This
requirement provides the basis for the setting of central management
standards for the Public Service.

The Treasury Board’s responsibilities with respect to matters of
finance and expenditure, and by implication management, have been
elaborated in a series of Acts, beginning with the Finance Act
1869. Each was designed to improve the standards of resource
management, and to eliminate careless, wasteful or corrupt practices
by strengthening the Treasury Board’s ability to provide a framework
for the management of the Public Service that would reassure
Parliament that it is being managed efficiently.

The Public Service Commission, which is an agent of Parliament
rather than of the Ministry, plays an important complementary role
in supporting the collective responsibility of Ministers. Just as the
Treasury Board seeks to ensure probity in the use of financial
resources — because lack of probity is antithetical to good govern-
ment and will undermine the confidence of Parliament and the public
in Ministers — so the Commission in fulfilling its mandate of
ensuring probity and fairness in appointments prevents abuses of the
kind that could — and before 1918 did — undermine confidence in
Ministers.

The Public Service is, therefore, central to the structure of our
democracy. It operates under the direction of responsible Ministers.
It is managed in accordance with standards of probity and profes-
sionalism prescribed by the Treasury Board on behalf of all
Ministers. And Public Servants are appointed by the Public Service
Commission, Parliament’s agent responsible for ensuring fairness and
guarding against political and bureaucratic patronage.
The essential feature of cabinet government is the constant balancing between the individual and collective responsibilities of Ministers. This is reflected in the way in which the Public Service is administered and organized. Public Servants support the responsibilities of their particular Minister in delivering services to the public, in advising on policy and in developing programs. Public Servants are, however, required to carry out these activities within the context of personnel, administrative, financial and management regimes that are centrally prescribed.

In the same way that the successful operation of cabinet government requires constant attention to the balance between the individual and collective needs of Ministers, so the staffing and management of the Public Service must reflect an equilibrium of department-specific and Public Service-wide needs. This theme, which will be explored in greater detail later in this paper, is important to Public Service 2000 because of the direct linkage between increasing the authority — and hence flexibility — of departments and their accountability for its use.

The fundamental principle of parliamentary democracy is that the power of the state be exercised by individuals, clearly identified, who can be held personally accountable for what they do. This is the basis of ministerial government. If they are to be proven valid and necessary, central controls and other manifestations of collective responsibility must complement in a very practical way the exercise of individual responsibility and personal accountability.

If the forces of collective responsibility expressed through the making and enforcement of centrally-prescribed rules threaten to overwhelm the needs of individual Ministers and their departments, personal accountability becomes blurred and weakened. Clarity about the responsibility and accountability of individuals is important at the

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2 *Departments* support Ministers, devise policies and deliver programs and services. *Central agencies* provide co-ordination among departments and support directly the collective interests of the Ministry as a whole. *Common service agencies*, in some respects operational extensions of central agencies, provide support to all departments in order to achieve economies of scale or some other broader national interest.

3 Note that the principle of personal accountability applies to the individual as an office-holder rather than to the individual *per se*. Unless an office-holder has contravened the law, his or her accountability is personal in the sense that it attaches to the office held for the time being. The successor in that office will be personally accountable for all of the actions taken in the name of that office, regardless of when they took place. The essential point is that a clearly identified individual be accountable at all times.
government is the constant collective responsibilities of in which the Public Service Servants support the responsi-
Delivering services to the developing programs. Public carry out these activities within, financial and management
level of officials, just as it is for Ministers. Effective public administration depends to a great extent on people having the authority they need to do their jobs, and clear accountability for the exercise of that authority. In a very important respect, therefore, Public Service 2000 is about ensuring at the level of officials that the essential foundation of our democracy, personal accountability for the use of the power of the state, is safeguarded and enhanced.

Personal accountability must be made to work if the need for heavy central regulation of the Public Service is to be lessened. Such deregulation is necessary if the Public Service is to be able to respond to the needs of Canadians in a flexible and effective manner now and in the next century.

How the Public Service is Managed

The Public Service is managed within the context of ministerial responsibility as set out above. Its management structures reflect the balance between individual and collective needs.

As noted, the principal structures of the Public Service are line departments and agencies delivering services to Canada and Canadians, and central and common service agencies that support the overall interests of the government and provide co-ordination and support to line departments and agencies.

Deputy Ministers play a particularly important role in supporting the collective responsibilities of Ministers for the management standards of the Public Service. As a practical matter, Deputies act largely for their Ministers in the management of resources. They also are explicitly responsible under legislation for most financial and personnel matters, some directly and some by delegation from the Treasury Board or the Public Service Commission.

As policy issues, program administration and management have become progressively more complex and interdependent, specialized machinery has been developed to provide necessary improved central co-ordination. Just as the machinery of cabinet decision-making has

See sections 12, 31, 32 and 34 of the Financial Administration Act and section 6 of the Public Service Employment Act. Under the Financial Administration Act the Treasury Board is responsible for personnel management in the Public Service. This includes in particular determining "... the requirements of the public service with respect to human resources and ... the allocation and effective utilization of human resources within the public service"; and "... requirements for the training and development of personnel ...." See sections 7 and 11 of the Act.
been elaborated over the years to take account of the need for greater co-ordination and consultation, so too have mechanisms been developed for similar purposes at the level of officials.

Co-ordination is provided through a network of committees of officials. The most important of these are:

- the Committee of Senior Officials, chaired by the Clerk of the Privy Council (who is regarded by convention as the head of the Public Service), which is a group of mostly senior Deputy Ministers whose principal function is to advise the Clerk on the performance of Deputy Ministers;
- a weekly breakfast meeting of all Deputies used by the Clerk of the Privy Council to debrief on critical issues and on directions and decisions flowing from Cabinet and Cabinet committees;
- the Co-ordinating Committee of Deputy Ministers, which also meets weekly to review important files and longer-term policy and other issues requiring central co-ordination and direction; it is chaired by the Clerk of the Privy Council and comprises the Deputy Ministers of the central agencies: Finance, Treasury Board, Federal-Provincial Relations, Justice and External Affairs;
- the Treasury Board's Senior Advisory Committee, which meets monthly to review financial, administrative and personnel management issues; it is chaired by the Secretary of the Treasury Board and is composed of the Comptroller General and representative line department Deputy Ministers;
- the Staff Training Council, which is chaired by the Secretary of the Treasury Board and comprises senior representatives of line departments and central agencies; it makes recommendations to the Treasury Board on training policy and programs;
- the Senior Personnel Advisory Committee, which is chaired by the Chairman of the Public Service Commission and comprises senior departmental officials; it advises the Public Service Commission on staffing policies and on certain appointments, particularly at the more senior levels.

Other mechanisms include a monthly lunch meeting of all Deputies and heads of agencies under the chairmanship of the Clerk of the Privy Council. The purpose of these mechanisms is to link together a decentralized management system based in departments. Public Service 2000 will result in further decentralization, making more important central management co-ordination and visible leadership of
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the Public Service as a whole. In this regard, as the most senior
Deputy, the Clerk of the Privy Council, who takes the lead in policy
and issues management, is also increasingly visible as the leader of
the Public Service. His role in the Public Service 2000 process,
described below, illustrates the growing importance of leadership in
the modern Public Service.

The Values of the Public Service

The values of the Public Servants are firmly rooted in their commit-
tment to uphold the institutions of democratic government. Those
values are simple and unchanging:
- service to Canada and to Canadians;
- loyalty to the duly elected Government;
- honesty, integrity and non-partisanship;
- prudence in the use of taxpayers’ money;
- faithfulness to the principles of fairness and impartiality;
- professionalism in carrying out their duties; and
- respect for Ministers, other Parliamentarians, members of the
public and other members of the Public Service.

Those who choose service to their country are motivated by career
objectives that transcend the simple requirement to make a living.
Public Servants know that they work in a goldfish bowl, each action
subject to control and audit, to parliamentary and public scrutiny,
and to legal requirements and conventional processes. Public
Servants understand that our democratic system rests upon a
hierarchy of personal responsibility that stretches from Parliament to
the farthest reaches of the Public Service. As a consequence, the
political process requires that Public Servants maintain a high
standard of personal and professional conduct at all times. The
values of the Public Service sustain that high standard.

5 The actions of Public Servants are scrutinized by a wide array of parlia-
mentary and other auditors as well as internal control agencies. These include the
Auditor General, the Commissioner of Official Languages, the Access to Information
Commissioner, the Privacy Commissioner, the Human Rights Commission, the
Comptroller General, the Public Service Commission, the Treasury Board Secretariat,
the Federal Environmental Assessment Review Office and a range of other
independent advisory bodies, both permanent and temporary. Note also that
increasingly the Charter of Rights and Freedoms is drawing the courts into issues
stemming from the exercise of discretionary authority by members of the Public
Service.
These values have characterized the Public Service since early in this century. They are not transitory. They have been and are applied daily by tens of thousands of Public Servants across Canada, and their presence can be seen in the common characteristics shared by Public Servants at every level.

Public Servants believe in service to their community and their country. It is what they understand as their duty. For its part, the Government believes that public service is an ideal that should be fostered and that those who serve the public out of conviction and duty are making an important contribution to the maintenance of democracy. The Government believes that those who so serve merit the respect and support of their fellow citizens.

The Public Service reflects the demands of the democratic process. It must:

• administer itself with probity and without influence of political or bureaucratic patronage;
• be demonstrably fair in the way it employs, provides services to, and buys services and goods from Canadians;
• recognize that its members are in a position of public trust that must be upheld and safeguarded through the personal integrity and accountability of each of its members; and
• like any other enterprise, be efficient and well-managed.

These requirements are not always compatible. They can be the source of difficulties for the Public Service, particularly if broader, government-wide objectives get in the way of providing particular services to Canadians as efficiently as possible. This is reflected in some of the challenges and problems currently facing the Public Service.
Preparing for 2000 and Beyond

The Challenges and Problems of the Public Service

Today the Public Service faces many challenges:

- the rapid emergence of intense global economic competition and transnational policy issues;
- the increasing complexity and interconnection of issues;
- the increasing demand by the public for more programs and services, such as the protection of the environment and the assurance of health and safety;
- the increasing openness of the policy process, and the participation of many new players;
- the impact of the Charter of Rights and Freedoms on the operations of government, together with a generally more litigious society;
- the proliferation of control and audit agencies;
- rapid and widespread social change:
  - changing work force composition, expectations and habits; the need to upgrade and acquire new skills;
  - two-career families; single parents; more frequent career changes; and
  - changing demographics: an aging work force in an aging society; the need for increased participation by minority groups;
- workplace procedures and attitudes that may have been suitable in the 1960s, but are obstacles to change and adaptation in the 1990s;
- the impact of information technology on skills, personnel requirements, organizational structures, internal communications, sources of ideas within organizations and working patterns;
- the cumulative effect of more than a decade of expenditure restraint and the certainty that it will continue; and
- continuing low levels of public confidence in the people and activities of the public sector.

These challenges call for a Public Service that must be as highly skilled and professional as it is today, but also one that is much more open in its relationships with Canadians and much more...
flexible in its internal procedures. A new consultative, service-oriented culture needs to be created.

Cultural change does not come easily. It will take root only through a comprehensive program of renewal. Such a program must marry the best of the traditions of the Public Service with the requirements, challenges and new opportunities of the 1990s and beyond.

The first step in cultural change is the development of a new philosophy of management. There must be new approaches to managing Public Service resources so that individual Public Servants can do a better job at less cost, concentrating more of the resources at their disposal on delivering services to Canadians and relatively less on administration.

Renewal means better career opportunities for Public Servants; encouragement of their innovative capacities; greater responsibility and authority; a much more open relationship with Canadians; recognition for their contribution as individuals; and more accountability for what they have done. All of this will make a real difference to how Public Servants see and do their jobs.

Such change can only be achieved, however, by a reduction of centrally-prescribed controls, provision of more authority to departments, and delegation of authority by departments to the front line. This means reassessing the necessary minimum levels of centrally-prescribed procedures and standards; it means empowering Public Servants to provide Canadians with better value for the services financed by their tax dollars. And it means instituting effective personal accountability to underpin the proper balance between the needs of each department and those of the government as a whole.

It will take years to achieve these changes. Much will depend on the attitude of the public, the media and political parties. Indeed, such a major shift in the culture of the Public Service will require a matching change in political culture because the preoccupation within the Public Service with rules and due process has as much to do with the increasingly critical attitude of the public, the media and politicians towards mistakes as it has to do with the fundamental requirements of probity and safeguarding against political and bureaucratic patronage.

The Global Challenge

In a rapidly evolving global economy, Canada faces increasingly tough competition for markets and investment. We must contend
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with the rise of powerful new economic blocs, the increasing
interdependence and globalization of investment, production and
markets, and increased co-operation between business and govern-
ment by our competitors. Trade, manufacturing, communications,
transportation, agriculture and services are all susceptible to these
forces. To protect and promote its interests in this environment,
Canada must have innovative policies and approaches in every sector
if it is to maintain its position as one of the world's leading
industrial economies.

Recent international events have also brought home to Canadians
the important stake we have in developments abroad: the strategic
and political realignments occurring in Eastern and Western Europe
and in the USSR; the profound economic and trade developments
occurring in Asia; the destabilizing effects of regional conflicts on
international peace and prosperity; Third World debt problems; and
the rise of the transnational challenges associated with environmental
change, the AIDS pandemic, immigration flows and the illicit drug
trade.

The collapse of Communism in Eastern Europe and the Soviet
Union is a spectacular example of how people, institutions and
societies must have room to innovate and be creative if they are to
be able to adapt to inevitable change. This is an important lesson
for all Canadians and for the Public Service in particular.

The Public Service will increasingly be required to operate in an
environment dominated by issues that transcend national boundaries.
This will require new ways of doing business and new institutional
arrangements to link together countries and regions. It will also
require flexibility in the internal operations of the Public Service.

The bottom line is that if Canada is to survive and prosper as a
leading economic power it will have to become much more efficient
and innovative. This applies as much to the public sector as to the
private sector. Canada's ability to compete in the world will suffer
unless government and the private sector find new ways to co-
operate, share knowledge and experience and work together to
develop new economic and social policies and support systems to
improve our national productivity. In order to be competitive, the
private sector needs a dynamic, highly motivated Public Service.

Restraint in the Public Service

Deficit reduction has been an important element of the Government's
economic policy, and the Public Service has borne its share of the
burden. This has meant fewer staff during a period when demand for services has increased. In real terms, non-salary operating costs for most departments are 25 percent less than they were five years ago. These constraints have also led to significant innovations.\(^1\)

Although innovation and the introduction of information technology has helped the Public Service to operate more efficiently, the increased demand for services means that resources are stretched thinly. Change is essential for two reasons:

- restraint remains a fact for the Government and therefore for the Public Service; unless the Public Service can achieve greater efficiency, restraint will mean fewer services for Canadians;
- without corrective action, the quality of the Public Service will decline as its most able and promising members find greater scope to exercise their talents elsewhere.

These problems can be addressed in a variety of ways:

- **reduce the direct costs of providing services** by cutting back on quality and timeliness (fewer people at the counter; longer delays in responding to inquiries);
- **reduce the number of services** by abandoning some of them entirely (this would mean cutting whole programs);
- **find a more efficient way to administer the Public Service** so that resources, energy and time devoted to the personnel, administrative and financial management regimes can be redirected towards better service.

The Government has decided that a good part of the solution lies in greater efficiency based on a new approach to the management of the Public Service, one that:

- simplifies rules and reporting requirements;
- places much greater authority and responsibility in the hands of individuals; and
- redresses the balance between the central agencies and departments, between staff functions and the delivery of services, in favour of the delivery of services to Canadians by individual departments and agencies.

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\(^1\) See below "Innovation in the Public Service".
PREPARING FOR 2000 AND BEYOND

Changing Demographics

The profound changes occurring in the make-up both of Canadian society and of the Public Service are a further reason to change the way in which the Public Service is managed and administered.

A recent study by the Treasury Board concluded that the level of skills required to work in the Public Service can be expected to rise during the 1990s. The rapid technological developments accompanying the information revolution are re-profiling the work force: the automation of low-skilled activities is creating a pressing need for better-educated people to do more interesting and rewarding work.

More generally, labour will be in short supply during the 1990s. The Department of Employment and Immigration is already reporting substantial skill shortages even in areas of relatively high unemployment. The stiffer competition among employers for skilled workers will have a particular impact on the Public Service, which generally seeks out somewhat older, more highly-qualified recruits.

Other changes in the work force will include the presence of more women: more than half of post-secondary school graduates will be women. The work force will also be growing older during this period: in 1986, 51.9 percent of Public Servants were aged between 35 and 54; trends indicate that in 2000 this group will make up 67.3 percent.

By 2000, visible minorities are forecast to account for half the annual growth in the labour force. With a higher birth rate and a baby boom that occurred ten to fifteen years later than for the rest of the population, there will be an increasing number of aboriginal people seeking employment. Significant improvements in technical aids and equipment should enhance educational and employment opportunities for persons with disabilities.

These demographic changes have important consequences for the Public Service:

- there will be increased competition for skilled workers;

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• women will form a larger segment of the work force;
• minority groups — visible minorities, aboriginal peoples and persons with disabilities — will have a greater presence in the work force; and
• there will be a growing need to retain and retrain older, skilled workers.

Changes in Society and the Workplace

Competition for skilled workers must begin with the recognition that the social context of employment has changed radically over the past 30 years. This applies no less to the Public Service than to the private sector.

Public Servants are as much a part of the day-to-day life of the nation as any other group. They are strongly influenced by the general liberalization that has occurred in society since the 1950s. Some of these changes have been reflected in the administration of the Public Service; others have not. This is due in part to the difficulty of bringing about change in such a large institution. As a bureaucracy, the Public Service has tended to respond to requirements and direction through relatively rigid management systems that presuppose system-wide application regardless of particular needs or circumstances.

Those who serve in the line — delivering programs and services directly to Canadians — often see as obvious that which staff devoted to the process of government do not. In an institution as large as the Public Service, conformity tends to be given a high priority, and process very often becomes an end in itself — whether it be in staffing, procurement, financial management or setting policy on the use of taxis.

The Government wants to change this culture of systems, conformity and control. It believes that much greater flexibility is required in the management of the Public Service in order to improve morale and productivity, and that innovation should be encouraged and rewarded.

Organizations in the 1990s and beyond must recognize that the nature of employment is changing because society has changed. The modern Public Servant is looking for leadership, not chain-of-command management. Better educated, more affluent, more mobile, less dedicated to a single career, today’s workers expect much more from the organization than did their predecessors. Not content simply to follow orders, they want to be involved in decision-making. At a
minimum they want to be consulted and to feel that they work in an open, communicative organization that values their views.

The Government wants to shift the emphasis from administration to the delivery of programs and services. It recognizes that existing staff functions are carried out at the behest of successive Governments; that the administrative cadres of the central agencies and departmental headquarters are doing what they have been asked to do over the years. The Government believes, however, that the time has come to eliminate all but essential central controls, to deregulate and decentralize authority and to place the emphasis on the delivery of services and the creation of a results-oriented culture.
A Perspective on Renewal

The administration of the Public Service has been examined periodically throughout its history. In the past, the usual practice was to use Royal Commissions to carry out such studies. What is different about Public Service 2000 is that it is led from within by those who must implement its results. As well it carries the conviction of Ministers and the leadership of the Public Service that a fundamental rethinking is necessary of what the Public Service does and the way it does it.

The Public Service is continually elaborating new methods of doing business and new structures, organizations and management regimes. These innovations both lead and reflect the experience of public services in other jurisdictions. This section of the paper describes recent management innovations in the Public Service and outlines relevant initiatives elsewhere. It also describes the administrative requirements and costs of the Public Service, both of which are to be streamlined and reduced relative to program expenditures and the delivery of services under Public Service 2000.

Innovation in the Public Service

As a contribution to deficit reduction, the Government has actively sought out ways to reduce the costs of the Public Service. A variety of means have been used to achieve this objective, ranging from a comprehensive review of all government programs to selected cutbacks of programs, elimination of unnecessary organizations and across-the-board economies. Regulatory reform and privatization have also played important roles in streamlining operations.

The Government has also sought out more efficient ways to manage the use of resources that support programs and services. In 1986 the President of the Treasury Board introduced "Increased Ministerial Authority and Accountability" which has cleared the way for an administrative regime built on deregulation and accountability.

In addition, the Government has recently created a new organizational form known as Special Operating Agencies. These are designed to improve the delivery and cost effectiveness of
government services by setting performance targets, applying private sector management techniques and monitoring performance.¹

The Government is committed to extending the use of Special Operating Agencies to as many organizations as possible, particularly those that are involved in providing routine services to the public and to departments.

Other recent innovations include "Government-Owned, Contractor-Operated" facilities and the encouragement of employee takeovers.² In addition, in response to recommendations from the National Advisory Board on Science and Technology, the Government is moving to adopt a new, more flexible management regime for government laboratories.³

The Treasury Board Secretariat is reorienting its own approach to management. The Secretariat will always be involved in difficult decisions about allocating scarce resources, but it has been improving the resource allocation process by greater delegation of authority to departmental management and more flexibility in the use of physical and financial resources. With respect to its management responsibilities, the emphasis today is on providing guidance and assistance to departments rather than telling them how to manage their affairs.

In 1989, the Public Service Commission introduced a number of measures to simplify the staffing process and reduce the number of personnel guidelines and directives. Simplified staffing policies and guidelines have resulted in a pruning of three volumes of directives to 75 pages; 6,000 pages in 71 volumes of selection standards pared down to a single document of less than 100 pages; and shrinking Treasury Board’s Personnel Policy Manual from 29 volumes to 14.

The Commission has also taken measures to improve the quality of recruits to the Public Service and has significantly improved its

¹ These are the Passport Office, the Government Telecommunications Agency, the Public Service Staff Training Program and two elements of the Department of Supply and Services, Communications Canada Group and Consulting and Audit Canada.

² The "GOCO" model is being tested at the Department of the Environment’s Wastewater Technology Centre at Burlington, Ontario. Recently former employees of the Department of Supply and Services took over a portion of the Canadian Government Film and Exposition Centre.

post-secondary recruitment effort. A new policy on lateral transfers is making it easier for Public Servants to be reassigned to positions in the same group and level. And a new inter-departmental second-
ment program now provides better developmental opportunities for employees.

The Canadian Centre for Management Development, established in 1988, is dedicated to ensuring that the Public Service is up-to-
date in management practices and policy skills. Still in its formative period, the Centre will have an important role to play in helping the management of the Public Service develop and inculcate the cultural change that is the fundamental objective of Public Service 2000.

As the focal point for advanced development for managers and other senior members of the Public Service, the Centre provides a window on best practices and research on public policy and adminis-
tration world-wide. The development of Public Servants is an important aspect of its mandate, but equally important will be its capacity to expand our understanding of current policy and manage-
ment problems through research activities. Investment in research to ensure that the Public Service is both up-to-date and innovative is fundamental to the Centre’s mandate. Maintaining the policy development capacity of the Public Service depends in part on the quality of such research; identifying means of achieving this objec-
tive is one of the Centre’s key priorities.

Leadership is one of the important themes of Public Service 2000. Unleashing the creative capacities of individuals depends both on deregulating their environment and on inspiring them to achieve more. Leadership must be shown throughout the system, and the example must come from the top.

The Clerk of the Privy Council has worked to build a greater sense of collegiality and common purpose among the community of Deputy Ministers: he has led both internal and external consultations on issues of general concern to the Public Service, and has created regular opportunities for Assistant Deputy Ministers from across the Public Service and senior managers in the regions to be more involved in, and knowledgeable about, those issues and the manage-
ment challenges of the Public Service. Such activities have given real substance to the Clerk’s role as head of the Public Service.

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4 In 1989, 9,963 people were recruited of whom 1,342 were university graduates.
In recent years, Deputy Ministers have worked with their staffs to develop and articulate clear departmental missions. They have also played a bigger part in a wide variety of consultative fora, ranging from the Association of Professional Executives of the Public Service of Canada to the Public Policy Forum, The Canadian Labour Market and Productivity Centre, the Business Council on National Issues and the Centre of Human Resource Development at the Conference Board of Canada.

The Public Service is not a static institution. The need for simplification and streamlining has been a steady theme — whether in management regimes for Crown corporations, policy analysis or the process of cabinet decision-making itself. Significant attempts have been made to make individual managers’ objectives clearer, to simplify procedures in order to increase productivity and to improve internal communication so that everyone is more involved and takes part in decisions that affect each of them.

Despite these valuable initiatives, the leadership of the Public Service has recognized the need for a fundamental overhaul of the way in which the Public Service is managed. The emphasis on system-wide conformity must be replaced with a combination of centrally-prescribed standards and much greater individual autonomy that can be applied flexibly across the range of administrative requirements. Recognition that these needs require fundamental reform led to Public Service 2000.

Institutional Reform in the Public Service

The long history of reform in the Public Service has a common theme: the shifting balance between centralization and control on the one hand, and departmental and individual autonomy on the other.

The Treasury Board and the Public Service Commission are the most important central administrative institutions of the Public Service.

The Treasury Board, established on 2 July 1867, was presided over by the Minister of Finance until 1967 when it was given its own Minister. With powers over finance, expenditure and management standards, the Treasury Board has long laid claim to be the central management agency. Indeed, for most of its history, it has taken a rather too detailed interest in the financial, administrative
and personnel transactions of departments. It was not, however, a particularly strategic institution during the 19th and well into the 20th centuries. Its modest staff support provided by the Department of Finance (five people in 1918, for example) and its preoccupation with detail meant that less than adequate attention was paid to standardizing financial expenditure and accounting systems; overspending of votes and other unauthorized expenditures were not uncommon. The Depression was to change this.

The modern Public (Civil) Service Commission dates from 1918. Between Confederation and that date there was no parliamentary agent to ensure probity or merit in appointments. This was the era of ministerial patronage, only partly limited with the establishment of the Civil Service Commission in 1908. The stresses of the First World War, the difficulties of administering patronage under the Union Government and the personal interest of the Prime Minister, Sir Robert Borden, led to the passage in 1918 of the Civil Service Act, which established the Commission as an agent of Parliament. Borden was the first Prime Minister to interest himself in renewal of the Civil Service.

He found it an antiquated structure distinguished by no discernible operating principles. He left it a service modelled on scientific methods for the government of a modern democracy.

The 1918 Act put an end to most patronage by vesting the personnel function in the Civil Service Commission. The Commission was mandated to look after the entire personnel function, not simply those elements necessary for safeguarding the merit principle. It not only recruited, appointed, promoted and heard appeals but also fulfilled key executive functions such as classification of positions, setting salaries and benefits, providing training and development, and governing the organization of departments and their methods of work.

Service

Public Service has a common centralization and control on individual autonomy on the Service Commission are the ve institutions of the Public on 2 July 1867, was presided il 1967 when it was given its ance, expenditure and manage- has long laid claim to be the for most of its history, it has in the financial, administrative

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4 Ibid. It is interesting to note that the 1918 Act was based on a report prepared by American consultants, who evidently under-rated the importance of ministerial responsibility.
R.B. Bennett, Prime Minister during the Depression, was also Minister of Finance. Principally because the salary costs of the Civil Service constituted at the time a very significant proportion of total expenditure, the Prime Minister moved to strengthen the personnel management role of the Treasury Board by obtaining from the Civil Service Commission de facto control of pay and classification and other factors that bore directly on the costs of government.  

On taking office in 1930, R.B. Bennett discovered the lamentable lack of attention to financial management systems by departments and indeed by the Treasury Board. He was disconcerted to discover that because of lack of uniformity in standards and systems of accounting he could not determine the financial position of the Government.

This state of affairs led to the Consolidated Revenue and Audit Act of 1931, which imposed a highly centralized system for authorizing expenditure and standardized accounting. The Act also created the position of Comptroller of the Treasury, responsible to the Minister of Finance, whose staff of "accounting officers" stationed in each department were charged with authorizing each expenditure made under the authority of the department's Minister.10 As a result the personal accountability of Ministers and officials was seriously eroded.11 As the Glassco Commission commented many years later:

By divesting departments of the authority essential to the effective management of their own affairs, the system tended to weaken their sense of responsibility. Each new evidence of irresponsibility within departments seemed to confirm the wisdom of existing controls and to suggest the need for more.

9 Responsibility in the Constitution, op. cit., pp. 28-32. "The depression of the 1930s brought a new confrontation between the Commission, armed with full statutory powers over personnel, and the Treasury Board, armed with expenditure and establishment control powers which ... had been delegated to it over the preceding years by the cabinet. In the uneven trial of strength that followed for the better part of the decade preceding the outbreak of the Second World War, the Treasury Board emerged the victor: its de facto control of the purse proved more than a match for the de jure powers (however omnibus they might be) conferred by Parliament on the Civil Service Commission." The Canadian Public Service, op. cit., pp. 251-252.
11Responsibility in the Constitution, op. cit., pp. 31-32.
The longevity of this ill-judged experiment is evidence of the deep-rooted concern in government to avoid criticism for lack of careful stewardship, even at the cost of unproductive overhead.

The Glassco Commission recommended the reassertion of ministerial authority. Amendments to the Financial Administration Act in 1967 separated the Treasury Board Secretariat from the Department of Finance and placed the Treasury Board under the direction of its own Minister. The Comptroller of the Treasury and the elaborate system of prescribed standards and controls were abolished in favour of departmental autonomy, and the Treasury Board Secretariat was given a leadership role in respect of financial management.

These changes were part of a decade-long period of reform that took place between the late 1950s and the mid-1960s during the Diefenbaker and Pearson administrations. The main forces at play were the principles of modern management and the expansion into the public sector of the trade union movement. The former led to the establishment of the Glassco Commission in 1960 and the latter to the Preparatory Committee on Collective Bargaining in 1963.

Glassco contributed the slogan "let the managers manage" to the vocabulary of the Public Service, and reiterated the recommendation of the post-war Gordon Commission that the Civil Service Commission concentrate on recruitment, appointment and appeals, transferring all personnel management functions to the executive in the form of the Treasury Board.

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12 Royal Commission on Government Organization, Report (Ottawa: The Queen's Printer, 1962) vol. 1, p. 44.
13 Ibid., vol. 1, pp. 254-260. In the immediate aftermath of the Second World War, the Gordon Commission on Administrative Classifications recommended significant changes to facilitate the by now rapidly expanding requirements of the Civil Service for all sorts of specialized and management skills. These included the transfer to the Treasury Board of all personnel management functions (i.e., everything except recruitment, promotion, appeals and audit). It was, however, to be another 20 years before this significant legislative reform was to be accomplished.
The Preparatory Committee, led by Arnold Heeney, who was Chairman of the Public Service Commission in the late-1950s, made equally important recommendations about modernizing staff relations in the Civil Service. They paved the way for the recognition of the right of Civil Servants to organize themselves officially as employees and bargain collectively with their employer, the Crown.

All this ferment gave rise to the most recent set of reforms to the Public Service, enacted by Parliament in 1967:

- the Public Service Employment Act, which replaced the old Civil Service Act and created the Public Service Commission, placing the emphasis on its role as Parliament’s agent in guarding against patronage and upholding the merit principle;
- the Public Service Staff Relations Act, which provided a "charter of industrial rights for organized public servants", and,
- the personnel and financial management frameworks set out in amendments to the Financial Administration Act that established the Treasury Board’s statutory responsibility for the management of personnel resources.

The post-Glassco financial reforms were to some extent rolled back during the 1970s following the criticisms of the Auditor General that they had not balanced increased departmental autonomy with greater accountability. These concerns led to a preoccupation with financial management, an inquiry into financial management and accountability (the Lambert Commission) and the establishment of greatly expanded and new institutions (the Auditor General and Comptroller General), that had the effect of reasserting a degree of central prescription, if not outright control.

The Lambert Commission (and later the D’Avignon Committee) also examined and reported on the personnel regime of the Public Service.

Adequate accountability for personnel management cannot be achieved until roles and responsibilities at the centre...

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14 From 1940 to 1949 Arnold Heeney was the first Clerk of the Privy Council to be Secretary to the Cabinet, and as such to head the modern Privy Council Office.
15 The Canadian Public Service, op. cit., p. 335.
16 "I am deeply concerned that Parliament — and indeed the Government — has lost, or is close to losing, effective control of the public purse." Report of the Auditor General of Canada to the House of Commons for the Fiscal Year ended March 31, 1976 (Ottawa: Minister of Supply and Services, 1976) p. 9.
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later the D'Avignon Committee) personnel regime of the Public personnel management cannot responsibilities at the centre

was the first Clerk of the Privy Council to head the modern Privy Council

are clarified. Consolidation of personnel management responsibilities in the Board of Management [i.e., Treasury Board renamed] would remedy the inadequacies we have described.

Bold, unified corporate policy direction of the personnel function can be provided only by a strong central agency of outstanding competence, accountable to the government for all aspects of personnel management, including those management functions now under the PSEA [Public Service Employment Act].

These recommendations of the Lambert Commission and the D'Avignon Committee were, however, overshadowed by the Government's preoccupation with financial management.

Thus the changes made in 1967 continue to govern the Public Service's personnel regime, ranging from the rules and processes of collective bargaining to the roles of the Public Service Commission, the Treasury Board, individual Ministers, Deputies and their departments. As one distinguished scholar of the Public Service has observed, "the ambivalence of central personnel management" persisted notwithstanding the efforts made in the 1960s to distinguish between the roles of the Commission as agent of Parliament in protecting against political and bureaucratic patronage, and that of the Treasury Board as both the "employer" of Public Servants and ultimate authority over personnel management.

The ambivalence and ambiguity identified in successive studies of the personnel function dating back at least to 1946 have contributed to the present inefficiencies in the personnel system. The challenge now is to implement the Government's policy of deregulation and simplification.

This means holding Public Servants to account for their actions instead of prescribing in detail how and what they are to do. It means changing expectations and judging Public Servants on the basis of the results they achieve rather than the processes they follow.

Royal Commission on Financial Management and Accountability, Report (Ottawa: Department of Supply and Services, 1979) p. 120.


The Canadian Public Service, op. cit., p. 263.
This will be difficult, but it is surely not revolutionary. It has been tried and proven elsewhere during the past decade.

Trends in Other Countries and Jurisdictions

During the last ten years there has been a movement to simplify the administration of public services in other parliamentary regimes. The thrust has been to assign personnel management responsibilities to line authorities and to hold them accountable for how they perform. There have been similar efforts made to simplify the financial and administrative regimes and to shift the emphasis from central control to decentralization backed up by better and more effective accountability.

As described earlier, Canada has been part of this trend to reduce the amount of central control and increase the scope for results-oriented management. Canada has made progress in a variety of management areas, and in some respects is ahead of others in developing more flexible means to manage resources.

In many jurisdictions reforms have also focused on personnel regimes. Some have reduced the roles of their parliamentary agencies, in some cases to a strictly appeals and audit capacity.30

The tendency has also been to place more emphasis on career development, placing authority in the hands of line departments but co-ordinating them centrally through a management agency reporting to the Government.31

Whatever their particular circumstances, all have decided that the continuing costs of highly structured and centralized personnel management cannot be justified in the administration of the complex, professional and increasingly transparent public services of today.

30In Ontario, responsibilities carried out by the Civil Service Commission were delegated to the Human Resources Secretariat under the Management Board of Cabinet and to individual ministries. In New Zealand, the State Services Commission became responsible to the Minister of State Services for the administration of the State Sector Act. In Australia, the Public Service Commission replaced the Public Service Board and became responsible for the policy aspects of retirement, discipline and staffing, and for the senior executive and employment equity programs. La Commission de la fonction publique in Quebec handles appeals and audit.

31This has been the case in Ontario (Human Resources Secretariat) and Quebec (Office des Ressources humaines). In Australia and even more so in New Zealand, the trend has been to decentralize as much as possible to departments. Note that in the United Kingdom the Prime Minister is also the Minister for the Civil Service.
A PERSPECTIVE ON RENEWAL

Instead, they see the cost in dollars and inefficiency of supporting large, unproductive, process-oriented, watchdog bureaucracies.

The Government believes that streamlining and institutional simplification can be achieved without sacrificing, or in any way calling into question, the professional and non-partisan character of the Public Service, which is fundamental to the integrity and credibility of these reforms. As an expression of its commitment to the importance of maintaining a professional and non-partisan Public Service, the Government believes it is essential to maintain a Parliamentary agent to oversee and safeguard the merit principle.

Other jurisdictions have also modernized their financial and administrative regimes. Australia, for example, went to running-costs — i.e., unified budgets that cover all operating expenditures such as salaries, administration and minor capital. The United Kingdom has been progressively moving the delivery of routine services into semi-autonomous executive agencies with greatly simplified management and administration.

Major corporations in the private sector have also been going through a process of self-examination, challenging traditional ways and developing new management philosophies. They have moved towards flatter organizational structures, populated by more autonomous units supervised by fewer central staff. They have become more conscious of the need for quality products and have made service a primary focus in order to retain and expand their clientele. They are much more innovative and responsive to changes in their environment. And they recognize that highly trained, adaptable employees add the greatest value to the corporation’s activities.

While the Public Service requires different administrative and management regimes, there is much in the example of these private sector corporations from which the Public Service can learn. Above all it can learn that people must come first if an organization is to adapt to new challenges and provide good service to its clientele.

By any standard, the Public Service is managed in a highly professional manner. There is much it can learn from others about specifics, but it also has much to teach. The problem is that its conformist approach to management makes it difficult to put new ideas into action. The Public Service needs a fundamentally different approach to how it manages people, resources and the delivery of services. The Government is determined that the changes resulting

urely not revolutionary. It has ing the past decade.

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from Public Service 2000 will carry Canada to the forefront of innovative organizations whether in the private or public sectors.

The Administrative Costs of the Public Service

As outlined earlier, the workings of the Public Service reflect its role in our democratic process. This entails a significant preoccupation with rules and rule-making designed to protect such matters as fairness in employment or the purchase of goods and services. Rule-making brings its own problems, however, not the least of which are significant administrative costs.

Administrative costs in the Public Service will always be greater than in private business simply because the requirements of fairness and transparency in government have intrinsic costs associated with them. But it is possible to be more efficient.

The issue is not to sacrifice fairness for efficiency, but rather to recognize that there are better ways to ensure fairness than through rule-making and compliance audits. There is a better way: it lies in reinforcing the personal accountability that is at the root of our system of government. Instead of relying so heavily on rule-making in central agencies, we need to place greater trust in Public Servants and make them more personally accountable for what they do, working together with colleagues and their clientele. We need to rely on their values, their sense of fair play and ethical behaviour, both to get the job done and at the same time to achieve the broader objective of fairness, whether in the prudent use of taxpayers’ money or ensuring fair access to procurement or employment opportunities.

The principal costs of administering the Public Service are those related to:

- recruitment, staffing and training;
- classification;
- staff relations;
- compensation and benefits;
- resource management; and
- administrative and common services.

The annual cost (principally salaries) of administering these activities is in the order of $2 billion. Other costs of support for members of the Public Service — accommodation, supplies, informatics, travel and so on — come to about $6.4 billion. The payroll for the rest of the Public Service (as defined earlier) is $10 billion. Thus the total cost of delivering government services amounts to $18.4
Canada to the forefront of private or public sectors.

Public Service reflect its role a significant preoccupation to protect such matters as goods and services. Rule-r, not the least of which are the requirements of fairness and intrinsic costs associated with service will always be greater or efficiency, but rather to ensure fairness than through or is a better way: it lies in what is at the root of our so heavily on rule-making to trust in Public Servants ntable for what they do, r clientele. We need to rely on ethical behaviour, both ne to achieve the broader use of taxpayers’ money employment opportunities.

The Public Service are those of administering these other costs of support for odation, supplies, informa-

4 billion. The payroll for arlier is $10 billion. Thus services amounts to $18.4 billion, or some 12.5 percent of total expenditures, which are now running at $147 billion.

Administering the personnel regime in the Public Service is expensive. In 1985, there were over 8,000 people engaged in this function, proportionately three times as many as found among leading private sector employers. This is in part a reflection of the complexities of a unionized work force and special requirements such as official languages, employment equity and security. It is also a reflection of the application of the merit principle and the resulting complicated legislative regime within which the Public Service is administered.

The personnel, financial and administrative management regimes are encrusted with barnacles of rules and procedures that are wasteful and hamper efficiency. The rules are very often the product of a management system that imposes unnecessary conformity, or over-reaction to some folly now long forgotten. Their administration and enforcement is labour-intensive, tremendously time-consuming and wasteful of scarce resources.

Job classification actions of all kinds, from the most minor to the classification or reclassification of positions, number in the order of 150,000 a year.

The Treasury Board has only recently rescinded a rule that required its specific approval for any department to install block heater outlets in its car parks. That rule had been on the books for 30 years. Until last year, office furniture acquisitions were subject to special Treasury Board controls, and as recently as the early 1980s no furniture could be acquired without specific Treasury Board approval.

The Government believes that it is possible to be both service-oriented and to achieve fairness, prudence and probity by relying less on rules and regulations and more on the values and renewed

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22"The federal government personnel system utilizes approximately $500 million and 11,000 person-years annually. About $350 million and 7,500 person-years are accounted for by departments; $150 million and 3,500 are in central agencies .... After allowance is made for occupational and language training, the federal government employs more than 8,000 people in the personnel field. With the same overall level of employment, large corporations and people in personnel other than training and official languages would be about 2,250 .... " A Study Team Report to the Task Force on Program Review: Citizenship, Labour and Immigration (Ottawa: Minister of Supply and Services, 1986) pp. 24-26.
personal responsibility and accountability of individual Public Servants working together collegially. Standards and rules for their observance are, of course, important. But a key objective of Public Service 2000 is to ensure that the only rules are good and necessary rules, and that marginal or inefficient ones are abolished. The way to achieve this is to have clear, centrally established policies, goals and standards, but to delegate their elaboration and implementation to those who must do the job.

In successive reports, the Auditor General has noted the "... need to eliminate unreasonable constraints, giving more authority to departments and their front-line managers while ensuring proper accountability for their performance." In his current report, the Auditor General has expressed firm support for Public Service 2000.

The measures set out in this White Paper will significantly increase productivity by reducing red tape and unleashing the innovative capacities of individuals throughout the Public Service. A service-oriented culture coupled with administrative simplification will result in a Public Service that is more engaged with the task at hand. If this is successful, Canadians will have a far more productive and responsive Public Service.

24Ibid., pp. 34-35. The Government also notes the Auditor General’s initiative to review audit methodology to ensure that service, judgment and innovation are recognized in a context of appropriate controls and adequate accountability. See p. 34.
ability of individual Public Standards and rules for their But a key objective of Public rules are good and necessary ones are abolished. The way illy established policies, goals aboration and implementation eneral has noted the "... need s, giving more authority to tagers while ensuring proper 23 In his current report, the support for Public Service hite Paper will significantly 'd tape' and unleashing the throughout the Public Service. A administrative simplification more engaged with the task at ill have a far more productive

II

ORGANIZING PUBLIC SERVICE 2000

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Organizing Public Service 2000

The Process

Public Service 2000 has sought to involve in some degree every member of the Public Service.

As noted above, the process was launched by the Prime Minister in December 1989. As head of government, the Prime Minister has a special responsibility for the well-being of the Public Service. It is one of the fiduciary aspects of the office: the Prime Minister’s responsibility to ensure that the Public Service is capable of serving the national interest and providing the services that Canadians have come to expect.

The Prime Minister’s particular interest in Public Service 2000 has been supported and complemented by the President of the Treasury Board, who is the Minister responsible for the overall standards of management in the Public Service.

Public Service 2000 has been led by the Clerk of the Privy Council, assisted by the Chairman of the Public Service Commission and the Secretary of the Treasury Board, and by ten task forces composed of some 120 Deputy and Assistant Deputy Ministers and other senior officials.

The Clerk also chaired a non-governmental Consultative Committee, whose members are drawn from the Public Policy Forum, the Association of Professional Executives of the Public Service of Canada, academia, the private sector, the Public Service Staff Relations Board and the Institute of Public Administration as well as former distinguished federal and provincial public servants. They have received regular reports on the progress of the task forces and have provided advice and counsel to those leading Public Service 2000.

The Clerk provided co-ordination to the task forces through a project office specially established under the auspices of the Privy Council Office. The Manager of Public Service 2000 is a former Public Service Commissioner and Associate Deputy Minister of Employment and Immigration.

The members of the task forces have consulted extensively within the Public Service and outside. They have talked to thousands of employees by means of workshops, focus groups and symposia,
through telephone surveys and more informal discussions. They have also met with Public Service unions, seeking their views on reform.

Deputy Ministers have invited the members of their departments to make suggestions for improving the way in which work is done. All managers have been urged to encourage their staffs to think about renewal and the means of achieving it.

In addition, the staffs of the Treasury Board Secretariat, the Public Service Commission and the Office of the Comptroller General have provided expert advice and commentary to the task forces and to the Government.

The overall framework of Public Service 2000, the problem definition, values, mission and broad directions for the future have grown out of extensive work and thought that has been going on throughout the 1980s. During this period, many Deputy Ministers have launched departmental initiatives to improve the way in which they do business. The Clerk of the Privy Council has worked on better ways to lead, motivate, structure and manage the Public Service. And most of the senior members of the Public Service have been directly involved in some capacity.

The policy of the Government now presented is based on the results of all this work. The policy is a clear endorsement by the Government of the Public Service’s own conclusions about the changes necessary for the Public Service to satisfy the needs of Canada and Canadians as we prepare to enter the 21st century.

The Task Forces

Ten task forces were established.

- Administrative Policy and Common Service Agencies
- Classification and Occupational Group Structures
- Compensation and Benefits
- Management Category
- Resource Management and Budget Controls
- Service to the Public
- Staff Relations
- Staffing
- Training and Development
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imon Service Agencies

Group Structures

get Controls

- Work Force Adaptiveness

The findings and recommendations of the task forces were made available to all members of the Public Service, to Public Service unions and to the Consultative Committee before the Government made its decisions about the matters covered in the reports and the broader issues at stake in Public Service 2000. Discussions and consultations on the reports, led by Deputy Ministers within their departments and by the project office outside, were intensive. The latter involved a variety of meetings with unions and union leaders, groups of managers and functional specialists across the country, and external groups such as professional associations, provincial public services and the academic community.

The Government is grateful to the task forces and to those who assisted them and commented on their recommendations. It is also appreciative of the many individual Public Servants and other interested Canadians who got involved. The decisions of the Government are explained in the balance of this White Paper, set in the broader context of the Government's overall policy for the future of the Public Service.

1 These task forces were created in early 1990 and, in the order set out above, they were chaired respectively by the Deputy Minister of National Health and Welfare, the Deputy Minister of Public Works, the Deputy Minister of Transport, the Deputy Minister of Communications, the Deputy Minister of National Revenue (Taxation), the Deputy Minister of Western Economic Diversification, the Deputy Minister of Employment and Immigration, the Deputy Minister of Agriculture, the Principal of the Canadian Centre for Management Development and the Deputy Minister of Indian Affairs and Northern Development.
III

RENEWING THE PUBLIC SERVICE
Fundamentals of Renewal

Public Servants, and Canadians generally, need to be clear about the purpose of the Public Service and the principles that guide its operations. Its mission and management principles need to be stated explicitly and communicated effectively in order to help guide the Public Service into the 21st century.

The attempt to capture the essence of a large, complex and dynamic organization can never be entirely definitive or final. The statement set out below should, however, provide general guidance to Public Servants, stimulate them to think about their role and serve as the basis for the development of specific mission statements for each constituent organization of the Public Service.

Mission of the Public Service of Canada

The Public Service of Canada is a national institution that carries out its functions within the constitutional framework of responsible government by Ministers accountable to the House of Commons. The members of the Public Service support and advise Ministers and are accountable to them.

The mission of the Public Service of Canada is

- to serve Canadians by delivering to them the programs of the Government of Canada, and
- to assist Ministers in devising effective policies and programs necessary for the good government of Canada;

• to do so efficiently, and with due regard for
- probity and the prudent stewardship of the taxpayers’ money,
- commitment to the quality of services provided to Canadians,
- loyalty and excellence in the support provided to Ministers,
- fairness and non-partisanship in administering the public trust, and
- the equality of Canada’s two official languages;

• through members who are
- appointed and promoted by a parliamentary agent on the basis of merit,
representative of the public and the regions of Canada,
dedicated to serving the national interest,
committed to openness and consultation in providing
services to the people of Canada,
professionally managed and developed in accordance
with the highest ethical standards,
responsible and accountable for the exercise of the
authority vested in them, and
offered careers within the Public Service that provide
challenge, satisfaction and recognition.

Management Principles
To achieve a results- and client-oriented culture, the Public Service
will be managed and led according to the following precepts.

Service
- Public Servants will support and advise Ministers, design and
  administer programs and provide service to the public.
- The management of the Public Service will be results-oriented
  and imbued with a client-service culture.
- The equality of the status of English and French will be
  maintained both in the provision of services to the public and
  in the internal operations of government.
- Resources will be conserved and concentrated on the delivery
  of services to Canadians, the provision of support for Ministers
  and the essential operations of government.
- Public Servants will be open and consultative in their dealings
  with members of the public. They will be respectful of the
  views of others and strive toward consensus.

Innovation
- Within a framework of law established by Parliament and of
  policy established by Ministers, Public Servants will be
  empowered and encouraged to use their creative energies to
  decide themselves how best to use the resources made available
  to them in order to get the job done in the most efficient
  manner.
- Decision-making authority will be delegated to the lowest
  reasonable levels. Managers will be responsible for ensuring
  that the taxpayer gets good value through the provision of cost-
  effective services.
Innovation to improve productivity and the quality of service will be encouraged and rewarded.

Central regulation will be used only when essential to the broader interests of the Government as a whole.

Personnel, financial and administrative authority is to be decentralized in order to permit managers ready access to the tools required to get the job done.

Research, study and development will underlie and sustain policy, program and service innovation.

Technology will be used to increase productivity, to enhance individual job content and the flexibility of working conditions, and to improve citizen access to services.

People

- The members of the Public Service will be treated as its most important resource.
- Personnel policies will be devised and applied so as to attract and retain the Public Service’s necessary share of skilled talent.
- Managers in the Public Service will be expected to lead by example and to promote two-way communication with their staff. They will define the organization’s mission, set clear objectives and involve members in a consensual decision-making process. Setting priorities, delegation and effective time-management will help to define the successful, adaptive manager.
- Public Servants will be managed in a manner respectful of their overall professional and family responsibilities, and they will be expected to reflect similar consideration for all with whom they deal in the course of carrying out their duties.
- With the exception of recognized exclusions, Public Servants will continue to have the right to organize themselves for collective bargaining purposes.
- The capacity of the Public Service to attract and retain qualified recruits, and of Public Servants to take greater responsibility, will be enhanced through active career development and through training and professional development.
- Individuals will be personally responsible for their own careers; they will be assisted actively by departmental and interdepartmental mechanisms to encourage the use of deployments to enrich and broaden career experiences.
• Training and professional development will be upgraded and a renewed emphasis will be placed on Public Service values and ethics.

• The Government’s policy in support of employment equity will be actively upheld by all managers, and understanding and respect for cultural diversity will be maintained both in serving the public and in the workplace.

**Accountability**

- Public Servants will be more clearly accountable to their superiors and ultimately to Ministers for the quality of their work, their ethical conduct in the use of enhanced authority and resources, and for the results achieved by way of improved service to Canadians and support to the Government.

- The performance of Public Servants will be assessed against readily understood standards and, to the extent possible, clear objectives.

- Supervisors will provide subordinates with regular feedback on their performance. Performance assessments will accurately reflect strengths and weaknesses. Exceptional performance will be promptly recognized. Managers will be accountable for assisting unsatisfactory performers to correct deficiencies, acquire necessary training or if necessary leave the Public Service.

Significant change is required to achieve many of these results. The most basic change is to make much better use of the potential of each member of the Public Service. This will require, over time, a decentralization of authority out to departments and on across the country to the front line where most services are delivered to Canadians.

This cannot be done simply by changing the rules, although the rules will be changed. It will require new attitudes on the part of managers and all members of the Public Service, and it will require new skills. It will also mean clearer mandates for the Public Service Commission, for the Treasury Board Secretariat and for each Deputy Minister. Above all there must be a new outlook on the part of Public Servants, one centred on leadership, communication, consultation and client feedback within the context of deregulation and flexibility in the use of resources to get the job done and straightforward accountability for results.
The balance of this White Paper sets out the means by which the Government will give life to the management principles outlined above. The purpose of these changes is to modernize one of Canada's most important institutions, one that the country needs if it is to prosper. These are not proposals for improved pay and benefits, nor are they just of concern to Public Servants; they are addressed to all Canadians in the belief that safeguarding the health and vitality of the Public Service is in the national interest.
Service to Canada and Canadians

Improved service to Canada and Canadians is the central theme of Public Service 2000. This means improving service to Ministers, the general public and individual Canadians. The provision of services to Canadians in both official languages has been a central feature of the relationship between the public and the Public Service. Recently Parliament has reaffirmed and deepened its commitment to the use of official languages, particularly in the Public Service. This essential feature of the Public Service, both in the services it provides and the equal opportunity it affords to all its members, remains the cornerstone of its relationship with all Canadians.

Services provided by the Public Service are the end-product of an intricate system of democratic government such that, while highly desirable in itself, better service cannot be achieved without far-reaching changes throughout the whole culture of the Public Service. This means changes in the way people think about all aspects of the organization, particularly the management system that reaches back from the service counter to the floor of the House of Commons.

The Government wants to transform a somewhat rigid, systems-driven culture into one that is flexible and responsive to the needs of the public, both individuals and society as a whole. This means enabling front line staff to spend more time serving the public and less time meeting internal information and reporting requirements. It also means a more open, participatory and innovative management style which will be reflected by similar behaviour right down the line. Such an approach will create an identity of outlook and values between management and those who deliver the department’s services.

The Government wants to create a client-oriented Public Service, a major change since the Public Service has not been used to regarding Canadians as clients. Rather, it has seen itself principally as an institution of government performing necessary tasks as specified from time to time by the Government of the day. Members of the public have been looked upon more as recipients of service than as clients. But this must change in response to the public’s increasing insistence on openness, involvement and consultation in the activities of government.
Problems are becoming more difficult to solve as they increase in number and complexity. Ministers, therefore, need the best advice they can get. An increasingly important function for all Public Servants, particularly senior officials and those people serving the public directly, is the exchange of information and views between government and its clients. Ministers cannot know every detail nor be directly engaged in every contact with client groups. To be fully effective in support of Ministers, Public Servants need to have greater confidence that their increasingly public role is understood and accepted by all concerned. This requires a change of attitude towards the traditional anonymity of the Public Service.

The Government believes that changes of this magnitude are essential if members of the public are to have confidence in their governing institutions. Canadians want a sense of ownership of the Public Service, and this will only come about if Public Servants have a more open relationship with them.

To foster the necessary change in culture, each department will be required to reassess its management practices and to develop a mission statement. This statement should be developed in close consultation with employees at all levels, and provide members of the department with a charter to guide their activities. It should reflect the mission of the Public Service generally, support the importance of an adaptable and consultative management, and incorporate specific service-oriented objectives.

Improved service will require among other measures:

- opening up the Public Service to innovative ways of interacting with Canadians;
- a higher priority for regional operations of the Public Service; and
- finding more efficient and flexible means of using financial and administrative resources that support service programs.

Consultation and Partnership

Consultation and partnership are increasingly important aspects of service to Canadians. Until recent years the policy-making process was essentially internal to government. Public and private sector leaders shared little sense of common purpose, and little attempt was made to mobilize consensus. The principle of Cabinet confidentiality was projected downwards to include the entire process for developing options and proposing alternatives.
As the cornerstone of collective responsibility, Cabinet confidentiality remains an essential feature of our democratic system of collective ministerial leadership and direction. There has, however, been a recent trend toward opening up the policy development process. Citizens expect to be consulted about options that ultimately will become decisions affecting their lives. In part this is a matter of a better-educated public, and in part a product of modern media and the wider dissemination of information.

There is also a growing realization that government is not the only locus of responsibility for solving particular problems and issues. Partnership between the various elements of the private sector and the different levels of the public sector is becoming more common. And so it should be, given the need for broadly-based input to problem solving and the limited resources and capacities of the public sector.

These developments confront Public Servants with situations for which they generally have little training or experience. Brought up in a culture where loyalty to Ministers, who are responsible for all policy decisions, has been thought to limit their freedom of discussion, Public Servants are seldom clear about how to handle the demands for consultation or the sharing of ownership, authority and responsibility that comes with partnership.

Deputies will be accountable for developing consultation strategies to ensure that consultative skills are a key criterion in hiring staff, in their training and development and in the design of program activities. Only through such systematic means can effective consultation become a part of a department’s routine practices.

Classification standards and qualification standards will be revised to take more realistic account of the skills required to carry out effective consultations.

Training related to consultative skills will be enhanced. The Canadian Centre for Management Development and the Special Operating Agency for Training are being asked to develop appropriate training methods to ensure that Public Servants both in the National Capital Region and in the regions have access to training and development in consultation. The Centre is also being asked to offer programs to give business, union and public sector executives an opportunity to improve their understanding of government and how decisions are made in the public sector. It is also being invited...
to consider ways to increase the number of participants in interchange programs and to develop and test shorter-term exchanges.

It will not be possible to implement improved consultation overnight. The new approach will challenge both Ministers and Public Servants. The Government recognizes that the success of this innovation in consultation depends on the direction given by Ministers and the skills of Public Servants in knowing how to handle each situation. **Guidelines will be developed to distinguish between consultation on routine matters on the one hand, and consultation on new policy initiatives on the other.** The former should be relatively straightforward; it will be more difficult to lay down rules of general application about policy consultation. Ministers will maintain a close overview of the consultation policy to ensure that their clear responsibility is not diminished and Public Servants are not drawn into political controversy.

To this end, the Clerk of the Privy Council will provide the necessary leadership to the community of Deputy Ministers and work with them to develop principles to guide policy consultation. The new Deputy Secretary to the Cabinet (Communications and Consultation) will work with Deputy Ministers and others outside of government to develop practical means of promoting an open, consultative culture in the Public Service.

**Service**

Service to the public means service both to individual clients and to all Canadians in support of the national interest.

Public Servants want to provide Canadians with the best possible service. The Government knows that individual Canadians are, on the whole, satisfied with particular services they receive, but that as a group, the public thinks the Public Service does not do a very good job. The stereotype of lazy, uncaring Public Servants is as widespread as it is wrong. The gap between the reality and the perception is nonetheless real and must be dealt with. It is, moreover, a fact that years of restraint have made it increasingly difficult to maintain the quality of service as more and more is demanded of those on the front line.

These problems will be tackled in two ways:

- by beginning the difficult and long-term process of changing the cultural orientation of departments, starting at the top with Deputies. Means to tackle the need for a service culture are discussed in this section; and
SERVICE TO CANADA AND CANADIANS

through wide-ranging changes in personnel, resource management and administrative regimes to reduce the proportion of funds spent on administration and to spend relatively more on service activities, and by removing unnecessary and burdensome rules that dampen the creativity and imagination of Public Servants. These measures are described in later sections of this paper dealing with system-wide changes in the management regime.

Behavioral change is exceedingly difficult to bring about. It requires management based on leadership and inspiration, one that will adopt a strong "ethic of service" and that demonstrates to all levels of the organization that this is real change. It also takes time to change static, traditional organizations into dynamic, adaptive ones where risk-taking and innovative thinking are encouraged and rewarded.

An important element of this new culture will be a new openness with client groups and other interested persons. As with consultation, this will require the closest attention from Deputies, members of the Management Category and other managers.

None of this will be easy. It will require a fundamentally new way of thinking about the priority to be attached to service.

Deputy Ministers will establish clear standards of service, and will be accountable both for the reasonableness of those standards and for the quality of the service provided to the public. They will ensure that information about client satisfaction and suggestions for improving service are regularly sought both from clients and employees. Simple procedures for responding to complaints will be established.

Canadians need more information about what services are available and where they can get them. Information technology can play an important role in providing much easier access to government. The Government is considering the use of technology to make it possible for Canadians to gain access to comprehensive, co-ordinated service information. The Treasury Board Secretariat will develop ways of promoting easy public access to information about government services.

Of course, many of the services of government deal with regulation and enforcement. This should not be seen as an obstacle to creating service-oriented organizations. The customs inspector or the spectrum band regulator are providing services to individuals but, more important, to Canadians as a whole. Efficiency, openness and
courtesy should be encouraged as important qualities. Obviously good service cannot be the only objective of regulatory and enforcement organizations, but it should be a major consideration in the vast majority of their dealings with the public.

The Regions

Sixty-seven percent of Public Servants work outside of the National Capital Region. On the whole they have been treated as appendages of headquarters, and regional experience has not weighed significantly in career progression. Yet, not only is the majority of Public Servants located in the regions, but it is there that most of the Government’s services are provided to Canadians and where most Canadians come face to face with the Public Service.

As part of the new client-oriented culture, the Government wants Public Servants, particularly those in the regions, to be more visible and accessible to the public. The Government believes that this can be achieved without in any way jeopardizing their political neutrality.

As increased authority flows to departments under Public Service 2000, it will be critical to ensure that these new authorities together with those already in the hands of departments are not hoarded at headquarters. They must instead be delegated wherever possible to the regions and to the levels closest to the front line.

As authority is devolved to the regions under Public Service 2000, Deputies will ensure that positions are reassessed and reclassified where appropriate. The Treasury Board will also reassess classification standards as they apply to regional and headquarters positions.

To ensure recognition is provided and participation encouraged, Deputies will be accountable for the extent to which they involve the regions in decision-making, and for ensuring that their regional people have the opportunity to serve in senior positions at headquarters and vice versa.

Better Management of Resources

Flexibility in the delivery of programs and services can also be achieved through reforms of the financial resource management and common services systems. Better use of resources can be encouraged by giving managers a clearer idea of what programs and services cost. Changing the way in which resources are allocated and
important qualities. Obviously, the regulatory and enforcement roles of the Government are of major consideration in the Public Service.

Since the early 1970s, successive Governments have relied on person-year controls as a means of measuring the relative size of the Public Service and containing its growth. Although such controls are a useful means of obtaining a rough measurement of the use of resources, they have many imperfections that create costly distortions.

For example, person-year controls do not distinguish between the dollar costs of hiring a messenger and a Deputy Minister. In the face of many years of restraint, managers have tended to use precious person-years to fill high-salaried positions while abandoning lower-level, less costly ones simply because the meaningful cost for the manager is the person-year not the taxpayers’ dollars.

Equally serious is the tendency to replace dollar-cheap person-years with dollar-expensive contract services. The cost, quality and timely availability of these services are not always satisfactory.

The Government believes that a new approach to resource management is needed.

The Government has decided to establish for each program a single operating budget to include salary, operating and minor capital funds. Managers will be free to allocate these operating budgets to meet their particular circumstances. This will be introduced on a pilot basis in some areas on 1 April 1991, and be extended to the full Public Service on 1 April 1993.

As a consequence, person-years will no longer be centrally controlled and allocated. Managers will be able to decide the most cost-effective means of getting the job done, using any appropriate mix of resources. The Government will use operating budgets to provide a far more realistic measurement of the administrative costs of delivering programs and services, and it undertakes to do so without any increase in real costs.

The introduction of a single operating budget represents a significant change in the management of resources in the Public Service. It has been introduced successfully elsewhere during the 1980s, notably in Australia and the United Kingdom. Its application will require a carefully phased transition period to ensure the achievement of greater efficiency as well as flexibility.
Other measures to improve resource management will also be implemented. At present, funds not spent at year-end lapse, and are not provided to departments in the following year. As is well known, this practice encourages managers to spend up to the limit of their budget as the fiscal year draws to a close. To encourage economy, the Government proposes that up to 2 percent of each department's main estimates operating budget be permitted to be carried over automatically from one fiscal year to the next. This will create an incentive for departments to manage their year-end funds carefully, and will give managers greater flexibility in getting the best value for the taxpayers' dollars.

As a further encouragement to wise spending, the Government will reward managers who achieve unusual savings through productivity increases. This could take the form of retention of savings by the department or agency without reduction from the following year's budget, or be reflected in individual managers' performance rewards.

Organizations that take the initiative to find new ways to generate revenue will henceforth be credited with a percentage of that revenue without a corresponding reduction in the following year's budget. Guidelines will be established to ensure that such revenue-generating activities are fair. As for wise-spending activities, managers who increase revenues should also have their success reflected in their performance rewards.

A good deal of the activity related to supplementary estimates has to do with the need to seek authority for the shifting of funds between votes, a situation compounded by the large number of separate votes. This is both time consuming for departments and the Treasury Board Secretariat and does little to enhance effective parliamentary control.

To provide greater flexibility in the administration of programs and to improve efficiency, the Government will seek the consent of Parliament to raise the thresholds for separate votes to $250 million in the case of capital expenditures and $100 million for transfer payments.

The existing limits of $5 million respectively have not been changed for 20 years. Even with the limits proposed, Parliament would still specifically vote over 90 percent of transfer payments and 80 percent of capital expenditures.

In close consultation with the Public Accounts Committee and the Auditor General, the Government will also review the
desirability of multi-year appropriations as a way of improving efficiency and effectiveness of government programs.

Administrative Policies and Common Services

Given the scale and scope of government operations and the importance of maintaining certain uniform practices and standards, many support services used in the delivery of programs and the administration of departments are provided centrally through common service agencies. The benefits of this approach derive principally from economies of scale and concentration of expertise and the fulfillment of other government objectives such as regionally-based purchasing. There are, however, certain disadvantages associated with the lack of choice, cumbersome procedures, excessive paperwork and difficulties in fulfilling departmental mandates.

Changes in the regimes for administrative policies and common services in government offer clear potential for streamlining and giving more choice and flexibility to line managers. The Government proposes to adopt a new philosophy and approach to administrative policies and common services based on increased choice, flexibility and delegation of authority for managers and employees.

With respect to administrative policies, central agencies, common service agencies and departments will be expected to:

- delegate authority as close as possible to the levels in the organization delivering the services to clients;
- deregulate policies to ensure that managers and employees have more authority to provide services and to be accountable for their performance; and
- assist managers to develop the necessary knowledge and skills to use this increased authority.

The Government will make optional as many common services as possible, maintaining mandatory services only where there is an overriding reason. To this end, the Treasury Board will review all mandatory common services to determine how they can become optional in a cost-effective manner.

The Department of Supply and Services is a central purchasing agency, handling the bulk of government procurement. Departments are required to use its services, for which they are charged. The Department has a good track record in maintaining probity and achieving economies of scale, but there is a need for a better
balance between these traditional objectives and the goal of providing greater flexibility to client departments.

The automation of the Department of Supply and Services’ purchasing system, planned for 1994, which will decentralize procurement transactions and decisions to client departments, will have the effect of delegating complete authority for routine procurement to line departments. This initiative will increase the flexibility of departmental managers while maintaining the advantages of a central procurement function.

To provide immediate flexibility to departments, the Department of Supply and Services will increase basic purchasing delegations to client departments from $1,000 to $2,500 by 1 April 1991. It will also work with departments that need specialized delegations.

The Department of Supply and Services depends on a high volume of transactions to generate sufficient income to cover operating costs. This revenue-dependency system is a disincentive to decentralizing authority to client departments, and tends to downgrade quality and service. To correct this problem, a cost-effective alternative to revenue-dependency is to be developed by the Department within one year.

The Crown Assets Disposal service is a statutory mandatory common service operated by the Department of Supply and Services for the disposal of surplus government assets. As part of Public Service 2000, the Government has already announced that 30 percent of the proceeds of sales of surplus assets would be returned to the respective departments for reinvestment in their program activities. This incentive for managers will now be raised to 100 percent of the net proceeds after charging for the costs of the disposal. To maximize further incentives and revenues, authority will be delegated to permit the transfer of assets between departments and the negotiation of trade-ins. If these measures prove insufficient, the Government will propose amendments to current legislation to change the mandatory nature of the service.

Central Travel is another mandatory common service provided through the Department of Supply and Services, but by a private contractor. The service is designed to take advantage of discounts and to achieve other economies of scale. The current contract expires in the fall of 1991. In March of 1991, the Government will initiate a competition to maximize savings through economies of scale and require bidders to demonstrate how improved
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ose amendments to current y nature of the service.

ory common service provided and Services, but by a private o take advantage of discounts ile. The current contract expires 1991, the Government will savings through economies of demonstrate how improved
computer technology in the travel industry can streamline administrative processes, reduce the burden of paper, save money and provide better, more responsive services. Departments will be invited to participate in evaluating the contract requirements, which will include incentives for the contractor to work actively to save money in making travel arrangements. Departments will also be requested to review and streamline their own internal procedures to permit managers maximum flexibility in making the most efficient use of travel budgets.

The Department of Public Works serves the office and general purpose accommodation and real property needs of the government. The Department is studying how to improve client services and institute a more commercial form of operation. The Department will continue to provide office facilities and be responsible for the structural, mechanical and electrical integrity of buildings. However, the Government has decided that within this framework, certain services such as cleaning, security and mid-occupancy modifications to office space will become optional where they do not affect the building's operating systems. This will allow client departments and agencies greater flexibility to provide for their own needs. The Department will also develop a means to convert its architectural and engineering services to optional status starting in 1992-1993. Clients will not, however, be permitted to use this optional status to recreate internal architectural and engineering organizations.

The current systems of the Department of Public Works for tendering contracts with the private sector for tenant services and for engineering and architecture services will be retained. Each of these systems is designed to assure openness, opportunity to compete and fairness in the contracting process.

The Department of the Secretary of State provides a mandatory common service for translation, using its own staff and private sector contractors. Although this has the advantage of maintaining expertise within the Public Service, some departments would prefer to contract directly with the private sector for translation services. This function will become optional commencing with pilot projects in a few departments in 1991.
Careers in the Public Service

A Professional Public Service

The cornerstone of Public Service 2000 is people: empowering Public Servants to serve Canada as effectively as possible. Deregulation means trusting people to use authority. This will require much more systematic management and development of Public Servants. It means clear accountability for both the use to which they put their authority and for the way in which they are managed and developed.

A central objective of Public Service 2000 is to ensure that the quality of the Public Service is maintained into the 21st century. In its treatment of people, the Public Service must move with the times and seek renewal by offering career opportunities and a working environment that reflects the needs of Canada and Canadians and the realities of the labour market.

The Government believes that a professional, career Public Service, capable of attracting and retaining Canadians of talent, commitment and imagination, is essential to Canada’s national well-being.

The political rights of Public Servants have been a matter of some controversy during the past decade. There is an important case currently before the Supreme Court of Canada contesting the constitutionality of section 32 of the Public Service Employment Act. The Government believes that it is inappropriate to introduce legislative amendments dealing with political rights pending the outcome of this litigation. It is, however, firmly of the view that the Public Service must retain its scrupulously non-partisan character if it is to be professional and effective in supporting the Government of the day and providing service to Canadians.

There is nothing more important to the effectiveness of the Public Service than that Ministers of successive Governments have confidence in the loyalty of Public Servants. Those who advise them on policy and programs or who exercise discretionary authority in dealing with members of the public must be without partisan associations.

Ministers are forbidden by Parliament from interfering in the appointment process presided over by the Public Service Commission. This provision is fundamental to the concept of merit and is
the basis for the professionalism of the Public Service. Ministers are required, therefore, to work with the members of the Public Service. By the same token, they have the right to expect that Public Servants who advise them or exercise discretionary authority will be both professional and non-partisan.

These conditions have in fact prevailed in Canada since 1918, serving Canada and successive Governments very effectively. They form the basis of careers in the Public Service, enabling Public Servants to carry out their essential duty of serving successive Governments of different political parties without any legitimate questioning of their loyalty and commitment.

The Government will take whatever measures may be necessary to maintain the confidence of the public and of successive Governments in the professionalism and non-partisanship of the Public Service. Provided this essential principle is fully respected, the Government will be prepared at the appropriate time to consider further the exercise of political rights by particular categories of Public Servants.

Attracting and retaining outstanding Public Servants will become more difficult as competition for talented and experienced people becomes more acute. One of Public Service 2000’s main objectives is to make the Public Service as people-oriented as possible, both for its clients, the Canadian public, and for its own members, present and future.

The Government and the leadership of the Public Service want to create a climate that will encourage young people to enter the Public Service, and to ensure that they are offered the development necessary to take on ever more challenging duties. The Government wants the Public Service to retain its traditional share of the top 10 percent of graduates. To do this over the long term, the Public Service must develop an active commitment to attracting and developing new recruits.

Attracting the next generation to join the Public Service is an essential duty of today’s Public Servants. Public Service 2000 will help by cutting the red tape created by the Public Service’s bureaucratic superstructure and systems, placing much more emphasis on individual initiative and offering individuals the developmental opportunities to function effectively in a much less regulated environment.

Careers are first and foremost the responsibility of the individual. But individuals need deployment and training opportunities both to
CAREERS IN THE PUBLIC SERVICE

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develop their full potential and to serve the needs of Canada and Canadians. It is, therefore, the responsibility of the Public Service as an institution to help individuals manage their careers.

There are two sets of measures that will support the objective of sustaining careers in the Public Service:

- systematic recruitment, career planning and balanced, experience-building assignments; and
- broadly-based training and development.

Although some departments and agencies have made good progress in providing developmental and training opportunities, system-wide career planning and training and development are two failures in the current personnel system. In both cases, the reason is lack of clear accountability for results.

Surveys of senior managers conducted during the late 1980s found that many felt abandoned in their careers: no one appeared to be responsible for helping them assess their developmental needs and ensuring that they were met. This is not surprising since the roles of senior management, the individual, the department and central agencies in this area are not clear. None think themselves fully responsible, and certainly none would be prepared to be accountable for the development of careers.

Training and Development

Before the creation of the Canadian Centre for Management Development in 1988 — much the same could have been said for training and development — at least as much an orphan of the system, the first to be cut in rounds of austerity, the last to be taken seriously as a principal means of advancement in the Service.

The establishment of the Centre for Management Development reflected the importance of creating a "learning culture"; indeed it sent a signal to Public Servants about the importance of continuous personal development throughout the span of a career. Integrating developmental assignments, courses and leave with departmental and government-wide needs for expertise, presents a major challenge for Deputies, the Treasury Board Secretariat, the Public Service.

1 In one survey, 34 percent of people in the private sector thought they had adequate career paths in their companies, as compared with only 15 percent in the Public Service. David Zussman and Jak Jabes, The Vertical Solitude: Managing in the Public Sector (Halifax: The Institute for Research on Public Policy, 1989) p. 174.
Commission, the Centre for Management Development and the new Special Operating Agency for Training.

The Government has decided that the development of senior managers will be given greater emphasis, with their training and developmental needs reviewed annually by their Deputies. Middle managers will be offered more systematic development and training opportunities to improve their promotional opportunities.

Middle managers bear the brunt of managing the front line, which is often very demanding in terms of people management skills. These managers are the backbone of the Public Service; they need more recognition and support from senior management; they must be made to feel part of the team. The most promising provide the pool from which many future senior managers will be drawn. A recently-approved management trainee program for entry-level recruits should provide this group with a steady stream of qualified recruits.

Training and development should be fully integrated with career progression. This responsibility falls on the individual, on managers, Deputies and central agencies. The individual must bring commitment and a determination to pursue a well-balanced career path; managers must provide advice and guidance; Deputies, with appropriate support from central agencies, must ensure that their departments have effective training and development policies integrated with their priorities and long-term needs.

The Treasury Board is committed to a five-year training and development plan. This plan will be appropriately funded from within the Government's overall existing budget.

Effective career development is fundamental to the success of Public Service 2000. Empowering Public Servants to provide better service to Canada and Canadians cannot hope to succeed unless Public Servants are:

- strongly motivated;
- provided with the authority and accountability to give effective service;
- proud to have a career in the Public Service; and
- believe that they are being managed and developed in the best interests of the nation and of themselves.
CAREERS IN THE PUBLIC SERVICE

Mandates and Institutions

The personnel function in the Public Service is shared among the Public Service Commission, the Treasury Board, the Privy Council Office and line departments.

Consistent with the emphasis on service, more attention must be paid to the front line responsibilities of departments. At the same time, the respective roles of the Public Service Commission and the Treasury Board need to be clarified both to achieve better accountability for the management of people and to align their respective mandates more closely with the appropriate roles of Parliament and the executive.

Institutional change is essential in order to provide:

- effective career planning to meet the aspirations of individuals;
- effective planning of the deployment of people to meet the priorities and other needs of the Government;
- clear responsibility and accountability for providing leadership in the development of Public Servants;
- less burdensome and more innovative central personnel functions fully in touch with the needs of those developing policy, delivering programs and serving the public; and
- a clear focus of institutional responsibility for helping Deputies to inspire and motivate their staff and correct morale problems.

To achieve the foregoing objectives, the Government will propose amendments to the Public Service Employment Act and the Financial Administration Act that will distinguish clearly between:

- the role of the Public Service Commission as Parliament’s agent in protecting the merit principle; and
- the responsibility of the Government for the management of the resources made available by Parliament through the Commission for the operation of the Public Service.

The principle of the proposed amendments is:

- the Parliamentary agent should be responsible for all appointments (i.e., recruitment and promotions); and

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2 As noted above, this distinction is consistent with the recommendations made by the Gordon, Glassco and Lambert Commissions and the D’Avignon Committee.
the executive should be responsible for deploying the human resources thus made available to it by Parliament.

There will be a clear distinction between an appointment and a deployment.

- Appointments, which are made on entry to the Public Service and whenever a Public Servant is promoted, are made by or under the auspices of the Public Service Commission on the basis of merit and are essentially judgments about the intrinsic capabilities and experience of individuals that qualify them for appointment to the Public Service, to fill a particular position or to work at a given level of responsibility.

- Deployments result from decisions by managers, arrived at with the concurrence of the individuals concerned, to use persons qualified by the Commission to perform particular duties at the level of responsibility approved by the Commission when the individual was appointed to the Public Service or last promoted.

The appointment process must be fair and seen to be fair. Promotions made by departments on the basis of authority delegated from the Public Service Commission will be appealable, as now, to the Commission up to entry to the Management Category; within the Management Category all recruitment and promotions will be made directly by the Commission and will not be appealable.¹

The authority to deploy gives managers flexibility to staff positions quickly in order to get the job done on time rather than when it will be too late. Its systematic use will permit departments individually and collectively to work with Public Servants to help them develop their own careers. Deployment is now provided for under the authority of the Public Service Commission through "Exclusion Orders". The Government proposes that in law, deployment become a matter between management and the individual, subject to Treasury Board policy. This change will be reflected in appropriate amendments to the Public Service Employment Act.

Greater mobility will not be achieved at the cost of fairness to individuals. Managers will be held accountable for the fairness

¹ Note that currently in the Management Category only promotions from SM to EX-01 are appealable.

and transparency with which they work with employees to match particular assignments with the interests and needs of individuals.

To provide further support to more systematic career development, the Government proposes to move over time towards a personnel system based on the principle that individuals are appointed to a particular rank in the Service rather than to a particular position. This system, widely used in other career services, permits much greater flexibility in matching people to jobs. It facilitates career development for individuals. It enables positions to be filled much more quickly than at present. It ensures that advancement is based strictly on merit, and it permits resources to be deployed quickly to meet changing needs.

The Government is, therefore, proposing to amend the Public Service Employment Act to permit appointment either to position or to level. As outlined below, this will be a general enabling provision. The method of appointment in particular groups will depend on specific requirements and will be sensitive to the circumstances of each group.

There is no more important resource in any organization than the people who do the work. Appointment to level must be applied so as to balance and take account both of the standards for qualification at a particular rank and thorough knowledge of the strengths and weaknesses of the candidates.

It is essential that any appointment system reward those who lead by example and participation, sensible risk-takers and those of independent and constructive mind. Appointment to level applied without the active involvement of departmental managers would be counter-productive and could serve to undermine the essential thrust of these reforms, namely giving to individual Public Servants the freedom to use their imagination to make the most flexible use of the tools available to get the job done.

The Government, therefore, will initially implement appointment to level on promotion to the rank of Assistant Deputy Minister.

On the basis of the experience gained, this method of appointment will be extended gradually downwards through the ranks of the Management Category. Experience thus can be gained of the best way to achieve the benefits and avoid any drawbacks of this innovation.
Below the Management Category, appointments will continue to be made to positions under the authority of the Public Service Commission; however, once individuals have won appointment to a particular position at a given level, they and their managers will be actively encouraged to fulfil developmental and organizational needs through deployment to any other position at the same level in the same group anywhere in the Public Service, provided the requirements of the position are met. For such deployments, competitive processes are not required, nor is there a right of appeal. No individual will be deployed without his or her consent.

In order to simplify processes and provide greater career opportunities and flexibility in deployments, the Government proposes to reduce the number of occupational groups by some two-thirds and, as appropriate, the number of levels within these groups.

The principal change affecting occupational groups and classifications is to create a single group to be known as the "General Services Group — GEs". This group, numbering in excess of 100,000 Public Servants, will comprise most of the groups now part of the Administrative Support and Administrative and Foreign Service categories. It will include most of those providing secretarial, clerical, administrative, service delivery, program management and middle-level policy advice. Containing perhaps as many as half of all Public Servants, this group would be made up of those responsible for the planning, execution, conduct and control of programs and regulatory services and the internal management and administration of the Public Service as a whole. Its creation has two principal advantages:

- it will permit deployment of qualified personnel at the same classification level across what are now some dozen different groups; and
- it will do away with the barriers that separate support and officer groups, thereby permitting promising, qualified support staff to advance in their careers and eliminating a structural barrier to the advancement of women, who predominate in the support groups.

To achieve these changes in classification and occupational groups, the Government will propose amendments to the Public Service Staff Relations Act to abolish the occupational categories and to establish clearer criteria to guide the Public Service Staff Relations Board in determining bargaining units.
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The number of classification levels is determined by the nature of
the work to be done. That said, the scope for reductions in levels
will depend on the extent to which costs can be controlled or offset
by administrative savings. The advantages of fewer levels lie in
greater mobility, arising from broader classification bands, and in a
significant reduction of the number of classification, staffing and pay
actions, which will generate considerable savings. There are, how-
ever, significant cost implications in reducing levels. In addition,
fewer levels will reduce the number of promotional opportunities.

Nonetheless, the Government will reduce the number of levels
when an affordable means of doing so can be developed that
will not adversely affect employees' salaries. This will require
close consultation with departments and with the Public Service
unions in order to implement new rates of pay that will accommo-
date the new classification system.

The Management Category consists of those members of the
Public Service not subject to collective bargaining who are fulfilling
senior management functions below the level of Deputy Minister or
head of agency. Currently the Category has six promotional steps.
Most departments require three — at most four senior management
levels below the Deputy. Three management levels are the norm in
the private sector, although like the Public Service the private sector
understands that it is important to have more promotional steps than
management levels. This takes account of the reality that positions
at the same level in the management structure are not necessarily all
of the same degree of complexity (this is particularly true in a large,
complex organisation such as the Public Service with many different
departments and agencies fulfilling a wide variety of functions). It
also recognizes the greater responsibilities that come with experience
gained through consistently exceptional performance.

The Government is committed to reducing the number of
layers of senior management. This means that for most depart-
ments the number of senior reporting relationships below the
Deputy Minister will not exceed three, notwithstanding that
there are more than three promotional steps.

Deployment would, however, be enhanced if the number of levels
in the Management Category were reduced. Combining the first two
levels alone would create a pool of over 3,000 individuals, more
than 60 percent of the entire category. This should result in simpler,
flatter organisations; more responsibility for individual managers;
greater deployment flexibility; better communications; more effective
accountability; and fewer staffing and classification actions. In
addition, integrating the first two levels would eliminate a largely artificial barrier between the Senior Managers (SM) and the rest of the Management Category.

The Government has decided to rename the Management Category as the "Executive Group" and to integrate the SMs with the existing EX-01 level. The Government will also examine the creation of separate but parallel career streams for professional or technical specialists. This would allow specialists to advance in their careers to senior levels without having to join the Executive Group.

To provide Deputies with greater flexibility to manage their key people for results, they have been given authority to organize, classify and deploy up to and including the Director General level. This may result in a reduction of the size of the Executive Group, although Deputies will be required to follow the current system of classification in order to ensure a balanced organization with an appropriate mix of skills and experience, and they will be accountable for the management of this key group of officials. Assistant Deputy Ministers will be deployed in consultation with the central machinery described below.

The Government is not proposing wholesale reorganizations of the Commission staff and the Treasury Board Secretariat. The Treasury Board will contract with the Public Service Commission to avoid duplicating its services, expertise and regional presence.

The division of duties proposed is:

1. To vest in the Public Service Commission the powers of recruitment, appointment to level or to position, appeal and audit.

2. To vest in Deputies the powers of deployment and training and development subject to Treasury Board’s statutory responsibility for personnel management.

3. To specify that the mandate of the Treasury Board for personnel management includes active responsibility for
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   • allocating resources to meet the personnel needs of departments; and
   • policy support to Deputies for
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- deployment of members of the new Executive Group, and
- training and development.

Making Career Development Work
The objectives of Public Service 2000 cannot be met unless Public Servants see for themselves that career development works for them as individuals. Policies will be developed and set in place to ensure that sufficient unencumbered positions are available across departments. The tendency to deal with priority cases to the exclusion of others is strong, and will only be overcome with determination, strong policy leadership, systematic planning and consistency, and commitment from managers and the personnel community, both in central agencies and departments.

Much depends on the enthusiasm and commitment of Deputies to make the development of people a high priority not only within the department, but across the entire Public Service so that both individuals and institutions benefit from a much more systematic approach to deploying and developing people. Putting people and service first also means close, productive working relationships with Public Service unions.

Deputies, as the leaders of the Public Service, are committed to career development and enhanced training and development. They are more than willing to participate collegially in a more systematic approach to developing people. But they need better tools.

The enhanced authority of Deputy Ministers to deploy more effectively both in the new, flatter Executive Group and in the new, larger occupational groups holds the key to more systematic career development, provided the means are established to make this happen.

As more authority is devolved to departments, Deputies will be accountable for seeing that this authority goes to those in the front line, not just to headquarters’ personnel, and financial and administrative specialists. This puts the premium on good managers and well-trained staff.

Good managers are experienced managers. The more senior, the wider the experience should be. Well-trained staff understand the mission of the department, have assisted in its development, know that as Public Servants they hold a unique trust from the people of Canada and are proud of it, and have the expertise, experience,
discretion and judgment to use the increased authority for which they will be accountable.

Deputies facing these requirements will encourage individuals to take full advantage of the enhanced opportunities to manage their own careers in a structured, progressive way. Deputies will insist on high-quality training and development. They will also need as much support as they can get from central agencies, and will co-operate with other Deputies in ensuring career development across the system.

Deputies will develop suitable mechanisms within their departments to ensure that individuals are able to manage their careers and receive appropriate development. For most, this means creating departmental offices that will work with the Deputy, individuals and central agencies to plan deployments that meet both government-wide and departmental needs as well as the career aspirations of the individual.

To a large extent careers will continue to be developed within the context of a single department, but the emphasis on systematic, experience-building assignments will be significantly increased. In addition all eligible members will be trained and, where appropriate, receive developmental courses tailored to their career requirements.

Deputies need assistance from central agencies to help identify personnel needs and opportunities. They want more effective career development and training policies. They would like to be able to contribute to the development of careers by offering positions that will both assist in fulfilling the department’s mission and contribute to the career development of individuals. In a number of cases they are already doing such planning internally; where they and individuals particularly need help is in the case of inter-departmental movements.

To enhance the ideal of a Public Service-wide career, Deputies will be provided with career development policies and deployment assistance from central agencies. Deployment assistance will apply particularly to middle management and more senior levels, where inter-departmental movement becomes increasingly important.

The following new and existing mechanisms will provide active support to Deputies in promoting career development and training and development opportunities.

- A Human Resources Development Council is being established to work with Deputy Ministers to develop policies
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and programs to ensure the effective management and
development of people.\textsuperscript{5} The eight-person Council will
comprise four line Deputy Ministers and be chaired by the
Secretary of the Treasury Board with the Associate Secre-
tary to the Cabinet, the Chairman of the Public Service
Commission, and the Principal of the Canadian Centre for
Management Development as \textit{ex officio} members.

- The existing Senior Personnel Advisory Committee, which
advises the Public Service Commission on appointments
particularly at the Assistant Deputy Minister level, will
consider individual cases involving both appointments and
deployments at the request of the Deputies concerned. This
committee, presided over by the Chairman of the Public
Service Commission and consisting of a cross-section of line
and central agency Deputies, will also continue to provide
advice to the Public Service Commission on staffing
policies.

- A new branch for Human Resources Development is being
established in the Treasury Board Secretariat to support
the Human Resources Development Council. It will advise
on career development policy, training and development
policies and programs, and ways to improve the manage-
ment of people. It will work closely with Deputies in
devising and implementing these policies.

- The Staffing Branch of the Public Service Commission is
being re-constituted as the Staffing and Career Development
Branch. The Branch will

- support the Public Service Commission on appoint-
ments,
- support and advise Deputies on deployments, and
- support the Council in applying
  - career development and other policies for
  people management, and
  - other management-related programs, such as
    employment equity and interchange programs,
    that are the responsibility of the Treasury
    Board.

\textsuperscript{5} The new Council will also take on the functions of the existing Staff Training
Council, which is being wound up.
These measures will help to clarify the appropriate and practical division of responsibility between the functions of the Public Service Commission as Parliament’s agent in safeguarding and protecting merit in appointment, and those of the executive in managing the people made available by the Commission in order to support the development and delivery of the policies, programs and services of the Government of Canada.
A More People-Oriented Public Service

The members of the Public Service are its most important asset. They are not simply resources, they are people, individuals with careers, families and aspirations. In recent years a good deal of progress has been made in recognizing their importance as individuals. To bring the Public Service up-to-date and make it a more attractive place to work the Government intends to introduce the changes described below.

Relations with Public Service Unions

It is now almost 30 years since the Government began to accept the legitimacy of the presence of the union movement in its staff relations. The Public Service Staff Relations Act of 1967 provided for union representation, but it was significantly different from the Canada Labour Code, which governs some public institutions and the federally-regulated private sector. The differences lie principally in a reduced scope for collective bargaining and limits on the right to strike, considered necessary to protect essential public services. The decision not to go the whole distance to bringing the Public Service under the Code reflects a recognition of the fundamental differences between the private and public sectors.

Over the years, relations with the Public Service unions have been unfavourably influenced by several factors, including:

- the widespread exercise of the Government’s right to designate certain employees as essential, thus limiting the right to strike; and
- the sometimes inadequate reconciliation of the interests of departments, which are de facto responsible for the workplace, and the Treasury Board which, as employer, is responsible for collective bargaining.

The Government recognizes that its relationship as employer with the Public Service unions can be improved. It notes that staff relations processes are sometimes hampered by overly rigid and inflexible rules and procedures, and the 23-year-old Public Service Staff Relations Act appears today to be too prescriptive and rigid.

Consistent with its approach to Public Service renewal in other areas, the Government believes that the elimination, or modification,
of a number of constraints is desirable to permit the parties to work out their differences in a constructive manner.

The Government believes that the problem of designating essential employees could be resolved by establishing a body, with adequate representation of the parties, to decide the numbers of positions necessary to perform essential duties and to make final determinations in cases of disagreement. Such a mechanism is used in other jurisdictions, as in Quebec.

As part of their greater role in, and responsibility for, personnel, departments will play a more prominent part in establishing the Treasury Board's position in contract negotiations. The Government will give careful consideration to moving to two-tier bargaining where departments with specific needs would be able to negotiate department-specific clauses in general agreements. Departments will also be offered the opportunity to handle grievance adjudication cases where the impact is not likely to be Public Service-wide. To achieve these objectives managers will require systematic training in labour relations.

The Government believes that more co-operative relations among unions, departments and the Treasury Board will be welcomed by all members of the Public Service as a positive contribution to a productive and flexible organization that puts people first.

The Government proposes, therefore, that the Public Service Staff Relations Act be amended:

- to provide more flexibility to the parties to find solutions to problems; this will include providing the Public Service Staff Relations Board with authority:
  - in respect of mediation, conciliation and fact-finding services, to
    - supply them at the request of the parties, or
    - withhold them until satisfied that the parties have negotiated fully but cannot themselves resolve an impasse, or
    - in the last resort, to impose these services when negotiations break down;
  - to supply arbitration services only when satisfied that other methods will not help and negotiations are at an impasse, or for bargaining units on the conciliation/strike
route at the request of both parties when other methods do not seem likely to lead to agreement;
  • to consolidate under the Act the redress mechanisms in relation to release;
  • to provide an independent mechanism to resolve disputes about the designation of particular positions (not persons) as essential;
  • to provide departmental management with an enhanced ability to designate management positions, rather than individuals, as excluded from representation by bargaining agents; and
  • to ensure that the scope for binding arbitration is not less than that for conciliation.

In addition, the Government will encourage the acceleration and improvement of the grievance process through negotiations with the unions.

In order not to entangle these structural changes to the Act with the major round of essential services designations and collective bargaining that is beginning in the autumn of 1990, the Government will introduce these amendments once this bargaining round is completed in 1991.

Women and Minority Groups

The adaptive Public Service of the 1990s and beyond will recruit and develop the best available talent. However, skills are going to be increasingly in short supply and the majority of new labour market entrants will be women and members of visible minority groups. The representation of aboriginal peoples and people with disabilities in the labour market is also expected to increase over the decade. Members of these groups have traditionally been under-represented in many Public Service occupations. To correct this situation and to take account of anticipated skill shortages, the Public Service must create a working environment that attracts and retains women and members of minority groups.

Under-representation, particularly at professional and management levels (men make up 85 percent of the Management Category) is a management problem. It is a matter of changing attitudes, motivating managers to pursue the objectives of employment equity and changing management practices. Managers must also realize that as
the job market becomes tighter towards the end of the 1990s there will be strong competition for qualified members of these groups.¹

An important part of a manager's performance assessment will be based on how he or she has promoted the development of women and minority groups. Deputies will be accountable for leading a sustained effort to change the attitudes of their managers. System-wide efforts to increase the number of women Deputy and Associate Deputy Ministers as well as their representation in the Executive Group will be intensified and applied to all minority groups.

Far-sighted managers will recruit women, members of visible minority groups, aboriginal peoples and persons with disabilities and provide them with developmental opportunities as a means of ensuring that the Public Service has the necessary reservoir of talent to ensure effective operations and service to the public into the 21st century.

To provide these groups with a fairer opportunity for advancement, the Government has accepted the recommendation of the Report on Barriers to Women in the Public Service and proposes to repeal the provision in section 2 of the Public Service Employment Act that allows members of the Armed Forces, the Royal Canadian Mounted Police and the Canadian Security Intelligence Service to compete in competitions open only to members of the Public Service. This provision has reduced the chances of advancement, particularly for women. The Government is of the view that this privilege is not necessary to safeguard the career prospects of former members of these professional services.

The Treasury Board Secretariat and the Public Service Commission will be much more active in assisting departments to plan their personnel needs with women and minority recruiting and promotion in mind, and to develop recruiting strategies that will enable the

¹ "The public service manager of the 1990s will need to deal with this emerging labour force in the face of predicted shortages of skilled workers in key areas and a labour force that is growing much more slowly than in the past 20 years. In this context, the identification and elimination of barriers to women in the work force becomes a critical management issue, crucial to the manager's own advancement." Beneath the Veneer: Report of the Task Force on Barriers to Women in the Public Service (Ottawa: Department of Supply and Services, 1990) vol. 1, p. 7.
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Public Service to reflect fairly the composition of Canadian society. This means much more active participation by women and members of minority groups on selection boards; the establishment of more effective counselling both for members of these groups and for managers; and accelerated access to training and development.

The Government has decided that enhanced training will be used to help redress previous inequities. As a starting point and until there is evidence of substantial improvement, efforts will be made to ensure that women and members of minority groups are over-represented in developmental programs. Training and development for members of these groups already in the Public Service are fundamental to their having full and rewarding careers in the Public Service. In cases such as Public Servants who are single parents, steps will be taken to make access to training more practical.

As well as developmental programs, career counselling and assessment should be made available to women and minority groups in order to identify those with the greatest potential.

The new classification system, when combined with improved training and development for women, will help, over time, to eliminate the "pink collar ghetto". Not only an equity measure, this initiative responds to the reality that information technology is marginalizing and even eliminating whole categories of relatively low-skilled clerical jobs, predominantly held by women. With proper training and development, these people could work in much more skill-intensive activities, ranging from the operation of modern office technology to administrative, management and analytical functions.

Greater flexibility in personnel deployment will allow managers to assign women and members of minority groups to jobs that will broaden their experience and qualify them for greater responsibilities.

The Public Service pension plan does not permit part-time employees to contribute and become eligible for benefits. The plan does not allow for older workers gradually to wind down their careers by permitting them to work part-time for less pay without reducing the size of their pensions, which are based on the average of their best six years. Nor does it permit extended pay-back periods for employees returning from leave without pay. These are disincentives to work-sharing arrangements, retaining the services of skilled older members of the Public Service and the use of leave without pay, particularly for care and nurturing. They do not assist Public Servants in balancing their work and family responsibilities.
The Government proposes to introduce amendments to the Public Service Superannuation Act to enable part-time workers to become contributors to the Public Service Superannuation Plan. Similar amendments will be proposed to permit adaptation of pension arrangements to accommodate career wind-downs, and arrangements will be made to increase the pay-back period for employees returning from leave without pay.

To provide a firm basis for increasing the representation of women, aboriginal persons, members of visible minority groups and persons with disabilities at all levels of the Public Service, the Government proposes to amend the Public Service Employment Act to provide explicit authority to permit recruitment and promotion to redress imbalances, and to adopt a common job evaluation plan based on the consideration of skill, effort, responsibility and working conditions as set out in the Canadian Human Rights Act.

Managing Sensibly

The essential qualities of a good manager are the ability to:

- deal fairly, collegially and openly with staff;
- articulate goals and motivate staff;
- communicate effectively with the public and outside interest groups;
- deliver policy, programs and services by working effectively with Ministers, colleagues and central agencies; and
- increasingly, to manage discretionary resources.

Good managers have the leadership qualities necessary to motivate people. Many of them are able to do this regardless of circumstances. The Government believes, however, that a more streamlined personnel regime will make it easier and less costly to deliver policy and programs and to provide full and timely service to the public. Increased mobility of personnel will allow unforeseen or urgent requirements to be met more quickly. There will be significant savings of the time of personnel staff and management through reduced appointment and promotion activity, and fewer classification and related actions.

At the present time, the weight of the centralized personnel system is such that managers tend to leave personnel management to the system, intervening only by exception. Under Public Service 2000 this is going to change. There will be fewer staffing actions,
A MORE PEOPLE-ORIENTED PUBLIC SERVICE

fewer classification actions, fewer pay actions. These are all handled by the personnel community. There will be many more deployments and new personnel planning requirements, such as career development, identifying future needs and determining appropriate training and development. Under Public Service 2000, responsibility for these functions will rest largely with managers.

Being more accountable for the use of resources will require managers to become more conversant with the personnel, financial and administrative systems of the Public Service. Although these will be simplified to encourage greater productivity, they will still require time and attention. Most managers recognize that the difficulties of the current administrative regime are in part due to the tendency to leave things to specialists interpreting detailed rules in relative isolation. Managers want to be more involved; they want a new approach that will not be control- or process-oriented.

To manage sensibly in this regime, Deputies will need stronger support in their departments, particularly from their personnel branches. These will be required to advise and assist line managers, and to exercise more judgment and apply fewer rules than in the past. In the financial and administrative areas, expertise within departments on contracting and on resource management will have to be strengthened.

The results of these changes should be a less mechanical, more people-oriented administration of the Public Service. Rules will be designed and applied in more constructive ways to support the needs of employees and the organization. Managers and their staff will feel much less controlled by processes that pay more attention to conformity than to the needs of particular individuals and situations.

Making all of this work will require leadership from Deputies and all managers. They will have to spend more time managing and less time responding to rules. Greater capacity to respond effectively and in a timely way to the needs of the organization and its employees will lead to better service to the public and to Ministers.

Recruitment and Separation

Recruitment involves balancing the interests of employees in developing a career in the Public Service with the operational needs of departments for specific expertise, which from time to time may require attracting talent from outside. Recruitment will continue to be flexible, making use of full-time and part-time indeterminate, term and casual employment.
The selection process at the entry level for part-time and term employees will be strengthened to ensure that such persons can meet the long-term needs of the Public Service. Once qualified by the Public Service Commission, these persons will be eligible for internal competitions and for the classes of benefits available to indeterminate employees. Casual employees will not be permitted these advantages, but they may be hired expeditiously to meet managerial requirements without having to conform to the normal standards for recruitment. **To achieve this objective, the Government proposes to introduce an amendment to the Public Service Employment Act to permit departments to recruit casual employees.**

Deputies will take a direct hand in recruitment, especially of new graduates. Recruiting a fair share of the top 10 percent of graduates each year will be essential if the Public Service is to continue to provide Canadians with the quality of service they have come to expect, and remain an attractive career prospect. The principle of a career service is important and must be protected. At the same time, however, new blood at levels other than the entry level is essential, and Canadians should not think of their Public Service as a closed shop. In fact, the Public Service has succeeded in balancing these requirements; over the last five years, for example, 15 percent of appointments made in the Executive Group have been from outside the Public Service. The Government believes this balance serves the best interests both of Canadians and of career Public Servants.

In the past the Public Service has been weak in dealing with staff that perform poorly. Deputies must lead in showing their senior managers that they cannot tolerate sub-standard performance. To do so demoralizes fellow workers, and failure to act leads to unfair burdens on high performers.

**In order to consolidate and streamline existing provisions, the Government proposes to amend the Financial Administration Act to provide for release on grounds of incompetence, incapacity or unsatisfactory performance and to provide corresponding recourse by way of grievance and adjudication under the Public Service Staff Relations Act.**

The Public Service must be more forthright about asking people to move on. This does not need to mean outright firing but rather, as in the private sector, reaching agreement with individuals that their services are no longer required through mutually agreed settlements and assistance in finding alternative employment.
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Terms and Conditions of Employment

Public Servants, regardless of level, are salaried employees or wage-earners. They have a pension plan, which is contributed to by employees at the rate of 7.5 percent and funded 50:50 with the Government. Except at the more senior levels, they are paid quite competitively with the private sector, and they enjoy a significant degree of job security.\(^2\)

The Government is not, therefore, proposing to increase benefits for Public Servants. It believes, however, that significant improvements can be made without incurring extra costs. It believes, in particular, that benefits can be structured and packaged to achieve three important objectives:

- to permit Public Servants to choose the benefits suitable to their particular circumstances;
- to permit departments to offer benefits that will help attract and retain people with appropriate qualifications and experience; and
- to permit management the strategic use of rewards and awards as incentives to good performance.

Without increasing overall costs, the Government proposes to organize compensation and benefits as follows:

- core remuneration, to include in particular pension benefits;\(^1\)
- performance rewards, a portion of which could be built into the individual’s base salary; and
- flexible benefits to be chosen by the individual.

Benefits and conditions of employment could be made more flexible and attractive to employees to take into account social change of the last 30 years. The Advisory Committee on Executive Compensation has noted that compared with private sector packages for executives, the range of benefits in the Public Service is quite modest.\(^3\) Nonetheless, the Government has decided to introduce

\(^2\) Public Servants’ salaries are competitive with (but do not lead) the private sector up to and including the first executive level. At the level of Deputies, compensation represents between 45 percent and 55 percent of that of their private sector counterparts. The Advisory Group on Executive Compensation in the Public Service, Report (Ottawa, June 1988) p. 7.

\(^1\) Core remuneration includes salaries and wages, pensions, medical plans and annual leave.

\(^3\) Advisory Committee on Executive Compensation in the Public Service, Report (Ottawa, November 1990) p. 8.
the principle of flexible benefits.\(^5\) This cost-neutral initiative will apply to the Executive Group and be offered to others through the collective bargaining process.

Flexible benefits are also of increasing value to employers, enabling them to package benefits to attract or retain people with skills they particularly require. Departments and agencies will likewise be able to use tailored benefits to complement their specific requirements. Provided certain basic standards of remuneration are observed, there is no reason why specific compensation packages must be uniform throughout the Public Service.

The Government is continuing to examine changes in leave entitlements, and in travel, relocation and mobility assistance, which would enable employees to balance their professional and home responsibilities without increasing overall costs. It is also considering ways to facilitate day-care in the workplace.

Public Servants would benefit from professional counselling in selecting benefits. The Government is considering the best means of providing such counselling without increasing overall costs.

As an incentive to high performance, the Government proposes to phase out performance pay and replace it with performance rewards, which will be given at the discretion of Deputies. The difference is that only a portion of the reward or bonus is built into the salary base. This would bring the principles of Public Service pay much more closely into alignment with those of the private sector.

The cash value of the performance reward must be significant if it is to be an effective financial motivation. Practice in the private sector will guide determination of the size of the reward, which will be paid out of a limited fund within the operating budget. Increasing performance-based payments places a high premium on the quality of annual performance assessments. As noted below, the accountability process will attach significance to the quality and fairness of assessments provided to subordinates by their superiors.

For unionized members of the Public Service, any form of performance reward would be a major departure that would not be introduced without the agreement of the unions. The Government

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\(^5\) Flexible benefits could include exchanging some existing benefits for additional annual leave, additional insurance, fitness courses, parking and financial counselling.
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proposes, therefore, at this time to introduce this concept for the Executive Group and for other employees currently eligible for performance pay. This follows a recent recommendation of the Advisory Committee on Executive Compensation.⁸

Deputies will also be permitted greater discretion to develop special incentive awards to respond to specific goals or to recognize employee contributions. More broadly, and without violating the terms of any relevant collective agreements, Dep-uties may establish productivity gain-sharing rewards for employees or groups of employees who have demonstrated an entrepreneurial spirit and brought about productivity increases. These rewards can be custom-designed to meet the particular needs of the organization.
The program of renewal set out in this White Paper is designed to give Canadians a Public Service capable of meeting their needs into the 21st century. To achieve this objective, the Government is proposing to place a good deal more discretionary authority in the hands of individual Public Servants.

In essence, the Government is placing the emphasis on freedom of action by departments as the best means of serving Canadians. This decision should be seen in the context of the constant search for equilibrium between central control that expresses the collective need for caution in the use of public resources, and the orientation of individual departments towards providing Canadians with necessary services.

The policy of renewal must be balanced in order to be successful. Just as Ministers must balance their individual responsibilities and interests with those of their colleagues collectively, so in the Public Service there must be a balance between the imperative of getting the job done and doing it in such a way that the Government will not be criticized for waste or lack of probity.

There have been swings of the pendulum in the past between tight central control and greater autonomy for departments. The post-Glassco reforms that gave greater freedom to managers were followed in the 1970s by resource restraint and the reimposition of a degree of central control and scrutiny. The missing link all along has been effective accountability for the use of the authorities with which people have been entrusted.

Many of the accountability measures set out in this section already exist to one degree or another. But they are being applied indifferently in the current environment. As Public Service 2000 simplifies the Public Service’s administration, and as more and more stress is placed on a results-oriented and client-sensitive culture, the importance of effective accountability is going to become correspondingly greater.

Accountability in the Public Service

Accountability in the Public Service has been elusive because the complex nature of policy and many program activities, coupled with
the requirements of centrally prescribed financial, personnel and administrative systems, have made it difficult to set clear performance objectives. Public Service 2000 will help to change this by simplifying central standards, giving managers more authority to get the job done and making a strong commitment to the career development necessary to support the exercise of greater personal authority.

Each manager will be expected to have an agreed statement of anticipated results and performance standards. This applies at each management level beginning with the Deputy. Departments will be required to have adequate information systems to keep track of essential resource management data. These are not radical departures. A number of departments are already operating performance contracts on these lines. The Treasury Board Secretariat has been working with departments on improved accountability regimes as part of its program for "Increased Ministerial Authority and Accountability". These measures will, however, receive new impetus and importance as a result of the extensive deregulation under Public Service 2000.

Objectives must be simple but challenging, and the means of demonstrating outcomes straightforward. Likewise, standards must be sensible and easily understood and followed. Accountability depends on being clear about results, clear about the standards to be observed and having clear and easily understood data as the basis for judgments about performance.

Mechanical accountability based on simplistic, quantified objectives is not what is needed. Fundamental to effective accountability is the exercise of judgment. It is often difficult to achieve such precision, particularly in sensitive policy-advisory and issues-management positions. It follows that a system that seeks to divorce the exercise of judgment from assessing performance can only be sterile and ultimately unfair and ineffective. It is, therefore, essential that the assessments of supervisors on the performance of subordinates form an integral part of the judgments made about them by their own superiors.

All members of the Deputy Ministerial and Executive Groups ought to benefit from feedback from their subordinates. This is essential if organizations are to become and remain responsive to their own internal health. The Government will consider ways of bringing this about. There is, however, very little practical experience in government in the development and application of rigorous and sophisticated techniques for acquiring such feedback, assessing
ACCOUNTABILITY: MAKING PS 2000 WORK FOR CANADIANS

it objectively, and ensuring that the practice does not adversely affect the culture and behaviour of organizations and those who manage them.

Each level of management will be accountable for results achieved, for the career development of subordinates including their training and development, and for the probity and economy with which financial and administrative resources have been used.

As now, within departments each Deputy will be responsible through the management structure for the evaluation of employees. From now on, however, they will also be responsible for administering the performance rewards described above. A significant change in the management philosophy of the Public Service, this will require real decisions about relative performance. And it will have a major financial impact, positive or negative, on the individual.

Fairness, commitment to service, professionalism, personal integrity and loyalty are the fundamentals of performance in the Public Service. The guidance provided by these values is essential to the responsible exercise of enhanced authority by individuals. Deputies will be expected to ensure that managers down through the department reflect them in the way in which performance is assessed.

The performance assessments of managers will reflect the quality of their assessments of subordinates and the feedback given to them. All new managers, not just members of the Executive Group, will receive training on how to undertake fair and objective assessments that provide a balanced appreciation of a subordinate’s overall contribution as a member of the Public Service.

Deputy Ministers

Effective accountability for the Public Service as a whole — so important to the successful implementation of Public Service 2000 — very largely depends on effective accountability for Deputy Ministers. The accountability relationships of Deputies are complex. They answer daily to their Ministers for the performance of the financial, personnel and difficult to set clear perform-

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department and the fulfilment of its programs. They must satisfy the Treasury Board and the Public Service Commission that they are making appropriate use of the authorities delegated to them under the Financial Administration Act and the Public Service Employment Act. They must answer to a range of parliamentary agents, such as the Auditor General and the Privacy Commissioner.

Of greatest importance, Deputies are appointed and removed on the recommendation of the Prime Minister, and the Prime Minister is ultimately responsible for assessing their overall performance and deciding about rewards, sanctions and future career prospects. Effective performance assessment of Deputies is, therefore, the key to effective accountability throughout the Public Service.

The problem from the point of view of deputy ministers is that while they are accountable to many different people for specific aspects of their performance, there is not much emphasis on their overall performance in managing the department to achieve ministerial priorities and collective management requirements. Deputy ministers want to be accountable for the management of their departments as long as they have more authority to manage key resources. They want central agencies to understand the constraints, opportunities and challenges they face.²

In shifting more authority to Deputies, Public Service 2000 will set the stage for a more results-oriented accountability. This will require that judgments about performance in specific areas such as career development and resource management be integrated and reviewed in the light of the overall results achieved in support of the Minister, the services and programs of the department, and the Government’s objectives.

It is essential to effective accountability that Deputies have a clear voice in whatever centrally-prescribed management standards are required of them and their departments. Moreover, accountability should normally be rendered on the basis of overall results achieved, although there will be cases where unjustified use of delegated

² Ibid., p. 80.
authority should result in an immediate and specific calling to account by the Treasury Board and the Public Service Commission.\(^3\)

The results achieved by the Deputy are assessed by the Minister, the Prime Minister and the Clerk of the Privy Council advised by the Committee of Senior Officials.

This Committee has existed for many years. Its principal function is to advise the Prime Minister on the performance of Deputies. The Prime Minister has the final say in rating Deputies and he takes advice from a number of quarters, not least from Ministers.

Performance appraisal has to be a central part of the accountability system for deputy ministers. Performance assessment is the only process that can be rigorous, comprehensive and, at the same time, sensitive to the many judgements deputy ministers are required to make.

Deputy ministers regard the current performance appraisal process as fair, but not very useful or satisfying. Generally, deputy ministers want more feedback on their objectives and their performance from the Privy Council Office. Most deputy ministers would welcome a more rigorous performance appraisal process as long as it is based on their objectives and performance with respect to supporting the minister, managing the department and achieving collective management priorities.

... the best basis for evaluating the performance of deputy ministers is to assess the quality of their judgement. Because of the unique features of each department, the priorities or working style of each minister and the challenges facing departments at various times, it is difficult to develop a single set of standards to apply to all deputy ministers. Performance assessment based on evaluating the quality of judgement can be rigorous and demanding precisely because it is aimed at providing an assessment of what deputies did in particular

\(^3\) "Deputies should not be held accountable on a piecemeal basis. Management and finance are integral to policy, and although the deputy’s performance in these areas initially may be assessed separately, conclusions and career decisions must be determined on an overall basis. The performance of deputies should be assessed as objectively as possible, and their accountability should depend on the judgement of those to whom they are responsible (the minister and the prime minister) based on the best specific expert assessments that can be provided." Responsibility in the Constitution, A Submission to the Royal Commission on Financial Management and Accountability, August 1977 (Ottawa: the Privy Council Office, 1979) pp. 67-68.
circumstances and whether their actions were reasonable given those circumstances. At the same time it recognizes that deputy ministers are not always the masters of their departments and that performance must be judged in the light of the various priorities, demands, constraints and opportunities facing a particular deputy minister at a given time.4

The Committee of Senior Officials, chaired by the Clerk of the Privy Council and Secretary to the Cabinet, includes the Associate Secretary to the Cabinet and Deputy Clerk of the Privy Council, the Secretary of the Treasury Board, the Chairman of the Public Service Commission and the Under-Secretary of State for External Affairs as ex officio members. It also includes a representative group of line Deputies.5

In addition to advising the Clerk of the Privy Council on the performance of Deputies, the Committee has a broad mandate to advise on Public Service policy including the development of senior talent. It will play an active role supporting the Clerk in leading the renewal of the Public Service.

In advising on the performance of Deputies, the Committee will consider criteria that fall into the following basic categories of management skills in government:

- the Minister: is he or she satisfied with the support received from the Deputy on policy, program development and delivery, and departmental management? Has the Deputy been innovative in responding to the Minister’s agenda?
- leadership: to what extent is the department an adaptive organization in which everyone is actively engaged?
- values: does the Deputy personify and actively encourage the core values of the Public Service?
- service: does the Deputy reward service and consultation and engage the regions in strategic planning?

4 Keeping Deputy Ministers Accountable, op. cit., p. 184.
5 The line Deputies currently serving on the Committee are the Deputy Minister of National Health and Welfare, the Deputy Minister of Agriculture, the Deputy Solicitor General and the Deputy Minister of Consumer and Corporate Affairs. They serve in their personal capacities. The Principal of the Canadian Centre for Management Development is an associate member of the Committee.
on the basis of systematic input of this nature, the Prime Minister will make the final judgment about the performance of the Deputy and his or her contribution to the overall objectives of the Government, the quality of service to Canadians and the requirements of a well-functioning Public Service.

The Head of the Public Service

As noted earlier, the duties of the Clerk as Head of the Public Service have been evolving rapidly in recent years. The Public Service 2000 initiative is very much the result of his close involvement in the need to provide leadership and direction to the Public Service as a whole.

The Clerk of the Privy Council and Secretary to the Cabinet is the Prime Minister’s chief non-political adviser. The Clerk assists the Prime Minister in creating the conditions in which collective ministerial government is able to flourish. The Clerk advises the Prime Minister on the mandates of Ministers, priorities and the management of key files, the organization of the Cabinet and the appointment of senior officials, particularly Deputy Ministers and heads of agencies. These are the instruments that the Prime Minister uses to keep the Government united and on course. As Secretary to the Cabinet, the Clerk is in addition the confidential adviser of
Ministers collectively. The Clerk is also responsible to the Prime Minister for the overall effectiveness of the Public Service’s support to the Ministry. And it is the Clerk’s duty to ensure the smooth transition of government from one administration to the next.

For these reasons, the Clerk of the Privy Council traditionally has been regarded as the Head of the Public Service. As the senior Deputy Minister, the Clerk combines responsibility both for the overall performance of the Public Service and for its effective management and administration.

As Head of the Public Service, the Clerk is in the position to assess its needs, answer for its performance as an institution and provide the sort of visible leadership that is essential in any modern organization where morale and individual commitment are the keys to having and keeping a motivated work force.

Given the fundamental importance of leadership and accountability in the Public Service, and to provide a more visible focus for renewal, the Government proposes to amend section 40 of the Public Service Employment Act to provide for the statutory appointment of the Clerk of the Privy Council and Secretary to the Cabinet as Head of the Public Service.
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**Implementation**

Making Public Service 2000 work will take time. The culture of an institution is not easily changed. Deregulation of the administrative infrastructure of the Public Service must be undertaken in an orderly manner to ensure no disruption of the activities and services of the Government.

The implementation of Public Service 2000 rests with the Prime Minister and the President of the Treasury Board and their colleagues supported by the Head of the Public Service, the Committee of Senior Officials, the Human Resources Development Council, the Public Service Commission and Deputy Ministers. But making it work rests with each Public Servant.

Deputy Ministers will continue to receive enhanced delegations similar to the financial, administrative and personnel authorities delegated to them in the first phase of Public Service 2000. Deputies will be accountable for using these tools to promote vigorously the implementation of Public Service 2000 in their departments. They will be expected to decentralize their delegated authority to the lowest reasonable levels both at headquarters and in the regions, and to lead their managers personally in shaping a new service-oriented culture within their organizations.

The Privy Council Office will be required to ensure that the Prime Minister and the Head of the Public Service are effectively supported in supervising the implementation of the policies and measures necessary to renew the Public Service.

As Head of the Public Service, the Clerk of the Privy Council and Secretary to the Cabinet will be required to establish means for supporting the accountability system described earlier. This will require working with Deputies to establish sensible objectives, assisting them to deal with management problems, providing them with feedback and guidance on their performance, and ensuring that they too benefit from more effective career development policies.

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The Treasury Board Secretariat will be required to implement its role in developing policy and advising Deputies on career development with a renewed commitment to working with Deputies flexibly and imaginatively. This will be an important shift away from a strongly-entrenched tradition of control and regulation. Working in support of the Human Resources Development Council, the Secretariat will have the opportunity to work with line Deputies in devising policies for personnel management and career development that respond to the need for improved service, better policy development and more sensitive program delivery. It will also be able to work more closely with departments and the Public Service Commission respectively in matching career development policy with deployments and appointments.

The Public Service Commission will concentrate on recruitment and promotions. It will continue to play the crucial role of ensuring the competence, political neutrality and fairness of the Public Service. In particular it will need to work closely with managers to find satisfactory means to implement appointment to level. The Commission will have a much greater opportunity to influence personnel management policy through its participation in the Human Resources Development Council.

Public Servants will be looking to see whether the Public Service Commission and the Treasury Board Secretariat will be able to work together to support their Deputies in making career development a reality. Although the respective mandates of these institutions will be clearer as a result of Public Service 2000, the need for cooperation between them will be greater than ever. They both need to show they can work together to support the career aspirations and day-to-day needs of Public Servants.

The Head of the Public Service will be required to report annually to the Prime Minister on the state of the Public Service in general, and for the next five years on the implementation of Public Service 2000 in particular. The Prime Minister will table that report in Parliament as provided for in the proposed amendment to section 40 of the Public Service Employment Act.

The Public Service unions have a central role to play in implementation. The Government notes that in setting out its policy for the renewal of the Public Service, it has decided to delay introduction of legislation to allow further consultations, in particular with the unions. The willingness of the Public Service unions to be creative in trying new approaches will be important. In helping to make the Public Service more client-oriented, and in
IMPLEMENTATION

will be required to implement advising Deputies on career appointment to working with
This will be an important shift of control and regulation. sources Development Council, ity to work with line Deputies nagement and career developm-approached service, better policy gram delivery. It will also be tments and the Public Service career development policy with

will concentrate on recruit-ue to play the crucial role of neutrality and fairness of the l need to work closely with to implement appointment to much greater opportunity to cy through its participation in Council.

see whether the Public Service secretariat will be able to work making career development a rates of these institutions will rvice 2000, the need for co- ter than ever. They both need sport the career aspirations and

will be required to report the state of the Public Service ers on the implementation of The Prime Minister will table ovided for in the proposed ublic Service Employment Act.

central role to play in imple-that in setting out its policy vice, it has decided to delay w further consultations, in ilfulness of the Public Service pproaches will be important. In more client-oriented, and in helping Public Servants to benefit from better development and a more flexible employment regime, both the Public Service unions and the Government will have an opportunity to demonstrate to Public Servants and the public that their first priority is to ensure that the public is served by a professional, well-run Public Service that puts people first.
IV

THE PUBLIC SERVICE IN 2000
The Public Service in 2000

The measures for renewal set out in this White Paper, if successfully implemented, will result in a very different Public Service over the next ten years. It will be different not because its values will be different, but because Public Servants will find themselves operating in a much more flexible and service-oriented way. The public will find that service has improved because the traditional preoccupation with rules and process has been replaced by an institutional culture and philosophy of management that put clients and results first. Ministers will be better supported because Public Servants will have greater self-confidence and be more innovative, and they will be better informed about public needs and attitudes.

What are the risks? Principally criticism that too much decentralization of authority and deregulation of the management of the Public Service will lead to mistakes. This risk is inherent in a policy of renewal that seeks consciously to shift the balance away from centralized control that is motivated by the desire to be "error-free", towards risk-taking and innovation aimed at doing a better job.

There will also be concern that management’s greater freedom to deploy people will give rise to favouritism and unfairness. Experience with the current deployment regime does not suggest any particular difficulty, but the Government acknowledges the risk and is determined to show that a more flexible regime can be both advantageous to the development of individuals and fully respectful of employee rights.

The Government has no doubt that there must be greater freedom to innovate and make the best possible use of scarce resources. If there is not, the Public Service will become stale and stultified and lose its best people to a more dynamic private sector, and it will not be capable of serving Canada and Canadians effectively. The process begun with reforms such as "Increased Ministerial Authority and Accountability", the creation of the Canadian Centre for Management Development and the emergence of a more prominent leadership role for the Head of the Public Service must be greatly enhanced through the implementation of Public Service 2000.

As matters now stand, the Public Service is in danger of losing its cutting edge. Public Servants feel unreasonably held back and constrained by a control-oriented, management-systems approach that does not put people first. The management processes of the Public
Service are a generation out of date, and the members of the Public Service do not feel they are treated as its most important resource.

All this adds up to a requirement that political leaders, the media and the public recognize that a national resource is not being used to the full benefit of Canada. The preoccupation with "error-free" means inferior and more costly service. It means Treasury Board controls on block-heater outlets. It means three times as many personnel staff as in the private sector. It means 150,000 classification actions a year. It means inefficiency, waste and frustration.

The renewal of the Public Service will not be achieved simply through legislative and administrative action to set in place new mandates, structures and processes. It requires fundamental changes in attitudes by Public Servants, by Ministers, by Parliamentarians and ultimately by the public.

Ministers have made up their minds to lead this process. They realize that renewal will not be easy. They know that any reform, particularly to deregulate the administrative processes of an organization as large as the Public Service, cannot proceed without mistakes. Ministers know that they will have to steel themselves not to react to political and media outcry against some particular error by reimposing central controls. They believe that better service to Canada and Canadians outweighs the embarrassment that such mistakes cause.

Parliamentarians and those who serve them — particularly the Auditor General — will be asked to judge incidents of mismanagement within the broader context of a Public Service that is capable of responding efficiently to the ever-increasing demand for its services.

Public Servants on the front line will have to be willing to exercise their new authority to concentrate on results, and to be accountable both for those results and for the way in which they have used their enhanced administrative authority.

Public Servants will be judged on the way in which the authority provided at each level has been used. Has the job been done better? Has the standard of service improved? Are the clients more satisfied? Has the supervisor recruited good people and have they been provided with opportunities to better themselves? Is Canada better off as a result?

Public Servants should find a new satisfaction in their work and in their careers, and perhaps Canadians will begin to see them in a
and the members of the Public as its most important resource. That political leaders, the media

150,000 classification, waste and frustration.

Treasury Board means three times as many.

It means 150,000 classification, waste and frustration.

The Public Service is a sound institution that has served Canada well. But it needs fundamental renewal if it is to continue to serve Canada effectively into the 21st century. The reforms proposed should help Public Servants to move with the times, be fully responsive to the rapidly changing needs of Canada and Canadians, and to be recognized for their personal worth. They should help the Public Service to compete effectively for the best talent the country has to offer.

These changes are necessary now if Canada is to continue to be well served by its Public Service in the decades to come.