

Current Good Practices and New Developments in Public Service Management

A Profile of the Public Service of Canada

The Public Service Country Profile Series: No.1



Commonwealth Secretariat

Current Good Practices and New Developments in Public Service Management

A Commonwealth Secretariat publication series

This major publication series provides practical guidance to managers at all levels within the public service.

The Commonwealth Portfolio leads the series. In loose leaf format for easy updating it distils and analyses innovations and best public service management practice from across the Commonwealth. Its 65 entries will be published in stages and cover the following key areas:

- a. making the most of staff
- b. making government more efficient
- c. improving the quality of services
- d. improving partnerships with organisations and agencies outside of central government
- e. making management more effective
- f. improving the management of finance
- g. improving policy-making.

An overview of Commonwealth best practices and the management of change, and the entries in sections a and e. will be published in late 1994. The remaining sections will be published in early 1995. Registered holders of the Portfolio will receive regular updates and new entries.

The Portfolio is complemented by *The Public Service Country Profile Series* which provides a unique insight into recent developments and best public service management practices in a broad range of Commonwealth countries. Profiles of the public service of the following countries are in print or forthcoming:

Canada

UK

Malaysia

Trinidad and Tobago

Zimbabwe

New Zealand

Malta

Key features from selected countries including Botswana and Grenada

Profiles of the public service of Australia, Ghana and Singapore are planned.

These and many other publications of practical value to managers, administrators, advanced students and academics requiring in-depth insights into the trends and opportunities confronting government are available from:

The Publications Section

Commonwealth Secretariat

Marlborough House

Pall Mall

London SW1Y 5HX

Telephone: 0171-839 3411

Facsimile: 0171-930 0827

Current Good Practices
and New Developments
in Public Service Management

A Profile of the Public Service of Canada

**Current Good Practices
and New Developments
in Public Service Management**

A Profile of the Public Service of Canada

The Public Service Country Profile Series: no. 1



Commonwealth Secretariat
1994

The views expressed in this document do not necessarily reflect the opinion or policy of the Commonwealth Secretariat.

Copyright © Commonwealth Secretariat 1994

Printed and Published by the Commonwealth Secretariat

May be purchased from:
Commonwealth Secretariat Publication
Marlborough House
Pall Mall
LONDON SW1Y 5HX

ISBN: 0 85092 411 1

All Rights Reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or otherwise, without the prior permission of the publisher.

FOREWORD

Since 1975, the Commonwealth Secretariat through its Management and Training Services Division (formerly the Management Development Programme) has been providing extensive assistance to Commonwealth governments confronting the challenge of securing administrative and managerial improvements in the public sector. The Division's analyses of major trends and opportunities for public sector reform are complemented by its tailored consultancy and training packages designed in response to national and regional needs.

The current widespread debate concerning the managerial and structural options which will best fit the public service for the challenges of the next century touches the very centre of the questions concerning the role and responsibilities of the governments of the future.

The structure and processes of the overall public sector, that area of national social and economic life which is directly answerable to government, are significant in two ways. They serve to deliver, or to fail to deliver, the policy objectives of government, and they serve as a marker which government unavoidably sets down concerning accountability and transparency in national affairs, and the legal and constitutional framework for development.

As the range of structural options and accountability relationships utilised within the public sector increases, the complexity and diversity of that sector is growing. Assessing the strategic options for the public sector requires a clear understanding of the managerial alternatives and the actual and potential capacities of the core public service. I believe that this publication, and its companion volumes, is a significant contribution towards that understanding.

The Public Service Country Profile Series has grown out of a larger publication series examining current good practices and new developments in public service management. A pan-Commonwealth expert working group met in Kuala Lumpur in early 1993 to discuss the possible development of a policy guide for senior officials, highlighting the key principles underpinning recent managerial developments within the public service. This ground-breaking workshop developed the framework for *The Commonwealth Portfolio*, a distillation and analysis of innovations and best practices in public service management from across the Commonwealth.

The Commonwealth Portfolio is being published in loose leaf format for easy updating, and its 65 entries will cover the major areas of change within public service management.

I am particularly pleased to note that in constructing the Portfolio the expert editors and compilers have been determined to ensure its relevance to the real challenges faced by senior officials and managers. To ensure that the principles it identifies are firmly grounded in real experiences and genuine achievements within the public service, member governments across the Commonwealth were approached to take part in a unique mapping exercise, identifying the actual changes which had been made in some key areas of public service management. That so many governments unhesitatingly agreed is a tribute to the spirit of co-operation and to the strength of professional networks within the public services of Commonwealth countries.

The Public Service Country Profile Series sets out the results of that mapping exercise, country by country, to provide an unprecedented insight into the real managerial and structural changes under way in the public service. In providing some firm ground on which those public servants, both elected and appointed, who are faced with the challenge of public service reform can stand while assessing the options available, the Country Profile Series marks a milestone in the debate concerning the management of the public service. Reality is informing rhetoric at last.

Dr Mohan Kaul
Director
Management and Training Services Division
Commonwealth Secretariat

ACKNOWLEDGEMENTS

This publication is the product of some remarkable co-operation and some very generous assistance from experts and officials at all levels who have given their time and knowledge as a contribution towards Commonwealth co-operation and as a signal of their commitment to the improvement of the public service.

I would very particularly like to thank Oy Lo, Jennifer Trottier and other staff of the Canadian Centre for Management Development (CCMD) who undertook the co-ordination of the project within Canada. I would also like to thank Louis Tousignant of CCMD, and David Askew of the UK civil service, whose early discussions proved to be so fruitful.

The publication owes a considerable debt of gratitude to Sharon Fichel and David Brown in the Treasury Board Secretariat of Canada for their time and determination in finding fertile ground within the Canadian public service in which the initial idea could successfully grow, and for locating the very many supporting documents referred to in the text.

Sir Kenneth Stowe provided most valuable suggestions in designing the publication series and concerning the style and content of all the country profiles.

The cover design was provided as a corporate contribution towards Commonwealth co-operation through the kind assistance of Francis Plowden of Coopers and Lybrand, London.

The excellent material in this publication was provided by individual public servants within the Canadian federal government, co-ordinated through the Canadian Centre for Management Development. The material has been edited by Sandford Borins and myself and, although every attempt has been made to retain the accuracy of the contributing authors, final responsibility for any errors or inaccuracies rests clearly with the editors. The inclusion of any statement within this publication does not imply that this is an exhaustive analysis of current trends, or that this is official policy of the federal government.

Nick Manning
Management Specialist (Organisational Development)/(Project Co-ordinator)
Management and Training Services Division
Commonwealth Secretariat

CONTENTS

Introduction		1
Section 1	Making the most of staff	7
1.1	Ensuring non-discrimination in employment practices	9
1.2	Improving human resource management	12
1.3	Enhancing staff training and development (policy)	30
1.4	Enhancing staff training and development (application)	32
1.5	Achieving a mission orientation	36
1.6	Staffing the Public Service - the Public Service Commission	38
1.7	Strengthening anti-corruption measures	43
1.8	Using performance incentives	46
1.9	Codes of Conduct	49
1.10	Using contractual employment	51
1.11	Workforce size control	54
1.12	Human resource information systems	57
1.13	Equal pay for work of equal value	60
Section 2	Making government more efficient	63
2.1	Making government more efficient	65
2.2	Improving the delivery of government services	67
2.3	Redundancy management	69
2.4	Performance-based management	72
2.5	Special Operating Agencies	74
Section 3	Improving the quality of services	81
3.1	Improving public reporting	83
3.2	Introducing a quality management approach	86
3.3	Establishing a customer-orientation	88
3.4	Ensuring a right of redress	102
3.5	Establishing and publishing service standards	104
3.6	Improving policy presentation	107
Section 4	Improving partnerships with organisations/ agencies outside central government	109
4.1	Contestable policy advice	111
4.2	Deregulation	113
4.3	Inter-governmental relations	116

4.4	Developing partnerships with academic institutions	119
4.5	Developing partnerships with industry	123
4.6	Partnerships with Aboriginal people	127
Section 5	Making management more effective	129
5.1	Enhancing leadership skills	131
5.2	Improving management information systems	134
5.3	Improving information technology support	137
5.4	Management development	140
Section 6	Improving the management of finance	143
6.1	Strengthening audit systems (internal)	145
6.2	Accrual accounting	149
6.3	Improving estate management	152
6.4	Improving procurement procedures	162
6.5	Introducing end-year flexibility	166
Contact addresses		167
Further publications from the Management and Training Services Division		168

INTRODUCTION

This document, outlining much of the Government of Canada's recent experience regarding public service reform, was created in response to the Commonwealth Secretariat's global survey of public service reform within the Commonwealth countries. This initiative and others like it, for example the Organisation for Economic Co-operation and Development's public management surveys, stand as evidence that there is a public service reform movement underway throughout the world. International surveys serve the important role of enabling people in different countries to share their experiences, learn from one another, and adapt one another's best practices to their own context.

The purpose of this short introduction is to point out some of the major themes in the document and to make clear some distinctive features of the Canadian context, thereby increasing the value of this survey of Canadian experience to the non-Canadian reader.

If one can identify a starting point for the Government of Canada's journey on the road to administrative reform, it would surely be a process entitled "Public Service 2000." In late 1989, the federal Cabinet announced the initiation of a process of renewal of the federal public service. It had political interest and support, but it was not closely directed or actively managed by the politicians. Thus, it does not bear the imprint of a particular political agenda, as was the case for public service reforms in some other countries. Rather, Public Service 2000 was very much the effort of the federal public service. For two years, task forces of the most senior public servants - deputy ministers and assistant deputy ministers - worked long and hard on numerous aspects of public service reform. The immediate products of these task forces included a series of major reports and amendments to legislation governing the public service. These first changes have led to major reforms in many federal government departments and a process of change that is involving staff at all levels.

Public Service 2000 staked out the following key themes. The Public Service must strive to provide high quality service and increase client satisfaction. The Public Service must become more engaged, more open, more visible and more consultative. Public Service managers must create organisations in which people are valued for their skill, dedication, energy, and loyalty. To achieve these objectives the Public Service must invest more heavily in the development of its people. It must also reduce the burden of internal controls so that intelligent, well-motivated managers have greater latitude to take initiative to improve service quality and client satisfaction. Many of these key themes are echoed again and again throughout this document.

In reading this document, the reader will see a mixture of discussions of broad-based initiatives throughout the Government as well as detailed case studies of individual departments and programmes. Here are four broad-based initiatives, as well as the sections that illustrate them:

Initiatives to improve service quality These include the establishment of an inter-departmental quality network (entry 3.2) and an initiative, led by the Treasury Board Secretariat, to establish service standards for all departments (entry 3.5).

The reduction of central agency constraints on departments This is being addressed by increased delegation of authority to departments for human resource management (entry 1.2) and for financial management through the establishment of Operating Budgets (entry 1.11) and increased fiscal year-end flexibility (entry 6.5). Section 2.5 discusses how Special Operating Agencies are being created to give service units within departments direct responsibility for results and increased managerial flexibility.

Training and development Even in an era of fiscal constraint, the Government of Canada has been increasing its investment in the people who constitute the public service. This is discussed in entry 1.3, which outlines training and development policy, entry 1.4, which outlines the activities of Training and Development Canada, a new Special Operating Agency within the Public Service Commission of Canada, and entries 5.1, and 5.4, which deal with the Canadian Centre for Management Development. The Canadian Centre for Management Development was established in 1988 to focus on the management development needs of the executive level, and it has emerged as a key player in public service reform.

Applying information technology Employing new information technology is emerging as a key way of achieving objectives such as improving service and reducing cost. The establishment of the position of Chief Informatics Officer within the federal government is discussed in entry 5.2 and the *Government's new Blueprint for Renewing Government Services using Information Technology* is outlined in entry 5.3.

In addition to discussions of broad-based initiatives, this report contains a rich yet diverse menu of case studies that reinforce the major themes with detailed departmental and/or programme experience. These include the following:

- the experience of two new Special Operating Agencies (the Canada Communication Group, entry 2.5; the Government Telecommunications Agency, entry 3.3) that are attempting to improve the standard of service to customers within government;

- the experience of Canada Post Corporation (entry 3.3), which has been converted from a government department to a Crown corporation, and is improving customer service through the use of improved technology and partnerships with the private sector and with other nations;
- the experience of Revenue Canada (entry 3.3) at increasing its client orientation through public consultation, process redesign and technological innovation;
- the experience of Public Works and Government Services Canada in re-engineering the procurement process through the application of information technology (entry 6.4) and in accelerating the adoption of new technology throughout the public service by establishing a software exchange service (entry 5.3) and a training institute for informatics professionals (entry 4.4);
- the experience of Statistics Canada in improving its human resource management practices, including recruitment, training, and career development (entry 1.2).

Despite the comprehensiveness of this collection of broad-based initiatives and case studies, the reader should realise that it does not tell the whole story of public service reform in Canada. Canada has a very decentralised federal system of government, in which some major powers are held by provincial governments (for example, health and education) and many other powers exercised jointly by the federal and provincial governments (for example, policing, taxation, and environmental management). The public service reform movement is equally energetic within provincial and municipal governments. This can readily be seen by referring to the Institute of Public Administration of Canada's (IPAC) Innovative Management Award. This award has been given annually since 1990, and is open to federal, provincial, and municipal governments, as well as Crown corporations. It now receives over 100 applications per year. Since its inception only 25 per cent of the applications have been from the federal government. Therefore, readers who are interested in learning about the other 75 per cent of public sector reform in Canada should look into the IPAC Innovative Management award.

Each year, the IPAC award has had a theme (service to the public in 1990, empowerment in 1991, partnerships in 1992, doing better with less in 1993) and the applications' contribution to knowledge about that theme has been analysed in the academic literature.¹ In addition, IPAC publishes profiles of the winners and

1

See Sandford Borins, "The encouragement and study of improved public management: the Institute of Public Administration of Canada innovative management award," **International**

finalists as well as a list of all applicant organisations and associated contact persons in its news magazine **Public Sector Management**. *Details of IPAC are given at the end of this publication under Contact Addresses.*

This introduction will conclude with some very brief speculation about the future of public service reform in Canada. There are several reasons to believe that this process, now well underway, will continue for many years. First, there is a major economic problem that gives it urgency. As a result of very substantial federal and provincial government deficits in the last two decades, Canada finds itself in the uncomfortable position of being a major international debtor. Federal and provincial public debt has risen rapidly and is approaching 100 per cent of Canada's gross domestic product. Almost half of that debt is held outside Canada, which is by far the highest level of international indebtedness in the OECD. Recently, bond-rating agencies have been down-grading their ratings of federal and provincial debt. It will take years, if not decades, to reduce this debt to more sustainable proportions. Federal and provincial Cabinets, as a consequence of this constraint, as well as a desire to maintain services to the public without increasing taxes, will demand major reductions in the operating cost of the public sector.

A second factor that will support public service reform is a major opportunity. By virtue of its development as a nation of a widely-dispersed population occupying a large land mass, Canada has always been in the forefront of advances in communications technology. Canada possesses outstanding research, development, and marketing capability in communications and information technology within both the business and university sectors. The Canadian public sector will continue to draw upon this expertise to apply leading-edge information and communications technology to the provision of public services.

The final factor that will support public service reform is the commitment of public servants in Canada. Public service reform efforts have achieved successes; public sector organisations have renewed themselves; training and development initiatives have multiplied; and, through innovation competitions and informal networks, best practices are being shared. The values that Public Service 2000 has espoused are taking root within the culture of the public service in Canada, at all levels of government.

Review of Administrative Sciences 57: 179-194 (June 1991); Kenneth Kernaghan, "Empowerment and public administration: revolutionary advance or passing fancy?" **Canadian Public Administration** 35: 194-214 (Summer 1992); Kenneth Kernaghan, "Partnership and public administration: conceptual and practical considerations," **Canadian Public Administration** 36: 57-76 (Spring 1993); and Donald Savoie, "Looking to managerialism to do better with less", **Optimum** 24: 12-18 (Winter 1993).

The compilation of this document is itself evidence of how widespread the culture of public service reform has now become within the Canadian federal government. It was prepared by numerous authors at a variety of organisational levels, including CEOs. The Canadian Centre for Management Development was responsible for coordinating its production; Ms. Oy Lo played a key role in that effort. All of these individuals are deserving of thanks for this contribution to the international public sector reform movement.

Sandford Borins
Professor of Public Management
University of Toronto
July 1994

SECTION 1:

MAKING THE MOST OF STAFF

- 1.1 Ensuring non-discrimination in employment practices
- 1.2 Improving human resource management, including performance management and performance appraisal
- 1.3 Enhancing staff training and development (policy)
- 1.4 Enhancing staff training and development (application)
- 1.5 Achieving a mission orientation
- 1.6 Staffing the Public Service - the Public Service Commission
- 1.7 Strengthening anti-corruption measures
- 1.8 Using performance incentives
- 1.9 Codes of Conduct
- 1.10 Using contractual employment
- 1.11 Workforce size control
- 1.12 Human resource information systems
- 1.13 Equal pay for work of equal value

1.1 Ensuring non-discrimination in employment practices

This entry provides an overview of employment equity policy on women, persons with disabilities, Aboriginal peoples, and members of visible minority groups (designated groups). This policy has been designated by the Treasury Board as a key policy for the management of human resources.

Women, persons with disabilities, Aboriginal peoples, and members of visible minority groups (designated groups) must have the opportunity to participate fully in the Public Service. Departments and agencies must run Employment Equity (EE) programmes for these groups to ensure fair employment practices and a representative work force.

The context for change

The Government of Canada is fully committed to employment equity for all Canadians.

The Government recognises that certain segments of the Canadian population still face employment disadvantages such as higher unemployment rates, lower employment/population ratios, limited occupational distribution, and/or limited career progression compared with the rest of the workforce.

The above-mentioned groups experiencing these employment disadvantages have been identified as designated groups. Members of these designated groups (except women) are encouraged to voluntarily self-identify for purposes of this policy.

The Employment Equity (EE) policy has as its principal objectives:

- a workforce in the Public Service in which Aboriginal people, members of visible minority groups, persons with disabilities and women are equitably represented and distributed. Workforce availability and the organisation's operational requirements will be taken into account in determining the equitable representation and distribution of designated groups;
- the identification and removal of barriers in employment systems, policies, procedures, practices, organisational attitudes and established behavioural patterns that have an adverse effect on the employment or career progression of members of designated groups; and

- the implementation of special measures to correct the effects of employment disadvantages and promote the workforce participation of designated groups.

The Public Service Commission (PSC) assists in the application of this policy by:

- administering, on behalf of the Treasury Board, special measure programmes pertaining to designated groups;
- ensuring through its staffing policies and practices, that equitable employment opportunities are provided to the designated groups;
- making available, on behalf of the Treasury Board, human resource and labour market data (e.g. availability data) and analyses;
- producing tabulations for Treasury Board and departments to support the monitoring of employment equity.

Implementing change

Departments and agencies must:

- endeavour to collect and provide to the Treasury Board personal information from the designated groups on the basis of self-identification (except for women) in accordance with the provisions of the Privacy Act;
- establish an environment supportive of the principles of employment equity which would attract and retain designated group members and encourage individuals to self-identify.

There is no substantial material available on how long it would take to establish and implement an employment equity programme. Rather, there is reference to the importance of monitoring the programme and the collection of data on an ongoing basis. For example, departments and agencies must keep the Central Target Group Data Bank up-to-date by ongoing collection of designated group self-identification data.

The Treasury Board will monitor the implementation of this policy and the programme results by reviewing and approving numerical objectives of departments and agencies and conducting periodic reviews of results of audits to ensure compliance with this policy.

A manager can ensure that an organisation is making an effective contribution to the department's EE objectives by looking at performance indicators such as:

- the percentage of designated group members in an occupation compared to labour force availability and the numerical targets to which individual departments have committed themselves;
- the progress by departments toward eliminating barriers to equitable representation;
- the inclusion of EE objectives in human resource management, particularly at the planning stage;
- the review of an organisation's contribution to a department's EE objectives to ensure it is effective (e.g. planning, setting targets, staffing, conducting other personnel management functions, establishing a supportive environment that encourages self-identification).

As well, a review of memoranda of understanding, Multi-Year Human Resource Plans, Annual Management Reports, and other related documents assesses the following:

- the level of integration of EE programme objectives into the broad human resource management issues;
- progress towards numerical targets and equitable representation; and
- the elimination of employment barriers.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) Treasury Board Manual, Human Resources volume, Chapter 1-4, 1-5
- (iii) Canadian Human Rights Act
- (iv) Canadian Multiculturalism Act

1.2 Improving human resource management

This entry provides an overview of performance review policy. This policy has been designated by the Treasury Board as a key policy for the management of human resources.

It is the policy of the Government to inform employees of the results expected of them in the performance of their work; to make them aware, prior to undertaking those tasks, of the standards against which such performance will be judged; to provide them with feedback on a continuing basis and periodic formal feedback; and to act upon the conclusions of employees' performance reports.

The context for change

Employee performance and productivity is best supported through effective communication and organisational goals and combined with the career aspirations of employees. The introduction of this policy in no way requires departments to revamp existing performance review and employee appraisal programmes that already meet the objectives of this policy. It is understood that any provision regarding performance review which is included in a collective agreement takes precedence over the provisions of this policy. This must be taken into consideration when implementing performance reviews. This policy does apply to all employees below the Management Category in those organisations for which the Treasury Board is the employer as defined in the Public Service Staff Relations Act, Part I, Schedule I.

See also the entry on Using Performance Incentives (1.8)

Implementing change

It would be helpful to a manager to ask the following questions when implementing performance reviews:

- What have I done to ensure that my organisation has familiarised itself with the performance review policies of our department or agency?
- Do all supervisors in my organisation know their responsibilities regarding performance review, including the need to communicate objectives to each employee at the beginning of every review period? Have all indeterminate

employees, and those term employees who have been on strength for six months or more, received performance reports?

- Do our employees understand the objectives of performance review? Do we seek their views to ensure we met these objectives?
- Do our performance reports include recommendations and actions taken for job-related training?
- Before completing assessments of my immediate subordinates, have I ensured that they have assessed all of their immediate subordinates? Has this been done right down the line?
- How am I using performance review information to manage my human resources?
- Do I take advantage of informal opportunities to discuss performance with my employees?

Management must communicate to all employees the precise purpose and process of performance review and explain their rights and responsibilities when their performance is being reviewed, when they are completing performance reports or when they are acting as reviewing officers.

Management must undertake regular performance reviews of employee achievements that culminate in formal written performance review reports at least annually for all indeterminate employees and term employees with over six months' service.

Performance reports must record job-related training recommended or received, for incorporation as a factor in the following year's performance review.

A performance report written by a supervisor must first be given to the employee for examination and signature. The employee is entitled to make written comments or rebuttals. Only then shall the report be sent for formal consideration by the review level.

The review level must check for accuracy and quality, ensure consistency of employee treatment, and ensure that the policy statement is implemented.

The classification level of the reviewing officer or the chair of the review committee must be superior to that of the supervisor.

Employees have the right to communicate with their reviewing officer or the chair of their review committee about their performance review report.

When administering performance pay plans, managers must use the global summaries in the Treasury Board Manual, Training Guide.

A particular initiative in improving human resource management: Statistics Canada

The task of collecting, analysing and publishing all of Canada's statistics is led by the 20 most senior managers of Statistics Canada. They participate regularly in senior management meetings and fully share the goals of the Agency. To get the job done, they need the help of some 350 middle and senior managers and some 5,000 employees. The most difficult part of the job of senior management is in organising and motivating these thousands of colleagues so that they can all pull together as one team.

Normally managers and employees do not have too much difficulty in becoming strongly committed to producing the best possible products from their specialised area of the organisation. Not all, however, combine this local dedication with a vision of what is best for Statistics Canada overall.

How is it possible to make employees and managers want to work together to make Statistics Canada the best possible? Although success has been slow, the Statistics Canada team has settled on a small number of guiding principles which seem to help in achieving this "pulling together".

Guiding Principles

Consultations and Interdependence

The natural tendency in an organisation like Statistics Canada is for the development of a series of highly specialised units, some of them having international reputations for their expert knowledge. These types of units tend to focus on what they know best and the products that seem appropriate from their own viewpoint. What is less natural is for these units to consult with each other and with their clients in order to benefit from each others' experience and in order to make the best possible decisions for Statistics Canada as a whole. To accept that one must consult with others means accepting that one does not have all the answers and more significantly it means implicitly that one must relinquish a certain amount of control in one's own area of expertise. How does an organisation encourage this quest for subject matter excellence and at the same time control the arrogance and desire for control which comes as a natural by-product? How does

it develop a sense of interdependence where units naturally consult in order to achieve the best?

Incentives

Employees and managers have difficulty with corporate initiatives which provide little practical benefit to their operations. When the corporation can create a mechanism which clearly links the new programme to benefits which have a direct impact on their local programmes, there is a much different attitude. The best way to establish this practical link is in the use of incentives. A good example of this is provided later in this paper under section 1.8.

Choosing to Allocate Scarce Resources

Employees and managers have many competing demands on their time. In setting their priorities they become adept at detecting what is really important to the organisation as opposed to what is merely stated for political purposes. This is most often done by observing what the organisation as represented by senior management does as opposed to what is said. To have an impact there must be a congruence of stated values and practised activities; the organisation must practice what it preaches.

Employees and managers are persuaded when they see that senior management is setting the example. The most potent way to set this example is when the organisation decides to allocate a portion of its scarce resources to the support of its corporate initiatives. For example, managers will be more persuaded to release their best employees for training when the organisation provides the initial investment to launch the training in the first place.

Delegation of Authority and Participation in Decision-Making

Pronouncements from the top are politely received but by themselves rarely achieve their purpose. Rules and threats are often seen as tests of ingenuity, namely, how can they be circumvented? Rules sometimes produce short-term gains but in the long run they force the real pressures underground and result in a cadre of managers and employees who are not committed to the organisation.

Really successful organisations delegate a large measure of authority and participation to their managers and employees. This helps to promote a sense of ownership in the business of the corporation and a desire to contribute.

The more employees participate in what is going on, the more they develop a personal stake in obtaining effective results. Successful organisations are willing to trade some of their central authority in order to foster this sense of employee ownership. Rather than issuing orders and following up to ensure compliance,

employees are challenged to produce certain results and are left free to determine the best process. The employee is compared to a guided missile rather than to an artillery shell; the employee makes decisions and corrections along the way rather than following a predetermined path.

Team Spirit

Employees today are less accepting of authority and less dedicated to a single employer. In a society with a growing number of single parent and two-worker families, employees are increasingly torn between their careers and their personal responsibilities.

On the other hand employees are fundamentally committed to their work; they *want* to make room within their personal goals and priorities for those of the organisation. Successful organisations find ways to capitalise on this basic "good-will".

Successful organisations, although providing reasonable compensation, benefits and facilities for their employees, want to ensure something more. They want their employees to feel as if they work **with** management and not **for** management. For this change in attitude employees need to feel that they are treated fairly, that their efforts are appreciated, and that they are respected as individuals and not just as contributors to the organisation. In particular they need to feel that their jobs are secure and that when new jobs or training opportunities are available they will have a fair chance at them.

Successful organisations want this "sense of belonging" because they instinctively feel that this is the proper and civilised way to run an organisation. They also want it for utilitarian reasons. Only employees who feel secure and respected will be willing to risk a transfer to a new area of high priority work. By investing a little in their employees, successful organisations can recoup several times their investment. This makes good business sense.

Repetition

Statistics Canada has introduced a number of mechanisms designed to build this sense of "pulling together". Each by itself only has a small effect on the change in behaviour of its 5,000 employees and even less on the eventual change in attitudes. The real impact comes from the cumulative effect of hundreds of such mechanisms which all repeat and reinforce the same basic message: Let's all work together as one cohesive organisation to make Statistics Canada the best possible.

Some of the mechanisms which have been introduced over the years at Statistics Canada and which have had some success in contributing to this sense of "pulling

together" are summarised below. Although none are unique, the list is limited to those which were concocted in-house.

Mechanisms

Internal Cost-Recovery

In the past, managers received internal services such as computing or publication services at no cost to them. As "free goods", decisions were made which were not the most efficient. In order to prevent the abuse of these scarce corporate resources Statistics Canada imposed quotas on their use. This, however, led to unfair penalties on many deserving users and windfall profits for those who were willing to invest the effort needed to "working the system". All this led to more inefficiencies.

The budgets for these central services have now been distributed to each manager; the funds can be used by the managers, either to purchase back these services, to buy equivalent services from outside the department or to forego the services entirely and use the funds for other purposes. Statistics Canada's experience has been that the service units themselves have become more efficient, more price competitive and more client-oriented. Users have also become more knowledgeable about their purchases. They are also more knowledgeable about information processing, more appreciative of planning, more aware of the need for strategic investments and the trade-offs that might be involved.

The Agency initially took a risk in maintaining these service units when there was no guarantee of sufficient cost-recovery. The experiment not only succeeded in covering the costs but also in generating overall efficiencies and economies of scale for Statistics Canada. In some cases this "cost recovery" discipline has led to a total re-engineering of the process, for example, the supply and equipment acquisitions process is now essentially a "one-stop-shopping" operation.

In general managers have more of a corporate perspective regarding the importance of productivity. In this way this market discipline seems to have affected attitudes on a wide scale.

Management Committees

In the past, line managers felt that administrative decisions were taken by administrative specialists with little concern for the impact on operations units. This has been corrected by the establishment of a series of management committees covering such areas as: professional recruitment; training and career development; redeployment; official languages; employment equity; contracts and acquisitions; informatics; publications; marketing and others. Just about every area of corporate

decision-making is represented by a committee composed of about ten senior line managers; all senior managers in turn are members of at least one of these committees and membership is rotated on a regular basis. The administrative specialists are represented on their committees but line managers take the initiatives and approve the decisions.

In this way the Agency has benefited from the wisdom of a broad cross-section of its managers, the managers have developed a sense of ownership and responsibility for their committees' subject area, and administrative specialists have developed a greater responsiveness to their internal clients. Even more remarkable, certain line managers have emerged as natural leaders and "product champions" for products which previously were seen as the responsibility of internal service areas. Some of the Agency's biggest successes are in training and development, official languages, employment equity and professional recruitment.

Corporate Planning

Statistics Canada devotes a great deal of time and effort to its corporate planning process and so far it has been worth every penny. The process is: top down, bottom up and top down again. In early Autumn, broad corporate priorities are identified and communicated to all managers (the first top down phase). Throughout the Autumn, about a dozen teams of managers (i.e. 10 to 12 on each team) meet to identify new proposals for funding, planned efficiency gains (1 per cent of budget is mandated) and their lowest 5 per cent priority programmes (also mandatory). This is the bottom up phase. These results are reviewed by four syndicates of senior managers. The results are discussed in plenary at a three-day conference, each January. This meeting also serves as an "accountability session" regarding the largest projects approved in previous years. Based on the three-day conference final decisions on priorities and on resource allocation are taken by the Senior Executive Committee in February and communicated to all managers (final top down phase).

This process is very costly both in terms of time and also in terms of the involvement of almost all Statistics Canada's middle and senior managers. What does it get in return for this investment?

- **Productivity:** By mandating a quota of efficiency proposals, managers are challenged to be constantly alert for opportunities to improve efficiency. At the same time managers are encouraged to request upfront investments that might be needed, provided that the proposition "pays for itself" over three years and after that provides on-going savings.
- **Innovation:** By requiring that all managers identify their lowest priority programmes, the Agency provides a source of resources for new innovative

ideas and priorities and helps to ensure a continual sense of dynamic renewal of its programmes.

- Sense of cohesion and ownership: By involving all middle and senior managers in the decision-making, they become involved in each other's programmes and in the overall goals of the corporation. In this way the sense of "pulling together" as one team is strengthened.
- Training: This helps to increase the knowledge skills and experience of the Agency's managers.
- Quality of Decisions: The Agency benefits from the combined wisdom and insights of all its best people.

A Comprehensive and Systematic Approach to Human Resource Management

In the past, many administrative decisions had been too centralised. Line managers needed to have more say and at the same time, administrative specialists needed to be more client sensitive; the management committees and cost recovery procedures have helped significantly in this regard.

However, the opposite was the case with respect to programmes in Human Resource Management. Too many decisions regarding new hires, job training and career development had been delegated to hundreds of managers. Efforts were uncoordinated and were not producing the best results for the department overall.

Professional Recruitment: The intake of new professionals (economists, sociologists, demographics, geographers, mathematicians and computer specialists) has been centralised. Instead of waiting each year for some 100 managers to make decisions regarding their needs, a corporate committee anticipates the needs ahead of time and takes the initiative on campuses at a time when Statistics Canada can expect to attract the best. The Agency takes the risk of funding these new professionals if they are not placed with line managers. For the first two years the new professionals are rotated through four six-month assignments, at least two of which are in areas outside their specialisation. Almost all the new professional intake is conducted through this programme and the quality of new entrants has improved immeasurably.

Training: As recently as five years ago, the Agency did not do much in the way of training. What was done was limited and was related to the teaching of courses in statistics, computing and management. While these courses were open to all, the convention was for mathematicians to take statistics, computer specialists to take computing, and middle and senior managers to study management techniques. There was no comprehensive framework for training where the basic knowledge,

skill and experience needs for each major career stream and at each career level could be identified. Planning for training was not part of the Agency's culture. On-the-job training filled most of the training void. While unquestionably an important element in any training programme, a reliance on work experience alone was expensive and inefficient.

Such an approach also ensured that there were serious gaps in what was offered to both new recruits and on-going staff. Moreover, it meant that the Agency had no way to minimise the loss of human capital every time one of the more senior and experienced employees left. In fact, the major survey taking organisation in Canada did not offer a skill-building course in survey-taking techniques to its survey-takers. It did not have a single overview course on integrating frameworks - such as the system of national accounts - and nothing on the census or major household survey programmes. There were no courses to teach support staff the skills that are essential to maintain high standards and ensure the quality of their work. While extolling the virtues of analysis in the effective functioning of a statistical agency, there was not a single course to instruct staff in the basic tools and approaches to data analysis. Finally, while insisting on a drive towards efficiency, the Agency did not have a programme to provide micro-computer skills.

Statistics Canada spent considerable time and resources over the last five years to turn this situation around. It started by setting out what it wanted to accomplish through its investment in training:

- improved staff productivity;
- ability of staff to adapt readily to changes in priorities or technology;
- increased versatility of staff permitting them to be used where they are needed most;
- greater cohesion and symbiosis from staff through networking;
- improved retention rate because of improved career development opportunities.

Based on these goals, Statistics Canada decided to expand its training activities in the most important directions from less than 1 per cent of its budget in 1986-87 to almost three per cent in 1993-94. It is now felt that there is a well-functioning programme which will fill some of the gaps noted earlier.

Training is overseen by a committee of senior managers who have developed an overall strategic plan outlining the knowledge and skill requirements of each area of the Agency and at each career stage. Some of the Agency's best people have

been reassigned to teach these courses in order to get the highest quality training, and also to broaden the experience of senior professionals and help involve them in the overall training vision. Five new training initiatives merit special mention:

- **Survey Skills Development Programme:** This course involves four weeks of class work followed by two weeks on location where the participants design and implement an actual survey. Ten courses (250 participants each) are completed each year. About 500 employees have completed this course so far. It provides technical skills in survey-taking and also provides experience in project management, media relations, and dealing with the public. Some seats are available for outside participants.
- **Survey Support Certificate Programme:** This is a three-week counterpart to the Survey Skills Development Programme for clerical and operational staff. Approximately 200 employees take it each year.
- **Data Analysis and Presentation Course:** This three-week course is targeted at professionals and covers integrating data, basic analytical tools, graphics and writing. The third week involves a case study and report. Approximately 150 employees have completed this programme.
- **University Certificate Programme:** Statistics Canada negotiated agreements with the University of Ottawa and Carleton University to conduct courses in economics and sociology in areas which are particularly relevant to its work. Several of the courses are given by Statistics Canada's senior professionals. Completion of the courses earns a certificate and degree credits. Plans are underway to expand this programme to include courses in statistics and accounting.
- **External Clients:** A number of outside organisations have contracted with Statistics Canada to obtain seats on these courses and in some cases to modify the courses to produce a more tailor-made product for their needs.

Career Development: The goal in the area of career development is to provide an environment where employees can see beyond their current jobs to a series of needs which the organisation will have in the future. At the same time the employees can see clearly the skills, the training and the types of experience required to meet these needs.

By helping employees acquire these broad qualifications Statistics Canada increases their versatility and adaptability; it also creates an understanding of the importance of the horizontal dimension in managing an organisation, that is the importance of learning to consult and even depend on help from colleagues throughout the

Agency. By clearly publishing career development plans for all employees transparent procedures are established so that all employees know where they stand.

Statistics Canada has developed four major programmes of rotational assignments to assist employees with their career development:

- Entry level professionals: Four six-month assignments in various parts of the department;
- Section Chiefs: Selection through a generic competitive process in which most Section Chief vacancies are pooled and the qualifications include a high level of general management knowledge and potential, normally associated with experience in several different subject matter and functional areas. Aspiring Chiefs know early on that they should acquire broad experiences in order to improve their chances of success;
- Assistant Directors: Similar approach to that being developed at the Section Chief level; in addition all new Assistant Directors are appointed to a corporate pool. This means that Assistant Directors are considered to be corporate-wide resources and therefore explicitly available for a variety of assignments. In these cases successful candidates are rotated immediately. There is therefore less tendency for selection board members to select their "favourites sons and daughters";
- Directors and Senior Staff: All personnel moves are reviewed and authorised by the Senior Executive Committee of the department. Directors are considered as corporate-wide resources and emphasis is placed on a variety of career-broadening assignments.

In addition to this framework of assignments and training the Agency provides a number of other programmes to assist in career development:

- Assignments organised through the Corporate Assignments Division (CAD) which plays the role of broker between Divisions seeking temporary assistance and employees interested in diversifying their career. Over the last 10 years, more than 2,000 assignments were brokered;
- Informal assignments organised within divisions;
- Temporary work on committees and task forces;
- Internal sabbaticals where professionals can take a year off their regular work to pursue an area of research of their choice. Their work is subject to review by a committee of peers.

It is felt that these four major efforts (internal cost recovery, management committees, corporate planning and comprehensive approach to training, recruitment and career development) are beginning to pay off in terms of improving the corporate perspective of Statistics Canada's managers.

Client Needs

Having the best trained and motivated staff, the most productive systems and the latest equipment will be of little value to Statistics Canada if it does not maintain an up-to-date and perceptive awareness of client needs. As a service organisation Statistics Canada must have current feedback from its users. As a professional organisation Statistics Canada must be in constant contact with its peers, both domestically and internationally. As an innovative organisation Statistics Canada must maintain an extensive network of consultations with as many diverse sources as possible.

For these reasons Statistics Canada devotes much time sharpening its listening antenna and promoting feedback. Some mechanisms are:

- Advisory committees composed of clients and covering each subject matter area (e.g. statistics in agriculture, transportation, labour, education). The director of the relevant statistical division within Statistics Canada is the secretary for the Committee, and as such obtains immediate and on-going feedback regarding the relevance of his or her division products;
- The National Statistics Council is the counterpart of these Advisory Committees for the whole of Statistics Canada. It provides indispensable advice on priorities and major areas of concern;
- Statistics Canada deliberately devotes substantial time and resources to participating actively in domestic and international associations and in other meetings in order to get views from as many sources as possible;
- Statistics Canada invests in independent and expert programme evaluations;
- Statistics Canada sets the prices for its publications at rates comparable to similar market publications. In this way it gets a true reading on their relevance and use;
- Statistics Canada devotes a unit of specialists to systematically analysing current cabinet documents and government plans. In this way it anticipates emerging statistical needs;

- Statistics Canada has set up a series of bilateral consultation groups with major clients among the federal departments;
- Statistics Canada conducts regular consultations with contacts in the different provincial governments.

Accountability

Along with the transfer of authority to managers the organisation must ensure a corresponding level of accountability.

Managers know ahead of time that they are required to report periodically and in a visible manner for their results. Two new mechanisms are worth mentioning:

- **Programme Presentations:** Once every three or four years, each director is invited to provide a two-hour presentation (including discussions) to a special meeting of all senior staff (i.e. the top 20 executives). This builds up a shared knowledge base about programmes, the particular challenges they face and the potential impact of marginal resource changes. They also provide opportunities for developing presentational skills;
- **Annual Programme Reports (APR):** Each year in June, every director is required to submit to the Chief Statistician a comprehensive written report on his/her programme. Mandatory topics include: particular achievements of the previous year, productivity measures and initiatives for productivity improvement, high and lower priority areas, client satisfaction measures, significant threats, challenges and opportunities, and programmes in areas of corporate interest such as: training, career development, internal staff communications, employment equity, and language of work. What makes this programme work is that the Chief Statistician provides personal in-depth feedback to all such reports.

Internal Communications

Two major changes in internal workings were started a few years back. Both have a profound impact on the ease with which information is passed from the top down through the hierarchy. They also promote the free flow of views from employees and managers to the top.

Skip Level Briefings: The senior executive committee of the department (top seven people) meets each week. Each of these senior managers is required to conduct briefing sessions on discussions which occurred and decisions which were taken. These briefing sessions occur the same week and are open to management two levels down. These managers in turn are responsible for conducting similar

meetings with their staff two levels down. In this way a large number of staff remain up to date weekly with the most senior decisions of the Agency.

Chief Statistician Lunches: The Chief Statistician meets each senior manager (two levels down) twice a year over lunch. This one-on-one occasion is open for discussions which would not normally occur in a more formal meeting. The Chief Statistician also has lunch twice a year with some 60 directors in groups of ten or so. Both of these occasions often provide access to invaluable insights and functional information that might not otherwise be received.

Orientation Course for New Employees: In the past the Chief Statistician and senior managers made an appearance and said a few words. When time came for questions few of the new employees were willing to risk venturing forward.

The course designers introduced a preparatory session where work groups of new employees are formed the day before the Chief Statistician's arrival and are given the task of identifying the key issues. After discussions, members volunteer to pose the questions. This interactive session is then followed by a "coffee and cookies mingling session" in which the new employees can pursue some questions with senior managers and the Chief Statistician.

Noon Hour Presentations: Statistics Canada is fortunate in that ninety per cent of its staff is located in a three-building complex in Ottawa. This means that at any time some 5,000 employees have access to the conference rooms through the corridor links. This means that noon-hour lectures (brown bag lunches) can be organised on a variety of topics and, with a minimum of advertisement, an audience of 50 to 100 is guaranteed. This helps to inform employees about current topics and also bring employees together who would not otherwise meet.

CONTACT: This programme, which is widely advertised, facilitates the communication of an individual employee on a confidential basis directly to the Head of the Human Resources Branch. The Head of Human Resources makes two guarantees: that a prompt answer will be provided, and that the employee's identity will not be revealed to anyone without his or her permission.

Job Security

All its employees understand that Statistics Canada is going through difficult times. Programmes and budgets are being squeezed and lower priority programmes must be moved aside. The standard response of many organisations to employees on the question of job security is that they will do their best to help individuals in the event that they are affected, but that no guarantees can be made. The problem with this approach is that management cannot then approach these same employees and ask them to risk their job security by leaving their secure line position to undertake

a new high priority project which may or may not survive. They cannot expect employees to risk their reputation by innovating new imaginative procedures which could result in efficiencies and the eventual elimination of their jobs, or alternatively could end up not working and threatening their careers.

Statistics Canada pre-empts this situation by making a blanket guarantee up-front that no well-performing permanent employees will be laid-off. The cost implications of this are not inconsequential. The Agency must constantly plan ahead, anticipating changes in budgets and revenues. It must balance its level of temporary employees with productivity gains.

Statistics Canada has succeeded in gradually building a culture over the past decade where people actually believe it when it says: no lay-offs! Statistics Canada can proudly state that it has not had one involuntary lay-off in over 15 years.

Fairness in Selection

Statistics Canada recently conducted an employee opinion survey of all employees in which the results were very encouraging. On matters such as working at Statistics Canada, the quality of their jobs, the quality of their supervisors, the responses were extremely positive. The one area which in comparison was weaker was the perception which employees had of the fairness and transparency with which employees were selected for new jobs, or for training and rotation opportunities.

To get at this difficult area of perception the following measures were implemented:

- **Supervisor/Supervisor Interviews:** Every manager is required to conduct a one-on-one personal counselling session to discuss career development and training opportunities with each of the employees under their responsibility, two levels down. This session must be scheduled and conducted (unless the employee refuses) once every two years. Managers are required to agree with their employees on schedules for training and rotational assignments. Division Directors are required to report in their Annual Programme Report (APR) and provide a summary of the career development plans agreed to in their division.
- **CAD After Four:** All employees in the department are eligible to participate in the Career Assignment Division (CAD) programme where employees can be seconded or moved to new work areas for periods ranging from a few months to a few years. This is an invaluable mechanism to get a chance in a new area where employees could not normally qualify through competitions. Statistics Canada currently has about 450 employees or 10 per cent of its workforce on CAD.

Approval is required, however from the employee's supervisor and many employees felt they were being prevented from gaining valuable new experience when this approval was refused. Statistics Canada has now instituted a new rule whereby employees with more than four years in one job and level are eligible to apply for CAD without the approval of their supervisor. They become "free-agents".

- **Monitoring of Merit:** The Senior Executive Committee conducts quarterly reviews of all contentious job classification and selection processes. Special attention is focused on long-term acting situations in vacant positions and promotions without competitions. The selection processes must be fair and must be seen to be fair.

Participation in Decision-making

A number of initiatives have started throughout Statistics Canada which are called "Participative Work Design".

In a typical situation, a division identifies a number of areas which need improvement, i.e. re-organisation of the division reporting relationships; need for new computing equipment or office facilities; need for more effective work procedures, and so on. Instead of dealing with these tasks with the senior management of the division the following process is used:

- A plenary session is held with all staff to explain the goals (perhaps off-site);
- A series of sub-committees are established, one for each task area;
- Volunteers are obtained for each sub-committee. Sub-committees can include a mix of managers and other employees not necessarily from the same work unit;
- Sub-committees elect their own chair, not necessarily a senior person;
- Sub-committees report periodically on progress to senior management;
- At the end of a set period a progress report is presented at a second plenary session of all staff (could be off-site);
- Decisions are taken on conclusions and needs for further work design efforts.

Three such formal initiatives are underway. Only preliminary results have been received; so far this process is very promising.

New Directions

Although Statistics Canada has made considerable progress over the past decade, there are still gaps in its management practices and areas which have not yet been as successful as it would like.

Training

Now that Statistics Canada invests some ten million dollars annually in training, it needs to develop methods to evaluate how much value is being received for its investment. Also a number of gaps remain in the training framework and these need to be addressed. For example the Agency will be developing a major training effort in marketing this year.

Career Development

In the past, most decisions regarding promotions, career broadening assignments and training were based on local unit considerations. Statistics Canada has attempted to move somewhat towards a decision-making process which focuses more on its overall needs. Although some progress has been made, much more remains to be done before it will have substantially changed its culture.

Professional Recruitment

Given the current difficult budget situation there is a strong urge to freeze all future professional recruitment until things improve. This would be shortsighted and would result in a gap in the Agency's career progression framework in decades to come. Once an organisation settles on a small number of fundamental human resource priorities (e.g. investment in training, career development through department-wide rotation and regular professional recruitment) it is critical that these programmes develop continuously and not be subject to the volatility of budget fluctuations. Sacrifices will have to be made to maintain the professional intake at a consistent if modest level.

Generic Positions

With some exceptions, the Agency currently uses a system of tailored job descriptions for each position. This means that much valuable time is spent describing and updating individual job descriptions to reflect minor variations which have no significant impact on the organisational structure or on compensation levels. Also it encourages employees to view themselves as isolated units rather than as part of the corporate whole.

As part of a government-wide initiative, the department is currently undergoing a major revision of its job classification structure, and it intends to seize this opportunity to consolidate individual job descriptions into a smaller number of generic descriptions. So far, over 1200 administrative jobs have been consolidated into 20 descriptions and have been computerised. This will save on paperwork, facilitate career development through rotation and increase operational flexibility.

Work Design

Statistics Canada will be monitoring these initiatives closely and, if they are successful, more such efforts will be encouraged.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) Treasury Board Manual, Human Resources volume, Chapter 1-3
- (iii) Treasury Board Manual, Training Guide (Supplementary Volume)

1.3 Enhancing staff training and development (policy)

This entry provides an overview of the training and development policy which has been designated by Treasury Board as a key policy for the management of human resources.

Staff training, an essential function of people management, aims to maintain a Public Service of the highest quality.

The context for change

Training and development are seen as an integral part of effective and efficient human resource management and have the following objectives:

- to ensure that training will provide employees with the knowledge and skills they need to develop and implement current and future government programmes;
- to make it easier for employees to achieve their career plans that are consistent with organisational skills;
- to make it easier to achieve specific people management objectives of the Public Service, such as employment equity;
- to ensure that training is provided when it is appropriate and cost-effective.

There is a connection between training and development and setting criteria for recruitment and selection. Although staff should normally be recruited with the knowledge and skills required to perform their duties, training must be provided to meet current or future job requirements. As well, performance appraisals can be tied to training and development. Finally, managers must provide the training they consider necessary to maintain an effective and efficient workforce and to accommodate specific human resource management objectives such as employment equity.

Implementing change

As employer of the Public Service, Treasury Board is responsible for:

- determining requirements for the training and development of personnel in the Public Service and fixing the terms on which such training may be carried out;
- setting Public Service training policy and monitoring compliance; and
- determining service-wide training needs and priorities.

Managers must determine training needs and authorise participation in training and must base training needs and priorities on operational and human resource requirements. Managers may only approve training where it is demonstrated that training is the most cost-effective way of meeting identified needs. Also, managers must provide the training they consider necessary to maintain an effective and efficient work force and to accommodate specific human resource management objectives such as employment equity. They may assist employees to pursue personal development goals by contributing to the costs of courses taken outside working hours or by granting leave without pay. Where indicated, departments must manage and administer training programmes in accordance with the standards identified in the training guide of the Treasury Board Manual.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) Treasury Board Manual, Human Resources volume
- (iii) Training guide (TBM supplementary volume)

1.4 Enhancing staff training and development (application)

Throughout the Public Service of Canada, staff training and development is given high priority. Despite a long series of cutbacks to operating budgets generally, training and development has in most cases been maintained at the previous levels and in some cases has even been increased. At the same time, there has been close attention to the purposes, co-ordination, and cost-effectiveness of training and development, so its overall effectiveness has probably increased in recent years.

Training and development is provided on a wide variety of subjects:

- Specialist skills and knowledge directly related to one's current or prospective job (e.g. training of air traffic controllers). These continue to be important, as the job content becomes more complex and varied, and as updating is required;
- Generalist skills required for job enrichment and wider participation in the department and in the Public Service. This is increasingly important with the advent of re-engineering and self-managing work teams. In addition, there is an increased emphasis on deployability of staff to different functions. (The classification scheme has been overhauled to facilitate this. The majority of employees are now in one general classification - the "GE" group.);
- Training needed for taking advantage of new technology and working arrangements, e.g. computer skills, networking, and telecommunications;
- Continuous and adaptive learning, including "learning how to learn";
- People-related skills and principles, such as ethics and the management of diversity. This is of increasing importance in view of public expectations and continuing large-scale immigration and social change;
- Service-related skills and approaches, e.g. training in service quality. This is being propelled in part by a major initiative on Service Standards, similar to the Citizen's Charter in the U.K.;
- Language training. This continues to be important, given the bilingual character of Canada and the public service.

On all of these counts, there is an increased requirement for staff training and development.

The context for change

The renewed emphasis on staff training and development stems in large part from Canada's Public Service reform initiative ("Public Service 2000", now simply called "Public Service Renewal"). Among the task forces providing advice and input for the renewal initiative was one on Staff Training and Development.

Recently, there has been an increased emphasis on organisational learning, which complements, reinforces, amplifies, and shares the learning which occurs at the individual level. Isolated individual efforts are not enough. It is important for the organisation as a whole to learn and to benefit from experience; a corporate memory is essential.

Related to this is the co-ordination of individual learning, including through training plans and appraisals.

Implementing change

As a first step, it is essential to identify the needs and objectives for staff training and development. This is done to varying degrees of detail and sophistication by the different departments and suppliers. The most thorough-going approach is the "Systems Approach to Training" (SAT), used by Training and Development Canada.

It is also a matter of policy that the responsibilities and roles be clarified and understood. In the first instance, it is the individual employee who is responsible for his or her own learning, for being a motivated self-starter. It is the responsibility of management to ensure that employees are given the opportunity to learn within the departmental career development framework, and to ensure that such a framework exists.

For public service staff, there has been a widening of choice among providers of training and development. In particular, there has been a trend towards optionality and individual choice. For example, the inter-departmental services provided by Training and Development Canada (a Special Operating Agency within the Public Service Commission) are optional, and the intra-departmental services provided by the Transport Canada Training Institute (a Special Operating Agency within Transport Canada) will become optional after a three-year period. In some cases, an account is established which can be used by the individual at his or her discretion. For example, the Canadian Centre for Management Development has a book purchase account for each faculty member.

At the same time, there has been a widening of markets for the service providers themselves. For example, Training and Development Canada, the Transport Canada Training Institute, and the Canadian Centre for Management Development all have an increasing number of international contracts, and are becoming international centres of expertise on certain subjects.

There has been a greatly increased emphasis on the importance of continuous or ongoing learning. Various estimates indicate that more than 90 per cent of the relevant learning occurs informally and on the job, rather than through formal development and training.

Staff training and development is provided and conducted in a variety of ways, including the following:

- Training is provided on a service-wide basis by Training and Development Canada, which focuses on skills of general application (e.g. writing) and on skills and knowledge which are needed by specialist communities across the government (e.g. financial management courses);
- Departments are providing a substantial amount of their own training, and some of the larger departments have established their own training institutes. Examples would include the Foreign Service Institute and the Transport Canada Training Institute. In fact, 90 per cent of all training of federal public servants is done within their departments;
- In line with a concern for organisational learning, departments are also taking a more systematic approach to internal co-ordination and planning sessions, and are designing these with a significant training component. This approach is used by a number of departments which have Total Quality Management initiatives;
- Public servants are generally reimbursed for at least a share of the costs involved in taking university or college courses on their own time (in some situations 50 per cent or more of the costs). Certain of the more scientific departments also support a number of public servants each year on educational leave who are either fully or partially funded;
- Employees themselves are planning and co-ordinating a significant amount of their own learning. A number of departments have established self-learning centres, often using computer technology. In many cases, the employees have taken the initiative to organise briefings and information sessions, often on their own time.

Supporting material

- (i) Report of the Public Service 2000 Task Force on Staff Training and Development
- (ii) Training and Development Canada: Course Calendar
- (iii) Training and Development Canada: Systems Approach to Training

1.5 Achieving a mission orientation

This entry looks at the Government's philosophy regarding the development of a mission statement.

The Government wants to create a client-oriented Public Service. Departments are asked to develop a mission statement. This statement should be developed in close consultation with employees at all levels, and provide members of each department with a charter to guide their activities.

The context for change

Mission statements are important tools in achieving the highest standards of performance and in guiding all departmental employees toward common goals. They express what a department is all about. They create a vision and a yardstick by which the organisation can structure and manage itself. They help to create an environment within which improvements in service and efficiency are more readily achieved. They are meaningful only if they are translated into concrete action.

Mission statements represent a vision for the future and a blueprint for development, change and improvement.

Each department is encouraged to develop its own mission statement. 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.

Implementing change

Developing a mission statement is both a top-down and a bottom-up exercise, involving staff at headquarters and in the regions and from all sectors of the organisation. Where they have been carried out, these exercises have fostered collegiality, teamwork and productivity throughout departments. They have helped strengthen individual participation in departmental renewal and ownership of a unified organisational culture based on quality service. The *process* of developing a mission statement is much more important to the organisation and its employees than the resulting words themselves. By permeating all levels of an organisation, the process of renewal will endure and become irreversible.

- At Agriculture Canada, for example, over 4,500 employees participated directly in the development of the department's mission statement. The Deputy Minister of Agriculture conducted a cross-Canada tour to consult and promote the mission statement to all employees. Over 100 initiatives are currently under way across the department to promote mission values.
- At Correctional Service Canada, the mission statement exercise led to over 3,500 concrete proposals from staff; almost all have been acted upon. This process is described in Jim Vantour ed. *Our Story: Organisational Renewal in Federal Corrections*, especially chapters Three-Five.

Supporting material

- (i) Managing Change in the Public Service - A Guide for the Perplexed. The Task Force on Workforce Adaptiveness, Public Service 2000, 1991
- (ii) Public Service 2000. A Report on Progress, Paul M. Tellier, Clerk of the Privy Council and Secretary to the Cabinet, 1992
- (iii) Jim Vantour, ed. *Our Story: Organisational Renewal in Federal Corrections* (Ottawa: Canadian Centre for Management Development, 1991)

1.6 Staffing the Public Service - the Public Service Commission

In Canada, the Public Service Commission (PSC) is responsible for staffing the Public Service. All other personnel matters such as job classification, staff relations and compensation are the responsibility of the Employer, the Treasury Board of Canada.

The policies of the PSC flow from the legislation that governs employment in the Public Service, which is the *Public Service Employment Act* (PSEA), whereby the PSC must ensure that Public Service employees are appointed on the basis of merit - the best qualified person.

In 1992, Parliament passed the *Public Service Reform Act* amending the PSEA to improve the PSC's ability to realise its mission. This legislation was the first major set of amendments to staffing legislation since 1967 and was a consequence of Public Service 2000 recommendations to streamline public service practices.

The requirement to select people for appointment on the basis of merit was retained as the basis for appointment in the revised legislation. Merit, as interpreted by our courts, means that the best qualified person must be appointed. In theory, this would mean that each appointment would require an exhaustive search across Canada to find the best possible person for the job. Clearly, for most jobs, this is neither practical nor in the public interest. Thus, for practical reasons, the PSEA provides for some limitations on this requirement. For example, competitions may be restricted to persons in certain geographic areas; preference may be given to hiring locally; and competitions may be restricted to employees only. These limitations not only save time and money, but also recognise the contribution and value of employees and the importance of providing them with career opportunities.

With regards to the application and protection of the merit principle, the PSC is responsible for the development and management of legislation, regulations, policies, standards of selection and assessment, instruments of delegation and programmes pertaining to appointments to and within the Public Service. The PSC recruits and refers candidates from outside the Public Service, and co-ordinates and manages post-secondary recruitment programmes. Although most of its powers have been delegated to departments, the PSC is responsible for those staffing issues that have not been delegated to departments, and monitors and audits staffing activities and issues, and manages appointment-related information. The PSC develops assessment instruments and operates assessment centres to evaluate a variety of skills and abilities. It is also responsible for certain programmes and services on behalf of the Treasury Board such as workforce adjustment,

employment equity programmes, and labour market and public service workforce analysis.

One of the PSC's authorities that has not been delegated to departments is the recruitment, selection assessment and career counselling of members of the Executive Group. It also administers the Treasury Board's development programmes for executives and feeder groups. These programmes include the Career Assignment Programme, the Interchange Canada Programme, the International Assignments Programme, the International Exchange Programme, the Business/Government Executive Exchange Programme and the Employment Equity Initiatives Programme.

In developing staffing policies related to appointments, the PSC ensures that they reflect the values underlying selection according to merit, namely fairness, equity and transparency:

- Fairness requires that staffing decisions be made objectively and free from political or personal patronage and nepotism. It requires that qualifications be fairly set and pertinent to the job being staffed, and that employees and applicants be treated justly and assessed on the sole basis of their qualifications for the job.
- Equity means equal access to employment opportunities. It requires that staffing practices be free from systemic and attitudinal barriers and that appointments be made without regard to such factors as a person's race, national or ethnic origin, colour, sex, age or disability.
- Transparency dictates that staffing decisions be communicated openly and on a timely basis to employees who could be contenders or otherwise interested in the matter. Transparency also requires that individuals have recourse when selection processes affect them.

The context for change

In order to put an end to patronage appointments of public servants that resulted in questionable quality and a complete turnover after the election of each new government, Parliament adopted the *Civil Service Acts* of 1908 and 1918 to ensure that public servants would be appointed on their merit - the best qualified - and therefore maintaining a non-partisan Public Service. According to this principle, appointments to and promotions from within the Public Service had to be based on the assessment of the personal and professional qualifications of candidates, without regard to their affiliation with a given political party, or their political allegiance. An independent commission reporting directly to Parliament and not to the

government of the day was therefore established in 1908 to ensure the competence and impartiality of public servants.

A major change under the *Public Service Reform Act* was the implementation of a new system of deployments, subject to Treasury Board direction, which enables managers to move employees more easily to a position at the same level, either to meet operational requirements or to give employees the opportunity to acquire new skills. It was also recognised that flexible staffing arrangements are required to allow managers to provide the best possible service to the public. The amended legislation allows departments to respond quickly to urgent or short-term operational needs by hiring people on a short-term basis without applying the normal merit process.

Since its very beginning, the PSC has paid close attention to the concerns of employees and has always sought to ensure just and equitable treatment for all in matters related to employment. Avenues of redress were legally instituted in 1961. The PSEA provides a right of appeal with respect to appointment and recourse mechanisms on deployment. It also gives the PSC the power to conduct investigations regarding staffing matters and harassment.

Implementing change

The thrust of Canadian policy has been to assign personnel management responsibilities to line authorities and to hold them accountable for how they perform. There have been similar efforts to simplify the financial and administrative regimes and to shift the emphasis from central control to decentralisation.

The delegation by the PSC to deputy heads typically includes such staffing authorities as selecting an appropriate method of staffing, establishing qualifications, choosing an area of competition, carrying out the assessment of candidates, and making the appointment to positions within most occupational groups and levels. The delegation agreement established between the PSC and each deputy head defines lines of accountability through a clear expression of expectations and performance indicators. In addition, the agreement outlines the manner in which the deputy head can then sub-delegate this authority to selected line managers - or personnel officers - thereby providing the necessary authority and flexibility to manage human resources effectively.

In making the decision to staff a position, managers have to consider their operational needs. They have to define the type of work to be done. Do their needs require someone to work for a short-term or on a permanent (indeterminate) basis? Are their needs full-time or part-time, continuous, intermittent, seasonal, or

cyclical? Once they have determined the resources required, the kind of work to be done, and whether it is ongoing, of short but fixed duration, or seasonal, managers are faced with choosing options and making decisions in several staffing areas. In each area, the PSC has a fundamental governing policy. The policies are as follows:

- qualifications specified for a position must be based on the duties and responsibilities of the position and the context in which these are to be performed;
- individuals who are entitled to a priority for appointment (Sections 29, 30 and 39 of the PSEA) shall be appointed, in priority to others, to positions for which they are qualified or for which they may be retrained pursuant to the workforce adjustment policies;
- consideration shall first be given to filling a vacancy through an internal selection process; promotions normally occur as a result of a competitive process;
- recruitment from outside the Public Service may be initiated when it is considered to be in the best interests of the Public Service and should normally occur through a competitive process;
- an area of competition should ensure consideration of a broad pool of candidates to allow a meritorious selection;
- assessment methods must cover all qualifications and allow for the selection and appointment of candidates according to merit;
- appointments shall be made without regard to such factors as a person's race, national or ethnic origin, colour, sex, age or disability, thereby fostering the equitable representation of all segments of Canadian society in the Public Service labour force;
- unsuccessful candidates or persons adversely affected by a staffing decision shall be provided with appropriate recourse; and
- for the benefit of both the employee and manager, a probationary period following appointment from outside the Public Service is normally to be provided.

Merit has been the basis of staffing for over 85 years in Canada. In 1992, Parliament reaffirmed the importance of having a non-partisan, highly qualified Public Service when it passed the *Public Service Reform Act* which amended the

PSEA but did not change the fundamental principle of appointment according to merit. Although the values underlying selection according to merit will evolve, time has proven the success of the merit system.

Supporting material

- (i) Public Service Employment Act
- (ii) Public Service Employment Regulations
- (iii) Staffing Policies and Guidelines
- (iv) Selection Standards
- (v) Staffing Support Information
- (vi) Profile of Public Service Leaders and Managers

1.7 Strengthening anti-corruption measures

This entry provides an overview of conflict of interest and post-employment requirements as set out in the Conflict of Interest and Post Employment Code for the Public Service (the Code). This policy has been designated by the Treasury Board as a key policy for the management of human resources.

It is Government policy to minimise the possibility of conflicts between the private interests and the Public Service duties of employees and to resolve any such conflicts in the public interest.

The context for change

The objective is to enhance public confidence in the integrity of the Public Service and its employees.

Various government bodies have responsibilities under this policy.

The Treasury Board as the designated authority will:

- review and rule on:
 - requests to supplement the compliance measures in the Code;
 - recommendations to designate positions below the executive level as subject to the post-employment compliance measures or to exclude positions from such measures; and
 - applications from employees or former employees to reduce the post-employment limitation period specified in the Code;
 - convene panels, as necessary, to advise on the application of the post-employment compliance measures in particular cases.

The Assistant Deputy Registrar General will:

- provide advice on the most appropriate arrangements required for divestment of assets;
- serve as trustee of a frozen or retention trust, if requested; and

- assess whether proposals for departmental reimbursement of costs incurred by employees in establishing trusts are appropriate.

The Public Service Commission is responsible for:

- establishing procedures to ensure that before or upon any appointment, appointees sign a document certifying that they have read and understood the Code and that, as a condition of employment they will observe it; and
- applying policies and establishing procedures and mechanisms to ensure compliance with the Code regarding Business/Government Executive Exchange and Interchange Canada assignments.

Implementing change

The current Conflict of Interest and Post Employment Code took effect on 1 January 1986. All employees are required to review their obligations under the Code at least once a year.

Employees must take measures to prevent real, potential, or apparent conflicts in accordance with the principles of conduct and measures in the Conflict of Interest and Post-Employment Code for the Public Service.

The deputy-head as designated official must:

- ensure that employees are informed of the requirements of the Code and that they comply with all its requirements;
- determine whether real or potential conflicts of interest exist and what action, if any, specific employees have to take;
- seek Treasury Board approval for any compliance measures that may be required, beyond those the Code specifies, to reflect the department's particular responsibilities or the statutes governing its operations;
- establish procedures for employees to report official dealings with former public office holders who are or may be governed by the Code's post-employment measures;
- conduct exit interviews with employees subject to the post-employment compliance measures before they leave the Public Service or review with employees their responsibility in this regard;

- ensure that bargaining agents are consulted at departmental level about the administration of the Code, including the implementation of any supplemental compliance measures and the extension of the post-employment requirements to positions other than those in the Management Category.

The deputy-head must request Treasury Board approval on the minister's recommendation to:

- designate any positions below the level of senior manager as subject to post-employment compliance measures; and
- exclude positions from the application of sections 41 and 42 of the post-employment compliance measures.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) Treasury Board Manual, Human Resources Volume, Chapter 3-1
- (iii) Public Service Staff Relations Act
- (iv) Treasury Board Manual, Contracting volume

1.8 Using performance incentives

This entry provides an overview of the Government's incentive award plan.

It is government policy to recognise Public Service employees for outstanding performance of their duties, for other meritorious contributions related to their duties, for practical suggestions for improvements and for long service.

The context for change

This is done in order to honour and reward those Public Service employees who have shown a willingness to make that extra effort in carrying out their duties, who have reached career milestones, or who have distinguished themselves in serving the public.

The process of performance review is related to the incentive award plan, through the ongoing monitoring of employees' accomplishments.

Implementing change

Organisations are encouraged to focus on such questions as:

- What is being done to recognise and reward employees for jobs well done, for contributions to more efficient or effective operations and for better service to the public?
- Is innovation promoted through suggestions?
- How aware are employees of the organisation's award programmes and procedures?

The idea for using performance incentives was put forward in December 1990, as part of Public Service 2000. The Government proposed to phase out performance pay and replace it with performance rewards, to 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. Rewards are given through departmental and corporate awards.

Departmental awards

Long Service awards

Long Service awards, which recognise the faithful service of employees of the Government of Canada are presented to employees after 25 and 35 years of service, and to employees who are retiring after a minimum of 10 years of service in the Public Service. Some federal organisations recognise other milestones such as 20 or 40 years of service.

Merit awards

Merit awards are awards to employees who have significantly exceeded what has been expected of them in their jobs. Individuals and groups are eligible. In addition to a certificate, an individual employee may receive a cash award of up to \$5,000, and groups up to \$10,000. Employees who are part of a performance pay plan are not eligible for cash awards but may receive a non-monetary award worth up to \$200 including income tax.

Special awards

Departments and agencies may also develop their own special award programmes, such as Exemplary Service and Instant Recognition awards, to recognise important contributions by employees and managers. These must be non-monetary and have a maximum value of \$200 including income tax.

Suggestion awards

The Suggestion Award encourages Public Service managers and employees to look for new and better ways to do things. Departments bestow these awards to those employees whose ideas have improved the efficiency and effectiveness of government operations and service to the public. Award winners receive a certificate and may be eligible for up to \$15,000 in cash. The Executive Group is not eligible for cash awards.

Corporate Awards

Awards of Excellence

Every year, the Incentive Award Board selects the best and most exemplary departmental Suggestion and Merit awards from across the Public Service and recommends them to the President of the Treasury Board for additional recognition through Award of Excellence plaques.

Outstanding Achievement awards

Outstanding Achievement awards are presented to no more than five senior officials every year. Members of the Executive Group, deputy ministers and other

Governor-in-Council appointees are eligible. The award recognises outstanding career accomplishments, distinguished service of national or international significance, and sustained commitment to quality service to the public. In a ceremony that involves the Governor General and the Prime Minister, recipients are presented with a citation, a Canadian work of art and a gold pin.

Senior Officer Retirement certificates

On their retirement, senior officials who have served at the EX-4 or a higher level and equivalents and have a minimum of 10 years of public service may be eligible for Senior Officer Retirement certificates. The Governor General presents these certificates at Rideau Hall every year.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) Treasury Board Manual, Human Resources Volume, Chapter 1-6
- (iii) Public Service 2000: The Renewal of the Public Service of Canada, The Government of Canada, 1990

1.9 Codes of conduct

Individual departments and agencies have developed codes of conduct setting out provisions reflecting the specific nature of their organisations. General principles are set out in the Conflict of Interest and Post-Employment Code, discussed in 1.7 above.

The basic authority to determine rules governing the conduct of employees in the Public Service stems from section 11(2)(f) of the *Financial Administration Act* which states that the Treasury Board may "establish standards of discipline in the public service". The Act (s. 12) enables Treasury Board to authorise the deputy head of a department to exercise its powers and functions in relation to personnel management in the public service.

The context for change

Codes are prepared and distributed to assist employees in being aware of their responsibilities with respect to the standards of conduct expected by the department.

Implementing change

While codes are tailored to the needs of individual departments, general principles are set out through vehicles such as the Conflict of Interest and Post-Employment Code for the Public Service and the policy on Harassment in the Work-Place.

Under the *Public Service Employment Act*, every deputy head and employee, on appointment from outside the Public Service, must swear (or affirm) that they will faithfully and honestly fulfil their employment duties, and will not, without due authority, disclose or make known any matter that comes to their knowledge by reason of their employment.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) Financial Administration Act
- (iii) Public Service Employment Act

- (iv) Treasury Board Manual, Staff Relations Volume (Discipline)
- (v) Treasury Board Manual, Human Resources Volume.

1.10 Using contractual employment

The Canadian Public Service comprises approximately 235,000 employees. Of these, between 2 and 2.5 per cent are part-time employees; specified period or term employment varies between 10 and 15 per cent in individual departments.

As the pace of change of the Public Service has increased in recent years, the largely permanent composition of the Public Service workforce has made organisational change and workforce adjustments difficult. Employee attrition is at an all-time low of about 3 per cent per annum. A more flexible workforce would both facilitate change, increase efficiency and reduce the adverse effects of change on staff.

The context for change

Types of labour used in departments currently include:

Part-time

Part-time employees are those working less than the standard 7.5 hours a day or 37.5 hours a week. At present there are fewer than 5,000 part-timers in the Public Service. Because this employment type can increase resource flexibility, the Treasury Board Secretariat, as Employer, is encouraging departments to increase the use of part-time employment. This is to be done by approving requests of existing full-time employees who voluntarily wish to work part-time hours and by staffing more vacancies on a part-time basis.

Specified period (term) employment

Term appointments are made for a specific period of time to deal with such things as specific projects, workload fluctuations, and programmes which have sunset funding. Term appointments are also used to deal with organisational change or downsizing.

Seasonal employment

Seasonal employment is often used to deal with recurring and periodic workload increases. Seasonal employees may be hired on a term or on a permanent basis. Seasonal employees represent less than 1 per cent of the workforce. The use of seasonal employment is also encouraged by the Employer.

Services contracts

Contracts for services can be entered into for services that cannot or should not be performed within the Public Service as long as employer-employee relationships are

not established. Because persons working under services contracts are not employees, utilising services contracts can be a means of maintaining workforce flexibility without having to hire new permanent staff.

Limitations on the contracting-out of work of public service employees are described in the Work Force Adjustment Directive. Essentially, the directive gives employees whose jobs are to be contracted out 12 months' notice and the guarantee of another position. The department must seek to persuade the contractor to offer employment to affected Public Service employees and to provide lump sum payments on lay-off or resignation.

Temporary help

Unforeseen short-term increases in workload may be addressed by hiring temporary help personnel. While there is usually a 15 to 20 per cent premium, the temporary option helps maintain organisational flexibility and may avoid unnecessary workforce adjustment costs. Before hiring temporary help however, managers are encouraged to determine whether surplus persons should be assigned instead.

Implementing change

Workforce flexibility can be increased by using a variety of alternate employment and contracting strategies. More and more employees are requesting flexibility in their working arrangements to balance better work and family responsibilities. In this regard, a booklet entitled "Flexibility in the Work-Place" was recently issued to all departments. It encourages managers to approve employee requests for a variety of employment and leave arrangements including part-time, compressed work week, telework and self-funded leave.

Organisations must be prepared to determine their own workforce needs and to use a range of employment and contracting tools to meet their unique needs. They are encouraged to employ a planning approach called "vacancy management" which will ensure that each staffing opportunity is carefully considered in the light of medium- and longer-term organisational needs and available resources.

Substantive change is likely to take a number of years to achieve. Effective communication of available tools and strategies and the creation of new tools will be a key to success in this area.

Supporting material

- (i) Flexibility in the Workplace, Treasury Board of Canada, 1993
- (ii) Treasury Board Manual, Human Resources volume, Chapters One and Two

1.11 Workforce size control

This entry describes operating budgets as a means of controlling the size of the workforce. The Canadian Government adopted Operating Budgets on 1 April 1993.

An Operating Budget, which is defined on the basis of total planned expenditures, combines salaries and wages and operating and minor capital expenditures into one aggregate budget. Within this budget, departments are free to choose the most cost-effective mix of resources to achieve planned results.

Under this regime, the Government reports on the size of the Public Service using a measure of labour consumption called "full-time equivalents". This takes account of such factors as term and casual employment and job-sharing.

In addition, the Treasury Board uses the "target executive count" to control the number of executives in each department and agency.

The context for change

The Public Service adopted Operating Budgets in order:

- to improve service by providing managers with more options to deliver programmes and services;
- to increase efficiency by improving decisions on the mix of inputs, by allowing managers to adapt to changes in input costs, and by increasing accountability for the cost-effectiveness of decisions;
- to provide a truer measure of the cost of programme delivery.

Implementing change

A fundamental thrust of Public Service 2000 was to review the way the Government serves Canadians. This review revealed that most Public Service employees believed they could provide better service if significant changes were made to government systems and procedures. Over time, these have become rigid and designed primarily to control. It was evident that changes were needed to improve service to the public.

Departments and their managers will get the maximum benefits from Operating Budgets if the management cultural change set out in the Public Service 2000 White Paper takes place. Empowering managers and their employees and encouraging them to use their creative energies to get the job done in the most cost-effective way is essential.

In deciding to move to an Operating Budget regime, the Government recognised the need for a two-step approach. The first step was to implement pilot projects based on the initial policy direction and administrative arrangements outlined in the White Paper on Public Service 2000. During this phase, the pilots helped to identify and resolve specific issues that might arise during implementation. After gaining experience with and refining the system, the second step was full implementation across government on 1 April 1993.

The key to the successful implementation of Operating Budgets is effective preparation, delegation, role definition, communication and training. As implementation evolves, it will ultimately require and result in a change in management culture.

Operating Budgets will not have the same levels of delegation within departments. Each department should base the appropriate levels of resource delegation on its business activities, structure, size, procedures and capabilities. A department must ensure that its delegation scheme is legal and that its instruments of delegation are appropriate. Departments should reassess their management structures to ensure that the financial, administrative and personnel authorities delegated to the managers responsible for service decisions are consistent. With effective communication, training and management information systems, departments can progressively implement the full flexibility and efficiency that the Operating Budget offers.

To achieve maximum delegation under Operating Budgets will require enhanced management skill and constructive decision-making. Deputy heads and managers alike must ensure that key elements are in place as more authority is delegated.

Communication is essential to the success of Operating Budgets. Success depends on managers and employees. Departments should include unions, employees and managers early in discussions before implementing Operating Budgets. Managers, employees and unions need information and an opportunity to discuss the benefits and effects of the new regime and to confirm or dismiss perceptions.

Effective training in all aspects of Operating Budgets must complement the communication of information. The Treasury Board Secretariat, the Canadian Centre for Management Development, and Training and Development Canada are currently dealing with training requirements. Departments may want to develop

their own training modules to reflect the skills that their personnel, financial, and administrative staff and line managers require.

Operating Budgets will have a significant impact on financial and people management practices and bring about new expectations of the two functions.

While the financial and personnel functions will continue to provide the traditional services, these functions will assume a management dimension by playing a dynamic support role to managerial decision-making by providing advice, analysis and information.

Financial officers can add value to their role by providing advice and assistance to responsibility centre managers on strategic and operational planning, financial legislation, authorities, delegation, policies, costing of inputs, information and reporting, improved access to financial information and financial management information systems.

The financial and personnel functions can no longer work in isolation. Just as managers must know the human resources implications of financial decisions, they must also have good advice on the financial implications of personnel decisions.

Establishing an Operating Budget in itself does not necessarily create legal issues. Nonetheless, managers must be aware that using the flexibility of this budget concept could lead to legal concerns or liabilities for the Government.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) A Manager's Guide to Operating Budgets, Treasury Board of Canada, 1992

1.12 Human resource information systems

This entry looks at human resource information systems. The following definitions help describe the type of system in place in the Canadian Government:

- Human Resource Information is all information pertaining to current and potential Human Resource population of government agencies and departments, including both current and historical information;
- The Human Resource Stakeholders are defined as the community of suppliers and users of Human Resource information. It consists of:
 - Managers
 - Employees
 - Treasury Board Secretariat
 - Public Service Commission
 - Supply and Services Canada (Common Services)
 - Departmental Personnel Branches
 - Government Training Agencies
- Human Resource Management Functions are business functions that occur in the planning, administration and control of Human Resources in the Government;
- Information Management is the planning, directing and controlling of all the organisation's information-based resources to meet corporate goals and to deliver programmes and services;
- The Personnel Information Strategy is intended to establish a framework for the management of Human Resource Information throughout government. This framework will support the government's human resource business objectives and functions. Business requirements expected five years from now will initially be addressed;
- For purposes of reviewing existing and proposed applications as part of the constrained strategy, an application is a computer-based information system, including related procedures and documentation designed to meet a specific set of information requirements. The strategy itself will address all information, whether automated or manual.

Effective Human Resource Management ensures that the Public Service is composed of non-partisan, professional, competent, highly qualified individuals who

are representative of the Canadian population as a whole. At all organisation levels, Human Resource Management seeks to deploy these human resources to carry out government policies and to deliver service to the public. Public Servants are recognised as contributors to be valued and developed.

The Canadian Government's human resource information management has the following eighteen functional areas:

- HR Utilisation and Planning;
- Staff Relations;
- Organisation Analysis and Design;
- Classification;
- Staffing;
- Compensation;
- Performance Assessment;
- Training and Development;
- Organisation Development;
- Leadership and Supervision;
- Incentives and Recognition;
- Management of the Executive Group;
- Occupational Health and Safety;
- Official Languages;
- Employment Equity;
- Leave;
- Workforce Adjustment;
- Separation.

Departments and agencies must support the management of their human resources with practical and effective information. A key consideration is to make sure that as much information as possible is created in one functional area. That is to say that human resource information is shared with or transferred to other functional areas with which it has value, such as finance.

In order to implement or improve a human resource information system a number of steps must be followed:

- It is important to have a thorough understanding of the *business view* that will establish the strategic business context for the necessary changes and improvements to government services;
- There must be an understanding of how the business view *works*;
- It is necessary to know what *information* is required in that work to achieve the business view;

- Computer *applications* should be constructed that support the work processes;
- *Technology* must then be applied to the system. It must deliver the common IT infrastructure services required to support the business, work, information and application views. It is important to develop technology that is compatible with the systems that will be interacting.

Supporting material

Blue Print for Renewing Government Service Using Information Technology,
Treasury Board Secretariat, 1994

1.13 Equal pay for work of equal value

The Canadian Human Rights Act became law in March 1978 and applies to the federal public service, Crown corporations and all private companies that are under the federal jurisdiction such as inter-provincial and international transport, communications and banking.

Section 11 of the Canadian Human Rights Act is worded as follows: "It is a discriminatory practice for an employer to establish and maintain differences in wages between male and female employees employed in the same establishment who are performing work of equal value."

The context for change

Pay equity seeks to eliminate sex-based discrimination from wages paid for jobs traditionally occupied by women.

In virtually all countries, wage differentials exist between men and women, whether they work part-time or full-time. While there are many reasons for this wage differential, the devaluation of jobs performed by women can be traced in part to the systemic discrimination inherent in the traditional remuneration systems based on labour market forces.

The implementation of equal pay for work of equal value will reduce the wage differential as it requires comparing dissimilar jobs performed by men and women using common factors, (e.g. awards points for skill, effort, responsibility, working conditions) to determine the comparable worth of those jobs, and ensure that compensation is commensurate with job value.

Implementing change

Equal Wages Guidelines, approved in 1986, state that wage comparisons under Section 11 will be made on the basis of the predominant composition of the occupation or occupational group according to sex, and define how predominance will be determined.

Therefore, where the work of a predominantly female group is found to be of equal value to the work of a predominantly male group in the same establishment, and where the predominantly female group earns lower wages, the wages earned by the predominantly female group will be adjusted to pay these employees for the

difference attributable to sex-based wage discrimination. In the predominantly female group, the wages of all employees, men and women, will be adjusted.

The Treasury Board of Canada took proactive measures to implement the principle of equal pay for work of equal value.

As a result of a five-year joint union/management study, over 70,000 employees collectively received retroactive lump-sum payments totalling approximately \$317 million. Ongoing equalisation adjustments of roughly \$81 million continue annually.

Based on past record and projected estimates, by March 1994 the Government will have paid out over \$500 million in equal pay adjustments.

The Federal Government is committed to equal pay and will continue to ensure that women are paid fairly in relation to their male colleagues who perform work of equal value. However, the unions believe that the Treasury Board has not met its obligations under Section 11 of the Canadian Human Rights Act. The Canadian Human Rights Commission has referred the matter to a Human Rights Tribunal. The Tribunal will have completed three years of hearings by June 1994. Hearings are expected to continue at least until the end of the year.

Several other individual and group complaints are presently before the Canadian Human Rights Commission. These are currently being investigated and are at different stages of the process.

The Government has undertaken a major reform of the job classification system and has designed and is implementing a Universal Classification Standard, which simplifies the process of evaluating jobs. The Standard is designed to ensure gender neutrality by recognising equally the characteristics of historically-male and historically-female work. It will provide a durable basis for maintaining equal pay for work of equal value.

Supporting material

- (i) Canadian Human Rights Act, Section 11, March 1978
- (ii) Equal Wages Guidelines, 1986, Canadian Human Rights Commission

SECTION 2: MAKING GOVERNMENT MORE EFFICIENT

- 2.1 Making government more efficient
- 2.2 Improving the delivery of government services
- 2.3 Redundancy management
- 2.4 Performance-based management
- 2.5 Special Operating Agencies

2.1 Making government more efficient

It should be noted that the Canadian Government does not have an efficiency programme per se, rather efficiency is part of most of the reform initiatives undertaken.

The Government is examining programmes with the objective of reducing waste and inefficiency and promoting economic growth.

The context for change

Tough economic circumstances make it essential that the right government programmes and services be delivered in the most cost-effective way possible. Canadians cannot afford inefficient government. Significant improvements in efficiency are possible through careful review of alternative means for delivering services; creating positive incentives for managers and employees to be more productive and innovative, and streamlining and modernising administrative policies and operations.

Making government more efficient is part of the Agenda for Action to improve the management of government. Improving the management of government aims at bettering the delivery of services to Canadians in a more efficient and accountable manner. To this end the Agenda for Action has four objectives:

- improving service delivery to Canadians;
- making government more efficient;
- building on the strength of Canada's public service; and
- strengthening accountability.

Implementing change

The following is an overview of a consultation draft document outlining a wide range of Treasury Board policies and interdepartmental activities which are underway or could be undertaken to support this type of initiative.

- Implementing the most efficient organisational mechanisms to deliver the right service (determine and use the most appropriate organisational way

to deliver services which are needed).

- Using technology to modernise administrative systems (re-design the technological platform being used to operate government).
- Providing incentives for efficient management (get the incentives right for managers and employees to provide Canadians with the best value for money, such as increasing optionality for common services, expanding operating budgets and establishing internal service standards).
- Streamlining internal government operations (reduce costs and eliminate unnecessary government activities, such as rationalising the use of Crown housing, reducing the real property inventory, and enhancing cash management practices).

Supporting material

Working Together for "Better Public Services". An Agenda For Action, Treasury Board Secretariat, November 1993

2.2 Improving the delivery of government services

Continued fiscal restraint and the need to achieve greater flexibility in how resources can be expended make a strong case for exploring alternative service delivery methods.

The Canadian Government's Treasury Board Secretariat has developed two guides for managers which help them determine the most efficient ways of delivering public services.

Stretching the Tax Dollar: Making the Organisation More Efficient presents an analytical process which can be applied to the delivery of government services to identify the most efficient scenarios in which services can be maintained.

Stretching the Tax Dollar: Make or Buy? focuses on whether it is more cost-effective to "make" a service in-house or "buy" it from the private sector.

The context for change

A lack of resources is the incentive for managers to explore more cost-effective means of delivering government services. The *Stretching the Tax Dollar* guides give managers the option to choose the most cost-effective means of service delivery.

The priority of the Canadian Government is to reduce costs and maintain service delivery. It aims to achieve this by cutting budgets and providing managers with tools to deliver services more efficiently. The *Stretching the Tax Dollar* guides are two tools which have proven useful to managers in coping with fewer resources. They will be actively marketed within the federal government, and complementary tools suggested by managers will be drafted and promoted in the coming year.

The use of guides to encourage cost-effective service delivery is in keeping with the Public Service 2000 philosophy that managers should be given incentives to manage better the resources available to them. These guides dovetail well with the flexibility recently given managers in single operating budgets.

Implementing change

Stretching the Tax Dollar: Making the Organisation More Efficient outlines a five-step process for focusing the examination of the various scenarios for

government service delivery:

- Preliminary Assessment involves choosing an activity and reviewing the service to define the major issues. If the cost of the study is determined through the preliminary assessment to be greater than the expected savings, the process ends;
- Comprehensive Assessment defines the output specifications of a service, examines various service delivery options, reviews the in-house performance of the work and designs a more efficient in-house organisation;
- Reports include the impact of the preferred scenarios and the necessary implementation plans;
- Implementation of the option approved by senior management;
- Monitoring and Review to assess the continued efficiency and relevancy of the service.

During 1994, use of the *Stretching the Tax Dollar* guides will be promoted to public service managers in large, medium and small departments, especially in Canada's regions. An information base of experiences in applying the guides will be developed and this information will be shared with interested parties. Other tools which help managers deliver government services more efficiently will be developed and promoted.

Presentations on the use of the guides are being made to public service managers. Workshops on experiences in using the guides are planned.

Supporting material

- (i) *Stretching the Tax Dollar: Making the Organisation More Efficient*
- (ii) *Stretching the Tax Dollar: Make or Buy?*

2.3 Redundancy management

This entry provides an overview of the Government's workforce adjustment directive. Workforce adjustment is a situation that occurs when a deputy head decides that the services of one or more indeterminate employees will no longer be required beyond a specified date because of: a lack of work; the discontinuance of a function; a relocation in which the employee does not wish to relocate; a devolution; a privatisation or a contracting out situation. The employee in this situation is declared surplus.

Departments are responsible for ensuring that indeterminate employees who are declared surplus are provided with a reasonable job offer.

The context for change

It is the policy of the Treasury Board to minimise the impact of workforce adjustment situations on indeterminate employees, primarily through ensuring that, wherever possible, alternative employment opportunities are provided to affected employees. It is, however, recognised that it is impracticable to guarantee the continuation of a specific position or job. The emphasis of the workforce adjustment directive is, therefore, upon the concept of employment security rather than job security. To this end, every indeterminate employee whose services are no longer required because of a work force adjustment will be guaranteed a reasonable job offer within the Public Service, subject to the provisions of the directive.

The Public Service Commission will establish and modify staffing policies and procedures to ensure the most effective and efficient means of maximising the redeployment of surplus employees and the appointment of laid-off persons to positions in the Public Service.

Departments in which there are employees affected by a workforce adjustment situation are deemed the home department and are responsible for carrying out effective human resource planning to minimise the impact of workforce adjustment situations. Also, home departments shall co-operate with the Public Service Commission and appointing departments in joint efforts to redeploy, or retrain for redeployment to appointing departments, departmental surplus employees and laid-off persons.

Implementing change

In order to establish a workforce adjustment directive, a preliminary requirement is to have as objectives the provision of other job opportunities to affected and surplus employees who are mobile and willing to be retrained; to minimise the number of lay-offs from the Public Service and to provide incentives to employees who choose to go to a new employer as a result of privatisation or contracting out. In the Canadian Government experience, with the exception of those provisions for which the Public Service Commission is responsible, this directive is deemed to be part of the collective agreements between the parties of the National Joint Council (NJC) and employees are to be afforded ready access to it.

This directive was approved by the Treasury Board on 7 November 1991 under the authority of entry 11 of the Financial Administration Act following consultation within the National Joint Council, became effective on 15 December 1991, and is subject to triennial review on 31 March 1994. The Public Service Commission has endorsed those portions of this directive for which it has responsibility.

Since indeterminate employees who are affected by workforce adjustment situations are not themselves responsible for such situations, it is the responsibility of departments to ensure that they are treated equitably and given every reasonable opportunity to continue their careers as Public Service employees.

Departments must establish systems to facilitate redeployment or retraining of the department's affected employees, surplus employees, and laid-off persons.

The minimum period of surplus notice prior to lay-off that must be afforded to an employee is six months.

Departments must guarantee every affected or surplus employee who is both mobile and retrainable a reasonable job offer during the surplus period, and must extend any such surplus period until at least one such offer has been made. Where practicable, a reasonable job offer shall be within the employee's headquarters area as defined in the Travel Policy. Deputy heads shall apply this directive so as to keep actual involuntary lay-offs to a minimum, and lay-offs shall normally occur where an individual has refused a reasonable job offer, or is not mobile, or cannot be retrained within two years, or is laid off at his or her own request.

Appointment of surplus employees to alternative positions, whether with or without retraining, shall normally be at a level equivalent to that previously held by the employee, but this does not preclude appointment to a higher or lower level. Departments shall avoid appointment to a lower level except where all other avenues have been exhausted.

Home departments must appoint as many of their own surplus employees or laid-off persons as possible, or identify alternative positions, both actual and anticipated, for which individuals can be retrained.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (ii) Treasury Board Manual, Human Resources volume, Chapters One and Two

2.4 Performance-based management

The most recent reform of Canada's public sector began in the late 1980s. With it came the need for public sector managers to balance the demand for demonstrably better service with progressively reduced resources. To meet this demand, it was recognised that managers must be provided with tools to measure the on-going performance of programmes and to apply that information to make needed changes in programme delivery.

The context for change

Public service managers must have clear, precise information on how well their programmes perform. They need to know how well they operate, how well they serve the needs of their clients, how well they achieve their goals and how cost-effective they are. In short, they need to know if they are providing a high-quality service that achieves results and that gives value for the cost.

These requirements are not new, but they have taken on new significance in recent years. Canadians want to know that the programmes and services that they pay for serve a real need, achieve their intended purposes without causing important negative side effects and cost as little as possible. They also want to know the level and quality of service they can expect to receive when they turn to their government for help. Performance in the public service, then, demands that managers demonstrate the value of their programmes and services and that they deliver them according to established and known standards of quality service.

These challenges stem from Public Service 2000 (PS2000), an initiative to renew the Public Service of Canada. The PS2000 Task Force on Service to the Public noted the need for public service units to become more client-focused and to be more effective in meeting citizens' needs and expectations. Also reflected are a number of recent government initiatives which have emphasised the need to improve performance: PS2000, with its emphasis on service to the public and measuring client satisfaction; Special Operating Agencies; service standards; total quality management; and re-engineering.

Implementing change

To help managers meet the challenge of providing quality services with ever-reducing budgets, the Treasury Board Secretariat (TBS) developed workshops on performance-based management.

Introduced in the fall of 1992, the workshops are designed to help managers understand and implement performance-based measurement. Some of the topics addressed during the workshop include: developing practical performance measures; instituting useful and practical performance indicators; assessing the expectations and satisfaction of clients; establishing challenging and realistic service standards; and planning and implementing cost-effective ongoing data collection.

In general, the workshop is most effective when used to "fast-track" specific performance-based measurement initiatives in specific departments, as it becomes a tool for consensus building on key concepts, allows the development of preliminary performance models and addresses techniques for fostering a results-oriented culture.

Over the past year this workshop has been used successfully by half a dozen departments.

Supporting material

The workshop's materials are updated for every new offering. Copies of the latest version are available from the Government Review and Quality Service Division, Administrative Policy Branch, Treasury Board Secretariat. Related documents aimed at programme managers include:

- (i) Line Managers and Assessing Service to the Public.
- (ii) Your Guide to Measuring Client Satisfaction

2.5 Special Operating Agencies

The Canadian taxpayer expects quality service from the Government at a reasonable cost. Special Operating Agencies (SOA) are increasingly being seen as one of the more effective means of delivering government services with due sensitivity to client requirements and bottom-line costs.

Special Operating Agencies are service units within departments that are being given more direct responsibility for results and increased management flexibility where this is necessary for them to reach new levels of performance.

The context for change

SOAs are an important element of the ongoing restructuring and re-engineering of government. They are intended to promote cost-effective, client-centred service, while improving the management of resources, demonstrating initiative and improving results.

The Government is interested in extending the use of the SOA concept to government organisations whose operations would likely benefit from applying private sector norms in planning and delivery services either to the public or to other departments of government. The first group of SOAs was announced by the President of the Treasury Board in December 1989, and the concept was embraced as one of many initiatives of the Government's December 1990 white paper on Public Service reform.

Implementing change

Potential SOA candidates must meet certain criteria before being given the go-ahead. Best candidates share five common characteristics. They are:

- discrete units of sufficient size to justify special consideration;
- concerned with the delivery of services, rather than internal policy advice;
- amenable to the development of clear performance standards;
- operating under a stable policy framework with a clear, ongoing mandate;
- staffed by managers and employees who are committed to the SOA approach.

Agencies are established via a Treasury Board decision. Submissions include a business plan (a performance contract) and a framework document (the SOA mission, flexibilities and operating relationships). Both are approved by the responsible Minister who decides when a unit is ready to be considered by the Treasury Board.

Candidates come from many areas including direct services to Canadians, internal services of government, science and technology services, regulatory and enforcement programmes or special cases.

They improve the delivery of their services by:

- ensuring that their operations are clearly defined and well understood;
- setting demanding goals for performance and developing strategies for attaining these goals;
- applying and adapting the best private and public sector management techniques; and
- monitoring performance to ensure continuous progress toward their goals.

The aim of Special Operating Agencies is to give greater authority and scope to individual employees and managers. This should encourage initiative and lead to improved performance in delivering services.

Each agency remains accountable to the deputy minister and minister. However, the deputy minister will assign the full range of authority for running the agency to its head, who will concentrate on meeting the agreed upon goals for service and value that are the hallmarks of this new type of government unit.

A particular initiative in establishing Special Operating Agencies: The Canada Communication Group

The Canada Communication Group (CCG) is one of a number of Special Operating Agencies (SOAs) within Public Works and Government Services Canada (PWGSC). The intent of the Canadian Government in establishing SOAs was to improve government service delivery, in part by encouraging and enabling service organisations to adopt businesslike practices and objectives. SOA managers are given more direct responsibility for results and increased managerial flexibility where necessary to reach new levels of performance.

CCG was one of the first five SOAs to be established. Since becoming an SOA in

June 1990, CCG has moved a considerable distance along the continuum from a traditional government bureaucracy to a fully realised SOA. Along the way, CCG has committed itself to providing its customers with the highest quality communications and information services. Superior customer service has been a driving force in CCG's development as an SOA.

Operating environment and the employee mindset

The most significant and noteworthy changes to CCG since moving to SOA status have been in the nature of the agency's operating environment, the employee mindset and the degree of organisational autonomy the agency enjoys.

Before April 1992, most of CCG's services were mandatory - federal departments and agencies were obligated to use CCG's services to obtain printing and other communications services. After that date, most of CCG's services were optional and customers had the choice to use CCG or go elsewhere.

From the beginning, employees were seen as the key to the success of the agency as an SOA, and their co-operation and commitment were considered vital. CCG management made a commitment to be open with its employees, to keep them informed of expected changes and to have them actively participate in the choices facing the agency. In the early stages, the Chief Executive Officer (CEO) "went on the road" providing presentations and coffee sessions to employees to explain the SOA concept and to answer questions. Communications tools, such as a new logo for the agency, an employee newsletter and ad hoc information bulletins, were introduced to keep employees informed about the changes, the agency's challenges, successes and failures.

During the SOA transition period, CCG management continually reinforced the message of customer service and entrepreneurial thinking. Employees were asked to participate actively in the evolution of the agency and were encouraged to take responsible risk. They were given the freedom to "push the envelope" - all ideas on improving customer service were encouraged, provided they were legal. To give employees an unfiltered voice to the agency's CEO, an Employee Advisory Board (EAB) and a Customer Service Council (CSC) were established. The CEO sits on the EAB, and the CSC reports directly to him. Both the EAB and CSC have proven effective vehicles for employees to table concerns and suggestions.

Employee motivation and satisfaction

The move to an optional environment required changes to CCG's human resources management framework. The need to control costs, to motivate the workforce and to maintain a competitive edge were considered vital to the viability and survival of the agency. CCG has introduced a recognition and reward process to reinforce

and encourage behaviour which will ultimately contribute to the success of the agency. To encourage exceptional customer service, productivity improvements, performance of job duties above and beyond what is normally expected and revenue generation and cost-effectiveness initiatives, employees are rewarded with token gifts. In the private sector, profit-sharing and other monetary incentives have proven to be effective productivity motivators; however, because of provisions of the Public Service Compensation Act, CCG cannot, at present, introduce incentives of this sort.

Since becoming an SOA, CCG has conducted two surveys to monitor employee satisfaction. Employee views and perceptions were tracked on such subjects as CCG as an SOA, the change process and confidence in management, general job satisfaction, morale, training, career opportunities, ad so on. Results from both surveys were encouraging, and the employee response rate was excellent. Employees indicated confidence in CCG's ability to succeed and pride in the products/services they provide. The more recent of the two surveys revealed that employees felt that management had adequately responded to the first survey findings and that CCG was on the right track with the goals which were established.

Separate employer status

The most recent significant change to CCG's human resources framework has been the agency's move to separate employer status in the spring of 1993. For most Canadian federal public servants, the "employer" is the Treasury Board, a committee of Cabinet. Federal organisations which have been granted separate employer status replace Treasury Board as the employer, thereby taking over responsibility for personnel management, including classification, collective bargaining, and in the case of CCG, staffing. The importance of this move is that it will enable CCG to match better required workforce skills to corporate goals. In July 1993, CCG introduced its new classification plan. This plan is not based on occupational groups, such as clerks, printers or purchasing agents. It is based, instead, on the principle of equal pay for work of equal value. Therefore, all the different federal occupational groups formerly represented at CCG (there were 22 of them) now fit into one common CCG classification group comprising 17 levels.

Service Quality Management

To ensure the agency's continued success and competitiveness in an optional environment, CCG has had to introduce innovative ways of delivering products, increase the use of new emerging technologies and place emphasis on quality, value added products/services. The emphasis on quality products/services has been the overriding theme, the premise being that if the agency provides quality products/services at competitive prices, then the rest will follow.

To instill quality thinking into the culture of CCG, the agency has undertaken an extensive Service Quality Management (SQM) training programme which emphasises continuous improvements to customer service and product delivery. SQM training began in April 1992 and has involved staff at all levels. By the end of fiscal year 1993/94, close to 90 per cent of CCG's employees will have received SQM training. More sessions are planned in the next fiscal year to ensure that every CCG employee receives SQM training.

Customer Satisfaction

CCG has undertaken two studies to measure customer satisfaction. The first study, conducted in 1989, before CCG became an SOA, determined that the most important customer satisfaction factors were, in order of priority: quality; timeliness; and price. In February 1993 CCG contracted another, more comprehensive study. This study covered all major products/services and assessed both customers and markets. The assessment concentrated on external trends affecting CCG business, competitive positioning, market characteristics, and product/service size and growth potential.

In the more recent study, customers generally indicated a high level of satisfaction with CCG as a service provider. Moreover, customers expressed the opinion that CCG's services had improved since becoming an SOA. More specifically, the research revealed that 90 per cent of those surveyed were either satisfied or very satisfied with CCG, particularly with regard to the speed of delivery, the quality of product or work, and with the people at CCG. The level of satisfaction varied somewhat by product/service line.

Restructuring to meet future challenges

In June 1993, CCG underwent its first major restructuring since becoming an SOA. This was done in response to a number of things, not the least of which were concerns expressed by employees in the course of their SQM training sessions. They felt that CCG could promote its services better, that sales strategies lacked co-ordination, and that co-operation between CCG divisions could be improved.

Prior to the June restructuring, CCG was organised strictly along product lines, some of which were very similar. This led to confusion for CCG's customers, and to competition between divisions to attract business. CCG's new structure groups similar products/services together, thereby allowing for a more co-ordinated approach to product delivery. A Business Development Division has been created to, among other things, co-ordinate the marketing activities of the agency. A new sales structure for CCG is currently being piloted. Key to the new structure are the corporate account executives and the divisional sales representatives. Account executives are expected to co-ordinate all major sales strategies, business deals and

developments for CCG's key clients. Divisional sales representatives are to work closely with the account executives to ensure that CCG presents a consolidated, professional image to the agency's customers. At the end of the pilot project (summer 1994) its success will be evaluated and modifications made as necessary.

Among the major opportunities and risks which continue to face CCG today are introducing new technologies to improve the cost-efficiency and responsiveness of services; staying competitive with private sector sources to maintain existing market share; expanding selling/promotional activities to include the full range of available products; and managing CCG's and the Canadian Government's sometimes competing political and business objectives.

CCG has decided to focus its strategic positioning on meeting customer requirements better than its competitors. By doing this, CCG hopes to strengthen its position in its traditional marketplace - federal government departments and agencies.

Next Steps

As noted above, CCG has begun a restructuring that will see it progress from a product-based structure to a more customer-oriented structure. Traditional communications and material management client specialists are quickly disappearing and CCG customers must now deal with more global objectives. As a result of the agency's new account executive/sale representative sales structure, CCG will be able to guide customers through the full range of CCG products rather than leaving them to sort out the agency's services themselves on a product-by-product basis. This new customer-oriented structure will enable the agency to deliver products in a more integrated, cross-divisional manner.

In pursuing this new strategic direction, CCG plans to work closely with its customers to minimise inherent risk. Respective roles, as well as current and future requirements must be well understood. At the same time, CCG will explore establishing alliances with private sector sources who will share the risk and be actively involved in developing solutions to customer/CCG needs.

In addition, CCG intends to continue to invest in new technologies which will improve the cost-efficiency and responsiveness of services. Thus far, CCG has introduced several new alternatives to traditional products/services and is testing others. The agency is actively establishing electronic links with customers and has begun converting available data to meet the information needs of new audiences. The future will tell whether or not CCG's new strategic direction will be successful.

Supporting material

- (i) What is a Special Operating Agency, Performance, Treasury Board of Canada, 1990
- (ii) Becoming A Special Operating Agency, Treasury Board of Canada, July 1991

SECTION 3: IMPROVING THE QUALITY OF SERVICES

- 3.1 Improving public reporting
- 3.2 Introducing a quality management approach
- 3.3 Establishing a customer orientation
- 3.4 Ensuring a right of redress
- 3.5 Establishing and publishing service standards
- 3.6 Improving policy presentation

3.1 Improving public reporting

A particular initiative in improving public reporting: the Access to Information Act

Both the Access to Information Act and the Privacy Act are based on the premise that the head of each government institution is responsible for ensuring that their institution complies with the Acts, and for making any required decisions.

The Access to Information Act gives Canadian citizens, as well as people and corporations present in Canada, the right to have access to federal government records that are not of a personal nature. The Act complements, but does not replace, other procedures for obtaining government information. It is not intended to limit in any way the access to government information that is normally available to the public upon request. It aims to make the widest possible use of information within the government by ensuring that it is organised to facilitate access by those who require it, subject to legal and policy constraints.

The President of the Treasury Board sponsors government-wide information and communications policies. A comprehensive Communications Policy advocates the principles of "duty to inform" and "service to the public". The Management of Government Information Holdings Policy, the Security Policy and the Federal Identity Programme Policy govern the treatment of information during its life-cycle from collection and creation through its use and disposal while ensuring an appropriate level of protection and promoting a strong federal image.

Canada's Access to Information Act was implemented a decade ago and has met its objectives well. This also applies to The Privacy Act described below.

Formal application may be made under the Access to Information Act. However, some information may be exempt or excluded under the Act.

Exemptions protect certain types of information that could cause harm if released. For example, some information on national security, law enforcement or trade secrets falls into this category.

The Act does not apply to information that is already available publicly, such as publications or material in libraries and museums. Federal Cabinet documents are also excluded. The Act cannot give access to records that are not controlled by the federal government.

Each federal department or agency has an Access Co-ordinator who can help identify the records sought.

An Information Commissioner investigates complaints from members of the public arising from the Access to Information Act.

The Privacy Act gives Canadian citizens and people present in Canada the right to have access to information that is held about them by the federal government. The Act also protects against unauthorised disclosure of personal information. In addition, it strictly controls how the government will collect, use, store, disclose and dispose of any personal information.

A particular initiative in improving public reporting: The Privacy Act

The Act is intended to:

- ensure the effective and consistent application of the provisions of the Privacy Act and the Privacy Regulations by government institutions;
- ensure that data-matching and data linkage of personal information for administrative purposes meet the requirements of that legislation;
- limit collection and use of the Social Insurance Number for administrative purposes to those permitted by specific Acts, regulations and programmes and to establish conditions for its collection.

Some of the programmes and operations of government use personal information about individuals, such as income tax, pension and family allowance payments and the unemployment insurance programme. There is some personal information the federal government may not release under the Privacy Act which relates to other people, national security or law enforcement.

An application may be made for information using the formal request procedures. If it is believed that the information on file is incorrect or misleading, a request can be made to have it changed. Even if the department does not agree to change the information, it must make a note that the request was made and attach it to the file.

The protection of personal information is important. The Acts state how and when the Government can collect, store and dispose of personal information. It also covers specifically why and how the information can be used or given out, as well as who can use or receive it.

The Government can only disclose personal information about a third party if it has that party's permission or when one or more of the criteria in the Privacy Act are met, such as to comply with a subpoena.

The Privacy Commissioner is the representative of the people with the power to investigate complaints. If the Privacy Commissioner recommends that information be given out and the department or agency still refuses, an appeal may be made to the Federal Court.

Supporting Material

- (i) Info Source, Privacy Treasury Board of Canada, 1992-93
- (ii) Info Source, Access to Information Act, Treasury Board of Canada, 1992-93
- (iii) Management of Government Information Holdings, Treasury Board of Canada, 1989

3.2 Introducing a quality management approach

The Canadian Government, like many other governments, is under increasing pressure to improve services to Canadians. This pressure has been compounded by continuing fiscal restraint brought on by a need to reduce the federal debt. Together, the demand to be fiscally responsible while providing quality service has moved the federal government to look for innovative approaches to government operations. For many departments and agencies, quality management has been a vital tool that allows them to be innovative while dealing with the often conflicting objectives of improving services and fiscal restraint.

While there are many definitions and names for quality management, in practical terms, quality can be defined as doing the right things, the right way. Doing the right things means asking your clients what they want and need. Doing it the right way ensures the "right" service is provided in the most cost-effective manner. The two together ensure that clients' needs are met and that a cost-effective, quality service is provided.

The context for change

The quality movement in the federal government has been closely linked to Public Service 2000 (PS2000), an initiative to renew the Public Service of Canada. Launched in 1989, the purpose of PS2000 was to "foster and encourage a Public Service that is ... imbued with a mission of service to the public." While not a "quality management" initiative by name, PS2000 espouses the same principles of quality management, namely: client satisfaction, employee involvement and continuous improvement.

Implementing change

While many departments and agencies are using a quality approach to management, each has developed a customised approach that best suits the individual needs of that particular organisation. For example, some organisations are focusing on service standards, while others are looking at re-engineering processes. The objective remains the same - implementing a strategic action plan for providing quality, cost-effective services. Quality management is helping departments and agencies meet this objective.

Through an Inter-departmental Quality Network chaired by the Treasury Board Secretariat (TBS), over 40 departments and agencies are able to meet and exchange

experiences on quality practices. To support further the work of departments, TBS has published a "Guide to Quality Management" which explains the fundamentals of quality. In addition, TBS promotes the exchange of quality practices by publishing a "Service to the Public" Newsletter, a "Quality Exchange" Bulletin and an "Innovations" Bulletin.

In order to keep abreast of initiatives in other levels of government, TBS chairs a National Quality Network that currently represents the federal government (including its regional offices), 10 provinces and six major cities. By learning from the experiences of provinces and municipalities, TBS anticipates that it will be better able to support the federal government's quality initiative.

Supporting Material

The following material is available from the Government Review and Quality Service Division, Administrative Policy Branch, Treasury Board Secretariat:

- (i) "Guide to Quality Management"
- (ii) "Quality Practices...A String of Pearls"
- (iii) "Innovations" Best Practice Notes
- (iv) "Quality Exchange" Bulletin
- (v) "Service to the Public" Newsletter

3.3 Establishing a customer orientation

A particular initiative in establishing a customer orientation: the Government Telecommunication Agency

One of the three founding members of the newly-created Government Telecommunications and Informatics Services, Canada's Government Telecommunications Agency (GTA) is a prime example of an organisation whose success is based on customer orientation. GTA's customers are other federal departments and agencies seeking cost-effective, efficient and high-quality telecommunications services and products to assist them in delivering government services to Canadians.

There are many companies eager to supply the telecommunications needs of the federal government - the biggest consumer of telecommunications services in Canada. Although its services are non-mandatory, GTA has succeeded in capturing the lion's share of this market by listening to its customers and responding to their requirements with professionalism and insight. In a highly technical and complex field GTA leads the way, because it operates on the fundamental principle that it is people and the relationships between people that matter.

Responding to customer needs

The realisation that customers must be heard before they can be satisfied underlies all GTA actions. As a result, the Agency has introduced a number of mechanisms to promote clear and open communications to ensure that it understands customer needs.

Customers are a vital part of the Agency's decision-making processes. As members of two senior-level *inter-departmental committees*, they provide a direct connection from the government community to GTA.

The *Government Telecommunications Council*, representing the largest users of telecommunications services in the federal government, provides guidance on the efficient management of telecommunications in government. Similar in function to a Board of Directors, the Council is instrumental in identifying telecommunications priorities for the Agency to pursue in its five-year *Business Plan*, which Council members review and endorse.

The *Telecommunications Advisory Panel* focuses on the operational and technical aspects of telecommunications in government. Panel members bring the perspective of individual departments to the Agency and ensure that GTA understands their

particular needs. The Panel also provides assessments to the Council on the Agency's progress in achieving its goals.

Customers have enthusiastically embraced the inter-departmental committee structure, introduced three years ago when GTA became a Special Operating Agency (SOA). Through these committees, the Agency provides a focal point where the energies and experience of federal telecommunications experts can be shared and capitalised on to contribute to the evolution of an integrated telecommunications system within the federal government.

Another way customers communicate with GTA is through product focus groups. Chaired by customers, with administrative support provided by the Agency, each focus group concentrates on one particular GTA service. Members have hands-on telecommunications experience and provide meaningful product feedback to the Agency. Not only do the focus groups provide information that allows the Agency to improve its services, they also provide a forum where users can work together for the betterment of the government community. It is through just such a group that over 50 opportunities were identified for the sharing of satellite services - a project that will render significant savings to individual departments and the Government as a whole.

National Account Plans

The Agency has implemented National Account Plans for each of its major customers. To establish and maintain these plans, GTA Account Managers work closely with customers to determine their telecommunications requirements on a national basis. From its portfolio of products and services, the Agency then tailors the appropriate mix of telecommunications services to assist customers to achieve their objectives. The plans encourage close working relationships between GTA and its customers - another avenue of communication and understanding, ensuring that the Agency is aware of customer needs across the country.

Total Quality Management

The Agency's emphasis on continually improving customer satisfaction is reflected in its commitment to Total Quality Management (TQM). A key source of customer information, TQM's launch in GTA was preceded by a cross-country, no-holds-barred customer survey. The survey revealed customers' thinking about the Agency's service, and led to the formal introduction of TQM in GTA to address those areas customers identified as requiring improvement. GTA employees were individually interviewed, so that their first-hand experiences and knowledge could be tapped into for the purpose of delivering enhanced customer service. All Agency staff, including senior management, participated in national TQM awareness sessions.

In the summer of 1993, GTA commissioned a survey of over 500 GTA customers across Canada, with a view to focusing TQM and customer service efforts. The findings of this survey will provide the benchmark against which process improvements will be measured. Under TQM, customer views will be continually sought, with annual surveys planned.

Business Process Improvement Teams

While senior management strongly and publicly supports the TQM concept, it is not a top-down initiative. All employees, including those not on the front lines, realise they have important parts to play in ensuring customer satisfaction. Eight cross-functional Business Improvement Teams, with membership from all parts and levels of the organisation, have been established to review and suggest improvements in internal GTA processes such as new product and service roll-out, internal and external communications, and training and staffing.

Billing Processes

As technology becomes more complex, GTA has endeavoured to ensure that its customer dealings are not similarly complicated. The Agency has therefore strategically invested human and financial resources and dedicated the efforts of a Business Process Improvement Team to improving its billing processes, striving to deliver invoices and statements that provide useful, timely and accurate information.

Customer Assistance Centre

Serving as a central contact point for customer concerns, queries and feedback, GTA's Customer Assistance Centre provides another important communications channel between customers and the Agency. The Centre's highly-motivated staff handle an average of more than 1,300 calls monthly, providing prompt, courteous responses, while analysing recurrent questions with the aim of improving customer service.

Strategic Alliances

In the new fiscal reality, no single organisation has the resources to be all things to all people. GTA has consequently embarked on a number of strategic alliances inside and outside government to maximise the expertise resident in both sectors for the development of responsive new products and services.

RADIAN, the new learning and communications network, is typical of such an arrangement. Providing access to telecommunications services designed to deliver training, meetings and conferences anywhere in Canada, RADIAN was developed in partnership with several federal agencies, and draws upon their wide experience

in providing training within the government. The network's video-conferencing and multimedia requirements are met through an innovative GTA-devised consortium of private-sector suppliers. Once again, through working with and listening to customers, the Agency has been able to introduce an efficient, responsive product that conserves resources.

The Agency also enjoys good working relationships with its suppliers, based in part on twice-yearly executive forums that are held with each of its two largest national suppliers. At these events, GTA's senior managers meet with their private sector counterparts to discuss current issues and future developments, and to ensure that there is an active, healthy dialogue between the Agency and its suppliers.

Communications

As a member of the government community itself, the Agency is part of the environment in which departments operate. This experience means that GTA speaks the same language as its customers and shares a recognition of unique public sector telecommunications needs. This understanding is demonstrated in *Major Orientations*, a synopsis of the five-year forecast of planned GTA initiatives described in the Agency's *Business Plan*, which is prepared in response to customer-identified requirements. The Agency also communicates with its customers through the publication of an *Annual Report*, and an external newsletter informing customers of GTA's progress in instituting a government-wide telecommunications network infrastructure.

In seeking to maintain open and effective channels of communications, the Agency is an active participant and sponsor of major Canadian telecommunications exhibitions. The Architect Programme Forum is an annual two-day event, drawing speakers from as far away as the European Community. With over 350 registrants in 1993 representing telecommunications management from across the federal government, the Forum shares with its customers, partners and suppliers the progress that has been made in realising the goal of an integrated, government-wide network infrastructure and the plans for the future. GTA is also an active player in the annual Technology in Government Week.

Human Resources

To succeed as a Special Operating Agency, GTA has had to reinvent itself. No longer a mandatory service provider, the Agency has had to earn the right to supply customers. In endeavouring to do so, it has become a more entrepreneurial, bottom-line focused, customer-driven organisation. Adapting the best private sector practices, such as market-driven pricing, while remaining true to its public service mission, GTA has seen its customers benefit from the lowering of bureaucratic barriers.

Through employee exchanges with both public and private sector organisations, individuals with specific skills are brought into the Agency, with the welcome side-effect of stronger relationships being developed with customers and suppliers. GTA augmented its marketing and corporate management branches through industrial exchanges which have complemented its new business orientation. Though it is already strong on the technical and engineering side, GTA has benefited from strategic exchanges with private sector engineering and development firms.

Positive Results

Among the efficiencies that its customer successes have permitted the Agency to deliver are innovative telecommunications solutions that allow users to communicate electronically, via voice, data and image, between and among departments, to other governments, and beyond to private networks. The ease of use, speed and transparency of new inter-networking services, the reduction and eventual elimination of paper transactions, and the ability to operate across time zones and around the world will result in reduced demand on resources.

Another positive result of the Agency's customer focus is the leadership role it has assumed in the government community. As one of Canada's first Special Operating Agencies, GTA's successes have validated the SOA concept, and provided a practical example for others to follow. Satisfied customers are repeat customers. The better GTA does its job, the more customers it wins, and the greater potential there is for achieving economies of scale. By satisfying its customers, the Agency is able to secure the services they require at the most cost-effective prices, and GTA satisfies its customers by adding value to every service it procures on their behalf.

Satisfying its customers means that the Agency also acts as an engine of growth for the domestic telecommunications industry. The volume of GTA's business, plus the incentive it provides for the development of new services, or the combining of products in new ways, has benefited Canadian suppliers, large and small. The Agency's Government Video-conferencing Service is a case in point. GTA formed alliances with every major Canadian video-conferencing vendor for the provision of the components of the service. By doing so, it stimulated the growth of the domestic video-conferencing industry, while ensuring low rates for its customers.

The Future for GTA

Honouring its commitment to listen to people is a critical component of GTA's success. Associated with that commitment is the realisation that striving for continuous improvement is just as vital. The demands of the 21st century will not permit the Agency to lie back and bask in its past successes. To continue to succeed, it must grow and evolve. It must continue to seek the advice of its customers, and to learn from them. By listening and learning, improving processes,

enhancing communications and responding to customers' needs, working with its colleagues and private and public partners, the Agency confidently looks to the future, secure in the knowledge that, when all else changes, the one constant is the human factor. As long as that remains the basis of GTA's operations, success will surely follow.

A particular initiative in establishing a customer orientation: The Canada Post Corporation

Canada Post Corporation was established as a Crown corporation on 16 October, 1981 to provide postal services that were formerly the responsibility of the Post Office, which was a department of government. The Canada Post Corporation Act was supported by all three parties in the House of Commons, and was welcomed by organised labour, business and consumer groups.

Declining Standards

As a department of government, the Post Office had become increasingly unreliable. Postal strikes denied Canadians their postal service for periods as long as 42 days. There was no nation-wide control of operations.

The Post Office's reputation for reliability had fallen drastically over the years. Next-day delivery for the price of a stamp had become a myth by the 1970s. That service standard was impossible to meet due to increasing volumes and the limited capabilities of the system. There was insufficient capital investment to update operations. Competition in the form of courier companies, facsimile machines, direct funds transfer and telecommunications firms sprang up to take away the premium parts of the postal business.

A service that had shown surpluses for most of the first half of the 20th century was recording annual deficits that had grown to \$600 million by 1981-82, and threatened to reach the billion-dollar mark. This was an unacceptable burden for Canadian taxpayers.

The turnaround

In 1987, Canada Post Corporation recorded its first of three successive profits. Although the Corporation declared a loss at the end of its 1991-92 fiscal year, Canada Post rebounded and recorded a fourth profit following its 1992-93 fiscal year.

This turnaround, called “one of the greatest turnarounds in Canadian corporate history”, resulted from a concentrated effort on the part of the senior managers of the Corporation to run Canada’s postal service as a business.

Today’s Canada Post Corporation is a fully-featured, market-oriented and profitable distribution business that meets the communications, advertising and physical distribution needs of Canadian and international consumers, businesses and other organisations.

Every business day, Canada Post Corporation collects and processes on average 40 million pieces of mail for delivery to nearly twelve million business and household addresses.

The Corporation has a retail network of nearly 19,000 points of sale, more than three-quarters of which are operated by private business.

Canada Post’s workforce includes over 52,000 full- and part-time employees. The Corporation operates a network of 22 major mail processing plants, a fleet of 5,600 vehicles and contracts for the services of over 6,100 air and surface transportation contractors to move the mail. Canada Post’s business generates annual revenues of close to four billion dollars.

Measures of success

In 1987, Canada Post became the first postal administration in the world to hire independent auditors to measure its delivery performance against published standards and publish quarterly reports. Today, the Corporation consistently attains performance levels in the 97 to 99 per cent range. Priority Courier delivery is on time 99.5 per cent of the time.

Customer confidence is reflected in volume growth. Canada Post now handles 57 per cent more mail than in its first complete year after incorporation in 1981 — with 17 per cent fewer employees.

Because it has become both efficient and financially self-sufficient, Canada Post Corporation is able to invest in the future of the Canadian postal service *without* government funding. All customers benefit — at \$0.43, the cost of a basic letter is the second lowest in the western industrialised world in terms of the time it takes an average manufacturing worker to earn the price of a stamp.

Customer service

Canada Post has improved accessibility through co-operation with private retailers, who operate postal retail outlets. Retailers benefit from increased customer traffic and sales. Customers have access to postal products and services at convenient hours and in locations where they do other shopping and can find parking.

The Corporation opened its first postal franchise in March, 1987. Today there are more than 1,100 franchises in urban areas and over 1,300 retail postal outlets in rural communities across Canada.

Technology and partnership

Canada Post is a leader in postal technology. One example of the Corporation's technological leadership is the National Control Centre, located at Canada Post's head office in Ottawa. Electronic systems at the Centre provide real-time information on various aspects of mail operations and alert operators of potential system deviations. Control Centre staff can keep an eye on everything from surface and air shipments to machine down-time and adverse weather conditions. Staff monitor the movement of mail 24 hours a day, seven days a week.

The Centre has satellite links with major trucking firms. Staff can react quickly to problems via interactive state-of-the-art graphic information systems. Maps of major cities are available at the push of a button. These innovations allow the Corporation to be increasingly pro-active in ensuring efficient delivery of the mail.

Canada Post also works in co-operation with foreign postal administrations. This benefits Canadians by paving the way toward more efficient global mail services. Since June of 1990, the Corporation has been marketing its technology and expertise to other nations through its wholly-owned subsidiary, Canada Post Systems Management Limited.

In July 1991, Canada Post announced it would be entering into a partnership agreement with the postal administrations of Germany, France, The Netherlands and Sweden, and the Australia-based transportation company, TNT Ltd. This partnership, which operates under the name "GD Express Worldwide," allows Canada Post to provide its customers with a time-certain international courier service to nearly 200 countries. The service provides end-to-end tracking of all shipments to ensure on-time delivery.

In November, 1991, Canada Post signed an agreement to begin using Electronic Data Interchange (EDI) internationally through a system called EMS-GEIS Mailbox, which is operated by the International Post Corporation (IPC). This system, similar in function to the Priority Courier Track and Trace system, is used to expedite the

movement of international mail between Canada and selected postal administrations in the 22-nation IPC.

Through the EMS-GEIS Mailbox, senders can relay postal control messages through a postal organisation's EDI network at the fastest possible speed. Its use provides increased control in planning and scheduling, and lower operating costs for mail travelling between participating countries.

Canada Post has been in the message transfer business for 300 years. For most of those years, messages moved in hard-copy format by ship, by rail, by road and, in this century, by air. Today, the Corporation also move messages electronically.

Canada Post offers two volume electronic mail products: Lettermail Plus and Admail Plus. In 1994, the Corporation will launch OmniPost which will allow even comparatively low volume mailers to send mail directly from a personal computer to a few or many addresses simultaneously.

OmniPost is a computer-based service that will enable Canada Post to take a customer's mail that starts in electronic form and deliver it electronically, send it to a fax machine or convert it to hard copy and deliver it with the rest of the mail.

In developing its electronic network, Canada Post is working to ensure an effective linkage between high- and low-tech users. In bridging the gap between high-tech and low-tech users, Canada Post is continuing its unique role as the nation's universal and cost-effective information transfer and distribution system.

The future for Canada Post

The success of Canada Post Corporation can be attributed to a commitment to business values. Canada Post has introduced the concept of putting the customer first in an operation that once believed it had a comfortable monopoly. Senior managers have transformed a department that was once a burden on taxpayers into a business that pays its shareholder a dividend, in addition to financing its own capital needs. The private sector has contributed to the Corporation's success, providing value-added services in support of Canada Post's business activities.

Canada Post Corporation sees its mandate as continuing to support Canadian businesses and individuals with a reliable and cost-effective distribution and information transfer system, and providing its shareholder with a satisfactory return on investment. That's how successful businesses are judged, and Canada Post is prepared to be measured by the same yardstick.

A particular initiative in establishing a customer orientation: the single business registration number

The pressure for change

In the February 1992 Budget the Minister of Finance announced several initiatives to make government services more "client-oriented." In Canada these measures built on other efforts to improve the services offered to the public, including the "PS2000 Task Force on Service to the Public". These efforts are driven by the same imperatives that caused the United Kingdom to proclaim a "Citizen's Charter" and the Clinton Administration in the United States of America to seek to "reinvent government".

One measure was the announcement of a Single Business Registration Number (SBRN). The Budget papers noted that multiple registration numbers, and the corresponding multiple contacts required with government, meant "more work for business, more cost for government and inevitably poorer service." Revenue Canada was chosen to put the SBRN in place because it deals most frequently with businesses operating in Canada. Revenue Canada can therefore realise the greatest benefits for clients and the administration of government.

Advances in information technology

The SBRN is driven by the demand for client-oriented service, but it is made possible by advances in computer hardware and software. Until recently, most new service "lines of business" were developed by creating a new organisation, which then designed and put in place the necessary computer system to support programme delivery. This approach resulted in a "programme-oriented" structure. Each new programme had its own offices, its own expert staff and its own computer system. This approach was common to governments, for example Canada's Goods and Services Tax (GST) and the United Kingdom's Value Added Tax (VAT), and the private sector, where for example, most financial institutions handled savings accounts through a different organisation than mortgages. Organisations evaluated their managers on the contribution of their particular programme to the organisation's goals, not on their ability to produce improvements across the organisation.

The desire to make each new system perform more functions than its predecessor and the rapid advances in computer hardware that made this possible meant that most computer programmes were written from scratch. The distinct organisational structure and the rewards for performance, encouraged this approach. Computer programmers' natural desire to work as creative virtuosi rather than technicians compounded the problem. As systems have grown in complexity, the risks of starting from scratch have multiplied rapidly.

In the private sector, the competition for customers has increased the pressure to improve supporting computer systems. The political imperative for better client service in the public sector has had a similar effect. At the same time, the capabilities of computer hardware have increased dramatically in terms of speed and capacity. Today's personal computers have the capability of the mainframes of the 1970s and mainframes now have staggering storage capacity and power.

The weak link in making progress has been computer programming. Until recently, the re-use of software was almost non-existent. Where there was re-use, it was because individual programmers re-used ideas from previous projects. It was said that the most effective programmers were those with the best filing system. Large mainframe programmes were still written as they had been when the COBOL language was first developed three decades ago - line-by-line. Software engineering was an oxymoron. The risks involved in putting a new system in place grew as users demanded more capabilities. For large financial systems where the integrity of the information is critical, the risks were further magnified.

From programme-orientation to client-orientation

Programme-oriented organisational structures, and their supporting stand-alone computer systems, were adaptations to the markets and technology of their time. The pressure to become client-oriented and improve service requires computer systems to be even more complex and reliable. In a client-oriented environment all the information on a given client must be brought together. This requires either an enormous integrated system or some way in which the various programmes can be linked. In either case, it demands computer software that is more complex but has fewer errors. In the client-oriented environment, all the software eggs are in one basket.

The client-oriented environment demands a fundamental change in the way computer software is developed - from creative art to an engineering discipline. Re-use of software will reduce the development risk for any large computer system. In the case of software to support client-oriented services, where the demands for quality, system availability, data integrity and responsiveness are particularly exacting, re-use becomes a virtual necessity. "No civil engineer would dream of designing a bridge from scratch (and few would cross it if it were)". The computer systems that support client-oriented service delivery must be engineered not created. Re-use can also reduce development times and costs significantly. Short development times are important for client-oriented systems, since a rapid response to changing markets is essential. Business managers should require re-use for client-oriented services.

The Single Business Registration Number (SBRN)

The SBRN is a numbering scheme that can be applied to all Canadian Government programmes for businesses. It is designed so that the root of the number uniquely identifies each business client and is thus the key to the provision of client-oriented service. The number itself is therefore a strategic investment for the federal government that will allow the simplification and integration of business transactions with all government departments.

SBRN will allow many businesses to reduce their compliance costs - their cost of doing business with the government - through Revenue Canada's provision of single-window and tailored services. Options under consideration include a monthly consolidation of accounts, of particular interest to small and medium-sized businesses.

SBRN is also the necessary first step towards restructuring Revenue Canada to make the administration of business taxes more efficient. SBRN will allow the contacts with a client to be integrated. For example, in most circumstances one auditor will be able to audit a business for all taxes efficiently. When a business is in default, one officer will have immediate access to all the client's accounts, which will enable the collection of the net debt due to the Receiver General in one step.

Implementing the SBRN

The project will begin with the four major Revenue Canada business accounts: the Goods and Services Tax (GST), the tax deductions employers make from their employees through their payrolls (Payroll source deductions), the Corporate Income Tax, and the Customs commercial system. Businesses registering for the first time with Revenue Canada will register for these four programmes with one phone call or at one location. Revenue Canada will also offer all SBRN clients a single inquiry window for the department's programmes. Existing clients of these four programmes can choose over the course of two years when to convert their existing numbers to the SBRN.

SBRN uses a nine-digit registration number (the GST registration number for existing businesses) to identify the legal entity, the principle being "one-number, one-business." A two-letter suffix is added to identify the type of tax or programme, so that other programmes can be quickly added to the numbering scheme. For most businesses that have only one account of each type, this is all that is required. The most common case is a business that has a GST account and a Payroll account, whose account numbers would be 123456789RT and 123456789RP. The 123456789 uniquely identifies the business, while all GST

accounts are labelled "RT" and all Payroll accounts "RP". A four-digit suffix is added, when necessary, for larger companies that have multiple accounts of the same type. This respects the principle that the number be "tailored", being simple for small businesses, but able to adapt to the most complex situations of large businesses.

The project will be put in place in three phases. Phase one is a pilot which commenced on 2 May 1994 in eight reasonably self-contained markets - smaller cities across Canada chosen to represent different combinations of circumstances and Revenue Canada offices. The aim of the pilot is to improve the national programme by testing and evaluating the registration of new businesses and the conversion of existing businesses at manageable volumes. It is testing the delivery of integrated inquiries and services such as address changes. In addition, training and operating procedures are being assessed and service standards established. A detailed evaluation will seek the views of clients, stakeholders and employees.

In phase two, SBRN will be offered nationally on 2 January 1995. It will be available for the voluntary conversion of existing businesses until the new numbering system becomes mandatory on 1 January 1997. Phase three of the project will begin to make a menu of options available in 1996 to businesses that have converted.

The timetable is an attempt to allow business the maximum flexibility in their adoption of SBRN. Consultations with business organisations produced a strong consensus that there should be a mandatory end date to the conversion. For larger companies the changes to their systems are more expensive if made outside their normal cycle of system upgrading. The schedule gives companies more than three years' notice and a two-year window in which to make the conversion. Each business can choose its own conversion date in this period and pre-register for this date several months in advance. A company will convert all its accounts simultaneously. The conversion process will be simplified by only requiring businesses to confirm their account numbers, rather than having to re-register, and by providing toll-free telephone numbers for assistance.

Some technical background

The SBRN computer software was constructed using a new re-use approach known as Bassett Frame Technology. Bassett frames contain a standard definition of data and functions, as well as engineering change commands. A frame thus contains information that can be re-used without change - "the same as before" commands - but allows the addition of differences - "except for" commands. These "except for" commands allow for the "modification" and "deletion" of features at any level of detail, as well as the "addition" of features that is common with other re-use techniques. Bassett frames combine the flexibility of software with the stability and

risk minimisation of re-usable components. Bassett Frame Technology is available commercially as Netron/CAP software. The SBRN system has a client-server architecture and, together with the four programmes it serves, runs in Revenue Canada's two large computer centres.

Supporting material

- (i) Bruce Rawson, et al, (9 August 1990) "PS2000 Report of the Task Force on Service to the Public", (Government of Canada: Ottawa)
- (ii) "The Citizen's Charter: Raising the Standard" (1991) (London: HMSO) Cm 1599
- (iii) David Osborne and Ted Gaebler (1992) "Reinventing government: How the entrepreneurial spirit is transforming the Public Sector" (Plume, Penguin Books: New York)
- (iv) Vice President Al Gore (September 7, 1993) "From Red Tape to Results: Creating a government that works better and costs less" (Report of the National Performance Review: Washington D.C.)
- (v) Mike Smith (1992) "The Clean Launch", (Government of Canada: Ottawa)
- (vi) Dorothy Johnstone (1975) "A Tax shall be charged", (Civil Service Studies No. 1) (London: HMSO)
- (vii) James Martin (1991) "Rapid Application Development" (Collier Macmillan: New York), p. 296
- (viii) Ibid, pp. 296 - 313

3.4 Ensuring a right of redress

A particular initiative in ensuring a right of redress: transparency of procurement

The Government of Canada has been steadfast in its promotion of integrity in the undertaking of procurement within the Public Service. This approach addresses the provision of information on opportunities and awards and the right of redress when fairness is questioned. The new Department of Public Works and Government Services Canada (PWGSC) will continue to be subject to extensive review mechanisms. It has a firm mandate to ensure that any supplier, whether from within or without Canada, may lodge both formal and informal complaints in the event they have reason to believe that they have been dealt with unfairly.

Equality of opportunity is one of the basic principles of the Department's mandate. The foundation of a sound procurement process is a level of transparency that ensures integrity and fairness.

The mandate of The Canadian International Trade Tribunal, an independent body which had been formed to resolve bilateral disputes, was amended pursuant to the North American Free Trade Agreement (NAFTA), in order to receive and decide upon complaints pertaining to the conduct of procurement at all stages up to and including the award of a contract. The Tribunal is charged with determining whether or not the requirements of NAFTA, as well as any relevant procedural requirements, have been complied with respect of procurements that become subject to a complaint.

Upon notice of a complaint, the Tribunal has the power to stop the subject contract award and undertake a complete investigation. A Superior Court of Record issues subpoenas, swears in witnesses and takes relevant testimony. Depending upon the findings of the Tribunal, various remedies can be undertaken. Rulings may require that bids be re-evaluated, solicitations be re-issued, or, if a contract has been awarded, that it be terminated and/or due compensation made.

Procurements subject to the General Agreement on Tariffs and Trade (GATT) are also subject to rules for multilateral dispute settlement. However, signatory countries are urged to make every endeavour to resolve disputes bilaterally.

The right of redress is also an element of value-added service to clients. With such a process clients are assured that the potential for an alternate source of supply has not been subject to any form of unfair exclusion.

There are many built-in processes along the way that suppliers can utilise to confront and solve problem issues, perhaps averting the necessity of appealing to a tribunal of this nature. The process is such that most matters can be resolved between the purchasing authority and the supplier concerned. The key is commonality of information for all suppliers and fairness in addressing issues and concerns.

The elements of costs to be addressed involve the amount of increased time afforded to procurements that come under the review of the Tribunal as well as any resulting awards of compensation. Costs are directly commensurate with these factors. Past experience and statistics regarding complaints indicate that increased concern over cost has not been warranted. In 1991, there were 4,198 contracts awarded under the Free Trade Agreement between Canada and the United States with a value of \$328 million. Complaints were received about only 33 contracts, or 0.8 per cent. During the entire period from 1989 to 1993, 130 complaints were filed and 30 were upheld. Payments made pursuant to these judgements were less than \$52,000 in total.

Continuous scrutiny of the procurement process and the pursuit of best practices therein afford the basis for a fine attention to the handling of complaints. Elements of diplomacy and tact are built into core procurement courses provided to employees in the Department's procurement training continuum. The use of real scenarios and 'lessons learned' provide the opportunity to develop basic principles and augment staff capability to handle complaints effectively.

Canada's first tribunal was fully functional within six months of the signing of the Free Trade Agreement Between Canada and the United States. Time factors relate to how long it takes to inform and ensure that the public knows and understands the mandate and the process to be utilised in dealing with such a tribunal. With the implementation of the North American Free Trade Agreement Between Canada, the United States and Mexico, a transition to the Canadian International Trade Tribunal was implemented in time to meet the legislative requirements. The United States and Mexico have addressed and established similar mechanisms as required by the NAFTA legislation.

Supporting material

- (i) North American Free Trade Agreement
- (ii) Free Trade Agreement Between Canada and the United States
- (iii) General Agreement on Tariffs and Trade

3.5 Establishing and publishing service standards

In its February 1994 Budget, the Government announced that standards for service would be established and published for each department and that a declaration of quality service delivery will be issued. This commitment provided new emphasis and focus to efforts already underway to develop service standards. The Treasury Board Secretariat has been supporting the initiative by establishing general guidelines and monitoring departmental progress.

Departments and agencies are to establish service standards through consultation, publish them, and make them available to their clients at the points of service. Departments and agencies are also required to publish measured performance against their service standards.

Service standards are performance objectives for the delivery of government products and services to the public. They specify the quality, including timeliness, accessibility and accuracy of services Canadians can expect to receive. They include five elements:

- service description;
- service quality pledges or principles;
- delivery targets;
- service delivery costs;
- complaint and redress mechanisms.

Complaint and redress mechanisms already exist for any services offered by the Canadian Government. This is particularly true in the regulatory area where such mechanisms are generally provided for in legislation. Departments are now expected to make existing complaint and redress mechanisms more visible to clients and establish a strategy for adequately dealing with complaints.

Consulting with Canadians and letting them express any concerns about the services they receive provides credibility to all initiatives aimed at improving the quality of services. To a certain extent it can also change general public perceptions about the Public Service.

The context for change

Ultimately, a higher level of satisfaction toward government services will emerge from two factors:

- meaningful service standards; and
- service delivery that meets those standards.

The development of service standards will focus departments and agencies on services that are really important to Canadians. The initiative will also make Canadians more aware of the costs of services they are receiving from their Government.

The establishment of service standards is part of the reform of the public service which began with the Public Service 2000 (PS2000) Initiative. PS 2000 aims to improve the quality of services to Canadians and to streamline the public service. Other related elements of reform include additional flexibilities for frontline managers in both financial and human resource management, a major undertaking to make the maximum use of information technology in providing better and more affordable services, extensive review of regulation to have a more responsive regulatory regime, a focus on quality management and continuous learning, and the development of Special Operating Agencies to bring a more businesslike approach to government organisations where appropriate.

Communicating standards of service to the public is a new way of doing business for federal institutions. Managing to service standards involves a complete change of culture, and needs a strong commitment from senior management to be successful.

There are many stakeholders in this initiative: Canadians in general, service clients, employees and their managers, and senior departmental managers. Commitment and involvement from all is needed for success. Other conditions for success include:

- effective consultations with clients in order to know their expectations;
- regular measurement of client satisfaction, service delivery performance and the costs of services;
- provision of quality service training to front line employees and management;

- empowerment of employees to give them a certain control over service delivery; and
- reports to clients on the performance achieved against service standards.

Implementing change

The Treasury Board Secretariat provided general guidelines and milestones to departments and agencies. The milestones provided are generic, each department having considerable flexibility in determining the scope of the services and the related standards being adopted and published. The February 1994 Budget provided a 1995 date for having service standards in place. The Treasury Board Secretariat monitors departmental progress through its ongoing relations with departments and more formally through periodic reporting back to the Secretariat or the Board.

An inter-departmental committee of Assistant Deputy Ministers is used to provide the Secretariat with advice on the implementation of the initiative.

Inter-departmental networks have also been set up to exchange best practices and to find solutions to common problems. The focus of these networks is on specific types of services such as regulatory services, application processing, and information and advice. There is also a network on the costing and communicating of costs of services. The networks will help to promote a certain level of consistency between departments.

Seminars and workshops are provided as further vehicles for exchanging experiences and gaining more understanding of the problems and issues surrounding service standards.

By the end of the 1994-1995 fiscal year, service standards should be available for all major services of the federal government. But it will require more time to really change the culture of departments. Setting service standards is an ongoing process; standards that are valid today should be reviewed and modified on a regular basis, according to the changing needs of the population and the financial capacity of the country.

3.6 Improving policy presentation

This entry deals with communications policy.

To encourage the free flow of information between the government and the public, the following policy has been set:

- to give the public information about policies, programmes and services that is accurate, complete, objective, timely, relevant and understandable;
- to find out the concerns and views of the public in order to help set priorities, develop policies, carry out programmes and provide services;
- to ensure that the government is visible, accessible and answerable to the public.

The context for change

The objective of this policy is to ensure the effective management of government communications.

Good communications is fundamental to the achievement of government objectives. Communications planning, co-ordination and execution are an integral part of the management process of government.

Future direction in government communications will likely see greater direct access to government information through electronic services and a greater reliance on priced information products.

There have been recent initiatives to provide alternative formats to the sensory disabled. A guide and a brochure have been developed and employees are currently being trained on how to provide the alternative formats.

Implementing change

It should be noted that each department is responsible for putting in place its own communications group and for ensuring good communications with its public. In addition, some co-ordination on communications issues is provided by a Communications Consultation Secretariat within the Privy Council Office. Policy

guidance is provided through an Information, Communications and Security Division within the Treasury Board Secretariat.

Communications is a shared management responsibility, carried out with the help of communications specialists, that must be integrated into the corporate management process. Its main components are: researching and analysing the public environment, including the impact of programmes and projects; advising Ministers and management; planning corporate and programme communications; managing communications; and carrying out communications activities.

Communications include public relations, public opinion research, advertising, publishing, expositions and the Federal Identity Programme. The Federal Identity Programme is intended to achieve clear and consistent identification of its institutions and to assist the public in recognising and gaining access to federal programmes and services.

As well, Communications activities must meet Treasury Board guidelines on "no frills" publishing which were provided to reinforce the February 1992 Budget. "No frills" calls for the streamlining of government publishing and the creation of a uniform "look" for news releases, information kit folders and government report covers. There is no single formula to implement "no frills" publishing practices. Rather, they encourage sound planning to achieve information products that are economical, well-designed, environmentally sound and that communicate effectively. Each institution will adapt these guidelines to its particular needs.

Supporting Material

- (i) The Manager's Deskbook, Third Edition, February 1993, Treasury Board of Canada
- (ii) Treasury Board Manual, Communications Volume, available from Supply and Services Canada
- (iii) Alternative formats: Access for All, Government of Canada, December 1993
- (iv) A Guide to Good Communications Management, Treasury Board Secretariat, March 1992
- (v) Planning Information Products: effective, no-frills publishing practices, Treasury Board Secretariat, November 1993

SECTION 4:

IMPROVING PARTNERSHIPS WITH ORGANISATIONS/ AGENCIES OUTSIDE CENTRAL GOVERNMENT

- 4.1 Contestable policy advice
- 4.2 Deregulation
- 4.3 Inter-governmental relations
- 4.4 Developing partnerships with academic institutions
- 4.5 Developing partnerships with industry
- 4.6 Partnership with Aboriginal people

4.1 Contestable policy advice

The context for change

Recent changes in the Canadian public policy environment (i.e. lack of confidence in politicians and political institutions; increasingly complex issues; concern about growing influence of interest groups; a better-informed public) have strengthened pressures for a more open and consultative approach to government decision-making.

The recently-elected Government (October 1993) made commitments during the election to provide Canadians with better government, including new measures related to integrity in government and more transparent and effective decision-making. The Government is currently working on approaches to translate these commitments into action.

Implementing change

Cabinet Ministers are responsible for bringing forth policy options and advice for review and decision by Cabinet. The new Government has indicated that Ministers will look to their Deputy Ministers and departments for professional advice and support on policy issues, as well as operational matters, across the full range of their responsibilities. The growing emphasis on consultation and public-private partnerships reflects the recognition that shared problem-solving leads to policies that are better and are seen to be better. The result is more effective and more credible government.

The Canadian Government is committed to consulting with provincial/territorial levels of government, non-governmental organisations and the general public. Consultation occurs on both a formal (e.g. First Ministers' Meetings, Parliamentary Committees, Royal Commissions) and informal basis (e.g. ongoing departmental liaison with stakeholder groups).

While there is no specific government-wide policy on consultation, the Privy Council Office has issued federal consultation guidelines, which have formed the basis of individual departmental strategies and policies on consultation.

The Treasury Board, in conjunction with the Canadian Centre for Management Development, has developed training programmes on consultation to sensitise senior management to the importance of public input to the policy development process.

There is a wide range of "consultative cultures" and experience in the Canadian Government. Some examples are outlined below:

National Round Table on the Environment and the Economy: an independent, multi-sectoral forum which promotes the principles and practices of sustainable development in all regions of Canada. A hallmark of the Round Table is consensus decision-making.

Canadian Labour Market and Productivity Centre: an innovative approach in which the private sector sets the agenda and plays a significant role in the development and implementation of public policy. The CLMPC has succeeded in forging a consensus among business and labour groups on the key elements of a Labour Force Development Strategy for Canada.

International Trade Advisory Committee/Sectoral Advisory Groups on Industry and Trade: formal mechanisms for consulting business, labour, consumer, academic and environmental experts on international and domestic trade policy (e.g. North American Free Trade Agreement, Uruguay Round, inter-provincial trade barriers).

Pre-Budget Consultations (In Progress): The new Minister of Finance has recently fulfilled a commitment to "open up" the federal budget process. A roundtable discussion with economists from across the country, as well as a series of four national conferences, have been designed to acquire both expert and public input.

Consultative processes are also being planned for upcoming policy reviews on such major national issues as health, income security, defence and foreign policy.

Emerging issues include:

- The overlapping nature of many policy issues and the problem of "consultation fatigue", dictate a more strategic, co-ordinated approach to public consultation;
- An increased emphasis on interchange experiences between public and private sectors is required to promote more effective partnerships;
- The balance of consultation with leadership (i.e. when to stop listening and to start taking action).

4.2 Deregulation

In the 1992 Budget, the Minister of Finance set the stage for regulatory review. The Government began a department-by-department review of existing regulations to ensure they resulted in the greatest prosperity for Canadians.

Part of this review required a public "re-justification" of existing regulations to ensure that those which stifled the creativity and efficiency of Canadian business or which served no public good, were removed.

The context for change

It is government policy that departments and agencies:

- justify the need for regulation;
- weigh the benefits of the regulations against their cost;
- establish the framework (compliance and enforcement policies, management systems and resources) needed to implement regulatory programmes;
- determine the relevance, success and cost-effectiveness of existing regulatory programmes; and
- provide for an open regulatory process.

The objective of this policy is to ensure that use of the Government's regulatory powers results in the greatest net benefit to Canadians.

Central agencies have a responsibility to assist departments to implement the policy requirements and to ensure an efficient and timely regulatory process.

Implementing change

For existing regulatory programmes, and substantive new or amended regulations, departments and agencies must demonstrate that:

- A problem or risk exists, government intervention is justified, and regulation is the best alternative;

- Canadians have been consulted and have had an opportunity to participate in developing or modifying regulations and regulatory programmes. (Regulatory Plans are published every year);
- The benefits of the regulatory activity outweigh the costs, and the regulatory programme is "structured" to maximise the gains to beneficiaries in relation to the costs to Canadian governments, businesses, and individuals;
- Steps have been taken to ensure that the regulatory activity impedes as little as possible Canada's competitiveness;
- The regulatory burden on Canadians has been minimised through such methods as co-operation with other governments; and
- Systems are in place to manage regulatory resources effectively. In particular:
 - compliance and enforcement policies are articulated, as appropriate;
 - resources have been approved and are adequate to discharge enforcement responsibilities effectively, and to ensure compliance where the regulation binds the government.

Monitoring

The Treasury Board Secretariat will monitor departmental performance and the effectiveness of this policy.

To do this, the Secretariat will rely on existing sources of information, including, where appropriate, the Federal Regulatory Plan, the departmental Multi-Year Operational Plans, Treasury Board submissions, major regulatory initiatives for Cabinet consideration, proposals going through the regulatory process, formal programme evaluations and results of internal audits.

In addition, where appropriate, the Secretariat will utilise the work of third parties (e.g. Office of the Auditor-General) to assist in determining the degree of compliance with this policy.

Supporting material

- (i) Regulatory Affairs Guide, Treasury Board of Canada Secretariat, October 1992
- (ii) 1994 Federal Regulatory Plan

4.3 Inter-governmental relations

This entry gives a broad overview of inter-governmental relations in Canada and highlights the primary decision-making agencies and processes used to manage federal-provincial relations. For the most part, "best practices" in Canadian inter-governmental affairs have emerged through evolutionary and incremental change and not through dedicated efforts at reform or systematic restructuring. No single inter-governmental process or forum captures all possible "best practices". Instead, what works best has been achieved through ongoing experimentation and innovation, two defining characteristics of inter-governmental affairs in Canada.

The context for change

Inter-governmental affairs can be restructured or realigned through four primary means: (i) formal constitutional change, to redefine the roles and responsibilities of the federal and provincial governments, an approach that has not been used successfully in recent years; (ii) non-statutory federal-provincial agreements which set out obligations and commitments for governments in specific policy areas, such as the environment; (iii) statutory agreements which establish specific obligations and objectives for each level of government, such as inter-governmental fiscal transfers; and (iv) informal agreements or commitments among political leaders to undertake a certain course of action.

The federal nature of Canada's political system means that the core activities of inter-governmental relations takes place between the federal and provincial governments. The federal government has minimal direct contact with local governments since they are the constitutional creations and responsibilities of the provinces.

Inter-governmental agencies and processes can be characterised by either the number of participants (multilateral, regional or bilateral) or by the type of participants (political or bureaucratic), and by the nature of the interaction (consultative or decision-making).

Multilateral processes, such as First Ministers' Conferences or meetings of Finance Ministers, involve the federal government and all provinces and territories. These meetings are normally chaired by the federal government and deal with issues of national importance.

Regional meetings are restricted to a select number of governments, such as the annual Western Premiers' Conference and the more frequent meetings of Atlantic

Premiers. Meetings among Atlantic Canada Premiers are supported by a permanent secretariat, which provides logistical and policy support. The federal government does not normally attend regional meetings.

Bilateral meetings are restricted to either the federal government and one province or between two provinces. Such meetings are held frequently and receive varying degrees of bureaucratic support.

Multilateral, regional and bilateral meetings can involve either members of political executive, public servants or both. First Ministers' Conferences are the most prominent inter-governmental meetings, where the Prime Minister and the ten provincial premiers meet (usually at least once a year) to focus their collective leadership on the broad management of Canadian federalism. As well, there are approximately 500 multilateral meetings among senior public servants each year.

Some inter-governmental processes are consultative in nature; they are used to exchange information and ideas among governments, but they do not normally make decisions. Some inter-governmental agencies have mandates to forge inter-governmental consensus through formal collaboration and co-ordination on how specific public policy challenges should be managed (e.g., the multilateral inter-governmental affairs process underway to remove internal trade barriers).

The federal government and each province has a specialised agency dedicated exclusively to the management of inter-governmental affairs. The agency either reports directly to the First Minister or to a senior Cabinet minister.

The multiplicity of inter-governmental affairs activities and processes should be seen as a cumulative "best practices" since it allows political leaders and public servants to tailor specific public policy issues to the appropriate forum or decision-making process.

Implementing change

Notwithstanding the complex, dynamic universe of inter-governmental relations in Canada, a number of patterns and lessons can be extricated to suggest how important public policy challenges can be effectively managed:

- an inter-governmental affairs issue will only be treated as a high priority if there is a clear and durable consensus among federal-provincial political leaders to do so;
- governments and their citizens must have a shared interest in a successful

outcome;

- effective, working relationships among political leaders and public servants are required;
- progress is more likely when governments address a small number of related issues, rather than a broad range of unconnected items;
- framework agreements and credible time frames are key instruments in the successful management of inter-governmental affairs;
- open, continuous communication with stakeholders and clients affected by possible public policy changes is increasingly necessary;
- non-government experts can often be used as neutral intermediaries to manage differences among governments; and
- working groups of officials can be used to prepare the necessary policy advice and follow-up.

Supporting material

- (i) The European Community: A Political Model for Canada? by Peter Leslie (Minister of Supply and Services Canada 1991)
- (ii) Distribution of Powers and Functions in Federal Systems, by Dwight Herperger (Minister of Supply and Services Canada 1991)

4.4 Developing partnerships with academic institutions

A particular initiative in developing partnership with academic institutions: The Canadian Centre for Management Development

A number of government departments and agencies have partnership programmes with academic institutions. Examples include Industry Canada, Western Diversification, and the Atlantic Canada Opportunities Agency.

It is difficult to generalise across a wide variety of examples, or to provide details on them all. Here, the focus will be on one programme which aims at improving the quality of management and public administration: the Fellows Programme of the Canadian Centre for Management Development (CCMD).

This programme has the following components:

- Public service Fellows can spend up to one year in academic institutions, doing teaching and research;
- They can also do teaching and research at CCMD, for a period ranging between a few months and two years;
- University faculty can also spend time at CCMD, on matters related to their teaching and research, e.g. during a sabbatical year.

Background

There is a need to encourage interchange between academic institutions and the civil service, particularly on subjects related to public management. For their part, the universities are an excellent source of new ideas and broader perspectives, which need to be taken into account by civil servants seeking to update themselves and the government's policies and programmes. In the course of their everyday work, practitioners are often too preoccupied with immediate priorities to be fully aware of new developments and ideas in a wide range of relevant disciplines.

For their part, the universities can benefit from closer contact with the public service. Fellows from the public service can provide a practical perspective and many examples and illustrations to give a greater sense of reality to the courses and programmes of universities.

For university faculty spending time at CCMD, the main benefit is in access to the public service for their research projects. This access is typically much easier to

arrange from a base in CCMD (and in Ottawa) than it is from a university outside Ottawa.

In addition to the Fellows programmes, CCMD also has several other channels of contact with the universities. These include:

- Teaching contracts, e.g. for presentations at CCMD's courses for senior managers;
- Research contracts, through CCMD's research programme. A Research Agenda is circulated on a regular basis to universities across Canada, and researchers are invited to submit proposals for studies related to current priorities in public management;
- CCMD's annual University Seminar, which brings together a large number of faculties who are interested in public policy and public management for two days of briefings and meetings with senior officials drawn from across the Canadian Government;
- Joint university/public service study teams on subjects of major importance. A current example would be the Governance project, which draws together top scholars and senior government officials for a continuing series of interchanges on current trends and developments in governance; a book on this subject will result from this project.

The role of CCMD

CCMD basically plays a brokerage role. This involves:

- Surveying the universities to see what their needs are, and where the gaps and opportunities are in their programmes and courses for public service Fellows to play a useful role. Detailed replies would normally be received from approximately 50 university faculties and departments across Canada and spanning a range of disciplines. The needs identified would vary considerably in their generality;
- Asking Universities to encourage their faculty members to spend time at CCMD, e.g. in order to do research on public management;
- Writing to the heads of all the federal government departments and agencies, asking them to consider supporting this programme and to identify senior public servants who would be good candidates for Fellows at CCMD or the universities. (The arrangement is that the departments/agencies pay the salary of the Fellow while he or she is on the

programme.)

Within the public service, Fellows programmes are initially developed through an informal process of consultation involving the home department, CCMD, and the universities. There are two decision points: the Deputy Minister of the home department must sponsor the Fellow, and the Principal of CCMD must agree, on the basis of a recommendation from the Vice-Principal, Research.

Participation from university faculty members in the CCMD Fellows programme is arranged on an informal basis between the university faculty member and the Vice-Principal, Research, at CCMD. To date, the participants in this programme have been well-known university scholars with an international reputation.

**A particular initiative in developing partnerships with academic institutions:
The Institute for Government Information Professionals**

Information Technology (IT) has become crucial to the efficient and effective delivery of many types of government services. Yet the complexity of modern information technology and the tremendous pace of technological change have made it very difficult for IT workers to keep abreast of state-of-the-art developments in their profession. To meet this challenge, the Government of Canada and three major Canadian universities joined forces in January 1993 to create "The Institute for Government Informatics Professionals" (The Institute). The overall objective of The Institute is to provide advanced professional training for IT professionals employed by the Government of Canada.

The Institute offers a selection of approximately 40 courses, all of which are university accredited and equivalent to a one-semester undergraduate course. Training is done at government facilities in Hull, Quebec by professors from the participating universities (University of Ottawa, University of Waterloo, University of Western Ontario). In addition to lectures in class, students complete homework assignments and write final examinations. Students have access to a microcomputer laboratory which they can use to do assignments.

The overall curriculum has been specifically designed to provide training that meets the needs of IT professionals in a government environment:

- *Technical courses* teach students about modern hardware and software and how they can be applied to meet government needs;
- *Professional courses* help students acquire the interpersonal, communications, and leadership skills they need to become effective managers;

- *Business courses* give students an overview of how the business of government works and demonstrate how finances, human resources, procurement, and service delivery are managed in a public sector environment.

Students who complete courses through the Institute can accumulate credits towards earning a Bachelor's degree through the University of Ottawa. The Institute is now working towards implementing a programme of certificates to recognise specific levels of accomplishment in different subject areas.

The Institute's curriculum is defined, monitored and revised by The Institute's Curriculum Councils under the guidance of an Advisory Board. Both the Advisory Board and the Curriculum Councils represent a partnership of government, industry and the university communities.

The Institute offers other activities to complement the courses which have been developed and delivered. A lecture series brings in outside experts to discuss new developments in various types of technologies. The Institute also offers professional development days at which guest speakers address topical issues such as leadership, building high-performance work teams, and marketing for services organisations.

The Institute is funded by Treasury Board's Human Resources Development Advisory Committee, the Department of Public Works and Government Services Canada and the numerous departments that enrol employees in the courses.

Since the programme was launched in January 1993 response to it has been extremely positive. Over 800 government IT professionals have taken at least one course through the Institute. Plans for the future include delivering courses at regional locations, beginning with a pilot course to be delivered in Vancouver, British Columbia, in January 1994. The Institute is also exploring development of career planning guides for government IT professionals.

4.5 Developing partnerships with industry

This entry focuses on partnerships with industry as an integral part of Public Works and Government Services Canada's (PWGSC's) approach to providing increased levels of service to clients. This entry will outline several of the Department's activities which are involved in fostering and strengthening relationships between clients and industries that market and sell their products to the Government of Canada.

The Canadian Government has come a long way in becoming more open and accessible with respect to the procurement process. *Common Purpose Procurement* was recognised as an area where the Department could initiate activity with a leadership style that would encourage initiative, and a partnership type of approach that would be committed to quality.

This type of procurement is used for competitively procuring integrated information technology systems for the Canadian Public Service. Suppliers are selected to help clients define and solve business problems through a continuing alliance between the client and the supplier. In relationships such as this, the supplier and the Crown share the responsibilities, risks, investments and results of the specific business endeavour. Through sharing the roles and responsibilities, innovations in defining timely solutions to problems result. Alliances such as this can potentially be extended beyond procurement into system implementation, system operation, and maintenance for a one-time stabilisation period.

Common Purpose Procurement could be applied to any situation where the solution to a business problem is not obvious. It is also effective in situations where there is no detailed specification for procurement, or else the choices are generally known but not certain. Within the Government of Canada, approval for projects of this nature requires at least two of the following criteria:

- the project must have a short lead time to meet urgent operational requirements;
- the project requires innovative approaches to solve specific business problems;
- the project must have functional requirements or goals but no detailed specifications.

As procurement of integrated systems is exempt from the General Agreement on Tariffs and Trade (GATT), only Canadian-based companies or Canadian-registered

subsidiaries of foreign-based companies are considered under the Common Purpose Procurement Framework. However, the procurement is subject to the North American Free Trade Agreement between Canada, the United States and Mexico (NAFTA).

It should be recognised, however, that Common Purpose Procurement is not a panacea and may not be applicable to all situations. To be successful, there must be a recognised problem, acceptance that assistance is required to solve the problem and an open-mindedness to the approach and the solution. Clients and suppliers must be ready to apply creative ideas and share in the investments, the risks and the results.

The context for change

Strong partnerships within any nation create a synergy that provides for increased productivity domestically, as well as international strength and recognition. Government/industry partnerships created in Canada set the stage for the development of first-class products and quality.

Government is currently working with industry to gain compliance with the world's leading indicator of product and service quality - the ISO 9000 Standard. Compliance with this Standard will give Canadian firms better access to markets in the European Community, Australia and the Pacific Rim. Canada recognises that these Standards will be fundamental to doing business internationally, and is committed to working closely with industry to ensure they have the resources and advice needed to meet the challenge. An advisory committee for each industry sector is being created to help phase in the Standard. Regional economic development agencies have developed programmes consisting of a combination of loans and grants for firms identified as needing assistance. With the implementation of the Standard, federal government departments will be getting better value for taxpayers' dollars. Improved operations means costs are cut and quality is consistent.

PWGSC also ensures that industry has direct links where it counts, that is into major projects undertaken on behalf of clients. These are commonly referred to as Major Crown Projects, which are often valued at over \$100 million and have a life cycle of up to ten years. Such Projects require extensive co-ordination and co-operation among departments and have a major impact on Canadian industry. By involving industry in reviewing project specifications prior to release of the request for proposal, administrative efficiencies can be gained and costs can be reduced for both government and industry. Project-specific Industry Awareness Seminars are undertaken early, often at the statement of requirements stage, and become a major forum to dialogue with industry. Common standards for project

management systems, jointly developed between government and industry, will simplify processes, reflect industry and government realities, and provide a consistency that can be used as a baseline for future projects of this nature.

Government in Canada supports the theory that contractors should share in the savings achieved when industry production methods are improved. In addition, contractors are encouraged to design and deliver products that meet minimum and desirable performance requirements in order to win non-governmental, commercial contracts. Initiatives such as these greatly facilitate industry to position itself better and compete more effectively for future projects, both domestically and internationally.

Implementing change

First steps involve defining and reviewing arenas where there is a firm basis for the willingness of government and industry to work together to achieve a common goal. It must also be recognised and evident that each participant can obtain fair value from the partnership by sharing both the risks and the benefits.

A commitment must be developed whereby all parties will invest time, effort and money into changing the way they do business. All parties must truly gain improvements to the bottom line.

The investment has to be weighed against the rate of return. It is these factors that will govern the level of commitment to be obtained. Each activity and each case scenario therein must be judged independently.

The culture of the organisations involved with the strategic partnerships must change to allow for the innovative problem-solving and skill development that is required. A very strong leadership and a sense of staff empowerment are necessary elements of this kind of partnering.

The scope of the activity and the magnitude of industry involvement will define planning and implementation phases. The Canadian Government Common Purpose Procurement Working Group was formed in January of 1991 with representatives from client departments, Public Works and Government Services Canada, and Canadian industry. The first business cases were undertaken in the same year. There are currently twenty individual projects underway, and more than five have already been successfully completed.

The implementation of the ISO 9000 Standards necessitate a much longer time frame. Public Works and Government Services Canada began promoting and assisting suppliers in the Spring of 1993. It is anticipated that the Department's

core cadre of suppliers will be compliant with the Standards within three to five years.

Supporting material

- (i) Common Purpose Procurement Framework, Public Works and Government Services Canada, November 1993
- (ii) ISO 9000: Improving Quality Is The Bottom Line, Let's Talk Business, Public Works and Government Services Canada, October, 1993

4.6 Partnership with Aboriginal people

A particular initiative in establishing partnership with Aboriginal people: comprehensive and land claim agreements

For centuries, the Aboriginal peoples of Canada have been the primary users of land, water and wildlife in their traditional areas. In recognition of this fact, and in an effort to incorporate the traditional knowledge of Aboriginal people in the daily management of natural resources, it is a central objective of Comprehensive Land Claim Agreements to guarantee Aboriginal people a role in the decision-making that affects the management and conservation of resources.

To achieve this objective, the Comprehensive Land Claim Agreements reached in the Northwest Territories and Yukon provide for the establishment of resource management boards referred to generally as "Public Government Institutions."

These institutions are typically comprised of equal numbers of Aboriginal and government nominees and are empowered, usually through separate Acts of Parliament, to perform a variety of resource management functions in geographical regions which include both Crown Lands and settlement lands.

Within the Nunavut Settlement Area, for example, the Nunavut Wildlife Management Board is responsible for conducting harvest studies, establishing total allowable harvest levels, approving plans for the management and protection of certain wildlife habitats and for providing advice on a range of issues to other wildlife management agencies. The Agreement explicitly acknowledges the Inuit's traditional and current use of wildlife and the need for an effective role for Inuit in all aspects of wildlife management.

Similar Boards will be established within settlement areas to issue land use permits, hear water licence applications and grant licences, develop and recommend land use plans, conduct environmental screening and assessment of development proposals and make recommendations to Ministers of government about policies and practices that would enable more effective resource management and conservation.

Although government retains ultimate jurisdiction over the resources in question, the Boards are granted significant autonomy in their operations and direct their own administrative, technical and research staff. The Boards are expected to play a key role in tapping traditional knowledge within individual communities by holding public hearings and engaging in consultation at the local level.

Supporting material

- (i) Gwich'in Comprehensive Land Claims Agreement
- (ii) Nunavut Land Claims Agreement

**SECTION 5: MAKING MANAGEMENT MORE
EFFECTIVE**

- 5.1 Enhancing leadership skills
- 5.2 Improving management information systems
- 5.3 Improving information technology support
- 5.4 Management development

5.1 Enhancing leadership skills

In the Canadian Government, the Treasury Board and the Public Service Commission have set out a "Profile of Public Service Leaders and Managers" which serves as the model or basis for defining the skills which are to be developed and enhanced. It emphasises the following areas:

- *Leadership*: Mobilising energies and talents towards a shared purpose;
- *Thinking Skills*: Identifying, defining, and analysing problems and situations;
- *Organisational Awareness*: Using formal and informal systems and contacts in order to get results;
- *Interpersonal Relations*: Developing respect, mutual understanding, and productive working relationships;
- *Communication*: Shaping others' understanding in ways which capture interest, inform, and gain support;
- *Action Management*: Achieving expected results through successful and timely completion of activities and delivery of products or services;
- *Knowledge of the public service environment*: Understanding government systems and operational policies, and the programmes and policies of one's own department.

These are defined in progressively more demanding terms, depending on the level of management, ranging from supervisors and middle managers to directors, directors general, assistant deputy ministers, and ultimately the deputy minister. At higher levels, the requirements become both more rigorous and more general, and they also include all of those skills which were developed and practiced at the previous levels.

There are certain basic qualities or characteristics which do not change across the different levels of management. These include: judgment; integrity; self-confidence; flexibility; initiative; and perseverance.

The context for change

The above profile reflects the approach and impact of Canada's public service reform initiative (originally called "PS 2000", and now simply called public service renewal). The next step in this initiative is to ensure that the underlying philosophy and values will be embedded in the culture of the public service, particularly at the management level. It is significant that the Principal of the Canadian Centre for Management Development is the person with the responsibility for the continuing co-ordination of the reform initiative.

A central theme in the reform initiative is that for the public service, "people are the greatest asset". This points to the central importance of leadership and "people management". This, in fact, is a pre-requisite for improving service to the public. Only if the employees are trained, motivated, supported, and valued can they provide top quality service to the public.

In addition to the general skills identified above, there are more specific skills associated with particular functions and responsibilities, such as finance, information, marketing, and process improvement.

In Canada, there is also a renewed emphasis on the policy dimension and the importance of policy skills. This reflects the need to develop and adapt policies to cope with Canada's fiscal situation, the updating of Canada's social programmes, and the problems of inter-governmental relations and national unity.

Implementing change

A first step in developing leadership skills is to recruit the right people and to identify the particular areas where improvement is required. To this end, the government has programmes and services for screening and assessment, which is done at the entry level in particular.

There is also a personal assessment component to some of the courses. For example, colleagues, supervisors, and subordinates will be asked to provide an assessment of the strengths and weaknesses of the persons enrolling in the course, who in turn compare this with their own assessments.

The most thorough-going assessments are done as part of two cross-service programmes, the Management Trainee Programme and the Career Assignment Programme, both described below.

Development of leadership skills is a continuous process, with longer-term benefits, stretching over one's entire career. It is the responsibility of both the individual

and the organisation. Much of the management training in the Canadian Government (particularly the cross-service training) is done by the Canadian Centre for Management Development (CCMD), which is a departmental corporation reporting to the Prime Minister.

CCMD has a range of programmes for different levels. Its core programmes are as follows: (For other programmes, please see entry 5.4 - Management Development.)

At the entry level, there is the Management Trainee Programme (MTP), which is the fast-track programme for university graduates with masters degrees. This is a five-year programme structured as follows: (1) a two-week training session; (2) a one-year work assignment; (3) a one-week training session; (4) further one-year work assignments interspersed by two-week training sessions.

Another programme which helps to bring people into the management ranks is the Career Assignment Programme, which takes people just below the management level and fast tracks them to middle management positions. This consists of a series of work assignments preceded by a nine-week educational component.

For people who have been promoted into the executive level, there is the Executive Leadership programme, which is mandatory. The first course (Executive Leadership I) is taken within six months of assuming position, and the second course (Executive Leadership II) is taken five years after. These are two-week residential courses.

Persons who have been promoted to the level of Assistant Deputy Minister (ADM) are expected to take the ADM Orientation course (two days). There is also a four-day course for Heads of Agencies, dealing with the main characteristics and relationships of federal agencies.

In addition, there is the Advanced Management Programme, for selected participants at the ADM level. This is an intensive course consisting of three modules offered over several months, interspersed with work. The objectives are: to instil a broad perspective about Canada and the world; to develop leadership vision and qualities; to strengthen top management skills and experience; to encourage intellectual and personal renewal; to reinforce corporate vision and professional recommitment; and to increase mutual understanding among managers in the public and private sectors.

Supporting Material

Canadian Centre for Management Development: Calendar

5.2 Improving management information systems

In June 1993, the Canadian Government underwent one of the most significant re-organisational changes in recent history. A key element of the change was the reduction in the number of departments. However, to the information systems community the most important change was the creation within Treasury Board of an Office of Information Management Systems and Technology, which incorporated parts of the former Comptroller General's Office and sections of Treasury Board. The Chief Informatics Officer heads this office.

The mandate ranges from policy development and implementation, administrative re-engineering, to what has been called "the care and feeding of the information technology community".

The activities of the Chief Informatics Officer (CIO) support the Government's restructuring objectives and provide a vision for transformation. The following elements are included:

- service and support functions rationalised across departments and programmes to reduce duplication and streamline operations;
- services delivered directly to the clients, or made easily accessible to them, through electronic means;
- a standard suite of interconnected management and employee system tools available at the finger tips to support decision-making and service delivery;
- a standards-based tele-computing infrastructure in place to enable integrated government operations across the country;
- routine processes (80 per cent of all business activities) automated to reduce costs and the need for human intervention.

The context for change

Judiciously applied, modern information technology can significantly transform the way in which government programme and administrative services are delivered and help achieve the government's restructuring objectives, i.e. to improve services to the public while significantly reducing programme delivery and overhead costs.

Developments in the field of human resource information systems are an integral part of this transformation and are described in entry 1.12. Also, the transformation discussed here works hand-in-hand with the developments discussed in entry 5.3, Improving Information Technology Support.

Implementing change

The vision (or transformation) can only be achieved with an enterprise-wide focus for effective planning and management of information, systems, technology and business process re-engineering. The CIO will provide this focus. The CIO will articulate the vision, and map out a migration strategy of continuous improvement.

Full implementation of the vision is a long-term proposition. The approach to implementation is as follows:

- CIO will provide government-wide leadership by:
 - selecting and managing, in consultation with the community, common systems and ensuring that they are shared across departments;
 - identifying opportunities, and providing implementation support, for departments in the same geographic locations to share administrative services;
 - directing, and facilitating implementation of, re-engineering of business processes;
 - establishing business context, strategic direction and standards for information technology and information management infrastructure development; and
 - ensuring that Government Telecommunications and Information Services (Government Telecommunications Agency) telecom network services support the government's renewal objectives and architectural direction.
- Departments will fulfil their corporate and community responsibility by:
 - participating in shared systems, locally-shared support services, and business re-engineering initiatives endorsed by the CIO;

- fully exploiting the benefits of using the government-wide telecom network services offered by Government Telecommunications and Information Services (Government Telecommunications Agency); and
 - adhering to information management and information technology standards, principles, and development direction endorsed by the CIO.
- CIO will provide timely, effective intervention, at the Executive level, in cases where corporate objectives are ignored or misinterpreted.
 - CIO will promote alliance with other jurisdictions and the private sector when supported by a solid business case.

Supporting material

- (i) Presentation to The Implementation Board On The Activities of CIO To Support Government Restructuring, Office of Information Management Systems and Technology, Treasury Board Secretariat, 1993
- (ii) Shifting The Paradigm: A conversation with the Federal Government's First CIO, HUM - The Government Computer Magazine, Walter Cooke, 1994

5.3 Improving information technology support

Treasury Board's newly created Office of Information Management Systems and Technology has recently released a blueprint study paper suggesting ways of using new information technology to deliver improved service to the public.

The Blueprint for Renewing Government Services Using Information Technology, could result in substantial changes in the way technology is implemented throughout government and in how public sector workers do their job.

The Blueprint's vision is that government services should be affordable, accessible and responsive. The overall benefits of applying this blueprint will be more efficient and effective programme delivery, reduced overall costs across government(s) and maintained or even improved customer service in the face of fiscal restraint.

The Blueprint envisions bringing services to clients and providing them with "single-window" access for multiple services.

The context for change

In the private sector, the pressure for restructuring and renewal has come from increased competitiveness and the unforgiving nature of high costs. Many argue that consumers have become more demanding as they look for better service and quality at a lower price. This applies to both the public and private sectors.

Implementing change

The front-line workers, the people who are going to end up owning and operating the new processes, must be involved in the conceptual design stage of the project and then participate in the project as a member of the team. Unions should be involved throughout the process.

The transformation envisaged in the Blueprint will be achieved through continuous improvements. There will be ongoing measuring and monitoring of government service delivery.

Achievement of this vision of renewal requires five sets of key architectural principles. They are:

- *Business:* Government services will need to be transformed to focus on serving clients, on sharing solutions for common functions, on seeking innovative business partnerships, on exploiting information technology and on facilitating accountability.
- *Work:* Service delivery processes will need to be automated, seamless, efficient and convenient, free from such constraints as functional stovepipes, organisational barriers, red tape, time and location.
- *Information:* As a valuable national resource, government information will need to be accessible, secure, captured once and validated close to source, properly maintained to ensure privacy and integrity, and electronically distributed to authorised users.
- *Applications:* Applications will need to interact freely with one another, have a consistent look and feel, and be modular, re-usable and broadly shared across the government.
- *Technology:* Information technology will need to be open and capable of supporting distributed and accessible computing environments.

A particular initiative in improving information technology support: The Software Exchange Service

Initiated in April 1988, the Software Exchange Service (SES), offered through Government Telecommunications and Informatics Services (GTIS) of Public Works and Government Services Canada (PWGSC), promotes and facilitates the sharing of government-owned application software, information, related documentation and systems.

The objectives of SES are to reduce government expenditures by stimulating and encouraging the sharing of the sizeable inventory of government-owned applications software; create and foster an environment for sharing ideas, information and technology; open new opportunities for the private sector to provide software customisation, installation, maintenance and enhancement services; and identify commercially marketable government-owned software for licensing. One of the measures of the performance of SES is an estimate of development and other costs avoided by organisations who use the service. It is estimated that these transfers now represent more than \$30 million annually (1992/93) in cost avoidance to the government.

SES has an inventory of over 200 government-owned software products and related documents donated by government organisations. They are available for evaluation and use by any other interested department, agency or Crown Corporation.

GTIS co-ordinates the organisation of user groups, product demonstrations and presentations, as well as provides advice to groups who wish to share working tools among themselves.

SES has a catalogue of its current products available in hard copy, and on diskette. A new bulletin board service allows clients to browse or download the electronic catalogue, make requests and leave messages 24 hours a day.

Clients, which include government organisations at all levels across Canada (mostly federal, but increasingly provincial and municipal), receive a newsletter, *Give and Take*, of announcements of upcoming events, new products and other topics of interest.

Software Exchange has established itself as a focal point within the government community for the sharing of government-owned software and related information. Demand for the services of SES is steadily increasing, from approximately 200 "transfers" in its first year of operation (1988/89) to over 1700 in 1992/93. As the number of participants continues to grow, so does the awareness and appreciation of the value of the Software Exchange option. SES intends to continue increasing its inventory of applications software, as well as the rate of client participation. Its aim is to cultivate products of high quality and applicability to meet common client needs. SES will continue its involvement in co-operative development initiatives, and examine opportunities for expanding the scope of its service to regions and provincial governments.

Supporting material

Blueprint for Renewing Government Services Using Information Technology, Treasury Board Secretariat of Canada, 1994

5.4 Management development

The intention of management development is to develop leaders who have the capability to manage change by setting directions and aligning and motivating people by articulating visions and defining values.

Much of the emphasis is on people, perspectives, values, mindsets, and cultural orientations rather than specific skills. For example, one of the goals is to create a mindset and a culture that makes the most effective use of persons from diverse backgrounds and cultures.

The focus is on developing areas or themes of competency in the most general sense, e.g. to develop an ability to synthesise, initiate effective action, learn from events, and orchestrate horizontal relations to get things done. Other competency themes include: ability to manage strategic change; develop a customer focus; manage across functions and geography; and articulate a tangible vision - all with a high degree of integrity.

The context for change

Executives nowadays are in the business of both managing change, and leading it. Executive education strengthens the ability of both individuals and organisations to lead and manage change. The priority is to develop a core organisational capacity (or set of capacities) that can handle any sort of future and in whatever organisational form is appropriate.

It is important to improve not only individual talent, but also to define and cultivate organisational values and culture, and to create or strengthen the ability to innovate and improve. This is in line with the approach and the values of public service reform, and it is a challenge to carry it forward in a time of fiscal restraint and restructuring.

Implementing change

The key prerequisite is that the top executives themselves must take an interest in executive education, and must invest time and effort in it. Executive education is the responsibility of the Chief Executive Officer (CEO), who needs to see it as one of the primary tools for realising the basic strategies of the organisation.

Executive development must occur on a continuous basis, i.e. through continuous learning. It must occur not only through periodic courses, but in everyday work situations.

Given the close relationship between executive development and the strategies of the organisation, as articulated by top management, there is a need to customise executive education programmes and to build up an internal capability to deliver them. There has been a substantial increase in the internal provision of executive education, not only by the Canadian Centre for Management Development (CCMD), but also by some of the larger departments and agencies.

A number of different but complementary approaches are used. First, there is a wide variety of courses. (For information on the core programmes offered by CCMD, see entry 5.1). At CCMD, these courses are taught by persons who themselves are practising and accomplished executives, who are typically on a two to five year secondment to CCMD.

The courses are designed so that the participants will learn a great deal from each other. Typically, the participants are at the same level of responsibility, but from very different organisations and functions. They work in teams to solve real world problems, which are similar or closely related to those encountered in the workplace itself (e.g. the actual managers of participants may be asked to sign off on a problem for the course). The courses are interactive, peer-based, and action-oriented.

There is a focus on the needs of whole teams of executives, not just individuals. More training is now being provided to intact teams in the work-place itself. Executives of all levels participate in a process of continuous learning and team development.

In addition to courses, there are a number of other programmes and activities which are used to facilitate and reinforce executive learning. These include the following:

- *Briefings*, e.g. "Armchair Discussions" which address a wide range of interesting and topical subjects;
- *Dialogue*, a series of informal meetings with Deputy Ministers;
- *Leadership Link-up*, a national video-conference involving hundreds of senior managers;
- *Public Service Learning and Communications Network (RADIAN)*, which will provide a government-wide service for distance training and development;

- *Expo-Innovation*, which showcases innovative management practices in areas such as finance, human resources, and technology management. The most recent event was attended by more than 15,000 public servants;
- *Research and case studies* programmes for generating and disseminating knowledge about public management;
- *Programmes* for coaching, counselling, and mentoring;
- *Upward Feedback* (or appraisal by subordinates), which is used in an increasing number of departments to provide useful information for managers seeking to improve their performance, particularly in the area of "people management".

Supporting material

- (i) Canadian Centre for Management Development: Calendar
- (ii) CCMD Research Publications: (1) Leadership for a Changing World: Developing Executive Capability; (2) Upward Feedback in the Public Service of Canada

SECTION 6: IMPROVING THE MANAGEMENT OF FINANCE

- 6.1 Strengthening audit systems (internal)
- 6.2 Accrual accounting
- 6.3 Improving estate management
- 6.4 Improving procurement procedures
- 6.5 Introducing end-year flexibility

6.1 Strengthening audit systems (internal)

It is government policy to audit periodically departmental operations to assess the effectiveness of the management framework in ensuring the achievement of the operating objectives, the economical and efficient use and protection of resources, the integrity of information, and compliance with statutes and policies.

The objective of this policy is to ensure that federal departments have relevant, credible and objective information on the effectiveness of their systems and practices to achieve departmental objectives and that they use that information for the cost-effective and accountable management of operations.

The context for change

The past decade has seen substantial changes in the focus of management in the Public Service. Many factors have contributed to the need for an overhaul of the Canadian Federal Public Service. Among these factors are globalisation of the economy, international competitiveness, the strain of the national economy on federal government programmes, funding pressures to alleviate environmental concerns, public demand for government services and other national issues. The advent of the Increased Ministerial Authority and Accountability and the Renewal of the Public Service (PS 2000) initiatives are some concrete responses to the challenges facing the Public Service today and in the foreseeable future. More so than ever, managers need to know how well their management framework is designed and implemented, and how their operations and programmes are performing.

The profession of internal auditing has taken on an increasingly important role in encouraging empowerment and innovation, quality of service and cost-effectiveness, and accountable management in government operations and programmes. Departmental internal auditors have become more attuned to management priorities and concerns, improving their focus on key relevance, performance and control aspects of operations and programmes. This sense of service to the organisation is reinforced by providing senior managers with greater flexibility in the use of the audit function. However, it is equally important that the auditors remain independent of the activities they audit.

The internal audit policy and standards are designed to guide auditors in their professional practice, and assist departmental senior management in the use of internal auditing. They provide a basis for self-assessment and quality improvement

by departments. They also provide a basis for reliance on the work of internal auditors.

Implementing change

The challenge facing the audit and evaluation system is to deliver timely, credible and relevant information to assist decision-making. The Auditor General recently reported that audit and evaluation can contribute greatly to improving management practices, saving money and measuring the value obtained from government programmes and expenditures, but that it needs improvement in the areas of planning and staffing, and ensuring that all significant programmes and policies are being addressed.

An Action Plan has been designed to strengthen the review functions. To auditors and evaluators this means:

- improve policy and planning;
- attract and train capable people;
- deliver quality products and use quality tools; and
- improve reporting.

Improve Policy & Planning

New Policy

- Defines range of review activities that:
 - gives government credit for the total review effort;
 - allows choice of review to suit varied information needs;
 - situates internal audit and evaluation within the review toolbox, and keeps principles, professionalism and rigour;
- Emphasises alternatives, innovation, finding out what works;
- Clarifies roles and accountabilities of departments and central agencies.

Better Planning

- Improve Central Role by:
 - Planning for government-wide, multi-departmental, and major departmental issues;
 - Conducting and directing centrally-led reviews;
 - Encouraging disciplined self-assessment of performance and controls.
- Improve Planning Within Departments to:
 - Select relevant issues based on analysis of key risks and exposures;
 - Consider the total review effort.

Attract and Train Capable People

Implement A Human Resources Strategy through:

- Innovative recruitment and selection, e.g. rotational assignments; interchange assignments; rigorous selection board;
- Alliances with external organisations for training;
- More active Treasury Board Secretariat role in improving accessibility to the required training.

Deliver Quality Products/Use Quality Tools

- Develop and promote practices and tools that help reviewers:
- Address the right questions, on time, with sufficient rigour;
- Be proactive in key areas; e.g. auditors must embrace information technology to improve their productivity and to advise managers, for example, by providing early input to systems under development;
- Share best practices and lessons learned;

- Organise learning events: methods workshops, networks, publications.

Better Reporting

- Use the reporting process which best provides information where and when needed;
- Use documentation to suit the circumstances, e.g. to fulfil accountability requirements, whether or not in traditional report format;
- Make performance information visible to Parliamentarians and accessible to the public;
- Departments to estimate and publish costs of individual reviews.

Supporting Material

Treasury Board Manual, Internal Audit Volume, Chapter Two

6.2 Accrual accounting

A principle objective of financial reporting by government is to communicate reliable and useful information that is relevant for decision-making by management and for accountability to Parliament and the public. In striving to meet these objectives, a trend has developed in many jurisdictions from simply reporting amounts collected and disbursed (cash basis of accounting) to reporting information about the financial effects of transactions and other events in the fiscal periods in which they occur (accrual basis). The accrual basis is generally considered to produce better information on a government's performance in the management of its financial affairs and resources, and it reports more accurately the annual costs of government programmes.

A study entitled "Elements of the Financial Statements of National Government" issued by the Public Sector Committee of the International Federation of Accountants describes the spectrum of accounting bases ranging from cash to full accrual. Canada is one of the jurisdictions in which a shift towards accrual accounting has occurred. During the past 15 years, the Government of Canada has made a number of changes in accounting policy that reflects this change so that today, Canada follows what is termed "modified accrual accounting". This means that in its annual budget, parliamentary appropriations and audited financial statements, the Government uses accrual accounting to determine the annual deficit, except in accounting for:

- physical assets (which are fully charged to the deficit when acquired);
- prepaid expenses and deferred charges (which are fully charged to the deficit when incurred); and
- tax revenues (which are accounted for on a cash basis, i.e. when taxes are collected and refunds are disbursed).

The context for change

Government financial reporting is used by three major groups:

- parliament and the public;
- central agencies of government that are responsible for government-wide financial and fiscal management; and

- departments and agencies that require financial information to manage their operations.

Canada currently follows "modified accrual accounting" in order to meet a key objective of financial reporting under the "net debt concept". This objective is to report net debt, or net liabilities, of the government that must be met out of future revenues. Under this concept, only assets (termed "financial assets") which will provide cash for debt repayment or for future operations, are recorded to offset liabilities that the government must eventually pay. "Non-financial assets", such as physical assets, prepaid expenses and deferred charges which will not generate or be converted into cash, are not capitalised or set up on the balance sheet, but are fully charged to the deficit when acquired.

This form of reporting is useful to Parliament, the public and central agencies, but it is of limited use to departments in managing their day-to-day affairs.

Implementing change

Accounting policy is developed by central agencies in consultation with departments and agencies. When approved, implementation instructions are issued to departments and agencies.

Time required to develop and implement a new policy varies with the issue being addressed. Experience has shown that those policies which are relatively straightforward and affect a small number of transactions, such as provisioning for loan guarantees, can be developed and implemented within six months. Others, such as capitalisation of assets which involve extensive inventory counts and valuation, are expected to take at least two years. All departments and agencies are required to adhere to a common set of policies.

Because of the limited value of reporting under the net debt concept, the Government of Canada is studying a move to full accrual accounting. Reports are being prepared on capitalisation of assets, on prepaid expenses and deferred charges, and on accruing tax revenues with a view to recommending implementation for the 1996-97.

Currently, in a five-week period following year-end, departments and agencies are required to:

- identify all goods and services (including payroll) received prior to year-end, and record corresponding liabilities;

- account for all non-tax revenue earned before year-end, record necessary accounts receivable and establish a provision for bad debts;
- identify all amounts under cost-shared, grant and entitlement arrangements in which the recipient has met the terms and conditions of the arrangement but for which payments have not been made prior to year-end, and record corresponding liabilities;
- provide an assessment of all loans, investments and advances so that they can be valued at the lower of cost or net realisable value in the accounts;
- provide an estimate of probable future payouts under loan guarantees outstanding at year-end, and record the liabilities in the accounts;
- identify and record any other liabilities of the government which are not recorded in the accounts.

Accrued interest on government debt is calculated and recorded by the Department of Finance.

At the end of each year, the government's actuary estimates liabilities under the various public service pension plans and these liabilities are recorded on the balance sheet. Estimated liabilities are also recorded for accrued employee benefits such as vacation leave and termination pay.

Supporting material

Financial Management Manual issued by the Treasury Board of Canada

6.3 Improving estate management

This entry looks at the policies regarding the management of federal real property. Recently, there have been significant changes to these policies. Summaries of six of these new policies follow.

The context for change

It is government policy to acquire, manage and retain real property only to support the delivery of government programmes and to do so in a manner consistent with the principle of sustainable development. Within this context, real property must be managed to the maximum long-term economic advantage of the government, to honour environmental objectives, to provide adequate facilities, and to respect other relevant government policies.

The following lists the key departments and agencies that have an impact on the real property activities of custodian departments:

Department of Justice Canada provides legal services to government departments and agencies, including legal advice and opinions on real property matters and transactions; prepares instruments, contracts and other documents (including their settlement and approval as to form and legal content); acts for the Crown in real property transactions of all types; and searches and formulates opinions on real property titles.

Natural Resources promotes energy management in federal government facilities and conducts surveys on Canada Lands.

Environment Canada develops environmental policies and provides advice on environmental matters such as environmental impact assessment, land use and built heritage.

Health Canada is responsible for Public Service health services including monitoring and providing advice to the Treasury Board on its occupational safety and health standards for Public Service work places.

Human Resources Development, under the authority of the Canada Labour Code, develops and ensures compliance with the minimum standards for safety, including fire, and health in federal work places.

National Capital Commission, under the National Capital Act, has certain responsibilities for real property within the National Capital Region.

Government Services Canada, the Minister of Government Services is the designated principal authority for real property contracting with the private sector.

Royal Canadian Mounted Police, on request, reviews and advises on the physical security arrangements for real property that departments administer. It also initiates related government-wide standards, inspects, tests, evaluates and, when necessary, designs physical security equipment or specifications.

Treasury Board of Canada Secretariat, advises the Treasury Board on the real property plans and expenditures of departments and on individual real property projects and contracts; develops government real property policies; co-ordinates maintenance of information on federal real property holdings; reviews the use of real property from a central perspective; develops proposals for alternative uses of federal real property; and assesses departments' performance in relation to government policies and approved departmental plans.

Implementing change

Departments must define and implement a framework for real property management and maintain complete information on the spectrum of their accountabilities based upon an accountability framework. Specific accountability reporting to the Treasury Board will be based on bilateral agreements with departments.

Departments having administration of real property must develop, maintain and apply appropriate organisational authority, technical administrative and financial structures, policies, practices and systems to manage the real property in their custody. Departments are accountable for initiating all actions concerning the acquisition, use and disposal of the real property required to deliver their programmes. They are responsible for the broader overall planning and management of design and construction projects, capital and operational budgets, and operating and maintenance costs, including lease costs and the costs of acquiring and administering leased real property.

Departments must conduct regular reviews of real property under their administration.

Departments must obtain all services related to real property in accordance with the Treasury Board's Common Services Policy, as follows:

- for a mandatory service, by procuring it through or from the appropriate organisation; and
- for an optional service, by procuring it from the designated services organisation or from the private sector, either directly or through the service organisation.

A particular initiative in improving estate management: assignment of administration

It is government policy that, whenever possible, administration of real property be assigned to the relevant programme department and that the real property be limited to that required to directly support its programmes.

Responsibilities are allocated as follows:

Custodian Departments

Custodian departments are those which have been authorised to have administration of real property and have custody of the real property required to deliver their programmes. They are responsible for developing and using strategic plans to relate their real property to programme delivery and for maintaining the required inventory information.

Foreign Affairs and International Trade

Foreign Affairs and International Trade Canada is the designated custodian of all federal real property outside Canada, except for certain National Defence real property.

Government Services

Government Services is the designated custodian of general office facilities provided on a mandatory or optional basis to departments and agencies and federal organisations.

Treasury Board of Canada Secretariat

The Treasury Board has the mandate to co-ordinate the management of the government's real property assets. The Treasury Board Secretariat (TBS) is responsible for ensuring that the administration of real property is assigned to the appropriate department and that real property no longer needed for such purposes is released for other use or disposal. The TBS will monitor and advise the Treasury Board on the real property under the administration of departments, and, if necessary, will arbitrate transfers between custodian departments. The TBS is also responsible for maintaining the Directory of Federal Real Properties and for co-

ordinating the maintenance of information on all federal real property including that of Crown corporations.

Departments must be able to link the real property under their administration to their programme requirements through integrated strategic and operational plans.

Departments with administration of real property must maintain accurate records of it, including recording certain information in the Directory of Federal Real Properties.

Departments must, as part of their regular reviews of the real property under their administration, confirm that their current use of it remains appropriate.

Transfers of administration must be signed by both the transferring department or corporation and the accepting department or corporation to indicate their consent to the transfer. Such transfers must be countersigned by the Department of Justice to ensure that the proper parties sign the transfer/acceptance and that the description of the property is sufficient.

A particular initiative in improving estate management: investment planning

It is the policy of the government that custodian departments acquire, maintain, preserve, and dispose of real property to the maximum long-term economic advantage of the government.

Responsibilities are allocated as follows:

Custodian Departments

Departments having administration of real property are responsible for developing and implementing long-term capital plans and capital and operational budgets covering the costs of acquisitions (including leasing), maintenance, preservation, renewal and disposals (including lettings).

Treasury Board of Canada Secretariat (TBS)

Treasury Board Secretariat is responsible for establishing guidelines for investment planning, assisting custodian departments to understand government as a whole, encouraging departments to use good real property investment practices and coordinating and monitoring those practices. The TBS also provides advice to the Treasury Board on departments' long-term plans and on individual projects.

Custodian departments must systematically assess the condition of the real property in their inventory and act when necessary to maintain, preserve and renew its value and usefulness consistent with their programme need.

Custodian departments must, through the use of appropriate long-term capital plans, invest in real property consistent with both their strategies for meeting operational requirements and their real property accountability framework. Such investments include acquisitions (including leasing), maintenance, preservation, renewal and disposals (including lettings).

Custodian departments with approved long-term capital plans must report on performance expectations in accordance with the criteria in their approved plans. Custodian departments that do not have Treasury Board-approved plans must provide annual information to the Treasury Board about their real property plans and objectives, related performance expectations, and results achieved since their previous report.

Custodian departments must, as a minimum, submit to the TBS evaluations of the real property aspects of their long-term capital plans either just before their Plans expire or in mid-term if the plan is over a longer than normal period of time. Departments must also report annually on their plans when such plans vary significantly from those approved by the Treasury Board. Departments have considerable flexibility in negotiating reporting requirements for their long-term capital plans with the TBS.

Custodian departments must base the priorities (i.e. selection and ranking) they assign to their real properties on their contributions to the achievement of their long-term capital plans and the accountability framework.

A particular initiative in improving estate management: revenue from real property

It is government policy that:

- custodian departments seek opportunities to earn revenue from the real property they administer; and
- revenues received from the sale, transfer, leasing or licensing of government real property reflect its market value.

This policy is intended to ensure that revenue earned or other financial benefits gained through the sale or other disposition of real property is consistent with current market practice.

Responsibilities are allocated as follows:

Natural Resources

Natural Resources issues, manages, transfers and registers federally-owned mineral rights in the provinces, and oil and gas rights for frontier land areas not covered by regional boards.

Government Services

Government Services is the designated common service agency for disposing of real property within Canada. As such, when acting on behalf of another department in a transaction, the authority of the Minister of Government Services may be applied.

Custodian departments that no longer require particular real property for their programme delivery must dispose of it by sale or transfer.

Custodian departments must seek opportunities to earn revenue through the wider use of the real property they administer for their programmes. In doing so, departments must make certain that in implementing such opportunities they do not cause a negative impact on their programmes and that the wider use is compatible with applicable land use controls.

All dispositions of federal real property must be at market value. This principle applies to:

- sales, leases and licences;
- transfers of administration from one department to another that do not include the transfer of programme responsibility;
- transfers of any interest in real property between the federal government and federal Crown corporations; and
- transfers of administration and control of any interest of the federal government.

A particular initiative in improving estate management: access to real property

It is government policy to provide barrier-free access to and use of real property it owns or leases, to ensure that persons with disabilities can gain access to, and use, federal real property.

Responsibilities are allocated as follows:

Custodian Departments

Primary responsibility for ensuring accessibility to persons with disabilities, and for planning appropriate capital and maintenance programmes to ensure implementation of the accessibility policy, rests with custodian departments.

Treasury Board of Canada Secretariat (TBS)

To ensure that policy issues relating to accessibility improvements are appropriately and expeditiously addressed, TBS:

- consults with representatives of tenant and custodian departments and other interested parties, especially persons or groups concerned with accessibility issues;
- ensures consistency where practicable in departmental access improvements; and
- prepares a report to the Treasury Board providing an overview of the plans submitted.

Accessibility Sub-Committee

The Accessibility Sub-Committee of the Treasury Board Advisory Committee on Real Property is responsible for:

- advising on policy issues concerning improvement of accessibility within Crown-owned or leased real property;
- addressing departmental concerns about achieving policy objectives;
- reviewing recommendations from the Inter-departmental Technical Committee on Accessibility addressing design standard or other technical issues; and
- reporting to the Treasury Board Advisory Committee on Real Property semi-annually about its activities.

Inter-departmental Technical Committee on Accessibility

The Inter-departmental Technical Committee on Accessibility is a committee comprised of persons with technical knowledge about accessibility for persons with disabilities which:

- provides a forum for departments and agencies to consult with each other, persons or groups with disabilities, and Public Works Canada about accessibility;

- consults interested parties on the development of technical standards;
- advises departments about the technical standard or variations to it;
- advises departments on retrofit leniency;
- identifies problems regarding access and egress;
- advises departments on accessibility, improvements, interpretations, and the application of standards which may be supplementary to the technical standard; and
- reports to Treasury Board Secretariat semi-annually on its activities and provides any additional reports requested by the Secretariat during the year.

Government Services

Government Services provides technical support in architectural and engineering services as they apply to accessibility for disabled persons. Specifically, it maintains a technical library for use by the federal government and other interested parties. In its role as the government's advisor on architectural and engineering services it chairs the Inter-departmental Technical Committee on Accessibility.

Custodian departments must ensure that their real property, both Crown-owned and -leased, meets access and use requirements of persons with disabilities.

A particular initiative in improving estate management: heritage buildings

It is the policy of the federal government to protect the heritage character of Crown-owned buildings.

Responsibilities are allocated as follows:

Custodian departments

Custodian departments are responsible for all decisions which affect the heritage conservation of federal buildings under their administration. In this regard, departments have the authority to deal with any issues arising from a review by the Federal Heritage Buildings Review Office about an intervention.

Minister of the Environment

The Minister of the Environment is responsible for approving the heritage designation of federal buildings.

The Federal Heritage Buildings Review Office

The FHBRO co-ordinates information related to heritage buildings, makes recommendations to the Minister of the Environment about the designation of such buildings and assists departments to implement this policy.

The National Capital Commission (NCC)

Within the National Capital Region, the NCC reviews all designation proposals made by the FHBRO and makes recommendations to the Minister of the Environment about these proposals.

Environment Canada must establish criteria for the designation of heritage buildings. The criteria must permit distinction between classified and recognised buildings. The FHBRO must use these criteria to formulate their heritage designation recommendations to the Minister of the Environment.

A classified building means a federal building to which the Minister of the Environment has assigned the highest heritage designation. A recognised building means a federal building to which the Minister of the Environment has assigned the second highest heritage designation.

Under government policy:

- Custodian departments shall manage buildings under their administration so as to conserve their heritage character;
- Before custodian departments can alter, dismantle, alienate or demolish a federal building 40 years old or older, they must identify the building to the Federal Heritage Buildings Review Office (FHBRO) for evaluation;
- Any custodian department proposing to acquire a building 40 years old or older must first obtain the advice of the FHBRO about its potential heritage designation. A department may also request the FHBRO to estimate the cost of maintaining such a designation;
- Custodian departments must protect the heritage character of buildings designated as classified using standards and guidelines developed by the FHBRO in consultation with custodians. Any intervention with respect to a classified building must only be undertaken after full consultation with the FHBRO. An intervention refers to any action which may affect the

- heritage character of a heritage building, including alienation from federal ownership, alteration, dismantlement or demolition;
- Custodian departments must protect the heritage character of buildings designated as recognised. Departments must obtain appropriate heritage advice before any intervention with respect to a recognised building. In the case of an alienation, dismantlement or demolition of a recognised building, however, departments must consult with the FHBRO;
 - Environment Canada must operate a Federal Heritage Buildings Review Office to assist departments in implementing this policy. Upon request, the FHBRO must provide a report of its activities to the Treasury Board Secretariat.

Supporting material

- (i) Financial Administration Act, subsections 7(1) and 9(2)
- (ii) The Manager's Deskbook, Treasury Board of Canada, Third Edition
- (iii) Treasury Board Manual, Real Property Management Volume, Chapters one, four, six and nine

6.4 Improving procurement procedures

This entry provides an overview of public service policy concerning procurement. There is a complete volume in the Treasury Board Manual dealing with contracting, the purpose of which is to bring together in one document all related regulations, directives and guidelines for procurement contracting by departments and certain agencies of the Government of Canada. It deals with all aspects of procurement for goods and services, construction and leasing.

It is government policy to conduct contracting in a manner that will:

- ensure that operational requirements are met;
- stand the test of public scrutiny for prudence and probity, encourage competition, and reflect fairness in the spending of public funds; and
- where appropriate, support long-term industrial and regional development and other appropriate national objectives.

The objective of government procurement contracting is to acquire goods and services and to carry out construction in a manner that results in best value or, if appropriate, the best balance of overall benefits to the government and the Canadian people.

Managers must ensure that the contracting practice of their organisations meets the requirements of other government policies or agreements that have an impact on contracting.

Examples of such policies are: employment equity, official languages, GATT agreements on government procurement and preventing technical barriers to trade, the Canada-United States of America Free Trade agreement, the Common Services policy, contracting with current and former public service employees and non-nationals and the Risk Management policy.

Before contracting out, managers should ensure the following:

- that contracting out is the more cost-effective means of programme delivery when the knowledge, expertise, resources of facilities required are available in-house;
- that a proposed contract will contribute to achieving an objective or solving a current problem; and

- that the purpose of the contract is within the department's mandate.

When contracting, managers should ensure the following:

- that they have provided clear, accurate, and comprehensive descriptions of the goods or services required to the contracting officer (to enhance competition, descriptions should be generic rather than specific);
- that they have determined the selection criteria in advance and followed them when bids or proposals are evaluated;
- that contracts are awarded in accordance with departmental and Treasury Board dollar limits; and
- that the goods or services delivered meet the terms and conditions of the contract.

A particular initiative in improving procurement procedures: Public Works and Government Services Canada

The pressure for change

As a common services agency, Public Works and Government Services Canada (PWGSC) provides procurement and contracting activities for both materiel and real property; maintains the government's infrastructure - offices, buildings, bridges, highways and museums; and also pays the government's bills and collects funds due.

PWGSC's Mission Statement was developed to reflect specifically the goal of being attuned to the needs and desires of its clients. Taking the basic elements of best practices, the Department focused on lessons learned to create initiatives geared specifically to client satisfaction with a goal of maintaining a truly continuous cycle of improvement.

The delivery of service in relation to the changing needs of client departments had to be managed better, along with the demands of technological change and current fiscal realities. Reducing the costs of service delivery in today's climate, as well as simplifying and speeding up the means by which services are delivered, have been driving forces in the re-engineering of PWGSC's business.

An improved service

Resources allocated to commercially available, off-the-shelf procurement for goods and standard services, both within PWGSC as well as in our client departments, have been costly, and the turnaround time required to provide the service has not been deemed acceptable. It was recognised and accepted that clients have long felt the need for authority to purchase their own off-the-shelf goods quickly and with minimal red tape; especially where price and delivery are the common denominators. Using the elements of best practice, Public Works and Government Services Canada has introduced its client departments to a FASTRACK electronic purchasing gateway that operates on basic 286 computer hardware with modems. PWGSC clients now have access to electronic catalogues with an initial count of over 50,000 line items with pricing, quantity and delivery detail. These electronic catalogues, based on standing offers and supply arrangements provided by PWGSC, are the vehicles used by clients to create their own electronic purchase orders that are issued to Canadian suppliers via fax or EDI. The intermediary (PWGSC) is no longer obtrusive; delivery time has been reduced by more than a week; and strides have been made in eliminating much of the paper process.

Systems, particularly in contracting, have had to move from "administrative overhead" to "strategic resources". PWGSC has achieved this transfer along with enhancing its mandate of government procurement based on fairness and competition. An Open Bidding Service (OBS), provides for the publication of requirements for goods valued at over \$25,000.00, as well as construction, maintenance, leasing, and architectural and engineering opportunities valued over \$60,000.00, on an electronic bulletin board.

Through the use of subscription services, suppliers are in a position to make their own decision as to which opportunities best suit them. The Government is no longer the initial decision-maker, pre-determining who is eligible to bid. Tender packages are available in electronic, as well as traditional paper formats. A contract cost history data base has recently been added to the Service in order to provide up-to-date information regarding previous pricing, quantities and usage. A bid-matching service that automatically scans the data base for a match in requirements and faxes the opportunities to suppliers has also been introduced. OBS also transmits supplier orders for technical bid documents to local printing companies across Canada who will print and distribute them.

Advertising of requirements began in 1989 with the installation of the Procurement Opportunities Bulletin Board and in 1992 the service was enhanced and further developed into the current Open Bidding Service.

The Department began work on the FASTRACK electronic gateway, approximately sixteen months prior to introducing the first pilot to an initial grouping of clients in June of 1993.

New systems, such as an automated buyer environment and an electronic payments system are currently being developed; additional enhancements are continually being sought in order to ensure first-class service to clients.

Some context

Most of the enhancements and changes in outlook were spirited by the Canadian Government's Public Service 2000 initiative launched in 1989. The goal was to "renew the public service of Canada - to bring it into line, in structure and in processes, with the requirements of this decade and the next". Three central themes emerged:

Service: Senior managers must lead a process of cultural change focused squarely on the provision of high quality service and citizen satisfaction.

Consultation: The public service must become more engaged, more open, more visible and more consultative with the public.

People: Managers must lead in creating a public service in which people are valued for their skill, dedication, energy and loyalty.

Supporting material

- (i) The Manager's Deskbook, Treasury Board of Canada, Third Edition, February 1993
- (ii) Treasury Board Manual, Contracting Volume, 1990, and subsequent amendments
- (iii) Public Service 2000, Service to the Public, Report in Brief, 12 October, 1990

6.5 Introducing end-year flexibility

Under the operating budget regime introduced in 1993-94 departments were originally authorised to carry forward up to two per cent of their operating budget from one fiscal year to the next. This provision is now being increased to five per cent.

Departments may carry forward from one fiscal year to the next up to five per cent of the operating budget approved through the Main Estimates. The entitlement to carry forward is granted automatically based on lapses reported in Public Accounts.

The reason for implementing the carry-forward provision was to promote sound cash management across fiscal years. The former system lacked flexibility. Spending decisions were driven not only by best use of funds considerations but by whether the funds would lapse. It was for that reason that Treasury Board introduced the original two per cent carry forward provision and subsequently increased it to five per cent. Based on the results of the operating budget pilot projects in 1992-93, the carry forward was deemed successful.

The carry-forward provision is part of the overall objective of providing incentives for efficient management. Capital funds amounting to up to five per cent of a capital vote can also be carried forward subject to acceptable justification to Treasury Board and affordability considerations.

Senior departmental management will be expected to ensure that all operational managers participate fully in the increased carry-forward provision to maximise value-for-money gains inherent in the Operating Budget regime.

Supporting Material

- (i) 1994-95 Estimates, Part I, the Government Expenditure Plan, Chapter five
- (ii) The Manager's Deskbook, Third Edition, February 1993, Treasury Board of Canada

Contact addresses

All Canadian Federal Government publications referred to in the text can be obtained from:

Federal Publications
Canada Communications Group
45 Sacre Coeur Blvd.
Hull
Quebec
K1A 0S9
Canada

telephone: (+1) 819 956 4802
facsimile: (+1) 819 994 1498

Details of the IPAC Innovative Management Award can be obtained from:

The Institute of Public Administration of Canada
150 Eglinton Avenue East
Toronto
Ontario
M4P 1E8

telephone: (+1) 416 932 3666
facsimile: (+1) 416 932 3667

Public servants in Commonwealth governments, both elected and appointed, have invaluable experiences to exchange as they confront the task of government renewal. The Commonwealth Association for Public Administration and Management (CAPAM) is a newly established professional association for senior officials and managers in the public sector. CAPAM has been created to improve management in government through enhanced co-operation across the Commonwealth. Membership and other details are available from the Executive Director, CAPAM, c/o IPAC at the address above.

Further publications from the Management and Training Services Division

Capacity Building for Management of Privatisation

Report of the regional consultation workshop held at ZIPAM, Zimbabwe, March 1994

Economic Management and Planning

Case studies of selected Commonwealth countries

Bakul H Dholakia and Ravindra H Dholakia, 1994

price £7.95

Administrative and Managerial Reform in Government: a Commonwealth Portfolio of Good Practice

Proceedings of a pan-Commonwealth Working Group Meeting held in Kuala Lumpur, April 1993

Choices in Decentralisation

An overview and curriculum for central government officials responsible for the reorganisation of administration at the local level

Brian Smith, 1993

Government Information Technology Policies and Systems

Success strategies in developed and developing countries

Chun Kwong Han and Geoff Walsham, 1993

Information Technology Policies and Applications in the Commonwealth Developing Countries

Mayuri Odedra and Shirin Madon, edited by G Harindranath and Jonathan Liebenau, 1993

price £8.00

The Changing Role of Government: Administrative Structures and Reforms

Proceedings of a Commonwealth Roundtable held in Sydney, February 1992

Public Administration in Small Island States

edited by Randall Baker, 1992

Successful Decentralisation

Proceedings of a Roundtable held in Male, December 1992

The following publications will be available shortly from the Management and Training Services Division:

Management of the Privatisation Process: a guide to policy-making and implementation

This topical publication provides a practical guide for policy-makers and enterprise managers involved in privatisation programmes

Performance Contracts: A Handbook for Practitioners

This handbook provides detailed information on the planning and implementation of performance contracts and includes selected cases from Commonwealth and non-Commonwealth countries

Other forthcoming publications include:

Organisational structure in the public sector: choosing options for change

Cabinet profiles of selected Commonwealth countries

These and many other publications of practical value to managers, administrators, advanced students and academics requiring in-depth insights into the trends and opportunities confronting government are available from:

The Publications Section
Commonwealth Secretariat
Marlborough House
Pall Mall
London SW1Y 5HX

telephone: 0171 839 3411

facsimile: 0171 930 0827

The Management and Training Services Division of the Commonwealth Secretariat (MTSD)

Managing for success

For managers in developing Commonwealth countries facing challenges ranging from civil service reform to business re-engineering, MTSD provides practical advice and rapid assistance through tailored packages of consultancy and strategic training. It assists with public service modernisation, organisational reform and restructuring, commercialisation, business planning, management development and the introduction of appropriate management and financial information systems.

Training for excellence

MTSD can assist in identifying training needs at sectoral, organisational or business unit levels. It provides top level training for senior staff and helps develop national and regional centres of excellence in priority areas. MTSD draws on the expertise of specialists within the Commonwealth Secretariat and can call on an extensive network of international experts to develop leading edge training programmes in strategic management, information systems, environmental management and enterprise development.

Building on strengths

All MTSD assistance programmes are sensitive to local needs and build on the strengths of existing staff and institutions. MTSD provides particular opportunities for women in the public and private sectors to develop their management skills.

Initial enquiries and requests for assistance can be made to:

The Director

The Management and Training Services Division

Commonwealth Secretariat

Marlborough House


Pall Mall

London SW1Y 5HX

Telephone: 0171-839 3411

Facsimile: 0171-930 0827

Cover design provided through the kind assistance of Coopers & Lybrand, London.



Commonwealth member governments have been taking part in a unique mapping exercise, identifying the actual changes which have been made in some key areas of public service management. *The Public Service Country Profile Series* sets out the results of that mapping exercise, country by country, to provide an unprecedented insight into the real managerial and structural changes under way in the public service.

In providing some firm ground on which those public servants, both elected and appointed, who are faced with the challenge of public service reform can stand while assessing the options available, the *Public Service Country Profile Series* marks a milestone in the debate concerning the management of the public service.

Copyright © Commonwealth Secretariat

Printed and Published by the Commonwealth Secretariat

May be purchased from:
Commonwealth Secretariat Publication
Marlborough House
Pall Mall
LONDON SW1Y 5HX

ISBN: 0 85092 411 1

ISBN 978-1-84859-518-7



9 781848 595187