

Managing Horizontal Policy Issues

December 1996

DEPUTY MINISTER TASK FORCES

FOREWORD

During the course of 1995, the Clerk of the Privy Council established nine Task Forces led by Deputy Ministers. The intent was to explore a variety of issues, identified in the wake of Program Review.

The nine Task Forces and their mandates were:

- **Service Delivery Models** - to examine service delivery issues from a citizen's point of view.
- **Overhead Services** - to identify ways to improve management of overhead services on a government-wide level, with an emphasis on cost savings.
- **Federal Presence** - to develop an on-going database on federal presence across Canada, examine how that presence may change over time, and identify issues from a geographical or regional perspective.
- **Federal Presence Abroad** - to report on programs and Canadian government representation outside Canada, and to determine how federal government representation overseas could be made more cost-effective.
- **Strengthening Policy Capacity** - to review our current policy development capacity and to recommend improvements.
- **Policy Planning** - to provide an assessment of the policy agenda to date, survey the environment, and provide strategic advice on key policy issues.
- **Managing Horizontal Policy Issues** - to develop practical recommendations on the management of horizontal issues focusing on improved coherence, and improved collaboration.
- **Values and Ethics** - to examine the relationship between existing and evolving values in the public service, and to consider ways to align values with current challenges.
- **A Planning Tool For Thinking About the Future of the Public Service** - to identify long-term trends which influence the Public Service, and develop a strategic planning tool.

The chairpersons of the individual Task Forces were given broad mandates and the freedom to choose their approaches. Some conducted broad national consultations while others involved only key stakeholders. In some instances, they produced formal reports and recommendations. In others, the results are tools, such as the database on federal presence and the scenario kit to test options against various future scenarios. Two Task Forces were integrated into broader exercises. The Task Force on Federal Presence Abroad flowed into the Program Review II exercise at Foreign Affairs and International Trade and the work of the Task Force on Policy Planning contributed to the preparation of the Speech from the Throne.

Despite proceeding independently, the Task Forces produced results and recommendations which reveal a high degree of convergence on key conclusions. They all point to a need for action on a number of fronts: horizontal integration, partnerships, culture, service in the public interest, policy capacity, client-focused service and human resource management.

The Task Force findings also echo conclusions emerging from other work in the Public Service during the same period. Within departments, there have been a wide variety of initiatives underway to modernize service delivery and the lessons learned are mutually reinforcing.

There has also been considerable work across departmental lines. In many instances, this work has been undertaken by interdepartmental functional groups. For example, the Council for Administrative Renewal has been working on a variety of initiatives to streamline overhead services. A Treasury Board Secretariat Subcommittee has been active in exploring how technology can facilitate the clustering of services, even across jurisdictional lines, based upon the life cycle needs of individuals and businesses for services from their governments. The Personnel Renewal Council has been working actively to engage unions and managers corporately, on a national basis, to renew our work environments and work relationships. In other instances, the work has been carried out by Regional Councils in developing initiatives to share local services and to integrate program delivery.

The central agencies have also been working to modernize systems and processes. For example, the Treasury Board Secretariat has been leading the Quality Services Initiative which has developed a wealth of material to assist departments in improving the services they provide.

Finally, a new initiative called *La Relève* to improve human resource management within the Public Service will comprise a wide range of initiatives at the individual, departmental and corporate levels, all with the aim of investing in people to build a modern and vibrant institution for the future.

The reports of the Task Forces are now available. Together, they have produced concrete tools and recommendations to improve service to the public and to elected officials. Their results do not constitute and were not intended to serve as a formal blueprint for public service renewal. Rather, they are expected to make a contribution to work already in progress toward getting government right. Departments and agencies working in partnership with central agencies will continue to work toward implementing the Task Force recommendations and will build on the common learning acquired through the Task Force work to further the process of renewal.

PREFACE

In ancient times alchemists believed implicitly in the existence of a philosopher's stone, which would provide the key to the universe and, in effect, solve all the problems of mankind. The quest for coordination is in many respects the twentieth-century equivalent of the medieval search for the philosopher's stone. If only we can find the right formula for coordination, we can reconcile the irreconcilable, harmonize competing and wholly divergent interests, overcome irrationalities in our government structures, and make hard policy choices to which no one will dissent.

Harold Seidman and Robert Gilmour
Politics, Position and Power, 1986

In the summer of 1995, the Clerk of the Privy Council established the Task Force on Managing Horizontal Policy Issues to develop practical recommendations for improving policy coordination within the federal government. In preparing its report, the Task Force relied on four main inputs.

1. *The experience of its members.* The Task Force included a mix of Deputy Ministers and Assistant Deputy Ministers from 13 departments. One participant calculated that the group brought some 400 years of government experience to the table. See Annex 1.
2. *A review of the literature* on the management of horizontal policy issues, domestically and internationally. See the Bibliography.
3. *Case studies* of recent experience with the management of horizontal issues within the federal government, and with various interdepartmental coordinating mechanisms.
4. *Workshops and related research* involving groups of managers and senior executives focusing on barriers to interdepartmental cooperation conducted by the Institute on Governance.

In presenting its report, the Task Force cautions that it has not uncovered the "philosopher's stone" that will put right what is a fundamental, permanent problem of governance. It did not discover new and revolutionary approaches to managing horizontal issues, but rather some simple, straightforward --common sense -- initiatives that can improve the quality of policy development.

1. **INTRODUCTION AND OVERVIEW**

Coordination problems arise in most spheres of life. They are particularly acute in the governmental arena. Organizational fragmentation, policy complexity, resource scarcity, sectoral interdependence, conflicting values, competing interests, departmental rivalries, increasing specialization, the sheer scope and scale of government activity, and the overload of senior policymakers all make the task of achieving political cohesion, policy consistency and administrative coherence a virtually impossible feat. Moreover, with the growing complexity of many policy issues and the increasing interdependence of policy problems and their solutions, the question of how best to coordinate the business of government has become an ever more pressing concern for ministers and their senior advisors.

Jonathan Boston

The Problems of Policy Coordination: The New Zealand Experience, 1992

Changing Nature of Governance

Governments throughout the world are in the midst of profound change. For Western nations, including Canada, the 1950s to mid-1980s marked a period of expansion for governments, both in terms of their roles and size. In many ways, this growth reflected the then-prevalent view that governments should be responsible for a growing number of economic, social, and cultural issues.

However, by the late 1980s and early 1990s, this expansionary trend began to reverse. While there are many reasons for this shift, Guy Peters and Donald Savoie (1995a) have identified three key strains on modern governance:

- *Financial Problems* - "For almost all governments public finance is the Damocles sword hanging over the heads of political leaders and threatening their capacity to govern." Financial problems have meant a rethinking of policy priorities as well as delivery of programs and services related to those policies.
- *Permanent Problems* - In addition to financial issues, there is also a recognition that many policy problems appear to be more intractable than in the past. Job creation, helping vulnerable members of society and sustainable development are just three examples of types of permanent problems with which governments must deal.

- *Questions of legitimacy* - Finally, there is growing public scepticism about the ability of government alone to do things properly and efficiently, and a demand for more direct public participation in decision-making.

Governments must also deal with increasing globalization, new information technologies, and the changing fabric of society. These challenges are leading governments to rethink their relative roles, priorities, and how they interact with citizens. Public sector reform is occurring at a number of levels including efforts to reduce the size of the public sector; privatize and commercialize government activities; reform financial management regimes, regulatory frameworks, and labour relations practices; and enhance the accountability and performance measurement.

In Canada, the federal government has taken a number of steps to meet the challenges of modern governance. For example:

- Through the Program Review the federal government has started to fundamentally rethink not only what it does but how it does it. As a result of the findings, the federal government has placed greater emphasis on its core policy and legislative responsibilities.
- Some federal activities have been commercialized. And, there is ongoing development of a variety of new organizational models to deliver programs and services (e.g. Air Navigation System).
- Individual accountability of ministers has been strengthened due to the new Expenditure Management System and the restructuring of the Cabinet system.

Fundamental Problem of Governance

Throughout the many changes that have occurred, one thing has remained clear: a strong policy capacity is required. After all, policy making is central to what governments are about, and it is the policy development function of government that most distinguishes it from private sector organizations. In one form or other, policy making engages a good deal of the time of Ministers, parliamentarians, and senior public servants.

The effectiveness of policy-making -- including the management of horizontal issues -- is dependent upon the policy capacities of individual departments: to coordinate within their departments; to identify issues affecting other departments and to consult with them; and to examine proposals emanating from other departments.

In her 1995 report to the Prime Minister on the Public Service of Canada, Jocelyne Bourgon, the Clerk of the Privy Council, identified a strengthened policy capacity as one of three key issues facing the federal public service. In particular, she recognized the challenge of addressing policy issues for which no single department has the expertise or resources required. She noted that more departments must be involved in developing the best policy advice, and public servants must cooperate on policy development to a greater degree than they have in the past. It is these challenges -- of improving collaboration and cooperation with a view to raising the quality of policy development -- that underpin the work of the Task Force.

The Growing Need for Policy Coordination

While departments are structured so that there is a close fit between departmental mandates and the main issues facing government, many policy issues are complex and interdependent -- they cannot be neatly compartmentalized along institutional lines. Moreover, when Canadians think about their key policy concerns or interests they do not break down the nature of their concerns into who has the primary and secondary roles to play in relation to these issues. Consequently, as departments work in cross-cutting policy areas it is important that they recognize the interdependence of many policy issues and the need to serve the broader public interest -- not just their immediate clients, and stakeholders. In doing so, they need to work collaboratively across interdepartmental lines towards the development of stronger, more integrated policy initiatives.

Although policy areas have never been watertight compartments, it has become increasingly important to coordinate cross-cutting policy issues. Guy Peters and Donald Savoie (1995b) have identified five pressures toward policy coordination.

1. *Cross-cutting policy issues.* Many of the key policy issues facing government cut across departments and conventional policy sectors. It is not possible, for example, to talk about education without also thinking about its impact on competitiveness and labour markets. Poorly designed and coordinated programs may produce results that cancel each other out, or at least diminish one another's impact. In addition to being expensive, these apparently contradictory programs make government look disorganized to the public.
2. *Globalization* of trade and investment creates pressures to harmonize a wide variety of laws and policies across nations. As a result there is a need for a government-wide capacity to review regulations and programs. At the same time, to be competitive in an international marketplace,

governments need to be proactive in coordinating key economic and social policies.

3. *Fiscal pressures* dictate a horizontal perspective on government. Despite their intellectual appeal, efforts to control spending by focusing on the performance and output of government programs, have failed or at least not lived up to expectations. "If we have learned anything on the budgeting front over the last thirty years, it is that budgeting is fundamentally a political process. It cannot be placed on automatic pilot in the expectation that performance indicators will sort out which programs should be funded at what level. Choices have to be made among competing demands." (Peters and Savoie, 1995b) Linking resources with government priorities requires a knowledge of policies and programs that cut across departmental lines. And, particularly in the face of severe fiscal restraints, governments need to be creative and draw upon the resources of several departments.
4. *Overlap and duplication.* Governments need a capacity to look at themselves as a whole if they want to deal with the apparent problems of overlap and duplication. This broader view is necessary for a real understanding of interrelationships and a sorting of relative roles.
5. *Fair and equal treatment* is a core value of public administration that distinguishes government operations from private firms. While clients can turn to the market to exercise their interests, citizens have common purposes and demand equal and fair treatment from their governments.

While the need for improved policy coordination is real and increasing, it is also clear that the policy debate among departments can contribute to the development of more rigorous policy. The challenge is to maintain a healthy tension among departments -- promoting constructive debate -- while drawing on the creativity and expertise of a range of departments and working towards common "corporate" objectives. This is the *art* of policy development -- requiring judgement and balance -- and focusing on the goal of policy excellence.

This judgement and balance should be grounded in the recognition that Ministers and their departments must fulfil both their individual accountabilities -- to meet the needs of their clients, stakeholders, and partners -- and their collective responsibilities -- to serve the broader public interest. It is these collective responsibilities, which transcend individual mandates, that challenge Ministers and their departments to look beyond their narrow interests and to recognize the interdependence of many policy issues.

The Focus of the Task Force

Much of the literature on policy coordination in government has concentrated on issues such as the organization and management of the political executive; the structures and procedures for conducting policymaking; and the role and design of central agencies.¹ A key conclusion from these efforts is that coordination in government is hard work; that there is no "easy recipe for success". It depends in part on the breadth of the policy agenda. It depends in part on the processes and machinery of government. It depends in part on the working relationships within Cabinet, between Ministers and their senior advisors and between departments. And it depends in part on the culture regarding collaboration and teamwork within the public service.

This report deals with three dimensions of horizontal issues management:

1. Process: Getting the fundamentals right.
2. Systems: Strengthening the interdepartmental policy-making system.
3. Culture: Working Together Towards Common Objectives

While they are dealt with separately with each element building on the other, it is the third element -- culture -- that is the critical element underpinning the others. Even with the current processes and systems, a collegial policy community, with individuals skilled in and committed to teamwork and focused on serving the overall public interest, can make significant progress towards effective horizontal issues management.

In undertaking its examination of horizontal issues management, the Task Force is driven by the overarching goal of policy excellence. It has identified a series of improvements to the processes and systems of policy and the need for the development of a collegial and collaborative policy community with a view to better policy making. It is a daily and a long term challenge -- that requires a sustained commitment from all parts of the Public Service to make real and lasting progress.

¹ See, for example, Boston, 1992; Campbell and Halligan, 1992; OECD, 1987; OECD, 1990.

2. PROCESS: GETTING THE FUNDAMENTALS RIGHT

Real policy making is characterized by complexity and often confusion. We do not live in a textbook world in which Ministers have fully articulated objectives and officials always prepare rigorous analyses of costs and benefits of alternatives. While this is an ideal to strive for, a great deal of policy making must be done on short notice, with limited information.

Further, the quality of policies is itself a judgemental issue. Standards for judging policy — such as efficiency, effectiveness and equity — and for judging policy processes — such as participation, procedural fairness and predictability in delivery — take us only so far. However, there are professional standards and best practices that can be applied to many of the services that officials provide in the policy-making process.

Nature of Policy Development

Policies emerge from organizations in very different ways, and are often a reflection of the policy environment, as well as the style and priorities of the minister and deputy minister. In some instances, policy development is an orderly step-by-step process going through a cycle of analysis, options development, selection of a preferred option and implementation. Very often, however, policy development is not predictable and does not follow a predetermined schedule of events.

Within this dynamic context, each department has responsibility for ensuring coherence within its mandate. A growing number of policy issues cross mandates so that individual departments do not have all the levers -- the resources, the expertise -- to address them. For these horizontal issues, cooperation during policy development and implementation can result in stronger, more integrated policies.

Tailoring the Approach

" . . . it is important to define the boundaries of power, to coordinate only that which needs coordinating, and to break problems down into the right 'bite-sized chunks' to make them soluble . . . how do we recognize in systems of government, the role of interdependencies without reducing ourselves to analytic or decision-making paralysis because 'everything is connected to everything else'?"

Roger Beale, 1995

In any given year, the federal government makes literally thousands of decisions affecting the quality of life of Canadians. These decisions fall on a continuum of increasing interest and scrutiny at the centre of government and among other departments, from departmental business through routine Cabinet business to the key priorities of government.

Given the differing nature of horizontal issues, it is clear that a single model cannot be successfully applied to all issues, all circumstances. For each issue, there are degrees of interdependence or "horizontality" -- reflecting the policy environment; the nature and scope of the issue; the clarity of roles and accountabilities; the extent that the issue affects the mandate and authorities of other government departments; and the potential benefits of interdepartmental collaboration. And, in this regard, the policy making process should allow for the efficient identification and separate but organized "streaming" of specialized cases according to the degree of "horizontality".

Ongoing departmental business

At one end of the continuum are the vast majority of government decisions, taken by departments within existing policy frameworks. For these, each department is responsible for ensuring coherence within its area of responsibility. Narrow issues -- affecting only a few departments, with clear leads and accountabilities, where the expertise and resources are concentrated -- are managed by routine processes for consultation.

The Cabinet system provides structure and processes to these issues when changes in policy are required. It provides for a level of discipline and rigor in the policy development process, and for interdepartmental consultation early in the drafting process of Cabinet submissions. It allows for disagreements to be identified and, where possible, resolved among Ministers and among departments before Cabinet consideration. It relies on a culture of openness and collegiality within the Public Service -- to share information and to consult effectively and efficiently.

Integrated Policies

"The pooling of resources in a partnership will have a synergistic effect in that the combined impact will be greater than the sum of the efforts of each partner acting alone . . . Participants in successful partnerships report that sharing power, work, support, and information stimulates creative problem-solving and permits a productive blending of resources (money, expertise, etc.) that otherwise would not be possible."

Kenneth Kernaghan, 1993

Moving along the continuum, there are a number of initiatives where the mandates, the resources, and the expertise lie in a number of departments (e.g. Greening Government, Disability Strategy). Although they may not involve the government as a whole, there is the potential for real gains from integrated policy development among departments. These interdependent initiatives imply a degree of responsibility for both lead and partner departments -- the lead to recognize the potential dimensions of the initiative and to open up the process; the partner departments to contribute fully throughout the policy development process.

For these initiatives, interdependence means more than just the coordination of activities and policies. It is an opportunity to draw on the creativity and expertise of several departments -- to develop rich, integrated initiatives in which the whole is greater than the sum of the parts. They rely on a collaborative policy community that understands the potential interdepartmental implications of policy initiatives, that recognizes opportunities for developing synergies among departments, and that is focused on serving the overall public interest.

Key Priorities

"A government wishing to implement wide-ranging changes in economic and social policy is confronted with far more and far deeper problems of co-ordination than a government committed to the status quo . . . This is simply because the policy issues confronting a government intent on change are more numerous and the possibilities of serious policy conflict much greater."

Bernard Galvin, 1991

Moving towards the other end of the spectrum away from the ongoing departmental business, there are a number of policy initiatives which are of interest to, or due to their scope, will set the strategic direction for the government as a whole. And, as these "big" initiatives represent the key priorities of the government, the level of Ministerial involvement is greater. Management of these "big" issues relies on an understanding among Ministers and among departments of their collective responsibility -- to fully serve the

broad public interest, rather than only their immediate clients and stakeholders. Due to their priority and their political visibility, the approach taken to manage these initiatives is a powerful signal to the Public Service on the value of cooperation and partnership across departments.

In the first two years of the government's mandate, there have been several major policy reviews, including:

- Improving Social Security in Canada;
- A New Framework for Economic Policy;
- Creating a Healthy Fiscal Climate;
- Into the 21st Century: A Strategy for Immigration and Citizenship;
- the 1994 Defence White Paper;
- Building a More Innovative Economy; and
- Canada in the World, the government's foreign policy statement.

In addition, the government launched three initiatives to help "get government right": the Program Review, the Efficiency of the Federation Initiative and the Agency Review.

Each of these reviews placed significant demands on the government's policy resources. Most fundamental reviews of public policy have had custom-built, intensive processes. Those processes have included: an ad hoc committee of Cabinet; a steering committee of Deputy Ministers; substantial involvement of central agencies at both the steering committee and working levels. At the same time, participation in these has tended to be restricted .

Learning from Experience

To get a sense of how departments have managed the development and implementation of horizontal policies in the past, the Task Force initiated a number of case studies covering a range of issues and perspectives. The case studies were undertaken by lead departments or agencies. They have provided insights into not only the outcomes of these horizontal efforts but also the policy environment and the motivating factors. The key points are summarized below.

Issue Definition

The very process of defining policy issues and placing them on the government's agenda tends to be an important part of the competitive positioning of organizations vis-à-vis a particular policy area. It also affects the scope of the work undertaken on an issue; who is consulted; the range of acceptable options; and the policy outcome.

Defining the nature and scope of the issue and the expected outcomes for the policy initiative is a first critical step in managing horizontal issues. The case studies highlighted the importance of clarity of scope and purpose among the lead and partner departments in providing a shared vision and sense of priority, and in managing expectations.

The basic parameters of the initiative need to be established early in the policy development process including: the relationship to other initiatives; relative priority; funding; and timeframes. At the same time, a degree of flexibility should be built into the definition of scope and outcomes to encourage creativity and to respond to changing information or circumstances.

Early interdepartmental and broad-based stakeholder involvement in the conceptual phase is critical for buy-in and ongoing cooperation and to ensure that all relevant factors are considered early in the policy development process. It can also help keep an initiative on track, providing a point of reference as the policy context evolves.

Leads and Participants

"Coordination by its very nature, is a sensitive task. Two risks both fatal, are, on the one hand, heavy handedness or excessive prescriptiveness; on the other hand, lack of effectiveness. The successful conduct of coordination requires a substantive understanding of the issues and a professional respect, as well as authority."

Task Force on Strengthening Policy Capacity, 1995

The case studies illustrate the need for an accountability framework to clarify the mandate of the lead department in advancing the policy initiative and to specify the contribution required of partner departments. Particularly when the lead for a horizontal initiative is a line department, definition of clear accountabilities in a mandate letter allows the lead department to play a corporate role and exert leadership -- in fact it legitimizes this role -- while ensuring that partner departments collaborate and develop a sense of ownership for the initiative. This mandate letter, developed by lead and partner departments, can provide a useful reference point and lever for commitment and collaboration across departments during the development of the horizontal initiative. In particular, it can enrich the policy development process by securing the active participation of partner departments in the initiative.

Central Agencies

"The role of the centre is to provide the conditions under which all the different types of coordination can go on . . . They have an interest in pushing for outcomes that serve the interests of the government as a whole as distinct from government in its various parts."

Martin Painter, 1981

While departments need to do the substantive policy development, central agencies play a fundamental role in facilitating and in managing interdepartmental policy development. The case studies highlighted several areas where central agencies can assist lead and partner departments during the development of a horizontal initiative, by:

- clarifying expected outcomes and give a sense of overall government priority to individual initiatives and to the importance of interdepartmental cooperation during policy development;
- encouraging the development of effective mechanisms to support horizontal policy development;
- clarifying the relative accountabilities of lead and partner departments; and,
- playing an important trouble-shooting/advisory role in the coordination process.

The latter advisory role essential requires PCO to keep a "watching brief" on policy development across government. This role should avoid the appearance of taking over the role of the lead department and should not involve *ad hoc* and authoritative interventions. And, it should be used to detect and trouble-shoot problems.

Further, on a limited range of horizontal initiatives -- where the departmental lead is not clear -- central agencies may also be more appropriately placed to lead the development of the initiative.

Some departments have also indicated that, at times, in the past eighteen months, the system has been stretched with a myriad of interdepartmental reviews, all of which were considered a priority. When several major reviews are underway concurrently, there may be a perception of confusion and conflict. It is also clear that in periods of rapid change, when the policy issues facing government are numerous and profound, the problems of policy coordination are significantly magnified. Central agencies, in particular PCO, play an important

role in horizontal issues management particularly in clarifying the relationships among ongoing initiatives, in establishing priorities, and in managing the policy load of departments.

Developing the partnerships in the broader policy community

Increasingly, Canadians expect to be involved in the development of policies and programs that affect their health and their well-being. The case studies underlined the importance of consultation with interest groups during policy development. While there is considerable support for consultations government-wide, there remains some concern with the way consultations are managed on cross-cutting issues. A balance between interdepartmental and broader consultations is required so that they can inform one another -- without foreclosing options or hindering the scope of ministerial discretion.

As the policy capacity of government is reduced, it becomes more important than ever to nurture and mobilize the policy capacity of the broader community -- think tanks, stakeholder groups, and academic community. The policy capacity of departments is increasingly taken up with managing the short term pressures and departments cannot always undertake the policy research and development required to develop longer-term policy initiatives. Cooperation with the broader policy community can help fill this gap and also, provide the needed validation of the government's policy directions. Further, by drawing on its creativity and expertise, this kind of cooperation can stimulate the development of new, innovative solutions and constructive partnerships that can strengthen both policy formulation and policy implementation.

At the same time, departments recognize that one means of dealing with the unpredictability of horizontal issues is to invest in longer-term policy research and development. This investment is critical to building the intellectual capital for dealing with policy issues of the future, particularly those which are complex and are difficult to deal with under tight time constraints.

Realistic Timeframes

Priority issues arise due to public and political pressure. While responding to this pressure, case studies underlined the importance of realistic expectations with respect to timing and outcomes. Consultation and coordination are time-consuming. As a result, where a policy initiative is cross-cutting, tight timelines may compromise the outcomes and the level of buy-in. It should also be recognized that under these circumstances, there may be little time for rigorous policy development and evaluation. The tendency may, therefore, be towards incremental change and a re-packaging of ongoing initiatives rather than indepth

policy development or a fundamental policy shift. On the other hand, clear timelines are important, in framing the initiative and making progress.

Investing the Resources

The issue of resources is important during both the planning and implementation stages of horizontal policy initiatives. At the planning and policy development stage, consultation and coordination can be quite costly for the lead department. Very often, it is undertaken in addition to ongoing line responsibilities. Partner departments can also bear significant costs in terms of providing technical and policy support.

The fiscal parameters affect the design of horizontal initiatives -- particularly in the consideration of options and action plans for the achievement of goals and objectives. Although not always possible, early direction on funding for implementation is important to manage expectations and to design workable action plans. As well, when resources are not explicitly allocated for a horizontal initiative, lead departments may be required to invest considerable time and effort to motivate other departments to participate. On the other hand, some case studies also noted that where there have been dollars attached to an interdepartmental initiative, these often became the focal point of attention. A competitive scramble for funds can overshadow policy discussions and undermine interdepartmental collaboration.

Under the new Expenditure Management System, new policy priorities are funded through reallocations within each portfolio or through the budget process. While this strengthens individual ministerial accountability, there remains an outstanding issue of reallocation of funding for government-wide initiatives. As new cross-departmental issues arise, cooperation could be perceived as costly by individual departments. Departments may, as a result, calculate the potential costs before becoming involved in a new cross-cutting initiative.

CONCLUSIONS AND RECOMMENDATIONS

The principal factors supporting horizontal issues management are not new or revolutionary. For all kinds of policy issues, they represent the fundamentals of policy development -- the need to know the rationale for an initiative and expected outcomes, a clear understanding of relative roles and responsibilities, a recognition that policy development can be time consuming, and so forth. For the key priorities -- with their custom-built, intensive processes -- these process fundamentals are critical. And yet, due to the policy pressures that characterize these initiatives, taking the time up-front to get the fundamentals right remains an ongoing challenge.

Progress on the policy development process depends to a large degree on a commitment to policy excellence and a recognition that collaboration and cooperation across departments can result in better policy. It also relies on an understanding among Ministers and among departments of the importance of fulfilling both their individual accountabilities to departmental clients and stakeholders as well as their collective responsibilities to the broader public interest. This commitment and understanding should be developed at all levels and all parts of the Public Service.

1. PCO and CCDM (Policy) can contribute to the management of strategic and horizontal issues through the identification of issues with a significant horizontal dimension, and by launching the policy development process and monitoring progress.
2. In performing that role, PCO and departments should use the following as a checklist for initiating work on horizontal and strategic issues. These are good practices for the full range of policy issues -- and are particularly important for key priorities.
 - Taking the time up front to define the issue and the expected outcomes, and involving other departments and partners early in the conceptual stage. This is the first critical step in managing horizontal issues -- clarity of scope and purpose.
 - Establishing clear accountability of both lead and partner departments. Particularly when the lead for a horizontal initiative is a line department, definition of clear accountabilities allows the lead department to play a corporate role and exert leadership, while ensuring that partner departments collaborate and develop a sense of ownership for the initiative.
 - Developing partnerships with the broader community. External consultation has become an important part of policy development for many departments, and needs to be integrated efficiently and effectively into the policy development process. Partnerships with the broader community (other governments, aboriginal peoples, non governmental organizations) should be pursued as a means of drawing on a wider range of expertise and resources during the policy development process.
 - Establishing realistic and clear timelines. Priority issues arise due to public and political pressure. But policy development, consultation and coordination are time-consuming. Clear and realistic timelines are important, in framing the initiative and making progress.

- Investing the resources in coordination, and establishing the resourcing rules for implementation. Early direction on funding for implementation is important to manage expectations and to design workable action plans.
3. For key priorities, the lead department, working with partner departments and central agencies, should formalize the results of the checklist in a mandate letter.
 4. For key priorities, PCO should exercise a "watching brief" that involves sufficiently active and senior participation by PCO in the interdepartmental process to enable it to detect serious problems and to determine whether some intervention -- ranging from behind the scenes trouble-shooting to more formal follow-up -- should be considered.
 5. Upon completion of a major policy development exercise, participants should conduct a post-mortem of the process. This would provide a context for building on experience and lessons learned within the policy community and for refining collaborative approaches. It would also contribute to a continual improvement of the policy process.

3. SYSTEMS: STRENGTHENING THE INTERDEPARTMENTAL POLICY-MAKING SYSTEM

Policy-making systems at the centre of government which attempt to bring about cohesiveness are, in part, palliatives to larger problems of modern government related to overload, complexity and ministerial accountability. But they are essentially administrative solutions. They are grounded in the notion that, through routine flows of information, individuals and organizations can deal, and will want to deal, with large numbers of dossiers in a coherent manner -- where those dossiers may contain a mix of strongly interrelated decisions or entirely independent ones; and where the degree of interest and relevance for any single reader is very varied.

OECD, 1987

The quality of the federal government's policy-making is affected by the systems that support it. Any policy-making system must ensure that policy is consistent with the government's overall priorities, and make effective use of limited Ministerial time. In addition, policy-making systems must be responsive to the personal styles of leaders, the policy stance, and a range of different issues. At the same time, the effectiveness of horizontal policy systems depends on whether there is support for cooperation and collaboration within the policy community. If the culture reinforces competitiveness and turf protection among departments, development of elaborate policy systems may only serve to complicate and slow down the policy making process, or to stifle creative policy development. Therefore, when considering improvements in policy systems, these should be taken in conjunction with efforts to develop a collegial and collaborative culture.

The Task Force examined what systems could be used and improved to better manage horizontal issues. It considered broad government reorganization, as well as a variety of cooperative mechanisms to coordinate policy at the Ministerial and senior-official levels.

Government Reorganization

Governments have experimented with several types of organizational structures to enhance policy coherence.

- During much of the post-war period, the trend was to have many government departments. This structure was deemed necessary to respond to the growing complexity through specialization.
- More recently, there has been a trend among OECD countries towards departmental amalgamation -- overall, a smaller ministry. These changes are intended to streamline decision-making and promote efficiency and accountability.

Proponents of amalgamation argue that it makes policy coordination easier, by reducing the number of decision-points in the system, and delegating more authority from Cabinet to individual Ministers to make tradeoffs within their larger portfolios. By increasing the span of control of individual Ministers and departments, the Cabinet as a whole can pay more attention to strategic policy.

On the other hand, opponents argue that rising demands placed upon individual Ministers and their departments for coordination within their portfolios can lead to overload. In addition, this "downward delegation" may reduce the possibility for real debate and the dynamic tension that is a force for innovation.

It is generally recognized that reorganizations cause significant, and often, long-term disruption and dislocation. As Arthur Kroeger (1992) noted: "Of all the 'improving' measures that can turn up on agendas, let me particularly urge the greatest caution about departmental reorganizations. They can be . . . a drain on creative energy, a generator of destructive emotions, and a diversion from essential operations." As a result, whenever possible, alternative means should be used to solve coordination problems.

The Cabinet System

In any large government, the volume and length of Cabinet documents present a dilemma. . . Cabinet is severely stretched, if not seriously overloaded. . . Increasingly, for less contentious issues, the Cabinet document system is primarily an instrument to ensure a certain level of rigor in policy development and effective interdepartmental consultation before the confirmation of a decision by Cabinet. Ministers, of course, retain the power to intervene, and they do on important issues; but on less significant issues, the Cabinet document serves as a record of agreements struck and compromises evolved through channels subordinate to the Cabinet itself.

Timothy W. Plumptre, 1991

At the ministerial level, Cabinet is the most important mechanism for ensuring policy coherence. It provides a forum for securing collective agreement on government priorities as well as issues which extend beyond a single ministerial

portfolio. However, full Cabinet can become too large and unwieldy for indepth discussion and policy coordination. In many countries, therefore, the severe time limitations on Ministers and the sheer volume of Cabinet business has led to the creation of a range of inner Cabinet systems. These may be Cabinet committees on broad issues such as economic or social policy, or on more narrow issues such as jobs, fisheries, and trade.

For high-profile issues and initiatives developed over short timelines, dedicated Cabinet committees can speed up the policy making process and help to quickly resolve contentious issues among departments. Yet, when there are several committees working in related policy areas, coordinating the discussions and decisions of committees can become an issue.

In Canada, the current federal Cabinet system is much different from previous ones which had up to 40 members in the mid-1980s and, in the late 1970s, had as many as a dozen Cabinet committees. Over the last three years, Cabinet size has dropped to 24 and the number of standing committees was reduced to four. To manage priority files and provide a forum for Ministers to discuss issues of mutual concern, the government has also made extensive use of ad hoc committees for such issues as Program Review, Social Security Reform, Infrastructure, Jobs and Growth, and Unity. These committees provide a focal point for the collective advancement of key policy priorities and require Public Service support in terms of policy planning and development.

Having fewer Ministers means policy and program priorities are more integrated within single portfolios. With only four standing committees of Cabinet, Ministers can focus on the government's major economic and social priorities, leaving individual departments responsible for more of the government's routine business. Collective responsibility is achieved by using full Cabinet to make decisions on key priorities. Even in these circumstances, the volume and scope of Cabinet business places a heavy burden on Ministers. Management of the policy load -- to ensure that Ministers have the time and energy to focus on strategic and long term issues is an ongoing challenge.

Another recent change -- the introduction of the new Expenditure Management System (EMS) -- has also allowed Ministers to run their departments without resorting to a complex Cabinet committee system. Under the EMS, new policy priorities are funded through reallocations within each portfolio or through the budget process. While this strengthens individual ministerial accountability, there remains an outstanding issue of reallocation of funding for government-wide initiatives.

Senior Level Committees

"Issues and challenges confronting nation states, however, now increasingly cross departmental lines. If key policy issues are more horizontal, then bureaucratic policy formulation and advisory structures must become more horizontal as well. Civil servants will have to bring a far broader and informed perspective to bear on their work, since the issues are now much more complicated and interrelated."

Donald Savoie, 1993

Over time, committees of Deputy Ministers have also played an important role in strengthening policy coordination across departments.

- The DM-10 committee was established in 1976 to coordinate economic policies and programs during the wage-price controls period, and then to advise on the exit from controls and subsequent economic challenges.
- The Coordinating Committee of Deputy Ministers (CCDM) began as a forum for advice on economic and expenditure reduction issues, and in 1979 was formally mandated to coordinate central agency support to the Policy and Expenditure Management System.
- With the creation of the Ministries of State (1978, 1979, 1982), "mirror committees" of deputy ministers were established to coordinate public service support in the preparation of Cabinet submissions. Since the Ministries of State were wound up in 1984, regular meetings of deputy ministers to review items going to Cabinet were discontinued.

Today, there are a range of standing committees of senior public servants dealing with a range of issues from personnel to management to policy development. From the perspective of policy coordination, there are primarily three key committees. The weekly DM Breakfast is the forum for information exchange, discussion of pressing issues, and management of issues requiring a government-wide response. It is supplemented by monthly lunches and periodic retreats. Further, the Coordinating Committee of Deputy Ministers now has both a policy and management component, and assists the Clerk in shaping and implementing the government's agenda. At the ADM level, the ADM Forum is linked to the decision-making cycle of Cabinet and Deputy Ministers to better organize the ADM community to help develop and implement the government's policy agenda.

Standing Committees

While standing committees of senior managers have been used to strengthen the interdepartmental policy-making system, experience has shown they often become preoccupied with transactional items, leaving little time for policy planning or policy development. As well, there are few formal mechanisms for reflection and discussion of long-term, strategic policy issues, and fewer still for specific policy domains.

Two standing committees examined by the Task Force could provide models for policy coordination in other areas:

- Justice Legal Affairs Committee (JLA) -- chaired by the DM of Justice is the key mechanism for the development and implementation of integrated, long term, multidisciplinary strategies dealing with issues of social justice. JLA meetings are held on a regular basis, with every second meeting focused on one or two cross-cutting policy issues.
- Committee on International Affairs -- recently established, this committee is chaired by the DM of Foreign Affairs and International Trade. It focuses on key foreign policy issues of a cross-cutting nature. As it is accepted that not all issues before the committee will be of equal relevance to all DMs, participation varies from meeting to meeting.

Due to their structure and mandate, the two committees provide a forum for candid discussion and for consideration of strategic and long-term issues. They also provide an opportunity for information exchange and teamwork among DMs and ADMs involved in related and overlapping policy areas. While participation on standing committees may appear to be time-consuming when there is no urgent demand or problem, it should be viewed as an investment in policy development and in cross-departmental cooperation. Further, it can build common understanding for when urgent or complex problems arise. On the other hand, the membership on standing committees should be chosen carefully to ensure judicious use of senior management time.

Temporary Task Forces

The federal government has also used special, temporary task forces to focus concerted attention on problems such as public sector reform, alternative service delivery, long term policy planning, and public service values and ethics. Experience has shown that by drawing on the resources and creativity of policy experts across government, these task forces can develop new ways of dealing with complex problems. Further, they encourage network-building beyond the confines of departmental mandates, offer a developmental opportunity for policy

staff, and provide a means of testing new collaborative models. There is considerable scope for using task forces at both senior and mid-levels of the Public Service.

Policy Planning and Development

Many of the government policy systems, at both ministerial and officials' levels, are engaged in managing the heavy transactional policy load. At periodic intervals, however, efforts have been made to look beyond the immediate demands and examine the issues, challenges, and opportunities on the "horizon". It is this policy planning -- most recently undertaken by the Task Force on Policy Planning, chaired by Mme. Huguette Labelle -- that helps position the government to meet the challenges of the future, and that moves the government from a reactive mode to one which shapes the national agenda.

Related to the policy planning is the policy development function. When much of the policy capacity within the government is focused on the day-to-day crises, it becomes more difficult to set aside the policy resources to undertake the long term policy research, analysis, and development -- to build the intellectual capital for the future. And yet, if we wait until a policy problem moves onto the public agenda -- until there is public pressure or urgency for problem resolution - there is often insufficient time for the reflective work needed to make real progress. Under these circumstances, there may be a tendency towards incremental change or a re-packaging of ongoing initiatives rather than indepth policy development or a fundamental policy shift. Investment in policy development, therefore, is a critical part of working towards policy excellence.

CONCLUSION AND RECOMMENDATIONS

Policy systems should provide a framework for collaborative policy making across government. To work well, they rely on the commitment and goodwill of ministers and officials -- they should be viewed as an investment in building a common sense of purpose and understanding among ministers and among departments.

Over the past few years, many of the planning and decision making systems in government have focused on the management side of the agenda. Increasingly, as the government focuses on its core policy and legislative responsibilities, it is important that these systems be renewed to provide greater support to policy development in government.

The Task Force recommends that mechanisms be developed to provide greater policy support to Cabinet committees; to streamline decision making systems so that more time is available for consideration of long term and strategic policy issues; and to encourage interdepartmental collaboration and cooperation among departments -- on specific policy problems, as well as in particular policy areas. In particular:

1. Cabinet Committee Support. PCO Assistant Secretaries should take the lead in bringing ADMs together for broad policy discussions, linked to Cabinet and Cabinet Committee planning sessions and DMs retreats. As part of that process, Statistics Canada should be tasked with identifying trends -- whether or not they are part of the current policy debate.
2. Streamlining Decision Making. PCO should streamline the process for Cabinet review of routine items, with the objective of freeing Ministerial and departmental time for consideration of strategic and longer-term policy issues. An annex system for Cabinet committees should be developed. When there is broad, senior-level interdepartmental and Ministerial agreement on a particular issue or initiative, it should be treated as an annex item.
3. Committees of Senior Officials. Building on the Justice and Legal Affairs Committee model, consideration should be given to the establishment of a series of senior policy-related committees (DM, ADM level) for such areas as social and economic policy.

Mandates for these committees should be developed in consultation with partner departments and should include a strong strategic policy development focus.

Interdepartmental groups should also be established to support each committee.

4. Temporary Task Forces. Greater use should be made of interdepartmental task forces on selected horizontal and strategic policy issues. Participants would be assigned full-time with responsibility for delivering a defined policy product. Task force work should be designed as a developmental opportunity for policy staff and recognized as a "badge of honour".

5. Long Term Planning. A standing committee for long term policy planning should be established. Linked to workplan of CCDM (Policy), it would concentrate on the development of a mid to long term policy agenda -- to be renewed on a continual basis. To maintain a high level of creativity, there should be regular turnover in the membership of this committee, which may be drawn from both DM and ADM ranks.

6. Investing in Policy Development. Many issues are complex and cannot be fully understood and dealt with under tight time constraints. Investment in policy research, development, and analysis is critical to building the intellectual capital for dealing with policy issues of the future. To stimulate that investment, DMs should explicitly be held accountable for the quality of the analysis underpinning their policy proposals.

4. ***CULTURE: WORKING TOGETHER TOWARDS COMMON OBJECTIVES***

The forces of departmentalism are strong and can, in certain circumstances, prove highly disruptive to good government . . . there is a continuing need to ensure that senior officials have an incentive to serve the collective interests of government and encourage inter-departmental consultation and cooperation. . .

Recruiting the right people is often more important (and difficult) than the issue of governance structures or departmental boundaries.

Jonathan Boston, 1992

Balancing Individual Accountability with Collective Responsibility

Governments are called on to reconcile the competing demands of society. Individual ministers are accountable for fulfilling their individual departmental mandates -- to meet the needs, and to take into consideration the perspectives, of their clients, partners, and stakeholders -- which may, at times, compete with those of other ministers. The public policy debate among ministers and among departments is an important part of reconciling competing demands. It can also create a healthy tension among departments that contributes to the development of rigorous and innovative policy.

At the same time, ministers have a collective responsibility -- which transcends the mandates of their individual departments -- to serve the broader public interest. It is in supporting ministers in this role that departments are challenged to look beyond their narrow interests and to recognize the interdependence of many policy issues. Broadening perspectives and working collaboratively on cross-cutting policy issues can contribute to better policy overall. Drawing on the collective expertise and creativity of a range of individuals, from different disciplines and departments, can result in the development of new and innovative solutions to complex policy issues -- and can contribute to the development of richer, more integrated policy proposals.

These individual and collective roles of ministers and their departments are not neatly separated. And, the balance between individual accountabilities to

departmental mandates and collective responsibility to fully serve the broader public interest is, at times, not easy to determine -- relying on the values and judgement of individual ministers and their senior advisors.

Nature and Extent of Collaboration

To get a sense of the nature of cooperation and collaboration in the Public Service, the Institute on Governance (IOG) was commissioned jointly by the Task Forces on Horizontal Issues and on Alternative Service Delivery to undertake a series of workshops, involving Directors, DGs, and ADMs from across the federal system, and to provide a public servants' perspective on factors affecting interdepartmental teamwork and on strategies to enhance collaboration.

Based on these workshops, there is a sense that the federal policy community is becoming less corporate, less collegial -- with interdepartmental discussion focusing less on problem solving and more on departmental positioning and turf protection. Further, as departments have become larger, accountability is focused on the internal agenda; with few incentives to help "tackle someone else's issues". There are few rewards in the system -- and the current rewards and recognition systems tend to reinforce vertical thinking and competitive behaviour.

Moreover, while workshop participants recognize that interdepartmental conflict is a natural part of the public sector environment, there is widespread feeling that this natural tension is manifesting itself in unhealthy ways, that it goes much further than is required, and that this can result in poorer policy and service delivery. Further, they noted that changes in the external environment leading to greater interconnectivity between issues, coupled with fewer resources, has created an imperative to forge more cooperative relationships.

Working Towards Improved Collaboration

While recognizing that there are no easy steps that will result in the development of team-based culture in the Public Service, the Task Force discussed three areas where improvements may contribute to a shift towards greater collegiality and collaboration, both across and within departments, during the policy development process:

- ensuring that the *individuals* involved in policy development have the understanding and the skills required to support effective and efficient collaboration on cross-cutting policy issues.

- developing a *collegial policy community* that builds common values and understanding, and provides a context for exchanging experience and testing models of collaboration.
- demonstrating *leadership* and a sustained commitment to policy excellence through cooperation and collaboration across departments.

Individuals

The institutions of public policy are made up of individuals -- who in their daily activities and relationships with other policy people -- contribute to or hinder collaborative policy development. It is their values, their judgement, their knowledge and understanding, and their skills which form the basis of Public Service culture.

The values that support interdepartmental collaboration and cooperation are the core Public Service values as identified by the Task Force on Values and Ethics. They include the democratic values of neutrality and accountability to Parliament, service to the public, and devotion to the public interest; the ethical values such as integrity, as well as respect and concern for others; and the quality values such as professionalism and effectiveness. Together these core values support the development of a collegial policy community, which recognizes its individual and collective responsibilities, and which is committed to working towards policy excellence.

Further, the quality of horizontal policies depends not only on the technical and analytical capability of the policy analysts involved but also on their interpersonal and teamwork skills as well as their substantive understanding of a range of policy issues. Courses and workshops on teamwork can be helpful in sensitizing individuals -- in both the executive and the non-executive category -- to the opportunities for, and approaches to, teamwork. They also allow policy analysts to explore the teamwork models that have been used successfully in both the private and the public sector settings. To broaden the understanding of policy analysts of a range of policy issues, courses and workshops in specific policy domains may also be useful. In this regard, CCMD's Armchair Series plays an important role in fostering awareness and debate on a range of current policy issues within the policy community.

While training is important, it should also be noted that most policy skills are not learned in the classroom. Much of it relies on the breadth of understanding and exposure acquired in the workplace. At this time, a large proportion of the policy community spend their whole careers within a single department -- reinforcing the development of narrow, single issue viewpoints. Mobility within the Public Service can help broaden understanding and perspectives and lead to the

development of new policy skills -- both in the home and the recipient department. Temporary assignments, and exchanges can also be used as developmental opportunities to reward as well as renew policy staff.

While the benefits of mobility within the Public Service are widely recognized, there are a number of barriers to mobility. For instance, the number of temporary assignments available has diminished over the past few years because downsizing has limited the opportunities for promotion and vacancies are increasingly left unfilled. As well, departments supporting mobility are required to maintain the staffing flexibility to accommodate individuals leaving on and returning from temporary assignments. And, as the policy capacity of government is reduced, it becomes increasingly difficult -- and at the same time increasingly important -- to maintain this flexibility.

Policy Community

"There is no single prescription that by itself can improve the sense of community. But this sense is necessary if interdepartmental initiatives are to be successful."

Report of the Task Force on Strengthening Policy Capacity, 1995

Developing a collegial policy community can also help to improve cooperation and collaboration across institutional lines through:

- *networking* -- Informal ties and collegiality may lead to more openness and sharing of information on common or related initiatives. They can also help to reduce tension and provide a constructive base for developing solutions to complex problems that cross departmental mandates.
- *professional development* -- Developing a common base of understanding of both a range of policy issues and the skills or tools for policy development provides a strong foundation for collaboration. Moreover, the organized exchange of research, experience, lessons learned, and best practices -- across departments and disciplines -- can lead to continuous improvement in horizontal issues management.

Formal courses such as CCMD's "Rethinking Policy" series as well as its Armchair Series can provide a context for networking and professional development within the policy community. Professional associations have also been successfully used in other disciplines (eg. financial officers) to develop a standard of professionalism and a sense of community. These associations also provide an important link into the broader policy community -- the think tanks, the academic community -- that can be important for broadening the debate of

policy issues, and can provide a complement to the internal policy capacity of the Public Service.

Leadership

Successful implementation of a team-based strategy requires a commitment to say the right words -- that is team work and team players are critical to success . . . the leaders of the organization must work to create a team-based culture by telling organizational stories that perpetuate the heroes and heroines of teamwork . . . these stories have the effect of making the vision and values statements come alive for people in the organization . . . become embedded in the fabric of the organization . . . they translate into the daily norms that shape employee behavior in support of team play.

Glenn Parker, 1994

For much of the last decade, the leadership in government has been focused on reductions, rationalization, and vertical restructuring. As a result, departments have become increasingly focused inwards -- on defining and meeting individual accountabilities. We need to shift the debate towards collective responsibility to serve the broader public interest and to working across institutional lines to develop the best policy possible.

The factors affecting Public Service culture are deep rooted and change, towards cooperation, collegiality, and collaboration, will take time. There are no magic solutions to changing culture and very few non-magic solutions. Some progress may be made by developing the knowledge and skills in individuals that will broaden their perspectives and teamwork abilities; some progress may also be made by undertaking a series of steps to foster collegiality -- informal networking -- within the policy community. But, a real and lasting shift towards collaboration hinges on trust and the leadership. Trust within the policy community that this is not just "another management fad". Sustained leadership is required -- within and across departments -- signalling that cooperation, collegiality, and collaboration is a long term priority.

In part, leadership can be demonstrated by providing visible support to team-based efforts. Glenn Parker (1994) and the Institute on Governance (1996) have identified a number of ways senior management could support teamwork including:

- Talk the talk -- Senior managers throughout the Public Service -- in line departments and in central agencies should send a clear and consistent - and off-repeated -- message that team work is the best strategy for achieving policy excellence.

- Walk the talk -- Senior managers should visibly demonstrate commitment to collaboration and cooperation across departments by seeking out opportunities to work together on cross-cutting policy initiatives. "The most powerful motivator of employee behaviour is the behaviour of the boss".
- Recognize and reward -- The basic premise is that people will exhibit behaviours that are recognized and rewarded. Performance expectations and appraisals, formal and informal awards, and promotions are all very powerful signals of the priorities of senior management.
- Provide the Resources -- Teamwork can be time-consuming, it may require resources and training. Managing the policy pressures so that cooperation and collaboration can occur is another visible demonstration of commitment.

Moving towards a "Government of Canada Inc" culture relies on the development of widespread recognition and belief within the Public Service that cooperation, collaboration, and collegiality within and across departments can contribute to more rigorous, more creative policy. And, it begins with sustained senior management commitment manifested in a series of mutually reinforcing measures.

CONCLUSIONS AND RECOMMENDATIONS

In discussing the cultural dimension of horizontal issues management, the Task Force recognized that there are no prescriptions that would ensure the development of a collegial and collaborative culture. The cultural shift that is required is a significant one and will be difficult to achieve. It hinges on a strong and sustained commitment by senior managers across the Public Service.

Corporate culture is a reflection of corporate values. The corporate values displayed by senior managers in practice are more powerful than any specific measures. It requires a long term commitment and consistent actions supporting cooperation, collegiality, and collaboration within and across departments. If priority files are managed horizontally, there will be a shift in Public Service culture towards horizontal approaches. If they are not, real and lasting change is unlikely.

At the same time some steps should be taken to reinforce and celebrate teamwork efforts. These steps should build on the process and systems recommendations in the previous chapters. They should demonstrate the shared vision and senior commitment to cooperation and collaboration across the Public Service on horizontal issues.

1. Leadership for Teamwork: in What We Say, in What We Demand

Senior management and central agencies should ensure that support for interdepartmental collaboration and teamwork is consistently part of their communications and is reinforced in planning and decision making.

In the Annual Report to the Prime Minister on the Public Service, the Clerk should include a special section on the importance of teamwork and collaboration across departments. This could include a profile of successful team-based initiatives.

Treasury Board Secretariat should develop a "best practices" guide for teamwork in the federal system.

2. Rewards: Recognize Teams and Team Leaders

A series of informal and formal rewards should be developed by Deputy Ministers:

- Treasury Board Secretariat should coordinate the development of a cross-departmental award for teams and for team leaders.
- All departments should include a team and a team player award as part of their overall employee recognition programs -- with special recognition for interdepartmental collaboration.

3. Performance Expectations at All Levels

Performance contracts and appraisals of executives and policy staff should include a section on teamwork and the promotion of team-based approaches as an ongoing priority.

Performance expectations should be reinforced by senior management in day-to-day activities and decision making.

4. Promotions and Recruitment

An aptitude for, and experience in, collaborative policy development should be recognized as an important criterion for promotion and recruitment, particularly at senior levels.

5. Training and Development

As part of the learning policy framework that will be developed under the umbrella of TBSAC, training for improved horizontal policy development should be identified as a corporate priority. Within this context, consideration should be given to the design of a series of courses to support the development of both the teamwork skills across departments as well as the broad perspectives and understanding of the key public policy issues facing government.

Temporary assignments should be viewed as an important and a regular part of Public Service career development. Treasury Board Secretariat and the Public Service Commission should examine the barriers to mobility within the Public Service with a view to developing recommendations to support temporary assignments or the creation of temporary task forces.

6. Pilot Projects

Pilot projects provide a visible opportunity to demonstrate horizontal issues management in action.

- CCDM Policy should identify a handful of pilot projects to test and refine new collaborative approaches. Upon completion of each pilot project, there should an assessment of lessons learned, success stories should be profiled, and innovation rewarded.

7. Continual improvement

To assess the extent of progress on horizontal issues management and to work towards continual improvements in the policy development process, it is proposed that within two years after the completion of the Task Force report, a progress report be prepared on horizontal issues management -- assessing in particular the degree of cooperation and collaboration in the Public Service. This could be used to build on experience and to refine collaborative approaches.

5. CONCLUSIONS

Over the past year, the Task Force on Horizontal Issues has examined the management of horizontal issues within the federal government. The overarching goal for this work has been policy excellence.

From a process standpoint, the principal factors affecting horizontal issues management are not new. They represent the fundamentals of policy development -- the need to know the rationale for an initiative and the expected outcomes, a clear understanding of relative roles and responsibilities, a recognition that policy development can be time-consuming, the importance of partnerships in broadening the policy debate, and so forth. And yet, often due to the pressures driving policy development, getting the fundamentals right remains an ongoing challenge.

The Task Force also examined the policy systems. These systems -- the committees of ministers and officials, the task forces -- provide a framework for collaborative policy making. They are an investment in building unity of purpose across departments and in developing a common base of understanding of policy issues among departments -- that serve us well when complex or urgent problems arise. Similarly, it is important that departments invest the time and resources for long range policy planning and development. When the urgent policy issues arise, there is often not enough time to do the reflective policy development. Ongoing policy planning and development helps to position the government for the policy challenges of the future.

Although getting the processes right and strengthening the policy systems can provide a context for improved horizontal issues management, real and lasting progress depends on the development of a collegial and collaborative culture within the policy community. While the policy debate among departments is an important part of reconciling competing demands and of developing rigorous policies, at the same time, collaboration across government can result in the development of new and innovative policies by drawing on the perspectives and creativity of a range of departments. It can also broaden the debate beyond the narrow, single issues interests to the broader public interest, and can contribute to the development of richer, more integrated policy initiatives.

There are no magic solutions to developing a collaborative culture within the Public Service. It relies on the values, knowledge, and skills of individuals, and the development of a collegial policy community. Most of all, it depends on the sustained commitment and leadership from senior management signalling that team work is the best strategy for policy excellence.

JUMP STARTING HORIZONTAL ISSUES MANAGEMENT

As noted above, there is no magic bullet to developing a teamwork culture within and across departments, the cultural shift required to support horizontal issues management depends to a large degree on how well senior management demonstrates its ongoing and long term commitment to new, collaborative ways of doing business. To make real progress, this commitment is required across all parts of the federal system. Each agency or department should proceed at its own pace, in consideration of its mandate and the degree that its issues are cross-cutting. At the same time, all agencies and departments can make a clear and visible contribution by creating a collaborative and collegial environment for policy development in the federal system.

Central Agencies

Central agencies can provide an important impetus for cultural change. They can influence the approach to interdepartmental cooperation at many levels -- during both the high profile, high priority initiatives, as well as longer term policy development. Through their interventions in the interdepartmental process, through the advice given to ministers and to departments during the management of cross-cutting initiatives, in their planning activities and so on -- central agencies can advance horizontal approaches and encourage innovation.

Many of the Task Force recommendations can be advanced by all agencies -- for example all agencies can contribute to the development of a collegial and collaborative culture across the federal system; they can help to ensure that we get the policy process fundamentals right; they can encourage the development of effective collaborative mechanisms. Further, in their recruitment and rotation policies, all agencies can encourage mobility and the development of corporate perspectives within federal policy community.

The Task Force also made proposals of particular relevance to specific agencies including, for example:

- PCO -- watching brief, trouble shooting role on horizontal issues, mandate letters on horizontal priorities, long term policy planning.
- TB -- assessment of barriers to mobility in the Public Service; integration of horizontal issues into the learning policy framework being developed under umbrella of TBSAC.
- PSC -- establishment of teamwork and horizontal issues management as a priority in performance criteria and promotions into the executive category.

- CCMD -- integration of horizontal issues management into the "Rethinking Policy" series and courses to support teamwork skills development and to broaden perspectives.

Departments

When considering how to advance horizontal issues management, it is the work of departments and their support for interdepartmental collaboration and coherence that will determine the overall success of this initiative. Developing a common sense of purpose and commitment to horizontal issues management across such a large and diverse community is a huge challenge. It will take time, and ongoing commitment and assessment from the DM community.

While to a large degree it is a case of "just do it", there are some specifics that DMs may wish to focus on:

- building the understanding and commitment of their senior management teams;
- integrating horizontal issues management into their day-to-day decision making;
- ensuring that their human resource management policies reflect and encourage teamwork and horizontal issues management as well as provide opportunities to broaden perspectives;
- strengthening the policy research and development capacities of the department and building informal links to other departments.

With the Senior Management Team

To build understanding and commitment to horizontal issues management with their senior management team, each DM may wish to:

- sponsor a senior management meeting(s) focused on horizontal issues management with a view to developing a work plan. At this meeting, the DM may:
 - invite a Task Force member to review report recommendations and potential follow-up actions;
 - provide the DM perspective on the importance of horizontal issues management -- as a government-wide priority for all DMs and an important part of striving for richer, more integrated policies;

- emphasize that all ADMs in the department can contribute to the development of a more collegial, collaborative culture in the Public Service;
- assign one ADM to be the lead within the department to provide a challenge function to the senior management team and to lead the development of the department's horizontal issues work plan.
- develop a departmental horizontal issues work plan. It could include:
 - an assessment of the extent of interdependence of the department's mandate with other government departments.
 - an examination of key departmental priorities over the past two or three years, actual and potential partnerships with other government departments, and processes used for policy development -- in consideration of the process checklist in section two of the Task Force report. The case studies used for the Task Force report may provide useful models for this work.
 - a review of the current priorities of the department and the degree that they influence, affect or rely on other departments.
 - proposals to strengthen horizontal management. Pilot projects may provide a useful starting point -- to build understanding and to provide visible models of collaborative approaches.

On a day-to-day basis

It is the day-to-day decisions that are the strongest signal of commitment. The senior management team -- by working as a team and by building a "Team Government of Canada" perspective into daily decision making and direction -- can help shift corporate culture. For instance:

- In day-to-day meetings on key departmental priority areas, the DM and ADMs should:
 - examine the issues from a horizontal perspective with particular emphasis on the broader implications and opportunities which transcend the mandate of the department, and which affect a range of clients and stakeholders;
 - continually challenge policy staff to be innovative in developing new partnerships with other departments and with the broader policy community (academia, think tanks, stakeholders);

- recognize and reward successful team-based efforts.
- For interdepartmental initiatives, ADMs should be encouraged to ensure the representatives on interdepartmental committees:
 - are provided advance guidance on the issue and how it fits with both departmental and government-wide priorities;
 - are encouraged to seek out solutions which lead to the development of stronger policy proposals -- not to act as a barrier to the advancement of the policy initiative;
 - report back on meetings both in terms of the department's interests and the broader government-wide perspectives.

Signalling priority and building capacity

- With the lead ADMs/DG on horizontal issues management and on human resources management, the DM may wish to:
 - develop a training plan for senior management and for policy as well as operations staff on teamwork techniques (CCMD; Training and Development Canada);
 - include horizontal issues management in the management contracts or performance appraisals of the senior management team;
 - identify teamwork and horizontal issues management as criteria for promotion and recruitment, particularly at senior levels;
 - identify a proportion of policy positions as rotational -- so that individuals currently within the policy team are encouraged to seek out experience in other departments, and so that policy staff from other departments can enter the department on an assignment basis.

Strengthening policy capacity and collegiality

The Task Force recommended that DMs invest in policy research and development in order to build the intellectual capital for dealing with the policy issues of the future. In this regard, each DM may wish to:

- Focus, with their ADM (Policy), on some key priorities:

- an assessment of their department's policy development capacity -- to undertake both shorter and longer term policy research and development;
- identification of a center of responsibility for longer term policy development and anticipatory thinking;
- joint management team meetings with key partners in other departments and with the broader policy community -- to discuss common interests; develop agendas for cooperation.

CONSEIL TENU PAR LES RATS

*Ne faut-il que délibérer,
La Cour en Conseillers foisonne;
Est-il besoin d'exécuter,
L'on ne rencontre plus personne*

Excerpt from Fable II, Lafontaine

ANNEX 1: HORIZONTAL ISSUES TASK FORCE

Mr. Mel Cappe, Chair
Deputy Minister
Human Resources
Development Canada

Mr. George Anderson
Deputy Minister
Intergovernmental Affairs
Privy Council Office

Mrs. Amelita Armit
Executive Director
Corporate Management Branch and
Secretary General to the
Commission, Public Service
Commission of Canada

Dr. Ivan P. Fellegi
Chief Statistician of Canada

Mr. Michael E. Francino
Former Special Advisor to the
Deputy Minister
Department of Finance

Mr. Sid Gershberg
Assistant Deputy Minister
Programs and Diverstiture
Transport Canada

Mr. Ian Glen
Deputy Minister
Environment Canada

Ms. Moya Greene
Former Assistant Deputy Minister
Policy, Transport Canada

Mr. V. Peter Harder
Secretary to the Treasury Board and
Controller General Canada
Treasury Board Secretariat

Mr. Ralph Heintzman
Vice Principal Research
Canadian Centre for Management
Development

Madame Michèle S. Jean
Sous-ministre de la Santé Canada

Monsieur André Juneau
Sous-ministre adjoint
Direction générale de la politique
et consultation, Santé Canada

Mr. Avrim Lazar
Assistant Deputy Minister
Policy and Communicaitons
Environment Canada

Mr. Harry Swain
Former Deputy Minister of
Industry Canada

Mr. Alan Nymark
Assistant Deputy Minister
Industry & Science Policy
Industry Canada

Mr. Victor Rabinovitch
Assistant Deputy Minister of
Cultural Development
Canadian Heritage

Mr. Morris Rosenberg
Deputy Secretary (Operations)
Privy Council Office

Mr. Scott Serson
Deputy Minister
Indian and Northern Affairs

Mr. R.W. Slater
Assistant Deputy Minister
Environmental Conservation Service
Environment Canada

Mr. Gordon S. Smith
Deputy Minister of Foreign Affairs

Mr. Andrei Sulzenko
Executive Director
Science and Technology Review
Industry and Science Policy Sector
Industry Canada

Mr. George M. Thomson
Deputy Minister of Justice and
Deputy Attorney General of
Canada

Mr. Rick Smith, Executive Secretary
Former Director General,
Environment Canada

HORIZONTAL ISSUES TEAM

Rick Smith
Wilma Vreeswijk
Ann Marie Hume
Cécile Fortin

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