



Tenth Annual Report

to

the Prime Minister

on

the Public Service of Canada

Alex Himelfarb

Clerk of the Privy Council and
Secretary to the Cabinet

For year ending March 31, 2003

Canada

Canadian Cataloguing in Publication Data

Canada. Privy Council Office

Tenth annual report to the Prime Minister on the Public Service of Canada

Annual.

1st (1991/92)-

Text in English and French on inverted pages.

Title on added t.p.: Dixième rapport annuel au premier ministre
sur la fonction publique du Canada.

Issued also in electronic format on the Internet.

At head of title of 1st and 2nd reports: Public Service 2000.

ISSN 1193-7637

ISBN 0-662-67313-1

Cat. no. BT74-1/10-2003

1. Public Service 2000 (Canada) — Periodicals.
 2. Civil service reform — Canada — Periodicals.
 3. Civil service — Canada — Personnel management — Periodicals.
- I. Title.

JL106 354.71'0005 C93-07047-4E

© Her Majesty the Queen in Right of Canada, 2003.

To obtain print copies:

Phone: (613) 957-5153 TTY/TDD (613) 957-5741

Fax: (613) 957-5043

<http://www.pco-bcp.gc.ca>



Clerk of the Privy Council and
Secretary to the Cabinet



Greffier du Conseil privé et
Secrétaire du Cabinet

Ottawa, Canada
K1A 0A3

March 31, 2003

Dear Prime Minister:

Pursuant to the *Public Service Employment Act*, I am pleased to submit to you the *Tenth Annual Report to the Prime Minister on the Public Service of Canada*.

As public servants we take great pride in our vocation of service to fellow citizens and in the institution which we serve. Excellence is the standard that we set for ourselves in every aspect of our work. We know that the privilege of being a public servant is balanced by responsibility and accountability and that both of these features are based on the trust which Canadians place in us to serve on their behalf.

Our response is a commitment to you and your government to continue to strive for the highest professional and ethical standards of public service.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Alex Himelfarb'.

Alex Himelfarb

The Public Service of Canada — Tribute to a National Institution

The Public Service: an essential institution

Over the last 40 years, the Public Service of Canada has entered periodic states of reflection and reform. Several royal commissions have been created and have reported on how to improve and modernize our managerial, resource management, leadership and accountability practices. The Public Service tested various expenditure management and budgetary processes so that ministers were able to set political and fiscal priorities based on good information, strategic planning and empirical analysis. Our predecessors understood that excelling as a professional public service required experimentation, critical self-appraisal and change, and continuity with public service values.

Certainly, the Public Service has seen public administration failures; but its collective history has been to dedicated service, supporting democratic leaders in building an envied nation. The Public Service has given Canada a competitive advantage in the ongoing global competition for trade and investment, and it continues to make fundamental and significant contributions to the high quality of life enjoyed by all Canadians.

Our professional competence has earned respect for us from both domestic and international observers and has generated a growing demand from public service colleagues around the world for our assistance and guidance. Although contexts, objectives, political priorities and national interests inevitably change, the Public Service of Canada has remained a powerful testimony to the impact that good governance and professional public service can have on a nation's quality of life.

As a national public institution, the Public Service of Canada has these defining attributes:

- ***The Public Service exists as an instrument of democratic control.*** In Canada's system of parliamentary democracy, the Public Service serves the government of the day. All our actions and services are an expression of democratic will and choice. The Public Service never acts independently of the government. Our institution is an instrument of democratic choice. We are held accountable for our actions through democratic processes and values.
- ***The Public Service serves all citizens.*** Service to citizens is the paramount obligation and duty of all public servants. Our predecessors created a pan-Canadian service infrastructure that has enabled the Public Service to work with and serve Canadians in their own communities. In the latter part of the 20th century, much of this infrastructure was expressed through local offices and regional agencies, such as Canada Post and local employment offices. In the 21st century, this infrastructure is shifting and the number of service channels increasing, due to the increasing use of innovative information and communication technologies. And the most recent research available demonstrates that, since 1998, there has been a measurable increase in Canadians' satisfaction with the services they receive from the federal government. The service delivery infrastructure we have created allows us to be both national and local at once. This duty to serve is particularly crucial to a national public service that must at all times sustain a standard of excellence in diverse communities, in all

regions and around the world. The Public Service of Canada has taken significant strides to meet this duty, but more can and must be done.

- ***The Public Service contributes to the national interest.*** No modern nation thrives well or for long without an ethical, effective and competent national public service. This is essential to democracy, fairness and the rule of law. Without such public administration, economies flounder and societies suffer. The Public Service has served the national interest admirably throughout its history. Our mandate of service to Canadians is built on a platform of values and ethics that require us individually and collectively to work for the public good at the highest levels of ethical conduct.

Our commitment to professional competence is supported by the strength of our institution's greatest asset — committed public servants.

Other strengths flow from the non-partisan nature of our institution. Precisely because it is non-partisan, the Public Service is able to support Canada's democratic system through its ability, first, to provide to the government of the day the best possible policy advice based on an objective review of the public good; and, then, to deliver effective services based on the agenda of the government.

Our strengths come from our diversity; our strengths come from our commitment to the public interest. We have inherited a vital national institution. We have an obligation to uphold its values and to continue transforming the means we use to serve.

The year in review — 2002–3

The Public Service seldom if ever makes headlines when it performs well, yet almost always makes headlines when it does not. Over the last year, such headlines overshadowed the achievements and successes of the majority of public servants in the delivery of their mandate of service to Canadians.

The last 12 months have seen steady progress in the ongoing reform and renewal of the Public Service and a strong response to new challenges. Foremost among these was the requirement to meet the government's needs for an ambitious and renewed policy agenda. To implement this policy framework, we have been engaged in the design of programs and services to deliver on the policy agenda, including the review and reallocation of resources in support of service delivery.

We have also continued to focus on our corporate priorities of increasing diversity, building our learning capacity, reinforcing our commitment to official languages, and continuing to strengthen the practice of modern comptrollership. Progress has been made on all fronts, but more remains to be done. As such, these issues will continue to be priorities in the coming year.

The reinforcement of our public service values and ethics has also featured prominently over the past year. Initiatives are under way in line with the recommendations contained in the Auditor General's 2000 report on public service values and ethics. As well, in direct support of the eight-point plan of action on ethics in government announced by the Prime Minister in May 2002, considerable work has been carried out on the elaboration of a public service code of values and

ethics, and revised conflict of interest and post-employment guidelines for public servants. Work is also under way on guidance to deputy ministers.

Human resource management reform placed high on the list of priorities for our renewal in the past year. The completion of the work of the Task Force on Modernizing Human Resource Management caps a lengthy period of research, review and consultations with the key stakeholders in the public sector. The package of subsequent recommended reforms contained in the *Public Service Modernization Act* will have profound and positive effects on recruitment, labour relations, workplace well-being, and learning.

Drawing from the past to prepare for the future

The 1990s were turbulent times for the Public Service of Canada. Our resilience and agility were tested. Despite the occasional strain, we enter the 21st century as a healthy, vibrant, secure national institution. This self-confidence is expressed strongly in response to the Public Service Employee Survey in 2002. The results show that federal public service employees are dedicated to their jobs. Workplace challenges still need to be addressed, but the 2002 survey reveals an energized, committed workforce.

Canadians deserve to feel confidence in their public service, since its decisions and actions affect their lives and interests. We as public servants must always be aware of the importance of our mission. There is no comparable institution in Canadian society capable of replicating our function. This means we have a continuing responsibility, an obligation, to pursue excellence and improvement.

The Public Service of Canada — Aspirations for a National Institution

We are privileged to have inherited a national public trust that has a defining impact on the quality of Canadians' lives and on the way that Canada shapes its future. Managing this trust requires vigilance, dedication and an unwavering fealty to our values and ethics. This trust is honoured in every essential service to citizens, in every expression of policy advice to ministers, in every public expenditure and in all the laws that govern our institution.

Tomorrow's Public Service must protect the history of service to ministers and Canadians that has been bequeathed to us. To be a model of public service and public duty, we must invest in essential partnerships with political leaders, citizens, other levels of government, the marketplace and civil society.

Accepting the primacy of the rule of law

The mission, responsibilities and obligations of the Public Service of Canada are defined within a democratic system of responsible government, within rights and freedoms guaranteed by the *Constitution Act, 1982*, and within the rule of law. In this context, executive power is exercised on the advice of ministers drawn from the democratically elected and representative House of Commons and held to account by the House. The Public Service provides service to Canadians and advice to ministers, and it is held to account by ministers for the quality of this service and advice. The *Canadian Charter of Rights and Freedoms* entrenched the constitutional rights of Canadians in a free and democratic society, and these are preserved in law, regulation and jurisprudence. Under the rule of law, the law is supreme over government officials as well as citizens; individual public

servants cannot substitute their personal views for the law. The Public Service is accountable to ministers for supporting, applying and enforcing the rule of law.

None of these touchstones in our democratic, legal and constitutional order are for debate or dispute. But to be effective and efficient, and to ensure that the rule of law is not compromised by omissions, rigidities or errors, we must advise ministers about laws that need to be created or modernized. We must also regularly examine the rules and policies that govern our institution to ensure that they enable us to provide ministers and citizens with the highest quality of service.

Reflecting on where we are

The reputation of our institution has been damaged in recent years. Core competencies have been criticized and questioned. There have been public controversies about the way we managed grants and contributions, distributed sponsorship funds and managed a national registration system. This scarring may not be permanent, but it shakes the pride we have in our institution. It undermines the contract of trust between citizens, parliamentarians and us. We must be vigilant at all times, being as careful as required, but operating in a manner that does not stifle innovation.

Missteps in a large, diverse, complex public sector or private sector organization are inevitable. The Public Service of Canada does not exist in a static environment. It cannot serve well if it does not innovate, experiment and change. Innovation in policy advice, resource management and service delivery invigorate our institution. Change involves uncertainty; it requires a measure of risk, a measure of leadership and a measure of vision. But risk must be calculated, assessed and embraced prudently. By managing

and taking risks, the Public Service will adapt, learn and be strengthened. If we do this well, the public trust will be stronger. If we fail, we should be held to account for our miscalculations, admit to our mistakes, learn from them and take corrective action.

The Public Service has essential features and obligations that require prudence and vigilance in our responsibility for public safety and stewardship, our accountability to ministers and citizens, our management of public funds, and our respect for the rule of law.

The highest standards of professionalism are not always achieved. Missteps require attention and repair. Federal public servants are proud professionals. They understand that serving the public is a privilege, an opportunity, a duty and an obligation. When the institution is wounded, Canadians have less pride in their public servants. Yet we thrive on that pride; we want Canadians to trust their public institutions; we want Canadians to take pride in our profession. To secure and retain this pride, we have set high standards for ourselves. Small mistakes can be corrected quickly; larger ones can as well, but they require us to rebuild the indispensable trust of Canadians. Without trust and pride, the institution suffers. We become timid, and forfeit opportunities that can come from taking risks. Missteps must be used to learn and adjust, so that we remain an uncompromised professional, non-partisan public service.

Uncompromising adherence to values and ethics

Values and ethics are the immutable core of the Public Service. Our dedication to values and ethics must be unassailable and unwavering. We draw our values and ethics from those embedded in Canadian society and those expressed by Canadians in the way they conduct their daily lives. We must exemplify those values; we must practice them at the highest possible level as we meet our responsibilities and duties.

The vibrancy and strength of our values and ethics are deep and wide; lapses are rare. The Public Service is a values-based institution; seldom do private and personal interests displace the public interest. But no lapse is permissible in the realm of public service. Work will continue on a new code of values and ethics for all federal public servants.

Setting the world standard for a professional public service

Canadian expertise and experience in modern public management are valued throughout the world, in both developed and developing nations.

We can justifiably aspire to setting the world standard for a professional public service. This means that such core competencies as financial management, human resource management, information and communications management, leadership development, professional development and service delivery should be embedded in all departments and agencies and at all levels. When this core is neglected, standards of professionalism decline. Modern public management is about innovation and about continuity. Professionalism is expressed both through managing change and by practising the essential techniques of good public management. With this core secure, accountability is

strengthened, financial probity assured and values and ethics flourish. Without this core, the space for innovation, adaptation and experimentation is reduced.

We should use our knowledge and expertise in public management as a strategic asset. We should work with other nations that aspire to construct a well-performing national public sector. Our professionalism should be our “brand” and our voice on the global stage.

Recruiting the best of future generations

The Public Service of Canada has an aging work force; the inescapable reality of demographics has required aggressive succession planning, recruitment and leadership development. During the last seven years, plans have been developed and implemented to prepare the Public Service for the future. This action is helping ensure that we continue to be staffed by skilled, adroit and dedicated leaders, professionals and employees. Perhaps the most striking result has been the recruitment of a large number of young Canadians who want to join and contribute to our national institution. These young Canadians will carry the responsibility and privilege of protecting the legacy of our traditions, our values and our commitment of service to Canadians. They bring with them the ideas and experiences of their generation — where rigid hierarchies, inflexible work environments and dated management practices are alien and distracting. If we are to develop this new talent and if we are to be a truly knowledge-based institution, then we must adapt. We must develop and nurture a new generation of public servants.

But the Public Service of Canada is also an institution of accountability, of administrative law, of terms and conditions, and it is subject to the democratic control of ministers and

Parliament. New public servants will need to understand that the Public Service rests on a set of untouchable foundations of ministerial accountability, democratic control and core competencies. None are discretionary. Our collective challenge will be to harvest the creative insights of new public servants within the framework of what defines us as a professional institution. Through this shared effort, we will create a working environment where the best talent in Canada comes and contributes.

Being relevant in an evolving Canada

As Canadians' sense of citizenship has changed, so too has the Public Service. We must be in a continuous state of realignment; an institution that does not adapt runs the risk of becoming detached from the citizens it serves.

Realignment means that public expenditures must be in a continuous state of review to ensure that federal programs and services achieve their highest possible value and reflect the changing nature of public interests and needs.

When Canadians receive service from our institution, they must see a reflection of themselves. We need to mirror the society we serve. Our relevance to citizens depends on how we see and understand Canadian society and how we respect the varied qualities of our shared citizenship. We are a public institution; we must reflect that public. Our professionalism is assured only if we are staffed by leaders and employees who reflect Canada's rich ethno-cultural diversity. We must increase our efforts to diversify our recruitment; we must create a work environment that supports the voices and talents of our different communities. This diversity must be reflected at all levels and in all departments and agencies. Canadians must be able to exercise the right to interact with public servants and to receive services in the official language of their choice.

We will intensify our efforts to make the Public Service more reflective of Canada's cultural and linguistic diversity and its regional and social diversity. This diversity of cultures, approaches and ideas will help achieve innovation and excellence in service.

Crafting leading-edge policy advice

No public service can claim to be professional if it does not offer ministers clear, precise advice based on rigorous research and collaborative processes that draw from conversations with citizens and stakeholders. But timid advice is no more helpful to ministers than badly crafted advice. Professionalism exists when ministers receive advice that challenges, guides and clarifies.

Our policy advice should include consideration of new futures and new directions that challenge orthodoxies, question assumed realities and reveal new possibilities for improving the lives of Canadians. Policy advice that is defensive, stale or cautious forfeits the possibility of forging undiscovered futures. In the past, our institution has provided ministers with bold ideas and insights about the creation of the welfare state, North American free trade, and how best to restore Canada's fiscal sovereignty. At a time when the boundaries between global and national policy are diluted and when social policy and economic policy are indistinguishable, the quality of our policy advice becomes even more important. Canada's future will be shaped by many forces, but the precise pathway to the future is not predetermined. The Public Service can offer choices to ministers and can provide advice on the cost of those choices. We can help ministers shape a better future for Canada and Canadians.

The Public Service of Canada must continue to link international and domestic policy development; we must absorb best practices in comparative public management; we must create networks with other national public sectors; we must create strong partnerships with global civic society organizations; we must incorporate the best research from abroad. Through these efforts, ministers will receive policy advice and frameworks that look to the future and learn from the past. We will give them exciting choices on how to exercise their political leadership.

Achieving excellence through learning and innovation

The Public Service of Canada is now a knowledge-based institution. Its strength and future will be determined by its intellectual assets: its employees. Our creativity, knowledge, insight and skills will determine our future. Keeping our knowledge and skills current, relevant and leading-edge requires a permanent commitment to learning and innovation. The Public Service now has an institution-wide learning policy.

Continuous learning is key to innovation. In the Public Service of Canada, innovation is not improvisation; nor is it change for change's sake. Learning provides the foundation for the kind of innovation that brings better service to Canadians. By excelling at learning and innovation, the Public Service will continue to be an institution of ideas, of values and ethics, of excellence, and of world-class service and policy advice.

Conclusion

The Public Service of Canada is an essential, national institution. It is a key component of the network of democratic structures and processes that serve Canadians so well and that play a major role in generating Canada's prosperity and development and maintaining a high quality of life for its citizens.

As public servants of today we have inherited a proud tradition of excellence in service based on a strong foundation of competence, ethics and values. We are recognized around the world as a leading example of public sector governance and management.

Notwithstanding our heritage, and our reputation for excellence, we have no room for complacency. Even as the world shifts beneath our feet, we must and will position our institution to develop its strengths and master its yet untapped capabilities, so we can remain in step with the changing needs and expectations of Canadians.

During the coming year, we will continue to broaden and strengthen our performance within the context of our current management and leadership agendas. This process will not be easy, but it will be absolutely necessary if we are to remain relevant and responsive to Canadians.