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**Changing Management Culture:  
Highlights of a Symposium on Modern  
Comptrollership and Cultural Change**

**Treasury Board of Canada Secretariat and  
Transportation Safety Board**

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**Canada**

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## ***EXECUTIVE SUMMARY***

In late June 2002, the Comptrollership Modernization Directorate of the Treasury Board Secretariat (TBS) and the Transportation Safety Board invited senior managers, academics and consultants specializing in management reform to a two-day symposium on cultural change. The aim was to assist the federal government in developing a better sense of what organizational change means, and how this applies in the specific case of modern comptrollership. The findings from the symposium will help departments and agencies guide their modern comptrollership initiatives.

Symposium participants noted that a major challenge for departments and agencies is to make cultural change a reality. They commented that modern comptrollership should not be presented as another initiative; instead it is about doing our business differently.

They cautioned, however, that such a change will take time to implement and that patience is required. They suggested four steps to guide the change:

- 1) **Identify a need for change.** Management teams must first recognize the need for management reform before a crisis occurs. Although a crisis situation was mentioned as one way of forcing an organization to change, panellists generally preferred moving forward with cultural change on the basis of its intrinsic value.
- 2) **Envision the end state.** Departments and agencies have to visualize what modern comptrollership means to

their organization so that they have a clear idea of where they want to go.

- 3) **Choose the change agents.** Deputies and their teams need to determine the people to be targeted within the organization. While there was no agreement on who should be targeted, four agents of change were identified: senior managers, middle managers, young managers and politicians.
- 4) **Provide incentives for change.** In other words, the benefits for adopting a change in culture at both the organizational and individual levels need to be identified and owned by the organization itself.

For modern comptrollership, the participants also stressed the importance of other measures:

- **Communicate a clear and simple message** to a particular target group, explaining the vision in a language that resonates within the organization. In communicating the vision and incentives, departments and agencies should be creative and experiential. That is, members of the organization need learning opportunities to be able to visualize and experience the behaviours being promoted.
- **Identify and provide strategic investments**, including the necessary tools, training and resources to realize the change.
- **Reward modern comptrollership practices** and actions that promote continuous management reform.

- **Measure performance** — that is, relate change to performance and tie performance to results. Participants agreed on the need for a base line from which departments could rate their progress (or lack thereof) in

terms of modern comptrollership culture. They called on TBS to provide greater guidance on priorities and expectations, especially for measuring performance.

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## ***BACKGROUND AND PURPOSE OF THE SYMPOSIUM***

*Results for Canadians* sets out a management framework for the Public Service of Canada. Modern comptrollership is one component of this framework. Introduced in 1997 by an Independent Review Panel, modern comptrollership is a management reform initiative that seeks to give public-sector managers the proper tools for reaching sound decisions, developing better public policies and providing better service delivery.

Four pillars are associated with this initiative: integration of financial and non-financial performance information; sound risk management; appropriate controls; and values and ethics. According to the Independent Review Panel, modern comptrollership must be embedded in the organizational culture, requiring a significant level of attention from organizations. Essentially, this effort entails a change in the existing management culture and practices.

On June 27–28, 2002, the Transportation Safety Board and the Treasury Board of Canada Secretariat (TBS) Comptrollership Modernization Directorate hosted a symposium on modern comptrollership and cultural change.

The purpose of the symposium was to develop a better sense of what organizational change means for the federal government, and how this applies in the case of modern comptrollership. In fact the discussions centred primarily on cultural change rather than the specific example of modern comptrollership.

The symposium brought together consultants and academics specializing in cultural change and management reform, along with current and former senior public servants. On the first day they were invited to share their experiences and discuss approaches to change. On the second day, department and agency representatives had the opportunity to discuss their own cultural change experiences and seek advice on how to proceed.

Among the major themes covered, participants sought to identify:

- aspects that an organization needs to be aware of when introducing cultural change;
- models of change that departments and agencies could employ; and
- approaches tried elsewhere.

The aim was to help departments and agencies better understand what cultural change involves and what should be considered when introducing modern comptrollership.

This report summarizes the main concepts of cultural change discussed in the symposium, the possible strategies for implementing it, and how these apply to comptrollership modernization. It also looks ahead to next steps in the implementation of modern comptrollership. Appended are case studies.

*Table 1: Characteristics of a modern comptrollership culture*

- There is a common understanding of comptrollership, and an ability to communicate its implications in non-technical terms.
- A true partnership exists between functional specialists and line managers, with a focus on results-based management.
- Financial analysts focus on strategic analysis and advice, rather than on processing transactions.
- Decision making is reflective of how a taxpayer thinks.
- Ethical values are displayed daily in actions and decisions.

## ***CULTURAL CHANGE: CONCEPTS AND MODELS***

The symposium began by considering what cultural change means, particularly for the Public Service.

### **The existing situation**

Participants observed that, rather than a single “culture” in the federal government, there are many sub-cultures (representing departments) within the overall culture (the government as a whole). These sub-cultures speak to themselves, understand each other and represent diversity. Since universal standards are not always applicable, participants said that each sub-culture needs its own model of change relevant to its needs and issues.

As a result of the tendency of federal departments to operate independently of each other, good practices have not been shared. Many participants argued that for modern management to succeed, there is a fundamental need for departments and

agencies to change their current system of managing. It is not simply a matter of getting better at what they are currently doing. Rather, it entails moving from a rules-based to a judgment-based culture. Some symposium participants saw this as a significant departure from past behaviours.

### **Defining culture and cultural change**

One participant defined **culture** as something that is routine and is done without thinking. Once people become familiar with it, eventually it becomes part of the everyday message. Conversely, change is part of a continuous process, and it is a constant feature of society. Since it is always there, participants said that managers do not need to market a need for change because people already know it will occur.

**Cultural change** is about changing the way things are done in an organization so that, over time, people will change as well. Participants observed that:

- Cultural change needs years to take effect. Managers and employees should know this is the case when introducing changes.
- The incentives for change must be clearly articulated, with ongoing communication within the organization.

### Change and emotion

Participants noted that emotions are important for decision making. As issues are wrapped in emotion, it follows that emotions also define values.

Within an organization, cultural change stirs up feelings and emotions, such as stress. Organizational stress can create opportunities for change. A “virtuous circle” is required, in which people temporarily accept more stress in order to achieve a more productive situation.

Pulling new managers out of operations and getting them to be modern managers requires having people of diverse background work together. This includes partnering with those who have knowledge, and acknowledging the need for time to learn, especially on the part of younger managers.

### Models of change

For change to occur, participants said that departments and agencies need to identify where they are and where they need to go. They need to take stock of what constitutes their current culture. Then they need to visualize what a culture based on modern management practices would look like for them. To

assist in this process, departments need to cross the boundaries of functional specialists and start talking to each other.

Three models were discussed that departments and agencies could use in implementing cultural change. It was stressed that no one approach to change exists; each department should consider adopting a blend of strategies and incentives best suited to it.

### 1 *Meta-theories of change*

Under change theory, there are two paths of change:

- **Path 1: Revitalization.** An assessment of the state of the organization concludes that its core practices have continued relevance. Accordingly, before promoting a change process, managers must first ascertain which practices are of continuing importance to the organization and what is getting in the way of implementing the new desired behaviours.
- **Path 2: Renaissance.** The core behaviours of an organization are found to be no longer viable. Managers need to start from scratch and a change goes through the membership of the whole organization.

An organization embarking on change needs to determine which path is appropriate to it. Next, leaders need to provide the necessary tools for implementing the change.

Associated with this approach are the “meta-theories of change.” While there are some advantages and disadvantages

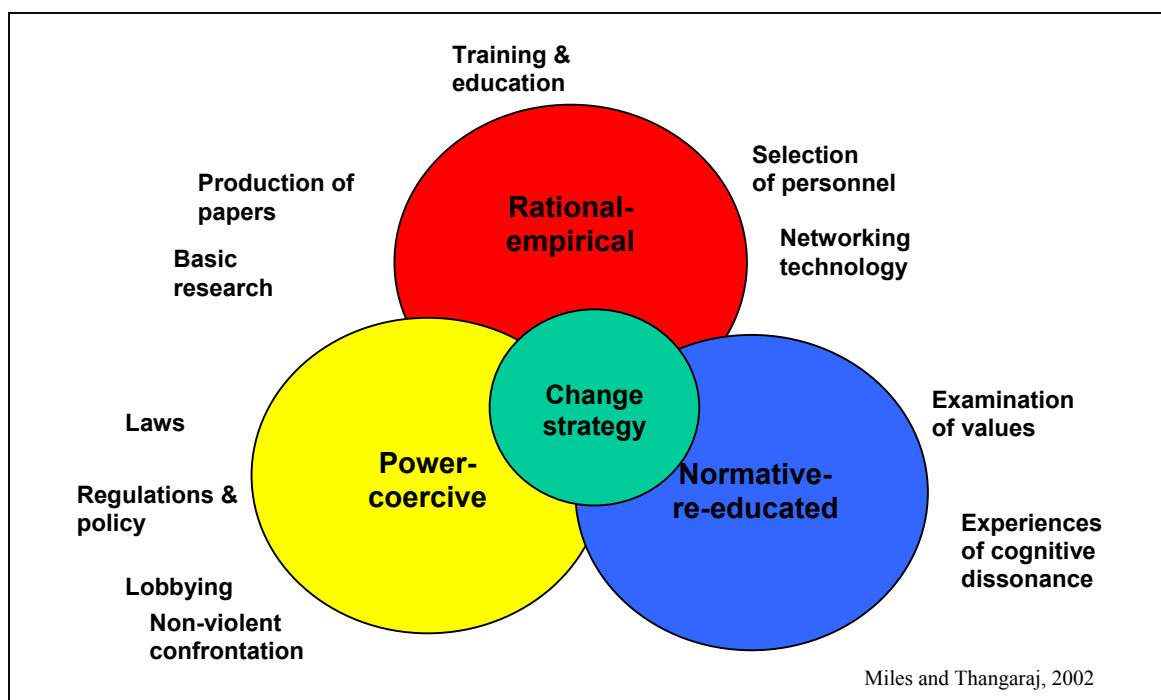


to each, there needs to be a combination of all three theories, as shown in Figure 1. Otherwise, employees will see the change initiative as the “flavour of the month” and the initiative will die.

- **Rational-empirical.** Within this approach, change is viewed as relatively easy: simply provide individuals with the necessary information (type of behaviours desired, need for change, etc.) and they will change. In other words, the organization collects data on the need for change and communicates desired behaviours throughout the organization. If there is resistance to change, the change process begins with training for those who already possess the mind set that the organization wants to attain.

- **Normative-re-educated.** This approach recognizes that, in order to achieve lasting change, members of the organization often need to see the proposed behaviours in action. This often takes time and creativity, but it can be very effective. Training in this approach requires members to experience the proposed values in action so that they can come face to face with them. In this way they can directly witness the value of changing long-held practices for new ones.
- **Power-coercive.** This approach starts from the assumption that it is not necessary to win over people’s hearts to achieve change. Or rather, first focus on their minds and their hearts will follow. Within this approach, the manager adopts a power stance and forces a change in the organization. In time, the proposed behaviours will become routine.

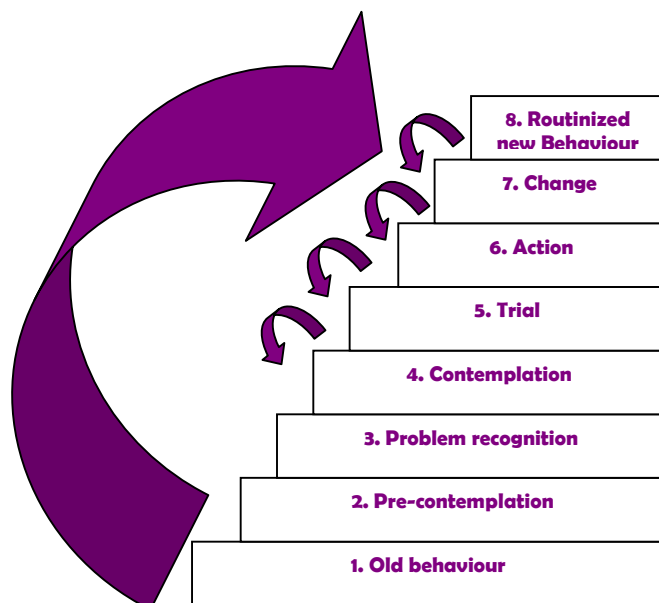
*Figure 1: Meta-theories of change*



## 2 Social marketing steps

A second general approach to change noted in the symposium is social marketing. It begins by trying to understand why someone would want to change. It then develops a strategy and program, enabling the target group to see the merits in changing behaviours. Buy-in is critical as it allows people to see that there is a reason to make the change. Examples of this approach include anti-smoking and no-drinking-while-driving campaigns. Figure 2 shows the eight steps typically involved in a social marketing strategy.

Figure 2: Social marketing steps



(The small arrows illustrate possible reversion to an earlier stage. The steps need to be repeated until the change is routinized.)

1) **Old behaviour.** The old behaviour is identified, as is the desired new behaviour.

2) **Pre-contemplation.** The target group may have heard something but it is vague. The proposed change may not resonate with the group, which believes it is intended for others. At this stage, complacency may also arise.

3) **Problem recognition.** The group realizes a problem exists but does not know how to change.

4) **Contemplation.** The target group contemplates a new approach and considers how much work the change will involve. The change initiator begins to minimize the barriers and maximize the advantages of change. It is a matter of identifying the price to be paid and then reducing it to make change feasible.

5) **Trial.** The new behaviour is attempted.

6) **Action.** The change initiator needs to provide space and time for action. Rewards should be given to acknowledge action taken and maintain forward momentum. The group may revert to an earlier stage, but the change initiator should keep rewarding and promoting the desired behaviour.

7) **Change.** The group practises the new behaviour most of the time, although old behaviours may understandably recur.

8) **Routinize new behaviour.** Eventually, the new behaviour becomes routine.

### ***3 Change as process***

In this model there are five prerequisites for change: vision, skills, resources, action plans and incentives.

Vision is critical. **If the leaders at the top can't describe what the change looks like — if people can't close their eyes and see what it will be — they won't buy in.**

### ***STRATEGIES FOR CULTURAL CHANGE***

Participants described four key elements or steps as central to any guide for cultural change. The steps are:

- 1) identifying a need for change;
- 2) visioning an end state;
- 3) choosing the change agent; and
- 4) providing tools incentives and rewards.

### **1 Identifying a need for change**

Panel members agreed that, no matter which model is used, a need for change must be identified. This involves examining the organization's history and its employees' perceptions, as well as recognizing that a problem exists.

### *a) Public Service history and perceptions*

Panel members associated the downsizing of the early 1990s with the way in which Public Service employees respond to current situations. As a result of work force reductions, coupled with the numerous policy changes and proposed management reforms, participants observed that employees are very sceptical about change in general and question whether their opinions matter. Employees want their contribution to be valued in their organization.

In addition, federal civil servants have been promised a number of management reforms in the past. The reforms were supposed to improve work environments and increase the ability to achieve successful results. A perception exists, however, that there have been few tangible outcomes of such promises.

The first Public Service survey conducted in 1999 was also mentioned. The results show the perception among employees that management simply want staff to perform an assigned task without contributing input. Other participants observed a level of impatience and cynicism that had not existed previously. They sensed that people are now sceptical about being told repeatedly to do things differently, or about being given new information.

Public confidence in government has declined, but expectations of its performance have risen.

### *b) Problem recognition*

Panel members stressed the importance of the way in which management reform is presented to departments and agencies. When it was initially introduced, participants observed, there was no external threat driving implementation. There was no appreciation of why management reform was needed, and what type of problem it serves to address. It was viewed as a TBS requirement, to be met only if the department/agency was in a crisis and was forced to act.

Participants compared an organizational crisis to being on a burning platform: it provides the anarchy needed to move forward. Some, however, questioned the value of a sense of urgency for changing behaviours in an organization. Panel members argued that anyone in a management crisis would accelerate communication for sound practices.

Participants also wanted to know what the right pressures were, and stated that these should not come from TBS. Rather, it was recognized that if change is to be meaningful, pressure for it must come from within the various organizations.

Finally, panellists argued that a key reason for implementing management reform is to anticipate problems. The reform is viewed as promoting a virtuous circle and enhancing work environments for employees by reducing stress and workloads associated with crisis management.

Despite these arguments, the panel members underlined the need for a clear definition of the problem. They stated

that an organization could not move forward if the employees do not understand what the problem is. By the same token, employees cannot accept a solution if they do not know what it is they need to change.

## 2 Visioning an end state

Along with a clear understanding of the problem, there needs to be an equally solid understanding of where the organization wants to go — including a definite, clear vision of the end state. According to participants, in terms of management reform, departments need to be clear on what they want to achieve. It is not enough to know what the rules are and what is expected of them; employees want and need more context. People want to know about the end state, the change, and what it will look like at the end of the day. Whether an organization seeks to change people's views or the system within which managers operate, the organization needs to be clear about what it is trying to do.

One of the panel members identified two scenarios regarding an envisaged end state. In the first, the organization knows where it is and where it is headed. In essence, the organization is moving in a straight line, from point *A* to point *B*. Realistically though, things come into play that make it easier to change the vision than to change the organization.

In the second scenario, the organization is in one location and sees the vision in another. Here the vision is non-negotiable. Senior executives uphold the vision and allow employees to get there in their own way. They do not dictate how to get there, but they lay out the

vision and empower employees to chart a path leading there.

Panel members wanted departments and agencies to define what managing well means for them. In other words, following from the broad, government-wide precepts of management reform, each department or agency has to undertake a visioning exercise to specify what the concept means for it. This includes describing what the end state would look like and then beginning to move the organization in that direction.

Panel members thought it was important for organizations to be explicit in describing the characteristics they valued, including:

- defining the expectations attached to the desired change;
- identifying and making available necessary resources and tools to achieve change; and
- providing clear results.

## 3 Choosing the change agent

Throughout the symposium, participants debated which people in an organization should be targeted to implement cultural change. Panel members believed that if resources and time are limited, organizations should focus on getting the most for their money. If the target is too high, the initiative becomes too generic and will probably not be successful. On the other hand, if the organization starts with the employees, the task may be overwhelming.

Four potential groups were identified: senior managers, middle managers, young managers and politicians. While each had its merits, participants were not

able to agree which group should be targeted to encourage a cultural change. A summary of the discussion is found in Table 2.

#### 4 Incentives and rewards

Participants said that a primary concern has to be getting people to buy into cultural change. They repeatedly stressed the need to clearly define and articulate the incentives for change. One participant likened the process to tuning in to “radio station WIFM (What’s In It For Me).” They spoke of the need to first identify the driving forces for managers to buy into the concept of cultural change, and noted the need to do the same for each target group within the organization. The results of such an exercise then need to be properly communicated; otherwise, departments will not change.

Incentives may come not only from departments and agencies but also from TBS or other central agencies. Nevertheless, the panel said it was important for the implementing organization to own and believe itself the reason (or rather incentive) for implementation. Middle managers, senior managers and deputy ministers all need to understand that implementing cultural change strengthens the organization as a whole.

Panellists stressed cases where both the organization and individual members benefited from implementing a management reform such as modern comptrollership. For example, if information systems clearly link financial and non-financial information, resource requests by departments to the centre will be more transparent. As a

result, it will be easier for deputies to justify and thereby access their organization’s resources. Another example is that by promoting a risk-intelligent environment, organizations promote a better workplace environment stressing adherence to values as opposed to rules. If the emphasis is on the spirit as opposed to the letter of the rules, there is less bureaucracy. Ultimately, panellists noted the need to communicate how management reform enables the implementation of *Results for Canadians*.

Panel members said that organizations need to invest substantial time and money if cultural change is to be successful. They suggested that strategic investments be made to support organizational change efforts. Communicating, training and discussion forums were mentioned frequently.

Closely related to incentives are rewards for certain behaviour. The panel agreed that there should be rewards for good action and good policy. Organizations need to have a rewards strategy in place, which is continuous and ongoing. Rewards, according to the group, should be for actions that reflect the vision. However, a problem observed by the panel was that although organizations may want a certain set of behaviours, they often end up rewarding a different set. Participants noted the need for a proper system of rewards to be set up within an organization.

**Table 2: Considerations on choosing change agents**

<b>Target agent</b>	<b>Enabling factors</b>	<b>Discouraging factors</b>	<b>Further considerations</b>
<b>Senior managers</b>	<ul style="list-style-type: none"> <li>✓ Give momentum to the reform</li> <li>✓ Have power and decision-making capabilities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Initially, managers did not see a problem — they felt they already managed well</li> <li>✓ Modern comptrollership was seen as another TBS initiative, at a time when TBS was enforcing many other initiatives</li> <li>✓ Current culture is risk-adverse</li> </ul>	<ul style="list-style-type: none"> <li>✓ They need to believe and live modern comptrollership</li> <li>✓ “Demand and pull” by senior management</li> <li>✓ Need to clarify and communicate incentives</li> <li>✓ Senior managers set an example for their employees</li> </ul>
<b>Middle managers</b>	<ul style="list-style-type: none"> <li>✓ Interested in learning how they can do their jobs better</li> </ul>	<ul style="list-style-type: none"> <li>✓ Some are seen as implementing reform only because they are told to do so</li> <li>✓ Some feel they are already doing a good job and do not need to change</li> <li>✓ Perceived to want to avoid risk</li> <li>✓ Many priorities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Need to incorporate reform into their everyday activities</li> <li>✓ Managers are managing system needs upward rather than downward</li> </ul>
<b>Young managers</b>	<ul style="list-style-type: none"> <li>✓ Are agents of change for management reform</li> <li>✓ Have different attitudes and attributes from senior executives</li> <li>✓ Are not afraid to question status quo</li> </ul>	<ul style="list-style-type: none"> <li>✓ Seen as impatient — they want change to happen now</li> <li>✓ If too impatient, a concern is that they will leave the Public Service</li> </ul>	<ul style="list-style-type: none"> <li>✓ Will minimize loss of corporate knowledge when senior managers start to retire</li> <li>✓ They need to learn to influence rather than adopt problems</li> <li>✓ Since older managers are the ones to reward certain behaviours, young managers may follow behaviour of senior managers</li> <li>✓ If current managers are not thinking in terms of management reform, younger managers may follow their example</li> </ul>
<b>Politicians</b>	<ul style="list-style-type: none"> <li>✓ Enhance legitimacy and enforce the urgency of management reform</li> </ul>	<ul style="list-style-type: none"> <li>✓ Average minister may not be interested in modern management</li> <li>✓ Seen as difficult to change</li> </ul>	<ul style="list-style-type: none"> <li>✓ Want to see a change in parliamentarians’ expectations and their response to civil servants</li> <li>✓ Over time, politicians should be targeted</li> <li>✓ A need exists for an active agenda from politicians on modern management practices</li> </ul>



Another problem identified concerns those distributing the rewards. Whether these are promotions, challenging work or bonuses, they are handed out by senior managers and executives. If they themselves have not adopted modern management practices, their staff will follow their behaviour in order to be rewarded. In such a case a behaviour change will not happen and, more important, the principles of modern management will not be respected.

Participants said that departments cannot rely solely upon a formal rewards and recognition program to achieve cultural change objectives. Rather, participants said, managers themselves need to demonstrate continuous reinforcement of the behaviours sought. Managers need also to use existing day-to-day rewards that achieve individual changes among employees, preferably at the work unit level.

Further, once an organization understands the reason for change, it can then start moving from an attitude of “What’s in it for me?” to one of “What can I do to support the organization?”

## ***APPLICATION TO MODERN COMPTROLLERSHIP***

This section examines how cultural change strategies can be applied in implementing modern comptrollership. It identifies key determinants for successful introduction of modern comptrollership practices, and considers what is involved in managing organizational change.

## **Key success determinants**

Table 3 lists elements named by participants as crucial for successfully implementing modern comptrollership.

***Table 3: Elements for integrating a modern comptrollership culture***

- *leadership*
- *external pressure*
- *buy-in from staff*
- *tools*
- *maintaining a simple message*
- *connecting to personal values*
- *understanding why an organization is doing it*
- *being prepared to change managers and management*
- *having a vision of what the change looks like*
- *trying out experiences to improve chances for success*
- *explaining to people what the new system will look like*

## **Implementation considerations**

In managing a process of change such as modern comptrollership, symposium participants mentioned a number of factors to be considered:

- 1) integration;
- 2) communication;
- 3) roles and responsibilities for implementing change; and
- 4) performance measurement.

### ***1 Integration***

As a reform initiative, modern comptrollership provides managers with a means to integrate their management improvement activities. At the same



time, practising these behaviours — such as integrating risk and values/ethics into the decision-making process, and having appropriate controls and related information — enables managers to better integrate management functions. Practising the elements of comptrollership also promotes cultural change.

## ***2 Communications tools and techniques***

Today's departments and agencies want to know exactly what they have to do to manage well. The panel observed that employees want clear direction, if not, they feel uncomfortable. The details need to be clearly communicated and a simple message needs to be sustained.

The participants suggested that departments and agencies focus on the practical, communicating the way things are and where they want to go. In doing so, they need to build the positive aspects of the change and communicate it to their employees. The message should cross different groups and start them thinking about the things that they can do better.

Two areas of interest noted by panellists in communicating modern comptrollership were (a) language and (b) resources, products and training.

### **Language**

- The language used in communicating a message is critical.
- Participants felt that “modern comptrollership” is a bureaucratic and potentially negative term, but for the sake of consistency they agreed that TBS should not change it.

Departments, on the other hand, can adopt a phrase that is more meaningful to them.

- Behaviour is locked into a culture through language. Departments need to clarify and explain what their policies mean. For example, risk management terminology can be general and vague; departments ought to set out what risk means to them in practical terms. In doing so, deputies are also defining modern comptrollership practices for their departments.

### **Resources, products and training**

- There was a call for concrete tools and examples to be provided to departments in order to ensure practice of modern comptrollership.
- The participants offered the use of guidebooks, manager forums, documented and shared lessons learned, and best practices to simulate the experience of change. They also stressed that departmental management forums can provide to employees the tools needed for modern comptrollership, with the expectation that they contribute to the initiative from the bottom up.
- One participant cited the need to transfer experience to those who lack it through training. Managers also may require training to acquire the skill sets needed for modern comptrollership.
- As the needs of the organization change, the tools need to change. Departments and agencies should ask TBS for the tools needed to support their changed behaviour.

## ***3 Roles and Responsibilities***

Three groups are involved in implementing modern comptrollership: TBS, departments and agencies, and Deputy Ministers.

### Treasury Board Secretariat

Among the suggestions for TBS, foremost was to **give deputy ministers clear priorities and expectations, especially for measuring performance**. Participants said that TBS needs to provide guidance and be more deliberate about the change process. Some called for external examination of modern comptrollership, and for TBS to provide standards and measurement tools so that departments can assess how well they are doing at implementing modern comptrollership. According to panel members, TBS needs to clearly articulate practices and standards.

Second, TBS should **make it clear to deputy ministers why they should be practising modern comptrollership and how they stand to benefit**. Some participants commented that managers who worked to develop competencies associated with modern comptrollership were not being promoted on those competencies. The panel members called for managers to be rewarded on the competencies associated with modern comptrollership. In addition, the participants advised TBS against financial rewards and incentives for Vote 10 projects. Instead, they suggested that funds be linked to performance.

While rewards from TBS are necessary, some maintained that rewards were not as important as **providing the appropriate tools needed to implement the initiative**.

With regard to communication, TBS was advised to **better communicate what modern comptrollership will mean for departments and agencies**. The centre needs to develop a knowledgeable body of lessons learned of what modern comptrollership is in practical terms (i.e. how it is being practised by deputies). Also mentioned was the need for continued pressure from the centre promoting modern comptrollership, on the grounds that if no one from TBS is pushing modern comptrollership, the initiative could die.

### Departments and agencies

Departments and agencies were advised to **understand why change is necessary and desirable**. This would involve identifying which changes are important to them, and setting a time frame expressed in language that employees can understand. Departments need to provide the context for the change and explain why they are undertaking this process.

They were also advised to **identify what they want their future to look like**, what they must do or stop doing to get there, and what resources they will require. They will need to **fully integrate change into operations** by integrating modern comptrollership into departmental business plans, priority setting and resource allocation. Participants suggested allowing employees to determine how to do this.

Panellists called for a **focus on rewards**, giving continuous reinforcement for the process of change and communicating deputies' support. They also called for **business alignment, with needs to be related to performance**. They noted

that employees must be able to understand how departmental initiatives fit together.

### **Deputy Ministers**

One of the strongest messages from the panel was to **get deputies to act, not just believe**. Acting on modern comptrollership means that it is constantly on the mind of deputies, so that the message is repeated and the initiative is ongoing. While senior support is required, participants said that managers have to translate the change into something that shows results to deputies and demonstrates that the organization has changed.

Deputies need to be involved in the change process since they set the tone for the rest of the organization. Deputies should **have clear expectations** regarding modern comptrollership and what the change process will mean for their organization. Likewise, they need to **provide the context** and explain why they are adopting modern comptrollership practices.

Deputies also should **identify what their organization is doing right or wrong**, and should work on areas requiring improvement. It was suggested that departments prioritize, define what they want their future to look like, and identify resources.

Finally, there was a call from panel members to have deputies **incorporate modern comptrollership into their agenda** by integrating it with other activities. Panellists also recommended that deputies urge their employees to document their best practices related to management. This will aid in the

continuation of corporate knowledge — a critical requirement, especially with the large number of people expected to retire soon from the Public Service.

### **4 Performance measurement**

Throughout the symposium, panel members stressed the need to relate change to performance and tie performance to results. There needs to be a base line from which departments and agencies can rate their progress or lack thereof in terms of implementing a culture of modern comptrollership. Performance measurement is a major issue and there needs to be some form of corporate measurement structure in place. Currently, there are no departmental structures that indicate whether managers are doing a good job, although there have been several initiatives to put them into place.

The group also proposed that organizations measure their staff response to the visioning of a new state. The group suggested that deputies and their teams ask themselves two questions: “Does the staff know where you are going?” and “Do you have what you need to get to where you want to go?”

### **NEXT STEPS**

The Clerk of the Privy Council has stated that modern comptrollership is one of four key priorities for deputy heads. The findings of this symposium will aid departments and agencies, as well as TBS, to promote a culture of modern comptrollership across the federal government.

In addition, the findings will assist in building a body of knowledge (i.e. lessons learned and case studies) to better understand and illustrate the benefits and application of modern comptrollership within the federal government.

Finally, the key messages from the symposium will be used to promote a discussion between TBS and departments and agencies, and within departments and agencies themselves, on how to best develop and undertake a modern comptrollership cultural change agenda.

## *APPENDIXES*

### **A Departmental and agency cultural changes in effect**

During the symposium, a number of illustrations were given of modern management reform and modern comptrollership within an organization. Following is a sampling of initiatives that departments and agencies have undertaken or will soon be implementing. They provide some insight into the problems or issues facing departments and agencies as a result of implementing modern management reforms.

#### *Department of Foreign Affairs and International Trade (DFAIT)*

Overall, the department would like to see broader support for modern comptrollership. Broader support for modern comptrollership must include making managers more knowledgeable about modern comptrollership throughout the organization and providing them the tools needed to implement this initiative. To increase managers' knowledge and move modern comptrollership forward, DFAIT intends to set up a Modern Management Network in the fall 2002, which will focus on implementing cultural change.

Another initiative by the department is the Managers' Forum. In the past, not all DFAIT operations have encompassed their total horizontal implication across the department. This Forum provides an opportunity for managers to work together as a team to set priorities and identify solutions, in line with the department's strategic leadership

direction. This event is for managers at the EX level up to the Deputy Minister. The department recently increased its funding for training on modern management by \$400,000.

#### *Natural Resources Canada (NRCan)*

As this is a science-based department, employees are used to looking at ways to improve. Since 1988, NRCan has been seeking to improve management activities. With regard to making modern comptrollership work, one of the problems that the department has experienced is figuring out how to get others involved and getting them to make changes in their areas of interest. The department stresses the mutual benefits of working together by getting the message to different groups in order to start them thinking about things that can be improved.

One of the major initiatives undertaken by NRCan is focusing attention on senior management. The department has identified six themes of modern management reform and has identified a champion for each theme:

- 1) Leadership is demonstrated through communication and results-based management.
- 2) A financial and asset management framework promotes responsible spending.
- 3) Strengthened human resource practices support a workplace of choice.
- 4) Mature risk management leads to higher-quality decisions and better results.

- 5) Shared ethics and values maintain the highest standards of public service.
- 6) Service improvement meets the needs of citizens and clients.

### ***Department of National Defence (DND)***

National Defence feels unable to impose changes to organizational management unilaterally, requiring lateral support. Also needed is the capacity to be constantly reminding the organization of the current vision of modern management. To overcome these barriers, the department is looking to develop a Modern Management Executive Committee, an Integrated Action Agenda and a Centre of Expertise.

The Modern Management Executive Committee would have members at the highest level of management discussing modern management at DND. The Integrated Action Agenda would bring initiatives together at a senior level so that there is a focus on key spending activities. The Agenda is an example of how DND is trying to provide horizontal management, making it systemic to the department.

Finally, the Centre of Expertise would provide tools to facilitate the change sought with respect to modern management practices. The Centre would be resourced-based in strategic change and would also provide a strategic investment fund for projects.

### ***Public Works and Government Services Canada (PWGSC)***

Recently, PWGSC has gone through significant organizational changes, including a new team of senior managers (Deputy Minister, Associate Deputy Ministers and Assistant Deputy Ministers). Part of these changes included a process led by the Deputy that had employees and managers discuss perceptions of the future direction of the department; this led to the development of three corporate values.

PWGSC has also implemented a number of initiatives under the umbrella of modern comptrollership. Since 1997, it has developed its own modern comptrollership branding, known as the Integrated Management Framework for Change, which will have an action plan and communications plan available for the fall of 2002. Although the department has a Risk Management Integrated Framework, this has yet to be implemented. There is also a Performance Management Framework in place. At a corporate level, the department is integrating performance measurement across eight business lines. Managers at the level of director general and up are quite familiar with the framework; those at lower levels and further away from Corporate Services are less knowledgeable.

Although PWGSC has a number of initiatives in place that encourage modern management, the department recognizes the need for better communication. The department needs to communicate what it wants to do and identify best practices for achieving its vision. It would like to implement a Web site, with linkages to its governance framework, integrated frameworks and the TBS Web site. Posted on this site



would be a lexicon of modern comptrollership terms.

### ***Industry Canada (IC)***

A major strength of IC is its senior management commitment to, and belief in, modern comptrollership. IC recently submitted a proposal to TBS, along with NRCan and Health Canada, on the barriers to implementing the process of modern comptrollership. The proposal calls for a survey to be sent to the departments to see what modern comptrollership and implementing its processes means for them. The survey will be used to identify what the departments need to move the initiative forward.

## **B Other cultural change initiatives cited**

### ***Translation Bureau***

For over 50 years, the Translation Bureau provided translation services, as a mandatory common service, to federal departments and agencies, free of charge. In 1995, a decision was made to transform the Translation Bureau into a Special Operating Agency and to remove its mandatory status. In a very short period of time, the Bureau went from a monopolistic budget-based system to a cost-recovery structure, an environment where its clients now had the choice of getting translation services directly from private sector providers. This change ended up being much more than a mere change in status and financing mode. In fact, it implied a fundamental change in the culture of the organization, which had to adapt a

business model to a bureaucratic organization.

Led by three key people, part of their task was to sustain the momentum of change over time. The Bureau took a reengineering approach to question how everything worked at all levels and how to improve the process to make it more cost-efficient. The reengineering exercise was done with the participation of employees at all levels and the new process model was piloted in some units before it was implemented throughout the organization. The approach to change was to let each unit go through a process of self-assessment and come up with a proposal of how the new model would be applied to their situation.

One of the problems encountered was that translators did not like the idea of “selling” their services, as the very reason why they were in the public service was that they were professionals and did not want to have to market their services as done in the private sector! Clients were also becoming more demanding as they were now paying for the services. Managers had to learn very quickly to manage not only expenses, but also costs and revenues!

There were a number of factors that made the transition a success, including the fact that those leading the project stayed very focused on the vision of the new model that was being implemented. As well, employees at all levels and the unions were involved throughout the change process and managers were supported and coached in leading their units through the process of change.

After a period of four to five years, significant changes to behaviours were

apparent in the organization and there was a notable difference in the Bureau's relationship with its clients.

The Bureau has now become a very dynamic organization. Through this whole process it did not only adapt to a change that was imposed on it, but developed a capacity to constantly adapt to a very changing environment, taking all opportunities to develop new services and expand its business.

### *Canadian Hydrographic Service (CHS)*

The Canadian Hydrographic Service was experiencing a low compliance rate with CHS charts on boats. The question was how to raise compliance rates. The CHS had to meet revenue targets but charts were priced at only \$20 although they cost millions to produce. CHS moved to being an organization that could charge companies and individuals higher fees to recover some of the costs incurred in producing the charts. However, there was no incentive within the organization to reach targets or to over-perform. If a section over-performed, a way had to be found to channel the money back. The change was seen as semi-successful, as many in the organization did not believe that it was going to last.

### *Government of Alberta*

Recently, the Government of Alberta implemented a strategic human resources change. The government showed a willingness to talk to others and initiated discussions with the private sector and other organizations to get ideas. The talks began only once the strategic vision was set and tools were made available. There has been

measurement of the progress made thus far, which included a cross-governmental survey. The government found the value of having an external eye watching it, as the survey provided external observations and validations.



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