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# Overcoming Barriers to Modern Comptrollership

## Views About Modern Comptrollership — Final Report



Canada

# OVERCOMING BARRIERS TO MODERN COMPTROLLERSHIP

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## *VIEWS ABOUT MODERN COMPTROLLERSHIP – FINAL REPORT*

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## EXECUTIVE SUMMARY

The purpose of this study is threefold:

- 1) to identify and better understand the operational and cultural barriers to implementation of Modern Comptrollership (MC);
- 2) to assess how well the MC initiative is understood; and
- 3) to develop practical solutions that will help departments and agencies better manage the concerns and barriers identified.

Participating in the study are the departments of Industry (IC), Health (HC) and Natural Resources (NRCan), with Industry taking a lead role.

This report is based on results of both qualitative and quantitative research — specifically focus groups, interviews with senior managers, and a Web-based survey with managers and specialists.

- A total of 16 focus groups were conducted with employees of the three departments. Of the groups, six were held in the National Capital Region and the others in regions.
- Half the focus groups were held with managers and half with specialists. A series of one-on-one telephone interviews were conducted with senior managers (Assistant Deputy Ministers and Directors General).
- The sample frame for the survey included management-level employees at all three departments, as well as functional specialists. The total sample population was 6291, broken down as follows: IC staff 2340; HC staff 2195; and NRCan staff 1756. In total, 1186 individuals responded to the survey, for an overall response rate of 19 percent.

## OVERALL ASSESSMENT

The general message is that sound management practices are important, but not important enough to be given priority over other tasks. More than half of staff say that they lack time to manage properly, as well as resources and tools to do a good job.

### ***BARRIERS NOTED TO MODERN COMPTROLLERSHIP***

- *Lack of understanding of MC:* Relatively few managers and specialists say that they have a reasonably good grasp of the initiative and its purpose. Most do not feel comfortable with MC, and more than half feel that they do not have the experience and/or training needed to implement MC within their units. There is scepticism about whether MC will lead to real



change, given results of other change initiatives in the federal government and the perceived lack of progress on MC.

- *Nature, scope and complexity of MC:* MC is often viewed as being associated with financial control issues rather than as a basic approach to management. Its philosophy is perceived as diffuse and difficult for managers to implement in day-to-day decision making. Focus group participants and interviewees (including employees at various levels and senior managers) agree on the need for more widespread communications regarding the goals and rationale of MC. They also favour breaking down MC into “manageable chunks” and communicating the benefits of MC.
- *Lack of capacity to implement MC:* Managers and specialists generally feel ill equipped to deal with MC. This is shown by the fact that they see a need for more specific information about implementing modern management practices in their own work environment. They also lack awareness and knowledge of tools for managing staff and resources. Managers and specialists are interested in concrete examples of the application of modern management, tools for modern management, and best practices or success stories that demonstrate the effectiveness of new tools and practices.
- *Lack of support for MC from senior management:* Support from senior management is perceived to be weak, and managers are not seen as having bought into MC. The management function is regarded as a second-order priority since good management is not tied to rewards or recognition. For their part, senior managers feel that if MC is to be a priority, it should be included in performance agreements.
- *Weak communications:* Awareness and knowledge of MC is uneven across participating departments. In particular, regional managers feel that MC is poorly communicated to regions. There is significant cynicism and scepticism regarding the MC initiative, as well as lack of recognition of its scope.

Overall, senior and middle managers rate current practices more highly than do specialists.

#### ***POSITIVE ELEMENTS NOTED***

Within the Public Service, MC provides a common frame of reference, particularly for new managers. MC signals a new emphasis on management, workable tools and measurement/data. Managers will benefit from greater flexibility and clearer guidance: they will have more scope for making decisions, and more effective tools and information.

Managers and specialists generally believe that it is important to achieve the elements of MC in their own jobs.

### ***SPECIFIC BARRIERS IN RELATION TO MODERN COMPTROLLERSHIP PILLARS***

- *Performance information:* Progress on performance measurement should be faster and communicated/documented better. Senior managers note difficulty in finding an appropriate set (and number) of performance measures, particularly when working with outside partners.
- *Risk management:* There is a lack of clarity about risk assessment, and a lack of formalized tools for dealing with it. The overall perception is that departments are averse to risk and that managers who take risks are not rewarded.
- *Control:* With regard to appropriate levels of control, legislation significantly limits managers' ability to make decisions. Many perceive a conflict in the Public Service between the insistence on fairness, transparency and accountability and the demand for timeliness and responsiveness.
- *Values and ethics:* Few barriers were identified in the case of values and ethics, but this pillar is considered the least tangibly connected to MC and the most controversial.

### ***SOLUTIONS TO BARRIERS NOTED***

#### ***LACK OF UNDERSTANDING / NATURE, SCOPE AND COMPLEXITY OF MC / WEAK COMMUNICATIONS***

- Communicate better about MC. Move the focus away from the financial aspect to the broader issues related to overall management, including issues of performance information, risk management, control, and values and ethics.
- Provide detailed information about implementing modern management practices (e.g. examples of best practices and lessons learned) and celebrate the successes.
- Provide more concrete information about goals and rationale. Keep it basic and straightforward by breaking each section into manageable parts.

#### ***LACK OF CAPACITY TO IMPLEMENT MC***

- Give equal weight to the management responsibility by rewarding management and supporting decision making and innovation. Send the message that the management function is a top priority and highly valued.
- Provide clear guidance and leadership (e.g. include MC in performance agreements).



- Improve existing tools (information, finance, human resources management).
- Provide more professional development support through training and mentoring.
- Take MC from concept to practical implementation by providing “how to” details. Make the necessary tools more accessible (and available) to managers and specialists.

*LACK OF SUPPORT FROM SENIOR MANAGEMENT*

- Tie MC implementation to senior managers' performance agreements.

# 1. INTRODUCTION

## 1.1 THE MODERN COMPTROLLERSHIP INITIATIVE

The Modern Comptrollership (MC) Initiative came into being following the release in 1997 of the *Report of the Independent Review Panel on Modernization of Comptrollership in the Government of Canada*. In response to this report, the Comptrollership Modernization Office (CMO) was created within the Treasury Board of Canada Secretariat (TBS). The mandate of the CMO is to support comptrollership modernization throughout the Government of Canada. A \$15 million pilot phase was funded by TBS from April 1998 to March 2001. A total of 15 government organizations were included in the pilot phase, including the departments of Health (HC), Industry (IC) and Natural Resources (NRCan). In May 2001, TBS approved a second phase (involving an additional \$30 million over three years) to expand Modern Comptrollership throughout the federal government.

In March 2000, *Results for Canadians* set out a management framework for the Public Service of Canada. Modern Comptrollership became one of the six key priorities on the government's modern management agenda. The others are the Government On-Line initiative, program integrity, improved reporting to Parliament, developing an exemplary workplace, and citizen-centred service delivery.

Modern Comptrollership supports the commitments made in *Results for Canadians*, and represents the essential prerequisite and foundation upon which modern management is built. It provides the foundation for the next generation of management reform such as the Modernization of Human Resource Management in the Public Service. As such, it is the latest step in management improvement in the federal government.

Traditional comptrollership concentrates on financial information. Modern Comptrollership has a broader focus: the stewardship of public resources in general. It sees this as a task not simply for functional specialists but for all managers. The emphasis is on performance. Modern Comptrollership stresses the achievement of results through sound management of resources and effective decision making.

Modern Comptrollership involves four key elements or pillars:

- **performance information** systems that link financial information (budgets, expenditures, revenues, assets) with non-financial information (planned results, outcomes, performance);
- **risk management** to support decision making, planning and monitoring;
- **controls** that safeguard public assets without impeding operations and results; and
- **values and ethics** to provide clear guidance for managers and employees.

Three further supporting elements or enablers are **strategic leadership, motivated people and accountability**.

The aim is for executives and employees of the Government of Canada to be:

- purposeful — focussed on their mission and objectives;
- information-driven — using historical facts and solid projects;
- proprietary in the use of resources — thinking like an owner or taxpayer;
- risk-attuned — not only identifying but also managing risks;
- action-oriented — performing analysis and providing advice to influence action;
- integrators — bringing together information needed to support decision making; and
- ethical — acting with integrity <sup>1</sup>.

MC implementation begins with an assessment of the state of an organization's management practices (values and ethics, risk management, integrated performance information, stewardship, leadership, human resources and accountability). It is performed using a detailed self-assessment tool — the *Modern Comptrollership Capacity Assessment*. The exercise provides an organization-wide snapshot of management capabilities. This in turn provides the basis for developing and then implementing a plan of action to improve management practices.

In October 2001, TBS released an assessment of Phase 1 of the initiative. This identified key outcomes, challenges and obstacles.

As Industry Canada began developing its MC action plan, it sought to identify the barriers to implementation. Like other departments, it found that there was anecdotal evidence of barriers but no systematic research in the area. This study was designed to fill the gap by exploring and quantifying the extent and types of barriers faced by federal departments in implementing Modern Comptrollership.

## 1.2 METHODOLOGY

This report is based on the results of both qualitative and quantitative research conducted, including focus groups, interviews with senior managers and a survey.

A total of 16 focus groups were conducted with employees from the departments of Industry, Health and Natural Resources. Six of the focus groups were held in the National Capital Region; the other 10 were held in Vancouver, Edmonton, Toronto, Montréal and Halifax (NRCan employees did not participate in the Vancouver or Toronto groups). Half the focus groups were held with managers and half with specialists.

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<sup>1</sup> *Report of the Independent Review Panel on Modern Comptrollership in the Government of Canada, 1997.*

Although two focus groups in the NCR were planned for senior managers (directors general and above), the actual participants were not at the intended level. In most of the focus groups, particularly the specialist groups, many of the employees present were quite junior, with no real management experience or responsibilities.

Following the focus groups, 30- to 60-minute telephone interviews were conducted with individual senior managers (assistant deputy ministers and directors general), who had previously received a summary of the results of the focus group research.

The results of the qualitative research were used in developing an employee survey questionnaire.

The sample frame for the survey included management-level employees as well as functional specialists within the three departments. The total sample population was 6291, including 2340 staff members at IC, 2195 at HC and 1756 at NRCan.

The survey followed a self-administered, Web-based approach. On March 20, 2003, members of the sample were informed by e-mail of the purpose of the study. Potential respondents were then sent another e-mail message introducing the study again and inviting staff to participate in the survey. They were also provided with an Internet URL and a Personal Identification Number (PIN) giving them access to the survey. The PIN allowed for greater control of the sample and flexibility during data collection; for example, it permitted respondents to quit the survey and return later.

An e-mail invitation to participate in the survey was sent out on March 24, 2003. A few weeks later, an e-mail reminder was sent to those who had not yet completed the survey.

In total, 1186 individuals responded to the survey, for an overall response rate of 19%. The expected response to the survey was considerably higher at 35 to 40 per cent; therefore, the survey results should be interpreted with some caution. It is difficult to know whether a bias exists in the final survey sample, and, if so, what the nature of the bias is.

## 2. QUALITATIVE FINDINGS

### 2.1 COMMUNICATIONS

- Awareness of Modern Comptrollership (MC) is uneven across participating departments. Several focus group participants had a passing familiarity with the initiative, but detailed knowledge tends to be concentrated among staff in financial and administrative areas.
- Of focus group participants who were aware, the initiative is typically associated with reform of financial processes and systems. Among the cited examples of changes under MC were reforms to travel directives, employee use of credit cards, or dealing with information on the Internet.
- Among focus group participants, there is a lack of awareness of the tools available to support MC, or of details and practical application of the initiative.
- At the same time, when asked about general perceptions of modern management (as opposed to comptrollership), many participants were able to articulate a number of goals, such as accountability, value for money or a results-oriented approach.
- In the view of participants, senior managers are not actively championing MC or its four pillars.
- Many of the senior managers interviewed expressed the belief that the term "Modern Comptrollership" does not convey the full breadth of the initiative, and that people naturally link the term with finance and control. According to one manager, the fact that MC is the responsibility of the Comptroller in Industry Canada reinforces this confusion. Many managers see the need for better communications placing more emphasis on the management aspects of MC, and less on finance. They also argue that there is a need to communicate MC in simple, practical terms that people can relate to. One manager believes that MC is simply a new term for basic management practices. Another suggests that the term be scrapped.
- Many managers interviewed emphasize that MC is not well known or understood throughout the departments, and that there is no common understanding of what MC means. Managers state that there is a need to explain MC in operational terms, describing what it will mean to public servants if successfully implemented, providing examples of what can and should be done, specifying what the outcomes will look like, and promoting the benefits of MC. One respondent emphasized the importance of a practical, realistic, step-by-step plan.
- Many senior managers also describe MC as overly broad. To successfully communicate and implement it, they see the need to break MC down into manageable "chunks" or components. On the other hand, one manager cautioned against fragmenting the initiative.

### 2.2 MOTIVATION TO IMPLEMENT

- MC is seen as part of efforts to improve service to the public, transform the federal Public Service into a more responsive and innovative organization, and enhance accountability.

- There is not, however, perceived to be a key imperative or catalyst driving change. Participants in several focus groups said that there does not seem to be any immediate necessity for adopting MC.
- Among focus group participants, there is some scepticism about MC as merely the latest in a series of management initiatives having little effect.
- Other participants viewed the initiative as superficial and lacking any real commitment to change. Moreover, it is not obvious to many managers that more effective management would be of benefit to managers themselves.
- Managers interviewed agree that there is a great deal of cynicism and scepticism about MC. They agree that public servants have seen several Treasury Board initiatives come and go, with little evidence of change. One manager suggests that the only way to tackle this cynicism is to demonstrate progress in order to convince people. Managers also state that there is some confusion about MC because there are so many change initiatives under way.

## 2.3 IMPROVEMENT, SUPPORT, AND PROGRESS TO DATE

- Some managers participating in focus groups were able to cite changes or improvements in management practices and skills:
  - ◇ Communications: Several participants mentioned new communications practices, including more frequent contact, e.g., stand-up meetings and open-door policies encouraging informal communications between managers and staff.
  - ◇ More rigorous assessments of workload and allocation of resources to tasks and activities.
  - ◇ Focus on results.
  - ◇ Efforts devoted to relationship-building or partnerships with other agencies and organizations.
- Many of the managers interviewed state that progress on individual components of MC is being made, without necessarily being labelled as part of the MC Initiative. For example, they point to changes or improvements in financial management, accountability, risk measurement, internal communications and performance agreements. Many agree that individual pillars of MC are being implemented to some extent in their department, without being referred to in MC terms.

- According to a few managers interviewed, it would be insulting to managers to suggest that certain components of MC (e.g. values and ethics, risk management) are not currently practised. They see the need to emphasize ongoing efforts as the way to take these ideas further.
- Regional managers interviewed perceive little progress achieved on MC. They note that communications with the regions are poor.
- Managers in focus groups generally believed themselves to be “entitled” to support from their organization to improve their management practices and skills. Effective management is perceived to meet the common goals of manager, staff and the organization as a whole. Several of the groups found “entitlement” an odd term to be using.
- Organizational support for improvement to management practices and skills is perceived to be superficial by focus group participants. They mention support at the theoretical level, e.g., for management training and development; but they cite a lack of resources (time and budget) allowing managers to make use of these opportunities. Senior management is seen as withholding support.
- Several focus group participants noted a lack of clarity in departmental priorities and vision, with the result that public servants are reacting to shifting circumstances rather than planning.
- Senior managers interviewed largely agree that they feel mandated to improve management practices in their department. They further agree that there are rewards tied to this effort, although the rewards are not directly tied to MC. Managers state that they are rewarded directly through performance agreements, and indirectly by achieving objectives more efficiently, making resources go further, and seeing their work adopted.
- Senior managers interviewed also largely agree with focus group participants concerning insufficient management training and support. According to one manager, the result is that managers need to be experts in everything — something beyond their capability.

## 2.4 EXISTING TOOLS

- Focus group participants had mixed comments regarding use of existing tools in management of staff and resources (e.g. financial systems, human resource systems, specialists). For example, managers stated that they were knowledgeable about departmental financial systems; however, most managers noted that they had developed their own tools to compensate for weaknesses in departmental ones, or to substitute for tools that were too expensive or not available.



- Senior managers interviewed largely agree with the frustrations expressed by focus group participants with existing tools. They agree that they cannot rely on current information systems for the information they need. Several managers note a lack of modern tools in terms of information systems, or of financial and human resource management. According to one manager interviewed, however, the necessary tools exist; what is lacking is the will to use them properly.
- Existing tools are perceived to work best when they are accessible, according to focus group participants. For example, the financial system (while criticized in some respects) is accessible to managers. Tools available on departmental Intranets were also praised as giving managers an opportunity to access materials when needed, and also as a way to deal with e-mail overload. Similarly, in the regions, the location of specialists on-site eases communications and improves responsiveness.
- Senior managers interviewed also agree with the need for accessible and on-line tools. Several emphasized the need for current information. One manager identified the need to consistently track a limited amount of information that is particularly pertinent and useful for managers, and to make these data readily accessible (like obtaining an account balance from a banking machine). Several managers identified a need for a system of information sharing on best practices, and the development of case studies on best practices.
- Both focus group participants and managers interviewed identified a number of weaknesses in the tools available to managers:
  - ◇ Existing information systems (e.g. financial) are viewed as being responsive not to the needs of managers, but rather to the demands of the organization overall. Information systems were described as inflexible and rigid, overly complex, or opaque. Again, the need for timely, easily accessed information was emphasized.
  - ◇ Rules and regulations are seen as often conflicting with prudent and effective management. Existing systems and rules/regulations are also perceived as lacking responsiveness to new ways of doing business. For example, many departments/agencies undertake partnerships with other federal organizations or the private or voluntary sectors. Cost recovery and billing for services are also prevalent. However, government processes do not accommodate these "exceptional" circumstances. In addition, systems and procedures that are not compatible across the Public Service hamper interdepartmental activities. These types of issues are expected to become more prevalent over time.
  - ◇ Similarly, managers say that staffing rules and regulations can be frustrating for them. In particular, they note significant barriers to ensuring that appropriate staff are available in a timely manner. Human resources recruitment and selection tools were criticized. Staffing barriers were perceived to be time-consuming and to encourage managers to bend the rules or use other approaches, such as contracts, interchanges, term and casual staffing arrangements (or simply to give up). Many senior managers identify a lack of flexibility in hiring and staffing.

- ◇ Managers participating in focus groups report that they use specialists in particular areas, such as financial or human resource matters, because of the abundance of rules and regulations, and the complicated information systems associated with these functions. Problems mentioned include under-resourcing of these functions; rapid turnover of specialist staff; and absence of client service orientation.
- ◇ Hiring and promotion practices in many cases are seen to be at odds with the pillars of MC. For example, some believe that managers are not rewarded or promoted on the basis of effective management skills (nor, according to some, on the basis of values and ethics in decision making). In addition, they note that managers are often drawn from the ranks of employees working in substantive or technical areas; they are not necessarily trained as managers, and may not even be particularly well suited to the role.
- ◇ Some view training and development support as inadequate. They note unevenness in managers' ability, knowledge and willingness to use tools. Many senior managers emphasize the need for manager training.
- ◇ Roles and responsibilities are not properly defined, according to some. The result, they say, is duplication between people, units, systems and tools, and even departments.
- Senior managers interviewed from regions note a need for greater flexibility, and for decentralized decision making on financial and human resource management. One regional manager expresses concern that MC might lessen the scope for approaches tailored to individual regions.

## 2.5 SPECIFIC BARRIERS TO MODERN COMPTROLLERSHIP

### a) **RISK ASSESSMENT**

- Managers participating in focus groups said that they were unfamiliar with risk assessment. One noted the potential problem of differing definitions of risk. Some activities were viewed as lending themselves more readily to risk assessment than others.
- During the focus group discussions, managers noted that risk assessments are typically based on instinct and experience. Few participants were aware of any formalized tools to assess risk and some were sceptical of the value of such tools. In the Public Service, it was commented, political sensitivities often impinge on strictly rational assessments of risk, and financial systems provide little support.
- Some participants note that, in general, departments are risk-averse, and that aversion to risk increases as one moves up the management ladder. Managers who take risks are not rewarded, they maintained. They see a contradiction in encouraging managers to promote innovation and initiative, while at the same time requiring them to avoid errors.

- Senior managers interviewed echo this sentiment. They note that no one has ever been rewarded for taking risk and failing. One senior manager commented that, since federal civil servants are perceived as spending tax dollars, they will always face closer scrutiny and will tend to avoid risk and embarrassment. Several point to management practices that run counter to encouraging innovation and allowing risk (e.g. onerous reporting requirements).

**b) *PERFORMANCE MEASUREMENT***

- Like risk assessment, performance measurement is seen by participants as a difficult exercise, with some activities lending themselves more readily to measurement than others. Familiarity among focus group participants with Results-based Management and Accountability Frameworks (RMAFs) is uneven. However, key performance indicators appear to be more widely used, and some programs/activities collect client satisfaction data or undergo regular program evaluations.
- Other focus group participants note a fundamental lack of measurement and therefore information about clients, expectations, needs, progress, performance indicators or data of any kind. They see a need for faster progress on performance measurement, and for widespread communication/documenting of progress in measuring performance.
- Managers in focus groups noted that there are barriers to performance measurement in areas where measures are less meaningful, or where the results of program investments may emerge slowly.
- A few senior managers interviewed also note difficulty in finding an appropriate set (and number) of performance measures, particularly in certain situations.

**c) *VALUES AND ETHICS***

- Of the four pillars of MC, focus group participants note the fewest barriers in the case of values and ethics, but they have difficulty seeing the connection to MC. Apart from Industry Canada, most participants were not aware of any statements of Public Service values or ethics. Many commented that it is difficult to apply an external set of values and ethics to management decision making. It was emphasized that senior managers need to demonstrate their commitment to values and ethics in their decision making and their interactions with employees.
- According to a few senior managers interviewed, any statement about the need for values and ethics insults managers by implying that these are lacking right now. Another stated that some managers still see no problem in accepting “perks” from clients.

**d) *CONTROL***

- Focus group participants see significant legislative obstacles to appropriate levels of control. According to them, excessive rules and regulations impede managers’ ability to make decisions and embrace the concept of improved management. They perceive a basic lack of trust in managers to make decisions, particularly in the regions.

- Several senior managers note a tendency to provide negative rather than positive reinforcement.
- According to some, since the Public Service spends public dollars there is scrupulous attention to fairness, transparency and accountability; but if the focus is on these, timeliness and responsiveness may suffer.
- In many cases, focus group participants perceive a decrease in management flexibility in recent years.
- Some note, at the same time, that politicians are accountable to the general public not only for results, but also for the process used to achieve them.

## 2.6 SENIOR MANAGEMENT RESPONSIBILITY

- In a few focus groups, participants perceived a lack of direction and accountability at the top to guide efforts and take responsibility for decisions.
- According to the participants, this lack of commitment is reflected in conflicting values and messages in many areas, e.g., hire the right person but respond to employment equity; take risks and improve, but don't make mistakes.
- Focus group participants note the need for decisions about how to deal with conflicting demands, authorities and priorities, or with unforeseen problems. They stress that the focus/commitment must be maintained despite changes in circumstances.
- In the view of participants, senior management support for MC is lacking. They maintain that MC champions must be more visible and must remain in their position through the course of the initiative.
- Many of the senior managers interviewed agree that MC has received insufficient support and emphasis from senior management. They agree that MC must be presented as a priority, and the importance of it must be clear from the top.
- Several senior managers interviewed also note that MC should be in performance agreements if it is to be taken seriously and made a priority. At present there is no accountability for MC, and no reward for it. In their opinion, MC must be linked to performance and there must be accountability for progress on MC.

## 2.7 ADDITIONAL BARRIERS AND OVERALL ASSESSMENT OF BARRIERS

- According to focus group participants, a key barrier to MC and improved management practices in general is the commonly held view that managing is a luxury that can be addressed only during rare periods of down time. They maintain that the primary objective of government work units, to which, in their opinion, incentives and rewards are also tied, is to

move files and make progress on different portfolios without making mistakes. Middle- and junior-level managers, who often have responsibilities for both management and producing deliverables, are especially of the view that daily routine and crises take precedence over macro-management or reorganization issues. This, they contend, leaves little incentive to restructure or report mistakes or failures.

- Many participants cited late budget allocations and end-of-fiscal-year budget purging as contrary to modern management practices. Many senior managers agree with this view. A few managers interviewed note problems in working on multi-year projects with annual budgets: if the new budget is not received until May or June, project work grinds to a halt for several months.
- Focus group participants mentioned a number of lesser challenges to implementing MC, such as resistance to change or management skills and competencies.
- Many senior managers see a lack of TBS support for MC. They were unaware of TBS' leadership activities and the funding available to support departmental and agency efforts to implement MC.
- Additional barriers to MC identified by senior managers include:
  - ◇ the heavy and increasing workload faced by managers;
  - ◇ malaise at the middle management level;
  - ◇ the hierarchical nature of the system, which discourages horizontal management and cooperation, as well as acquisition of management skills and training;
  - ◇ scepticism about MC;
  - ◇ lack of tools available to managers (information, financial and human resource tools);
  - ◇ the MC terminology and the confusion it creates (link to finance, control);
  - ◇ lack of management skills, and lack of support and training available to managers; and
  - ◇ in at least one case, working with (First Nations) partners not subject to controls or performance measurement.

## 2.8 POSITIVE ELEMENTS OF MODERN COMPTROLLERSHIP (FOCUS GROUP PARTICIPANTS ONLY)

- Most focus group participants agreed with the concept of MC and its key themes or pillars. They perceived MC as providing a common frame of reference, particularly for new managers, within the Public Service.

- The rationale for improvement also appears evident to most (efficiency, accountability, empowerment, measurement). Some see MC as a framework that provides the flexibility and guidance enabling managers to base decision making on effective tools and information.
- Participants see MC as signalling a new emphasis on management. In their view, this is something much needed given the method of promoting new managers (who have no training or background as managers), the lack of consideration given to the management function in (middle) managers' role and workload, and the lack of recognition for managing.
- Similarly, participants see MC as signalling a new emphasis on workable tools and measurement/data, which is a welcome development for both managers and specialists.

### 3. QUANTITATIVE FINDINGS

#### 3.1 CURRENT STATE OF MODERN MANAGEMENT PRACTICES

##### a) CURRENT STATE OF PRACTICES

Employees surveyed were asked to assess the current state of practices in their branch in a number of areas. These areas or themes relate to modern management practices in general, and specifically to each of the four pillars of MC. This question was dropped partway through the survey to reduce the overall length and improve response rates; it was, therefore, answered by only two thirds of respondents.

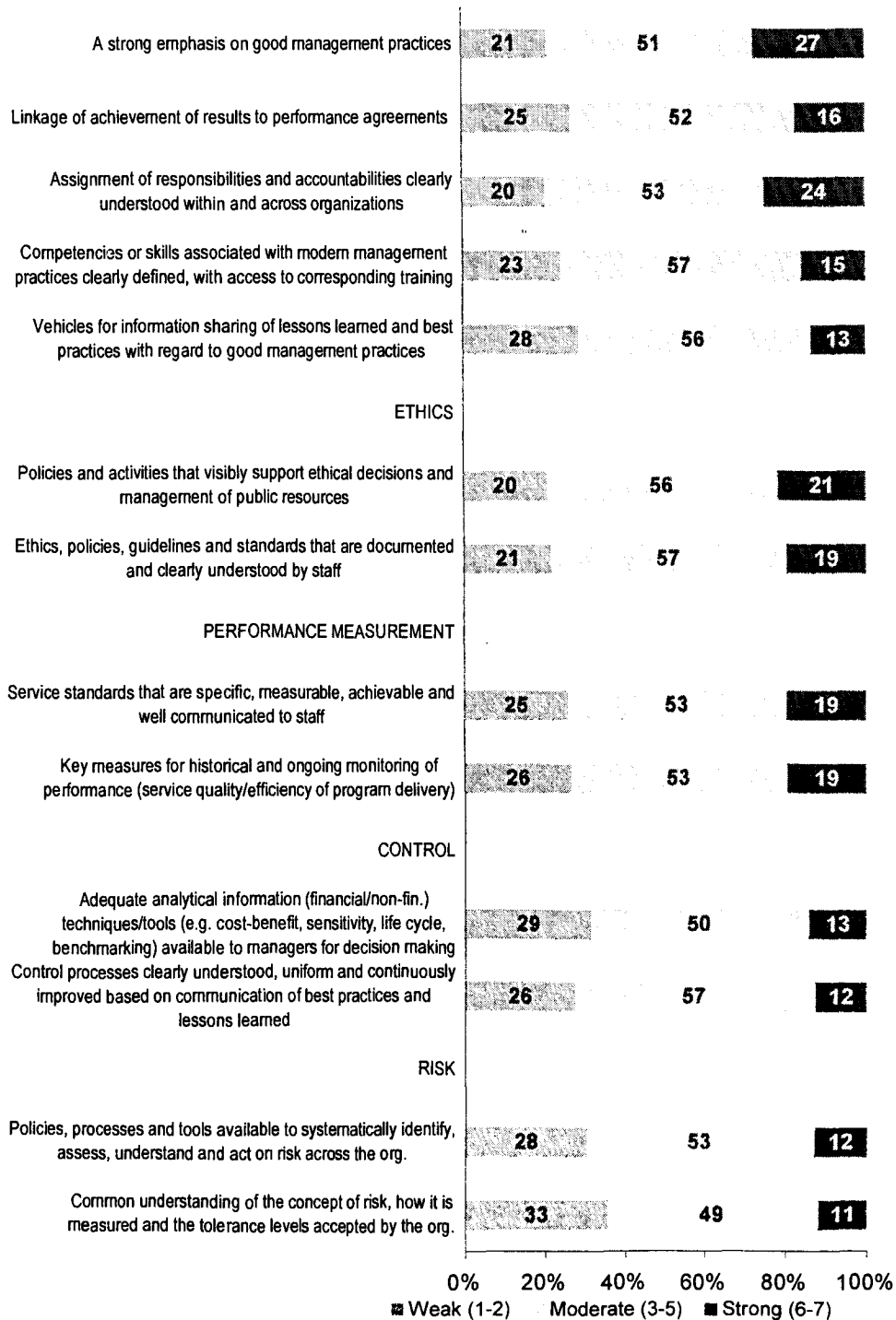
Theme or Pillar	Survey Item
General good management practices	<ul style="list-style-type: none"> <li>› A strong emphasis on good management practices</li> <li>› Linkage of achievement of results to performance agreements</li> </ul>
Methods to achieve good management practices	<ul style="list-style-type: none"> <li>› Assignment of responsibilities and accountabilities clearly understood within and across organizations</li> <li>› Competencies or skills associated with modern management practices clearly defined, with access to corresponding training</li> <li>› Vehicles for information sharing of lessons learned and best practices with regard to good management practices</li> </ul>
Performance measurement	<ul style="list-style-type: none"> <li>› Key measures for historical and ongoing monitoring of performance</li> <li>› Service standards that are specific, measurable, achievable and well communicated to staff</li> </ul>
Ethics	<ul style="list-style-type: none"> <li>› Policies and activities that visibly support ethical decisions and management of public resources</li> <li>› Ethics policies, guidelines and standards that are documented and clearly understood by staff</li> </ul>
Risk assessment	<ul style="list-style-type: none"> <li>› Common understanding of the concept of risk, how it is measured and the tolerance levels accepted by the organization</li> <li>› Policies, processes and tools available to systematically identify, assess, understand and act on risk across the organization</li> </ul>
Control	<ul style="list-style-type: none"> <li>› Control processes clearly understood, uniform and continuously improved based on communication of best practices and lessons learned</li> <li>› Adequate analytical information, techniques/tools available to managers for decision making</li> </ul>

Employees generally indicate that the strength of current practices in their branch is moderate or neither weak nor strong, on all of the concepts or areas examined. These ratings are consistent with qualitative research results.



## Current State of Practices

"Rate the current state of practices in these same areas in your branch"



EKOS Research  
Associates Inc.

n = 790

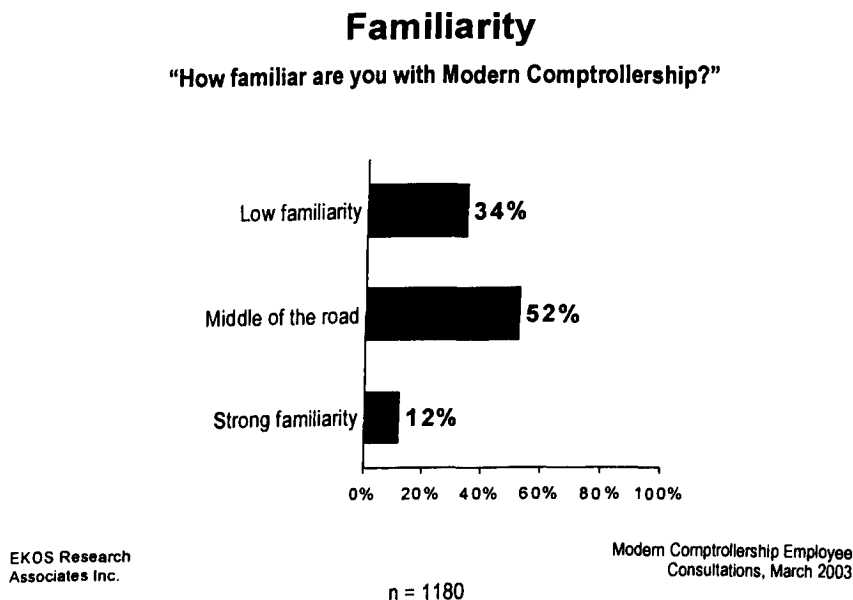
Modern Comptrollership Employee  
Consultations, March 2003

Health Canada managers and specialists rated the current state of practices in their branch more poorly with respect to items linked to good management, performance measurement and control, while Industry Canada managers and specialists were the most positive in these same areas. Senior and middle managers provide a more positive assessment of current practices than do specialists. Managers in policy and research gave poorer ratings to current practices linked to good management, performance measurement and control, while those in programs and operations provide a more positive assessment of practices relating to performance measurement and control. Those less familiar with MC are more negative. Those with more management experience or responsible for the largest units (20 or more people) are more positive. Those in the National Capital Region are more critical of the state of current practices pertaining to ethics, control, performance measurement and good management, while employees in the Prairie region provide a more positive assessment of practices in the same area.

### 3.2 UNDERSTANDING OF MODERN COMPTROLLERSHIP

#### a) *FAMILIARITY WITH MODERN COMPTROLLERSHIP*

Familiarity with Modern Comptrollership is only moderate. Roughly 5 in 10 employees consider themselves to be somewhat familiar with MC; one third say they have little familiarity; and slightly over 1 in 10 say they are very familiar with it.



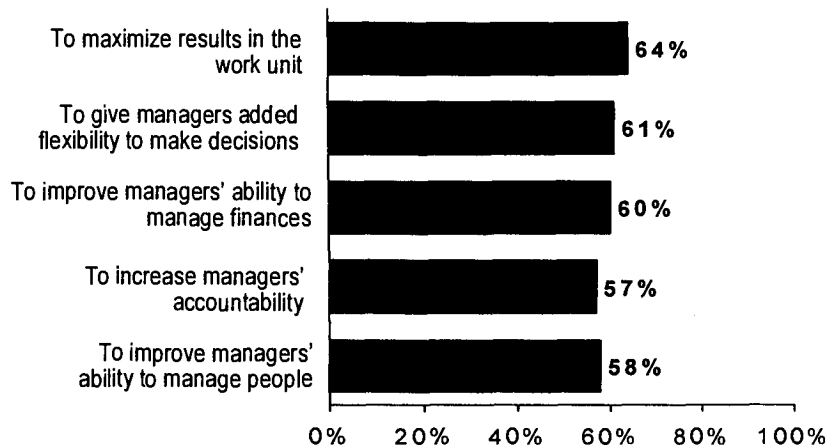
These findings are consistent with qualitative research results. Senior managers are most likely to be familiar with MC, as are employees in corporate services and in the National Capital Region. Familiarity is lower in NRCan and among employees in the regions, specialists in particular, and those in research.

**b) UNDERSTANDING OF MODERN COMPTROLLERSHIP OBJECTIVES**

From a list, managers were asked to select what they believe to be the primary objectives of MC. Each primary objective was correctly identified by close to 6 in 10 managers. One in 10 did not know what the primary objectives of MC are.

## Modern Comptrollership Objectives

**“To the best of your knowledge, what are the primary objectives of MC?”**



EKOS Research  
Associates Inc.

n = 1177

Modern Comptrollership Employee  
Consultations, March 2003

Just over one third (34%) of employees/managers selected all five objectives as being primary or core objectives of MC. The same proportion (34%) selected three or four of the objectives listed, while just under one third (32%) identified one or two of the five objectives as being central to MC.

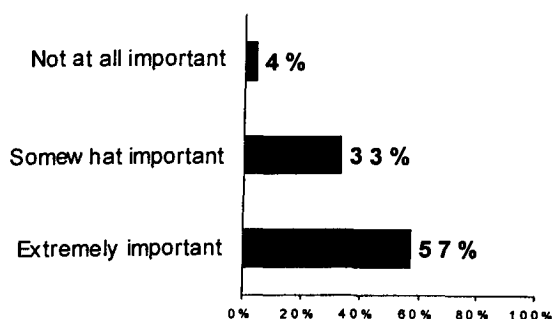
Health Canada employees, those in corporate services and individuals who are familiar with MC are most likely to identify all five primary objectives of MC, while specialists and those unfamiliar with MC are least likely to be able to identify these objectives.

**c) IMPORTANCE OF MODERN COMPTROLLERSHIP OBJECTIVES**

This question was dropped partway through the survey and was, therefore, answered by only two thirds of the sample. Of the respondents, over half (57%) believe that it is extremely important to achieve the elements of MC in their own jobs, and one third believe it is somewhat important. A small minority (4%) see the objectives as unimportant to their jobs.

## Importance of Modern Comptrollership Objectives

"In your own opinion, how important is it to achieve these elements of MC in your own job?"



EKOS Research  
Associates Inc.

n = 784

Modern Comptrollership Employee  
Consultations, March 2003

Although employees believe that items linked to MC and modern management are given only moderate emphasis within their branch, they believe that it is important to achieve these elements in their own jobs.

The importance attached to achieving MC objectives is linked to familiarity with MC. Not surprisingly, Health Canada managers and specialists, senior managers, employees in corporate services, and those in the National Capital Region are all more likely to consider achievement of MC objectives to be very important.

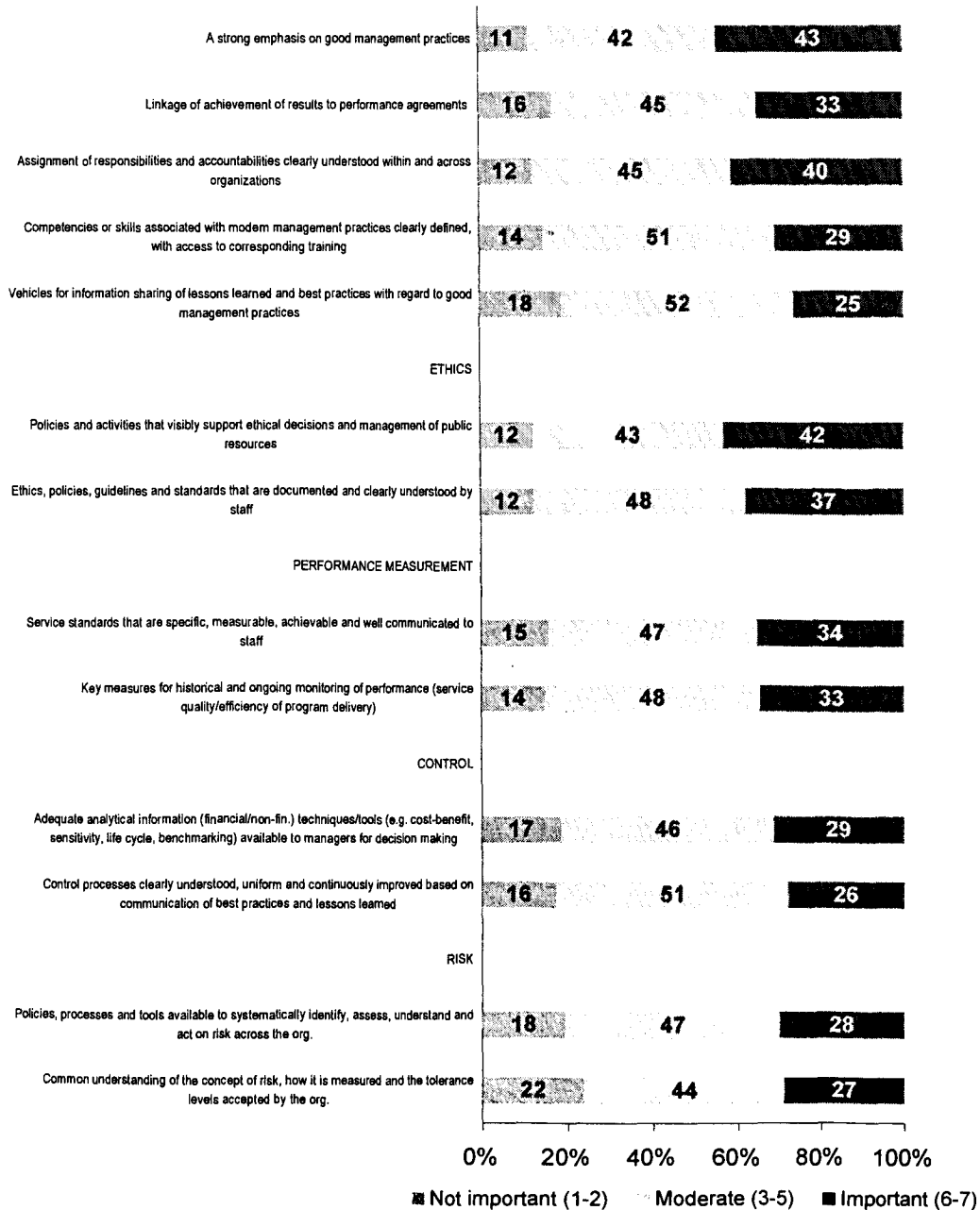
### 3.3 IMPORTANCE PLACED ON MODERN COMPTROLLERSHIP

Managers and specialists were asked to rate their own perception of the current importance of a number of modern management practices to their branch. Their ratings were more positive than their assessment of the strength of current practices in their branch, although a significant proportion (between 42% and 52%) describe the importance of each concept or practice as only moderately important.

The ratings vary significantly for different practices, with management practices and ethics generally scoring higher and practices relating to risk assessment and control receiving the poorest scores.

## Importance Placed on Modern Comptrollership

### “How important are each of the following currently in your branch?”



EKOS Research  
Associates Inc.

n = 1186

Modern Comptrollership Employee  
Consultations, March 2003

Employees at NRCan are likely to assess many items as being of less importance to their branch, while those at Industry Canada are more likely to view them as important. As with the assessment of current practices, senior managers are more likely to view these items as being of greater current importance. Those familiar with MC and individuals who attach greater importance to MC objectives are also more likely to assess these items as more important.

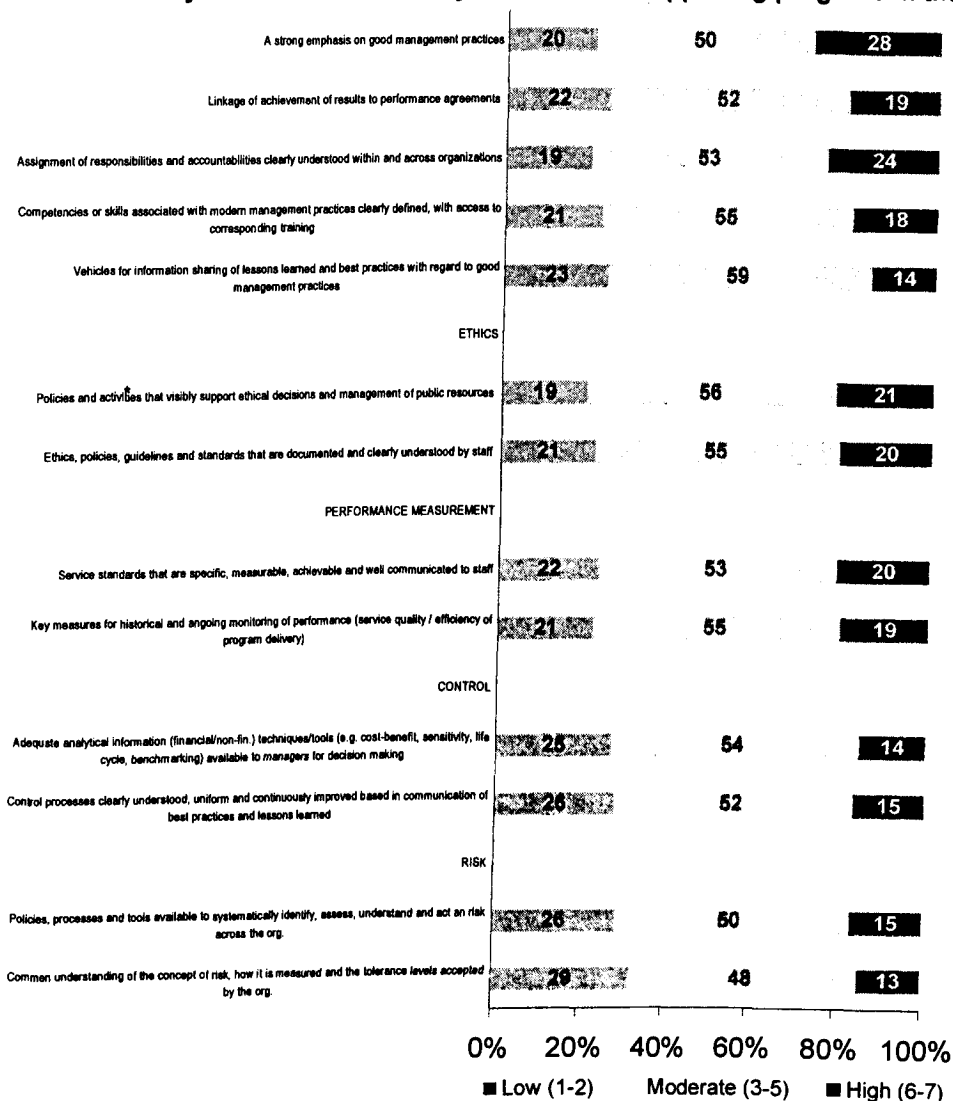
### 3.4 ORGANIZATIONAL SUPPORT FOR MODERN COMPTROLLERSHIP

Managers were asked to rate the extent to which they see evidence that their branch is supporting progress in the same areas linked to good management practices and the four pillars of MC.

As with the assessment of the current state of practices, managers tend to view support for progress in these areas as moderate and weaker than the level of importance placed on these items. This finding suggests inadequate follow-through in the actual hands-on implementation of MC. The qualitative findings confirm this interpretation.

#### Organizational Support for Modern Comptrollership

"To what extent do you see evidence that your branch is supporting progress in these areas?"



EKOS Research  
Associates Inc.

n = 1186  
\* smaller sample (n = 790)

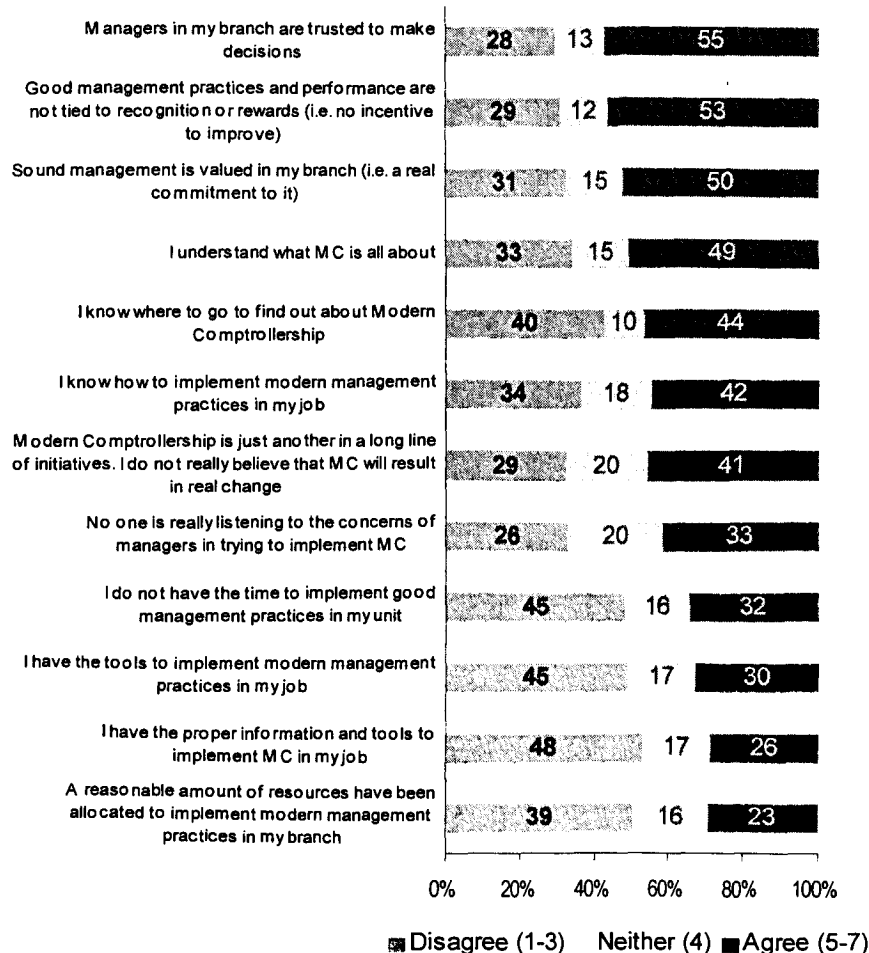
Modern Comptrollership Employee  
Consultations, March 2003

As with the current state of practice and the importance ratings, senior managers and those familiar with MC are far more likely to see evidence of support for progress in all these areas, while specialists are less likely to do so. As with importance, Industry Canada staff and those in corporate services are more likely to see evidence of support for progress in many areas, while those at NRCan and in policy or research are less likely to do so.

### 3.5 GENERAL ATTITUDES AND BARRIERS

Managers were asked to rate the extent to which they agree or disagree with a number of different statements that explore perceptions and attitudes regarding modern management and Modern Comptrollership. The statements concerned the overall trust placed in managers and the emphasis given to sound management, as well as knowledge and understanding of MC, attitudes to MC, and barriers to its implementation.

#### Views about Modern Comptrollership "Rate the extent to which you agree or disagree with each of the following statements"





The findings suggest that understanding of MC and how to implement it are not very strong. Among the barriers perceived by employees to the implementation of modern management practices are lack of time, resources, training, information, tools and communication. The findings are consistent with the results of qualitative research.

Senior managers are more likely to have a positive view of MC, as are those working in corporate services. A contrary view is more prevalent among those working in policy and research, and in operations.

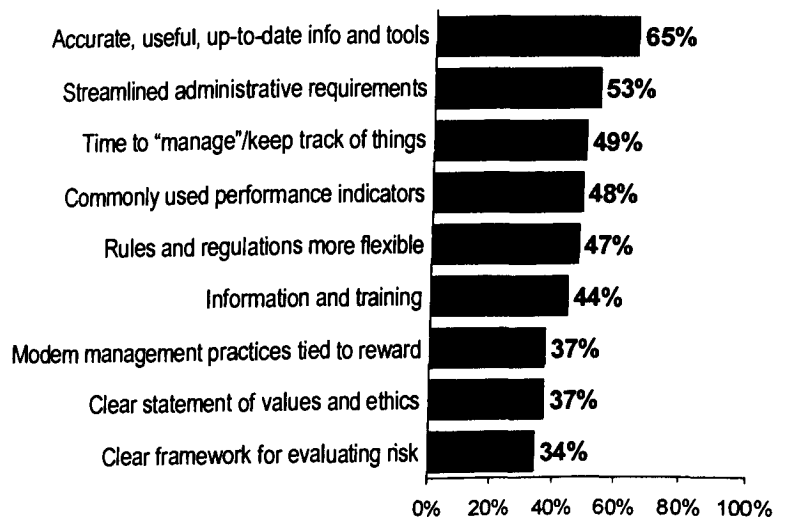
### 3.6 USEFUL TOOLS AND SOLUTIONS

#### a) *USEFUL TOOLS*

Employees were presented with pairs of various management tools and asked to choose which of the two was more useful in managing their unit. The availability of accurate and up-to-date information and tools for decision making was chosen by employees most often (65% of the time that it was presented against another choice). Approximately half of employees indicated the high value of reduced red tape (53%), more management time (49%), a common and realistic set of performance indicators and targets (48%), and rules that permit flexibility in decision making (47%). Some 44% pointed toward the value of information and training on how to implement modern management. Slightly fewer (37%) highlighted a definition of managers' roles tied to rewards and sanctions, as well as a clear statement of values and ethics related to decision making. The existence of a clear framework for evaluating risk was chosen by employees only 34% of the time it was asked.

### Value of Management Tools

"Which of these is more useful to you in managing your unit?"



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Associates Inc.

n = 1186

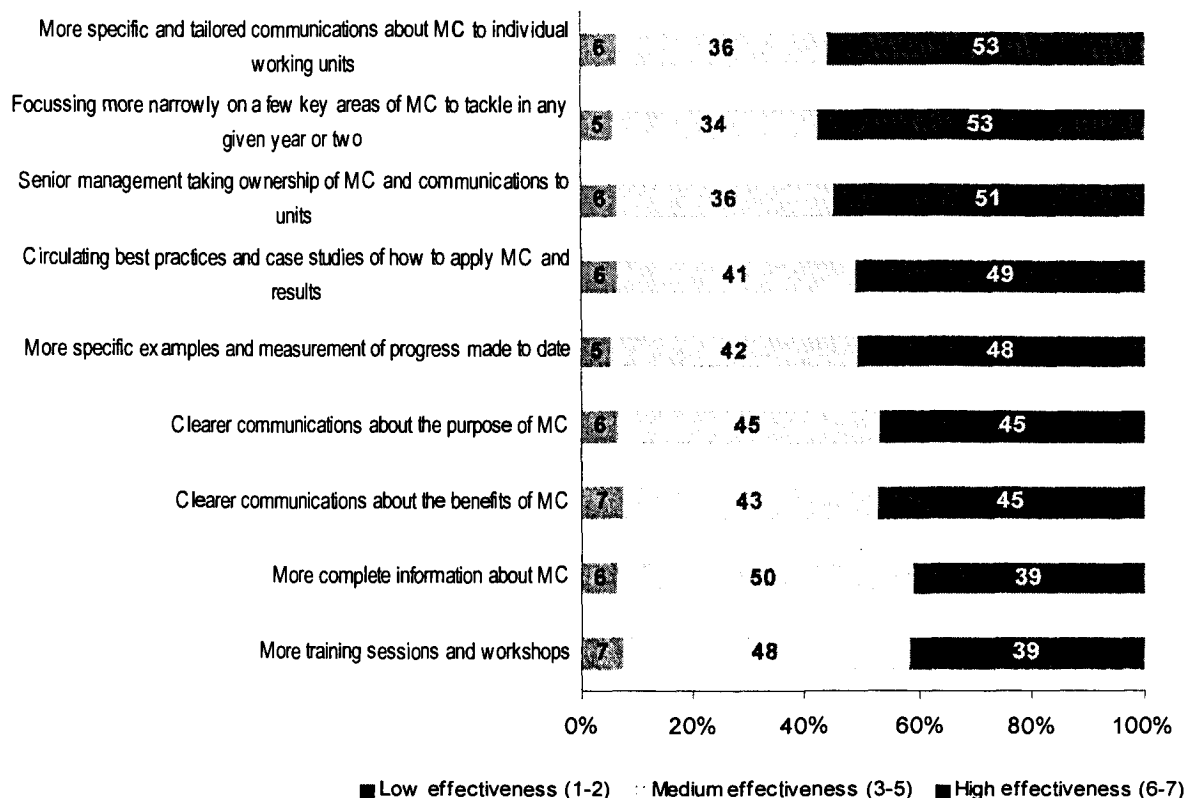
Modern Comptrollership Employee  
Consultations, 2002-2003

## b) . MODERN COMPTROLLERSHIP SOLUTIONS

Employees were asked to rate the effectiveness of a variety of suggestions regarding the facilitation and implementation of Modern Comptrollership. More than half (53%) rated more specific and tailored communications about MC and its gradual implementation over a number of years as being most effective. Half (51%) think that senior management must take ownership of MC and its communications, and 49% favour additional information on best practices and case studies. Just under half consider providing additional examples and measurement of progress to date to be very effective (48%), and 45% of employees think that clearer communications about the purpose and benefits of MC would be effective. Some 39% advocate more complete information or more training sessions and workshops on MC.

### Modern Comptrollership Solutions

**"Rate the effectiveness of each of the following suggestions in facilitating the implementation of modern management practices and MC specifically"**



EKOS Research  
Associates Inc.

n = 1186

Modern Comptrollership Employee  
Consultations, March 2003

## 4. SUMMARY OF BARRIERS AND POTENTIAL SOLUTIONS

### 4.1 OBSERVATIONS

Barrier	Potential Solution
<ul style="list-style-type: none"> <li>Lack of familiarity with and understanding of the Modern Comptrollership Initiative</li> </ul>	<ul style="list-style-type: none"> <li>More widespread communications regarding the goals and rationale of Modern Comptrollership</li> </ul>
<ul style="list-style-type: none"> <li>MC often viewed in terms of financial control rather than as a basic approach to management</li> </ul>	<ul style="list-style-type: none"> <li>Shift focus away from strictly finance-related reform to broader management issues focussed on the four pillars (values and ethics, risk management, integrated financial and non-financial performance information and stewardship)</li> </ul>
<ul style="list-style-type: none"> <li>Size and complexity of the initiative</li> </ul>	<ul style="list-style-type: none"> <li>Break MC down into manageable components, to be worked on in phases</li> </ul>
<ul style="list-style-type: none"> <li>Need far more specific information about implementing modern management practices</li> </ul>	<ul style="list-style-type: none"> <li>Develop and share best practices, success stories and lessons learned</li> </ul>
<ul style="list-style-type: none"> <li>Functional specialists less knowledgeable about MC than managers</li> </ul>	<ul style="list-style-type: none"> <li>Train specialists to guide managers in specifics of modern management practices</li> </ul>
<ul style="list-style-type: none"> <li>Scepticism that MC will result in real change</li> </ul>	<ul style="list-style-type: none"> <li>Link MC to previous change initiatives — part of an ongoing process of improvement</li> </ul>
<ul style="list-style-type: none"> <li>Managers and specialists ill equipped to manage effectively with the tools available</li> </ul>	<ul style="list-style-type: none"> <li>Develop modern, simple tools, offering timely and up-to-date information</li> </ul>
<ul style="list-style-type: none"> <li>Managers' heavy workload forces them to give precedence to day-to-day tasks</li> </ul>	<ul style="list-style-type: none"> <li>Provide more support to managers</li> </ul>
<ul style="list-style-type: none"> <li>Senior management support for the initiative seen as weak</li> </ul>	<ul style="list-style-type: none"> <li>Senior management must lead in communicating about MC, and must provide clear guidance and leadership</li> </ul>

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Overcoming barriers to  
modern comptrollership

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