

TWENTY-FIRST ANNUAL REPORT

TO THE PRIME MINISTER

ON THE PUBLIC SERVICE OF CANADA



Wayne G. Wouters

Clerk of the Privy Council and
Secretary to the Cabinet

For the year ending March 31, 2014

Canada 

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Clerk of the Privy Council and
Secretary to the Cabinet



Greffier du Conseil privé et
Secrétaire du Cabinet

Ottawa, Canada
K1A 0A3

March 31, 2014

Dear Prime Minister:

I am pleased to submit to you the *Twenty-First Annual Report to the Prime Minister on the Public Service of Canada*, in accordance with the provisions of section 127 of the *Public Service Employment Act*.

In the report, I reflect on notable achievements over the past year to serve Canadians at home and abroad and secure Canada's place in the world. I also highlight the efforts underway to modernize and position the Public Service of Canada to remain a world-class institution, capable of skillfully anticipating and responding to the evolving needs of Canadians and the Government. As you will see, we have made significant progress in this regard.

Last year, I invited all public servants to take part in a dialogue to develop a clear and shared vision of what Canada's Public Service should become in the decades ahead and to identify how to make this vision a reality. This unprecedented and historic national process engaged employees across the Public Service.

Employees responded with enthusiasm, overwhelmingly validating the Blueprint 2020 vision as a guide to help transform the Public Service to meet the challenges of today and tomorrow. The commitment of public servants to serving Canadians and the Government with excellence, now and into the future, is strong.

I would like to thank you for your ongoing support and your recognition that the dedication, competence and integrity of the Public Service of Canada are unrivalled and a critical asset.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wayne G. Wouters'.

Wayne G. Wouters

Canada

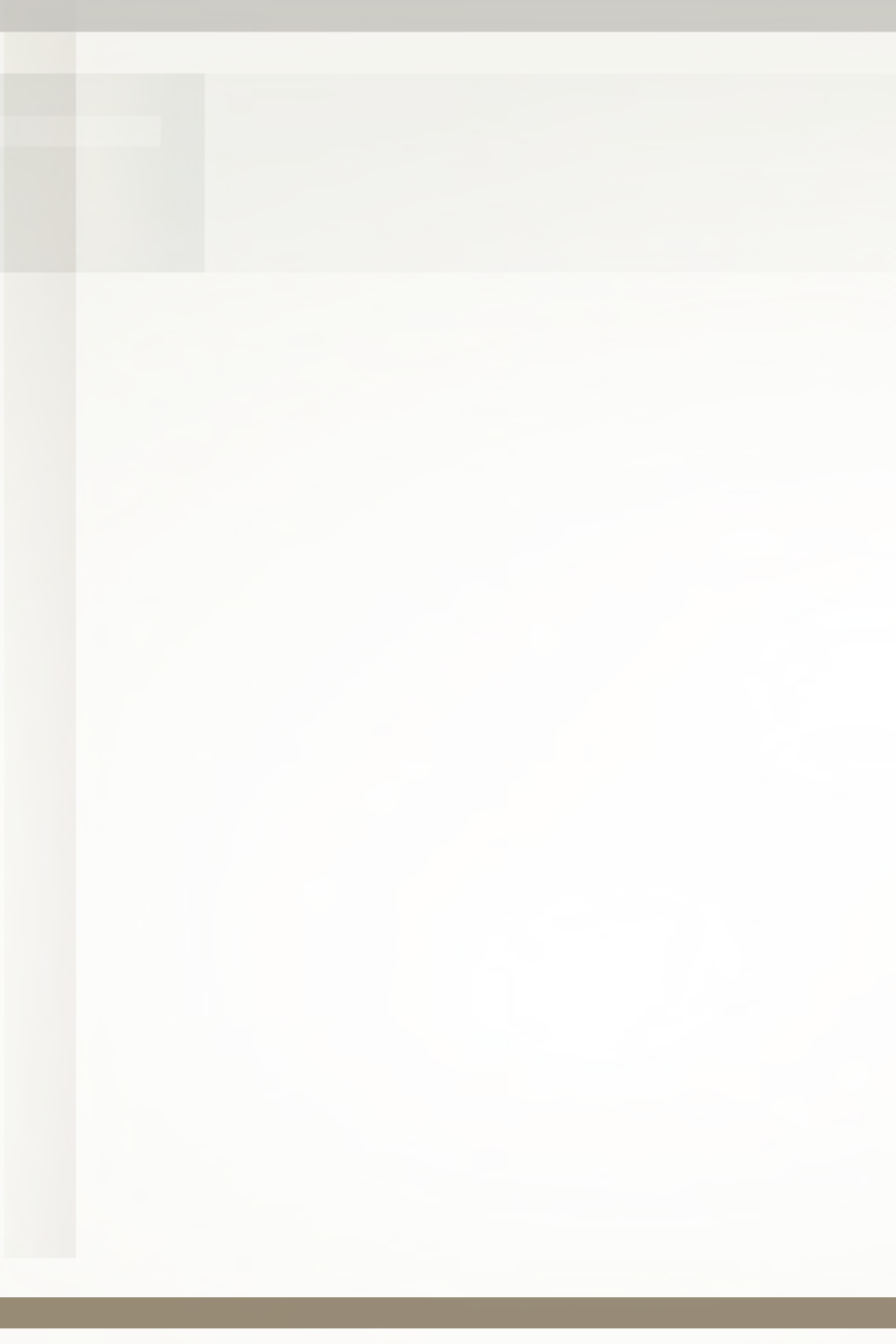


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Photo by Jason Ransom

I. INTRODUCTION

Since becoming Clerk of the Privy Council and Head of the Federal Public Service in July 2009, I have had the privilege of reporting on the challenges and achievements of Canada's Public Service. I am proud to deliver my fifth Annual Report to the Prime Minister on the Public Service of Canada.

As a vital national institution, the Public Service actively contributes to enhancing our nation's economic prosperity and resilience, while protecting Canada's national interests. This report reflects on notable achievements over the past year to serve Canadians at home and abroad and secure Canada's place in the world.

The report also highlights ongoing efforts to modernize and position the Public Service of Canada to remain a world-class institution, capable of skillfully anticipating and responding to the evolving needs of Canadians and the Government. We have already made significant progress in this regard, and intend to maintain this momentum so that our organization becomes more dynamic, agile and flexible.

We live and work in a world connected by technology and reshaped by globalization, where issues move across borders and around the world in a nanosecond.

Canadians increasingly expect seamless, integrated services, and they want these services delivered in a convenient way across both new and traditional channels.



CANADA'S FEDERAL PUBLIC SERVICE:

The largest employer in Canada, with approximately 262,000 employees, it is also the country's most diverse workforce, including administrative, scientific, engineering, medical, and enforcement professionals, among others.

SERVING WITH EXCELLENCE

In July 2013, Colonel Chris Hadfield retired from the Canadian Space Agency after serving as an astronaut for over two decades and as a member of the Canadian Armed Forces for 25 years.

Colonel Hadfield was the first Canadian to operate the Canadarm in orbit and the nation's first to walk in space. On his most recent mission, in 2013, he served as Commander of the International Space Station, completed numerous science experiments, and connected with millions via social media.



Positioning the Public Service to be agile and well equipped to serve Canadians and the Government in such a complex and evolving environment requires a commitment to continuous improvement. The engagement of employees at all levels is critical in this regard.

Truly modernizing the Federal Public Service is only possible if we tap into the creativity of our employees, who have a keen understanding of where there are opportunities for innovation.

In June 2013, I launched Blueprint 2020, engaging directly with public servants in an unprecedented variety of ways across Canada and around the world—complementing traditional town hall gatherings with more modern social

media technologies to hear from public servants.

Employees responded, offering unfiltered and fresh ideas on how to transform our institution. What we have heard so far shows that public servants are immensely proud of the role they play in improving the lives of Canadians, and care passionately about Canada and the Government, and shaping an organization that is equipped to serve Canadians, now and into the future. We are responding to what we have heard, in departments and at the whole-of-government level, on the key priorities coming through the engagement process.

Collaboration and dialogue are integral to continued innovation and modernization. The journey can and must continue.



Photo by NASA

II. THE YEAR IN REVIEW

SERVING CANADIANS

The Government of Canada delivers extensive services in both official languages that have a direct impact on the lives and well-being of Canadians—in all regions and at all stages of their lives.

Improving Access to Information and Services

Ensuring that we continually assess whether services are being delivered to Canadians in the most efficient and effective way possible is critical. This past year, we took a number of steps to make it easier for Canadians to access information and services.

SERVICE INNOVATION: ACCESS TO GOVERNMENT OF CANADA SERVICES ONLINE

Instead of remembering multiple usernames and passwords, Canadians can now sign in using their identification from their financial institution or credit card through SecureKey Concierge. Launched in late 2012, this enables Canadians to access services in over 20 departments and agencies, including Service Canada and the Canada Revenue Agency.

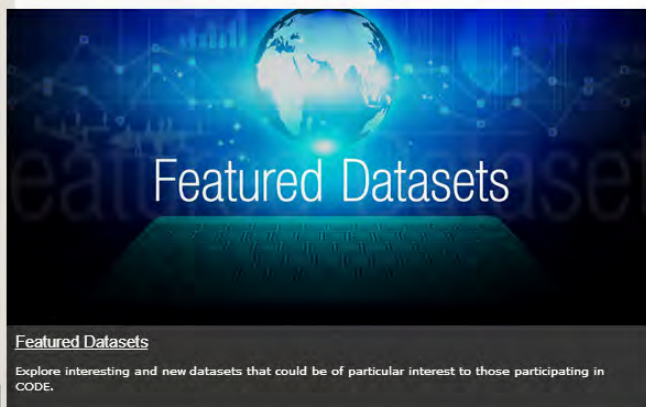
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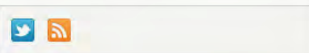


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In 2013, significant steps were taken to make passports more secure and convenient for Canadians. Passport Canada began issuing ePassports, which have security features that make the passport even more tamper-proof. Eligible applicants also have the option of applying for a 10-year passport, meaning Canadians will not have to renew their passports as frequently. Over time, passport services will expand to more Service Canada centres in communities across the country, and Canadians will ultimately be able to apply for a passport online.

We also enhanced access to Government of Canada data and information through the Open Data Portal, www.data.gc.ca. As noted by the Organisation for Economic Cooperation and Development (OECD), Canada has the highest number of data sets on a centralized open data portal of any OECD country. To date, there are approximately 190,000 data sets available—collections of non-personal data that can be freely used, reused and redistributed by anyone. This enables Canadians to access information and develop apps on a number of topics, ranging from energy use statistics, to drug and vehicle recalls, to drinking water advisories.

We also took steps to shift to electronic publishing and to establish a single one-stop website for Canadians, making it easier for Canadians to access information online, without having to navigate through a myriad of websites. Service Canada, in collaboration with other departments and agencies, launched www.Canada.ca—a simple and intuitive government-wide site that replaces over 1,500 separate websites, powered by a modern Google-based search engine.





AGROCLIMATE IMPACT REPORTER

The information contained in Agriculture and Agri-Food Canada's Agroclimate Impact Reporter enables producers to plan for potential disasters and make preparations to withstand unfavourable weather events.

Photo by Jeff Radbourne

Departments and agencies are continuing to look for opportunities to lever technology to deliver services to Canadians. As of June 2013, over 76 percent of Canadians had taken advantage of the Canada Revenue Agency's electronic filing services, demonstrating the convenience of electronic tax filing.

Departments and agencies are also using social media to connect with Canadians. Statistics Canada, for instance, uses social media to provide Canadians with the latest information on social and economic conditions, while the Canadian Food Inspection Agency uses social media to advise Canadians about food recalls and safety.

SHIFTING TO ONLINE SERVICE DELIVERY

In 2013, Fisheries and Oceans Canada launched a National Online Licensing System for fishing licenses, enabling fishers to renew and pay for fishing licenses electronically.



Photo by Jen Radbourne





Photo by MCpl Patrick Blanchard

Serving During Times of Crisis

We are proud of the critical role of the Public Service in supporting Canadians and communities when emergencies and disasters occur, and helping to prevent future disasters.

Following the tragic train derailment in Lac-Mégantic, Quebec, in July 2013, federal public servants gave expert advice to first responders; set up mobile outreach services to provide access to programs and services, including Employment Insurance, Canada Pension Plan, Old Age Security, and passports; and supported the response, recovery, and decontamination efforts.

Public servants are also working to prevent or reduce the impact of natural disasters on Canadians. In consultation with the provinces and territories, public servants are supporting the development of a revised National Disaster Mitigation Program to reduce the impact of future natural disasters, such as the floods in Alberta, helping to save lives and minimize the economic and environmental impact disasters have upon communities.

RESPONDING TO NATURAL DISASTERS

In June 2013, rising floodwaters in Alberta required the rapid mobilization of resources and deployment of emergency response teams to the region. Public servants and members of the Canadian Armed Forces played a key part in the relief effort, actively working with municipal and provincial governments and emergency responders to ensure assistance was provided in a coordinated and efficient manner.



SECURING CANADA'S PLACE IN THE WORLD

The Public Service makes significant contributions to Canada's success in a competitive world. This past year was no exception—public servants advised on and worked hard to implement the ambitious agenda for Canada laid out in the Economic Action Plan 2013 and the Speech from the Throne.

Facilitating Trade and Economic Growth

In 2013, Canada was one of the top growing economies of the G-7. Canada's international competitiveness was further strengthened this year with the historic agreements-in-principle on a Canada-European Union Trade Agreement and a Canada-South Korea Free Trade Agreement. The agreements will provide Canada with preferential market access to the European Union's more than 500 million consumers, representing annual economic activity of almost \$17 trillion, and build closer economic ties with the Asia-Pacific region. I am proud of the Public Service's work to secure both agreements and am confident they will pay off for generations to come.

This past year also saw the conclusion of 10 foreign investment promotion and protection agreements—more than in any previous year. In addition, Canada entered into two new tax treaties this year, bringing the total number of such treaties to 92. These agreements will help prevent tax evasion and facilitate the conduct of business and the movement of individuals internationally.

Significant progress is also being made to strengthen trade, travel and security between Canada and the United States with the implementation of the Beyond the Border Action Plan. Almost a million Canadians are saving time as members of the NEXUS trusted travellers program. This represents an increase of approximately 50 percent since the Beyond the Border Action Plan was announced. In addition, the Government of Canada and the United States recently launched a pre-inspection pilot of truck cargo to expedite the flow of legitimate trade and travel while ensuring border security and integrity.

IMPLEMENTING THE CANADA-UNITED STATES BEYOND THE BORDER ACTION PLAN

The modernization of border crossings under the Beyond the Border Action Plan is reducing wait times and will increase the reliability of just-in-time shipments, and decrease fuel consumption and greenhouse gas emissions. This will be augmented by coordinated investment plans by Canada and the United States at small and remote ports of entry, as part of the first joint Canada-United States Border Infrastructure Investment Plan.



WORKING TOGETHER TO MONITOR THE OIL SANDS

Through the Joint Canada-Alberta Implementation Plan for Oil Sands Monitoring Program, Environment Canada and Government of Alberta scientists are working together to undertake rigorous environmental monitoring in the oil sands region to understand the cumulative environmental effects of the oil sands industry.

The information collected is available on the the Canada-Alberta Oil Sands Environmental Monitoring Information Portal, which enables Canadians to access maps of the Alberta oil sands and up-to-date data collected by scientists in the field, along with scientific analysis and interpretation of the data and results.

We have also been advising the Government on responsible resource development, to enable Canada to capitalize on its natural resources advantage, while protecting the environment. As part of this, we have been working to make our regulatory system more competitive, efficient and effective, with predictable and timely review processes for major projects, strengthened environmental protection and enhanced consultations with Aboriginal peoples.

We made significant progress in developing a new policy framework for producers and processors in the agriculture and agri-food sector. This past year saw the launch of *Growing Forward 2*, and a \$3 billion investment over the next 5 years by federal, provincial and territorial governments to support innovation and enable Canadian agriculture producers to respond to market trends, here in Canada and abroad.

In addition, we are continuing to support key decisions around investments in infrastructure that keep our economy moving. A significant example is a new international crossing between Windsor, Ontario, and Detroit, Michigan. The Windsor-Detroit trade corridor is the most important trade conduit with the United States, handling 30 percent of Canada-U.S. trade carried by truck. Approximately 2.5 million trucks carrying over \$100 billion in trade used this corridor in 2012.

RECOGNIZED FOR INNOVATION

In 2013, the Public Service was recognized by the Institute of Public Administration of Canada for its work in improving the regulatory process for major resource projects—identifying systemic bottlenecks and providing a solid evidence base to support legislative and policy improvements.

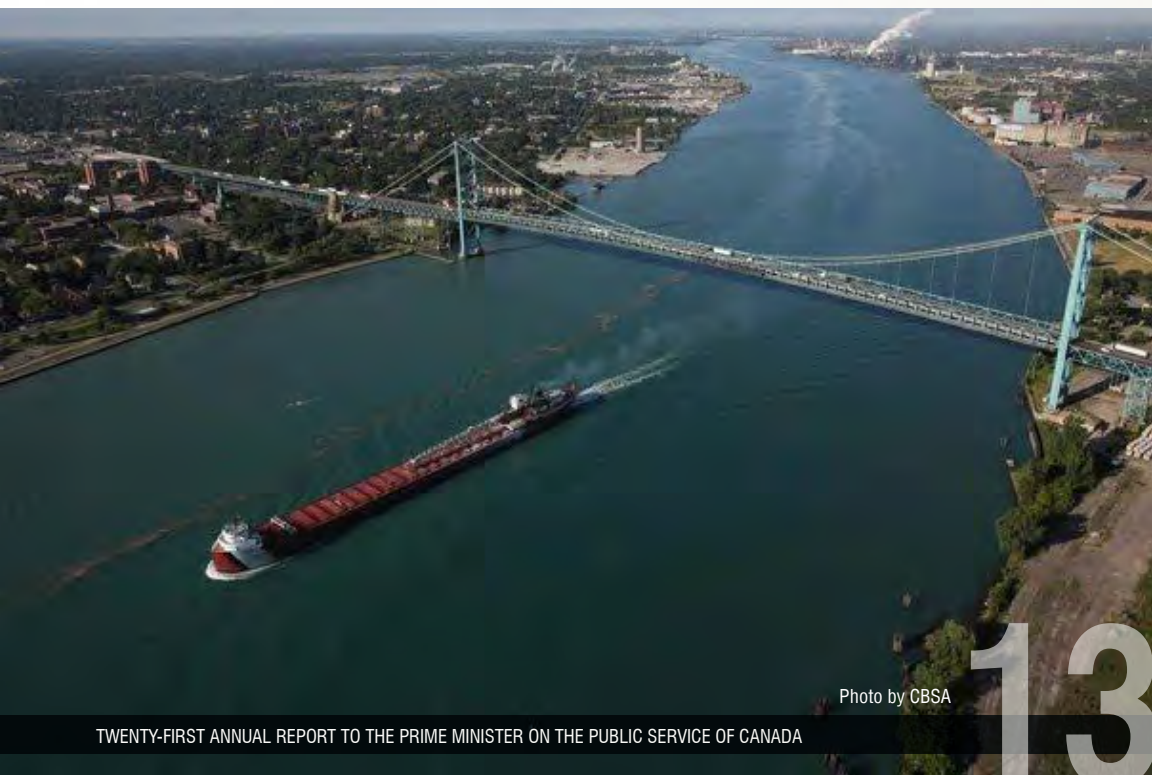


Photo by CBSA

Securing Canada's Future

In addition to facilitating trade and economic growth, public servants have supported the Government's efforts to invest in Canada's future, by advising on knowledge creation and commercialization, and learning, skills development and training.

In particular, we provided advice on the creation of the Canada First Research Excellence Fund, which will help post-secondary institutions in Canada excel in areas such as science, technology and innovation—creating long-term economic advantages for Canada, and helping Canadians succeed and prosper in a global economy.

Notably, we advised the Government on the reform of First Nations elementary and secondary education, including a historic agreement between the Government of Canada and the Assembly of First Nations

to reform the First Nations K-12 education system through the First Nations Control of *First Nations Education Act* and new investments of \$1.9 billion. The Act will ensure stronger and more accountable education systems on reserves and will result in better outcomes for First Nations students. Aboriginal peoples are the fastest-growing demographic group in Canada. Their full participation in Canada's economy is critical to the future prosperity of the country.

We also advised on measures to help Canadians get the skills and experience they need to get quality jobs through apprenticeship programs, and skills training programs focused on youth, Aboriginal people, persons with disabilities, and older workers wishing to remain in the workforce.

SUPPORTING EXCELLENCE

The Government of Canada is the largest single contributor to sport in Canada, providing funding for initiatives to support high-performance athletes and to promote sport participation among all Canadians.

Sport Canada was responsible for the organization and coordination of Government of Canada activities at the 2014 Sochi Olympic and Paralympic Games. Public servants were on site in Sochi providing support to the federal delegation and liaising with consular services, working with the Canadian Olympic Committee, the Canadian Paralympic Committee, and Own the Podium. A few public servants even participated!



Canadian Paralympic Committee photo by Matthew Murnaghan

Canada





Photo by Jason Ransom

Supporting Our Neighbours

Beyond our borders, public servants promote Canadian values abroad, often playing a critical and leading role in responding to international crises and conflicts.

This past year, we supported the Government of Canada's emergency relief efforts following Typhoon Haiyan in the Philippines, and worked with partners and allies for peace and security in areas such as the Middle East and Mali.

This year also represents the return of Canadian Armed Forces personnel from Afghanistan, concluding a mission which began over a decade ago. Since October 2001, more than 40,000 members of the Canadian Armed Forces and public servants have been deployed to Afghanistan to work with allies and the Afghan Government. Since 2011, Canada's engagement in Afghanistan has focused on four key priorities: investing in the future of Afghan children and youth through development programming in education and health; advancing security, the rule of law and human rights; promoting regional diplomacy; and delivering humanitarian assistance



RAPID RESPONSE TO TYPHOON HAIYAN

In November 2013, Typhoon Haiyan hit the Philippines, setting off landslides, knocking out power in several provinces, and cutting communications in the country's central region, before making landfall in Vietnam and Laos. Thousands of lives were lost and an estimated 11 million were affected.

Public servants were critical to the rapid response. Within days of the typhoon, the Government of Canada had deployed the Disaster Assistance Response Team, committed humanitarian assistance to the region, and matched donations by individual Canadians to registered charities.



Photo by DND

A HIGH-PERFORMING PUBLIC SERVICE

Ensuring that we have a strong and high-performing Public Service means that we must continue to create the conditions that enable employees to perform at their peak.

A Fair, Equitable and Consistent Approach to Performance Management

We are enhancing our approach to performance management to ensure that excellence at all levels is encouraged and recognized. This means having specific and timely performance expectations and feedback for all employees.

Although performance management has been happening in federal departments and agencies, particularly for executives, inconsistent approaches have been adopted, and employee performance has not always been linked to business objectives and expected behaviours. We are working to change this.

As of April 1, 2014, all departments and agencies are to have performance agreements in place for their employees as part of an ongoing process of providing feedback and evaluating employee performance each fiscal year. For managers, this means establishing clear performance expectations and providing regular feedback to employees. For employees, this means they will know how they are performing, what they are doing well and what they need to do to improve. Excellence needs to be nurtured and celebrated.

Modernizing Our Disability and Sick Leave Management System to Respond to the Needs of All Employees

We are also committed to improving the wellness of federal employees. Our current approach to managing disability and sick leave is out of step with leading practices, as employees must wait 13 weeks to become eligible for long-term disability, or exhaust all of their banked sick leave, whichever is longer. This can cause problems for those with serious illnesses, as many public servants do not have enough sick leave credits and could face financial hardship before becoming eligible for long-term disability. And even for those who do have enough sick leave, the current system does not offer adequate case management and return-to-work support. We can do better.

We are changing this, and are committed to working with bargaining agents to develop and implement a disability and sick leave management system that is modern, comprehensive, and responsive to the needs of all employees. A short-term disability plan will provide employees with access to active case management including wellness, prevention and rehabilitation services, and seamlessly connect sick leave with long-term disability benefits. This would provide fair and comprehensive sickness and disability coverage for all federal employees and help them return to work when they are able to do so.

Improving Performance and Productivity Across Departments and Agencies

We continue to improve performance and productivity across all of our organizations in an effort to reduce costs and support the Government's priority to return to balanced budgets. Today, the number of federal public servants represents a lower proportion of the Canadian population than it did a decade ago. We are proud of the professionalism demonstrated by

IMPROVING HOW WE DO BUSINESS

Employment and Social Development Canada is modernizing and streamlining the delivery of Employment Insurance, reducing processing costs by approximately 40 percent.

all of our employees as we implemented the Government's deficit reduction action plan. Thanks to the dedication and creativity of public servants, we were able to manage recent reductions fairly, and minimize the impact on our people and services to Canadians. We will continue to strive to increase productivity and results.

This past year, we finalized the reform of public sector pensions. These reforms will see plan member contribution rates gradually increase, bringing the public service pension plan's employer/employee cost-sharing ratio to 50:50 by 2017–2018. For employees who joined the public service pension plan on or after January 1, 2013, the age of retirement has been raised from 60 to 65. We are



Photo by PWGSC

confident that these changes will ensure an affordable and sustainable public service pension plan.

In addition, in March 2014, changes to the Public Service Health Care Plan were approved, further to negotiations between the government, bargaining agent and pensioner representatives. The changes, which include increases to pensioner cost-sharing and eligibility, and benefit enhancements for all Plan members in the areas of psychological services, laser eye surgery, and sleep apnea devices, as well as elimination of the annual deductible will support the health and wellness of employees and retirees, while at the

same time ensuring that the Health Care Plan remains affordable, sustainable, and comparable to plans outside of our sector.

As detailed in Annex A, we have made, and continue to make progress to standardize and consolidate support functions. By 2014–2015, federal departments and agencies will operate using common human resources business processes. With a standard approach to delivering HR services, all employees, whether they are in Rankin Inlet, North Battleford, Rimouski or the National Capital Region, will use the same business processes, ensuring we are well positioned to improve services for employees, increase self-serve options,



and reduce costs. We are also continuing to make progress to modernize the employee pay system, the largest payroll system in Canada, which carries out approximately 8.9 million transactions on an annual basis. Planning for this transition was complex, but an innovative and effective solution was found, and we are seamlessly transitioning to a new system with no financial impact on employees.

Significant progress is also being made to modernize how we manage information technology across departments and agencies. Shared Services Canada, which provides IT services to departments and agencies in Canada and abroad, is on track to consolidate 63 different departmental email systems into a single, outsourced, enterprise-wide system by March 2015, a move that will improve service and realize over \$50 million of annual savings beginning in 2015–2016. Shared Services Canada is also moving forward to consolidate and modernize data centres, from over 485 to fewer than 10 that are resilient, secure and energy efficient. They are also consulting extensively with the private sector to identify the most cost-effective approach for procuring a single enterprise network. A common network will ultimately support enhanced network security and collaboration between departments.

In addition, Shared Services Canada is now responsible for the procurement of end-user devices and associated software (e.g., standardized office suite software such as word processing, spreadsheets, presentation graphics), for federal employees. By consolidating how we procure items such as software and

moving towards enterprise-wide licenses, the Government of Canada will leverage economies of scale and reduce duplication, ultimately reducing costs.

Departments are also continuing to reduce administrative costs and improve how they do business. In keeping with the Economic Action Plan 2013, public servants continued to find alternatives to travel, reducing departmental travel expenditures by \$42.7 million on an ongoing basis, beginning in fiscal year 2013–2014, and leveraging videoconferencing technology and other remote meeting solutions. This is illustrated, for example, by the National Managers' Community's plans to hold its first-ever virtual national forum in 2014.

In keeping with best practices in other jurisdictions, we have taken significant steps to transform how we do business and reduce costs, while providing services to Canadians and advising and delivering on an ambitious agenda, at home and abroad. While there is more to be done, I am grateful for the continued leadership, dedication and professionalism of all public servants, who have been instrumental in improving how we do business.

III. PUBLIC SERVICE MODERNIZATION

All organizations must focus on renewal to remain efficient, effective, and relevant. The Public Service is no exception and is continually assessing how it can serve Canada and Canadians more effectively.

As we modernize the Public Service to meet the evolving needs of Canadians, we need to retain a clear understanding of our values, our traditions and our roles as public servants. These are a source of pride and excellence in serving Canadians.

BLUEPRINT 2020

In June 2013, I launched Blueprint 2020, a government-wide dialogue on a vision for a world-class Public Service, equipped to serve Canada and Canadians now and into the future.

This unprecedented and historic national process engaged employees across departments and agencies—in all regions, at all levels and in all functions—in a dialogue about the future of the Public Service. Never before have we consulted public servants so broadly, both in person and online.

Employees responded with enthusiasm, overwhelmingly validating the Blueprint 2020 vision as a guide to help transform the Public Service to meet the challenges of today and tomorrow. Their feedback clearly indicates a great passion for serving the country.

The quality and quantity of ideas generated to improve how we work are impressive. Forward-looking suggestions were shared, ranging from small, incremental recommendations for changing how we do business in individual units and departments, to large-scale, enterprise-wide solutions that will increase our efficiency and effectiveness and improve how we serve Canadians.

SMALL CHANGES, BIG IMPACTS

Building the Public Service of tomorrow won't happen overnight—true transformational change takes time, and depends on every individual taking action. Changes, big and small, can have a real impact.

BLUEPRINT 2020

Employee input is already having an impact. Departments are launching their own change agendas linked to their individual mandates and have begun implementing enhancements identified through the dialogue.

We are doing the same for the Public Service as a whole. Later this spring, I will be articulating the first round of government-wide priorities for the ongoing modernization of the Public Service in *Destination 2020*, the overarching report on the Blueprint 2020 engagement process. This will focus on the following crowdsourced priorities:

Innovative Practices and Networking

As the Prime Minister's Advisory Committee on the Public Service observed (see Annex C), one of the challenges of global competitiveness facing Canada today is the importance of long-range thinking about systemic issues such as energy, infrastructure and the environment. They noted that this requires continued investments in research, planning, and longer-term policy development to address the needs of the country.

Similarly, our dedicated employees want to develop innovative approaches to better serve Canada and Canadians, and enhance public access to information for Canadians. They are looking for ways to facilitate responsible risk-taking in making changes, with appropriate mitigation.

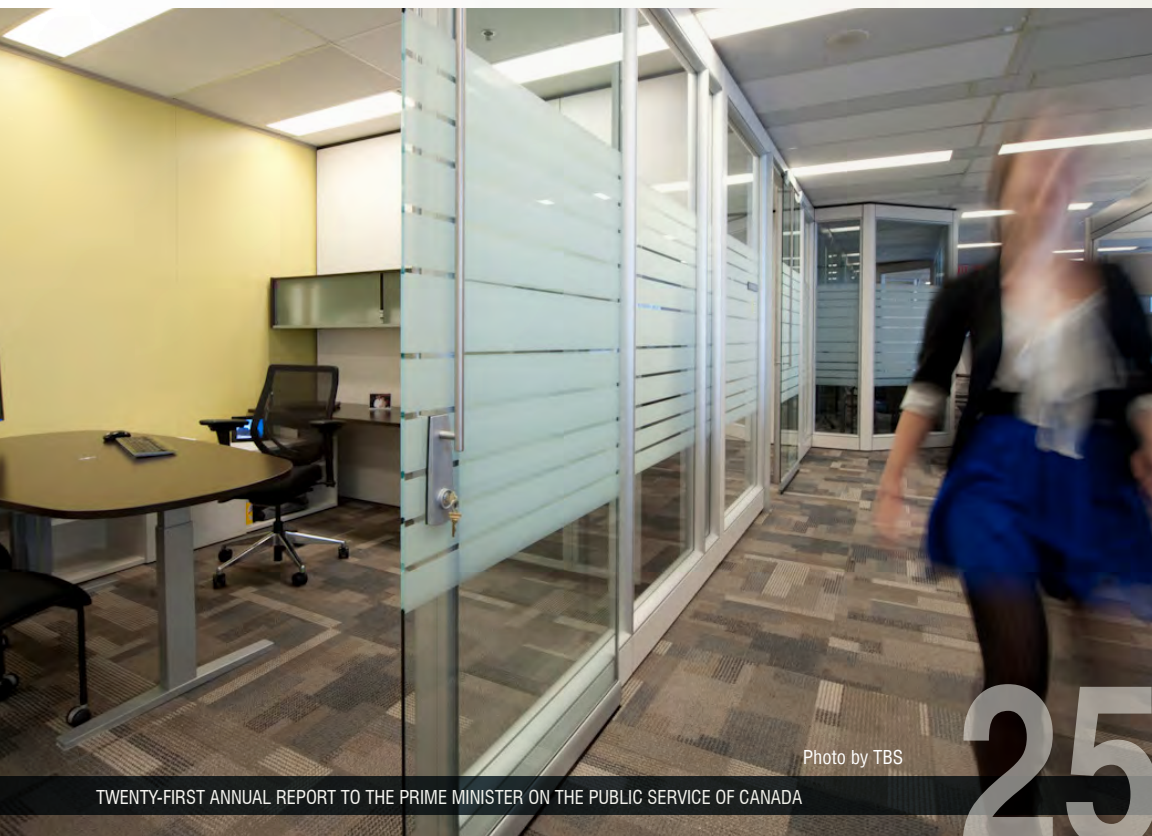


Photo by TBS

Providing employees with opportunities to innovate is critical to our success. Going forward, we will look for opportunities for public servants to learn and try new ways of working and serving Canadians more effectively, ensuring Canadians have access to the information and services they need, when they need them.

Processes and Empowerment

Employees have told us that they are equally concerned about internal red tape as Canadians were about external red tape prior to the successful Red Tape Reduction exercise. Public servants are looking for the reduction of unnecessary burden in internal processes, and provided many ideas on to how to streamline business processes, including approvals.

Technology

We heard from public servants across the country that technology is a key enabler of the excellence of the Public Service. The smart use of social media to build trust and employee engagement and to enable an open and networked government is important. Technology is seen as critical to facilitating communication, collaboration, information sharing, e-learning, and service delivery.

As we move forward, we will focus on identifying IT solutions that enable employees to innovate and improve how they work together—in departments, and across the government—and to connect with Canadians.

People Management

Public servants recognized the importance of people management to a high-performing productive workforce. They expressed a strong desire to access a diverse range of learning opportunities, and noted that new strategies are needed for managing and recognizing performance. They also

FRESH PERSPECTIVES, NEW WAYS OF WORKING

In 2013, deputies on the Deputy Ministers' Committee on Social Media and Policy Development paired up with reverse mentors—junior public servants who served as full members of the Committee—to explore new approaches to developing policy advice in the Public Service by leveraging social media. This practice continued when the Committee received a new mandate to examine policy innovation more broadly, and was renamed the Deputy Ministers' Committee on Policy Innovation.

The Committee operates on an open, inclusive basis, sharing all meeting materials on GCpedia (including meeting minutes), hosting interactive discussions on Twitter and GCconnex, and crowdsourcing its discussion papers. These practices enable public servants across the country to engage, and help the Committee put its vision into action and bring new perspectives to the table.

pointed to the need for improved recruitment and staffing processes to respond more quickly to changing priorities.

Going forward, we will foster an agile and high-performing workforce, focusing on performance management, leadership development, and enhancing learning opportunities.

Fundamentals of Public Service

Employees across the country expressed a strong desire to profile the Public Service's dedication to serving Canadians with excellence, and bolster our commitment to diversity, official languages and public service values and ethics.

BUILDING ON OUR STRENGTHS

A proudly bilingual, non-partisan institution, guided by our enduring Public Service values, committed to serving Canada, Canadians and the Government with excellence, integrity, and pride.



Photo by Jeff Radbourne

CONCLUDING THOUGHTS

As you have noted, Prime Minister, the dedication, competence and integrity of our Public Service are both unrivalled and a critical asset. The Public Service of Canada is among the best in the world. Blueprint 2020 has shown that we have a shared vision of the Public Service of the future, and in many areas, are already on track to serve Canadians effectively and efficiently in the digital age. More than that, Blueprint 2020 has shown that collaboration and dialogue are part of our culture, and key to innovation and modernization, and that more needs to be done.

We are responding to what we have heard. Departments have already come forward with initiatives to improve how we do business, and I will do the same, highlighting my key priorities for the Public Service in *Destination 2020* later this spring.

Thank you to all public servants, for their dedication, innovation, and support.

CULTURAL SHIFT

There is no looking back.

We have taken engagement and dialogue across the Public Service to a new level.

The journey will continue.





Photo by Jeff Radbourne

ANNEX A: PUBLIC SERVICE MODERNIZATION: FROM 2009-2014

Public Service modernization is an ongoing process, characterized by steady, incremental changes to how we do business.

2009

Improving Service for Canadians

Websites organized around departmental structure and hard to navigate.

“Open data” not a commonly known or understood concept.

Social media not used in a professional capacity.

Inconsistent publication practices: some were paper, some electronic, some both.

Service Canada well established, but included a limited number of government services.

Renewing the Workforce

Overlapping roles for HR management, resulting in a lack of accountability and role ambiguity.

Learning not well understood and not used as a development tool.

Ad hoc leadership development and talent management; little emphasis on succession planning.

Employee performance management inconsistently applied and ineffective.

Outdated sick and disability regime that does not respond to the needs of modern knowledge workers.

2014

Improving Service for Canadians

External facing services being re-organized according to client needs; web presence being streamlined through www.Canada.ca.

Hundreds of thousands of datasets available for download on the government's Open Data portal.

Departments using social media to communicate with Canadians and to support dialogue on policy initiatives.

Publications to be available electronically by default, making it easier to obtain information and transact with government.

Increasing number of services offered through Service Canada (e.g., recent inclusion of veterans' services to the Service Canada network).

Renewing the Workforce

Simplified central agency roles and consolidated HR functions in departments. Deputies have primary responsibility and accountability for people management.

Learning plans and discussions with managers increasingly becoming the norm and linked to career development.

Talent and performance management regime established at executive levels; succession planning embedded for deputy and assistant deputy ministers.

A new directive on Performance Management will take effect on April 1, 2014, with emphasis on establishing clear performance expectations, providing regular feedback, recognizing excellence and managing poor performance for all employees.

Working with bargaining agents to develop and implement a disability and sick leave management system that is modern, comprehensive, and responsive to the needs of all employees.

2014

Making the Workplace More Productive

Improved staffing efficiency as result of common human resource business processes, self-service HR portals, tools to fast-track low risk staffing and classification actions, and use of staffing pools and generic job descriptions.

Adopted common people management performance indicators with broad access to HR data through the Public Service Management Dashboard.

Public Service pay and pension systems centralized, modernized, and brought up to industry standards.

Shared Services Canada consolidating and standardizing IT platforms across government.

Shared Services Canada responsible for standardizing and consolidating end-user devices and associated software.

Workplace 2.0 initiative resulting in flexible office design solutions and enhanced desktop communications tools.

Significant investments are being made in videoconferencing capabilities and other remote meeting solutions.

2009

Making the Workplace More Productive

Staffing processes and HR systems manual, not interoperable and paper-based.

HR data inconsistent and of low quality at enterprise level.

Public Service pay and pension systems outdated and unsustainable.

Departments with unique IT systems, tools, networks and data centres.

Procurement of end-user devices (e.g., printers, laptops) performed by individual departments.

Traditional “cubicle” culture with email as the primary desktop communication.

Desktop video-conferencing virtually non-existent.

ANNEX B: BY THE NUMBERS

A DEMOGRAPHIC PROFILE OF THE FEDERAL PUBLIC SERVICE FOR 2013

This annex presents select demographics for the Federal Public Service (FPS)ⁱ in fiscal year 2012–2013, with some focus on the executive (EX) cadre.

Supplementary demographic information is available at:
www.tbs-sct.gc.ca/res/stats/demo13-eng.asp

NUMBER OF EMPLOYEES ⁱⁱ

The size of the FPS population varies due to government priorities, including fiscal restraint measures.

In 2012–2013, the FPS experienced a decline in its population. As of March 2013, there were 262,817 active employees working in the FPS, representing a decrease of 5.5% from March 2012.

The number of federal public servants per 100 Canadians is lower today than it was a decade ago. Looking back further, the FPS population represents a lower proportion of the Canadian population today than it did 30 years ago (0.75% in 2013 versus 0.99% in 1983).

Number of Employees	March 2012	March 2013
All Employees	278,092	262,817
Executives	6,923	6,560
EX minus 1	12,155	10,557
EX minus 2	18,869	21,789
Deputy Ministers (DMs)	47	43
Associate DMs	30	33

NUMBER OF EMPLOYEES



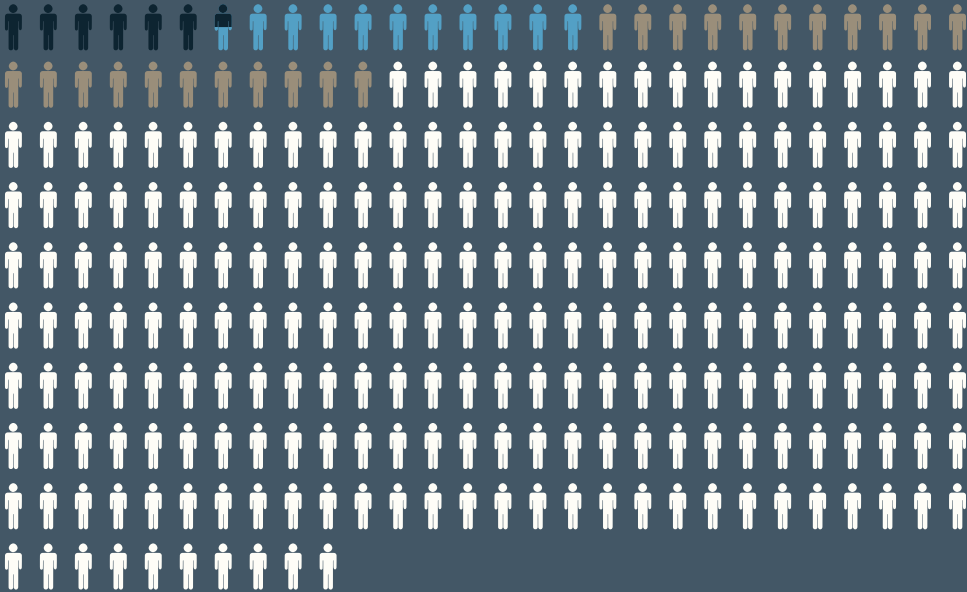
MARCH 2012

All Employees 278,092



MARCH 2013

All Employees 262,817



Executives
(Including DMs and Associate DMs)

 x 1000

EX minus 1

 x 1000

EX minus 2

 x 1000

Employees

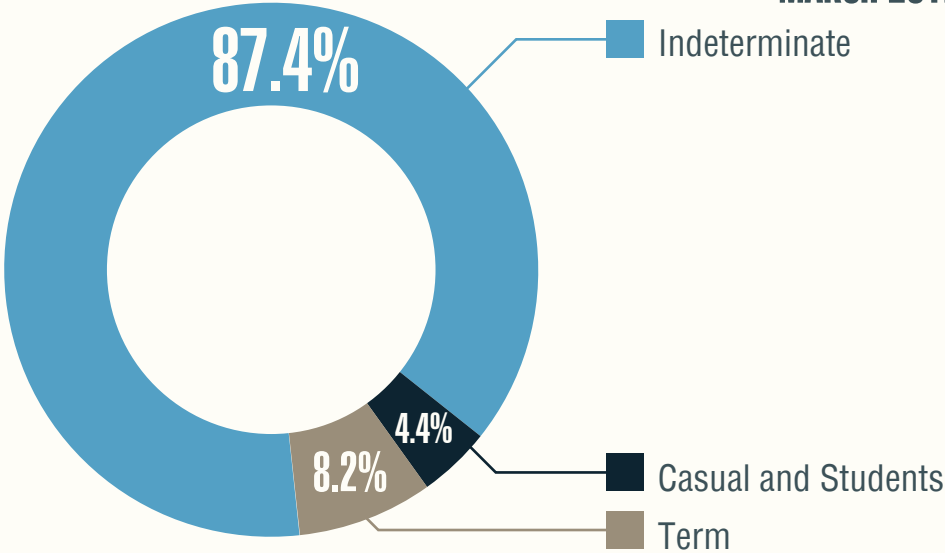
 x 1000

EMPLOYEE TYPES

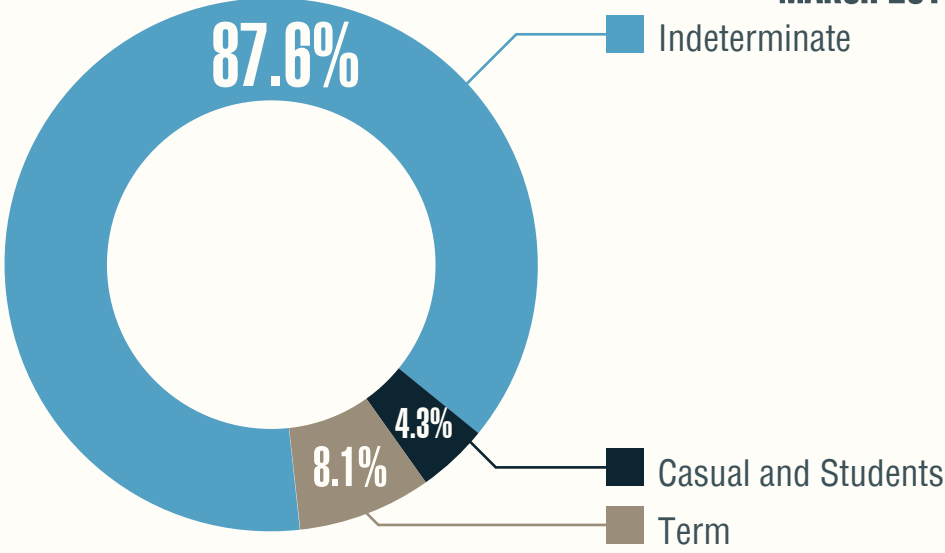
Compared to last year, the FPS population by each employee type declined in absolute numbers.

Over the course of the past year, the indeterminate population as a proportion relative to the entire FPS population remained relatively stable, as did the proportion of fixed-term hiring (term, casual, and students).

MARCH 2012



MARCH 2013



MOBILITY IN THE CORE PUBLIC ADMINISTRATION (CPA)

While the early 2000s were characterized by high employee mobility, there has been a decrease in mobility since 2008–2009, with the most prominent decrease between 2011–2012 and 2012–2013. Between 2011–2012 and 2012–2013, the number of new indeterminate hires decreased by 66.8% and the internal mobility rate decreased from 15.5% to 10.8%.

Most internal mobility is within the same department, while the ten-year average rate of 2.9% has been between departments. Over the past decade, departures remained relatively stable until 2012–2013, where there was a 41% increase in the total departures compared to the year before. This increase is mainly attributed to departures related to the implementation of the Economic Action Plan 2012 and other government transformation initiatives.

Mobility in the CPA	2011–2012	2012–2013
New Indeterminate Employees	8,642	2,865
Retirements and Departures ⁱⁱⁱ	9,150	12,933
Promotions	14,508	6,548
Lateral & Downward Transfers	17,542	15,277

AVERAGE AGE

The average age of federal public servants increased from 44.4 years in 2012 to 44.8 years in 2013.

Although there was a slight decrease over the past year, the proportion of Executives under 50 years of age has been on the rise in the last decade.

In 2003 there were 42.4% executives under 50 years of age compared to 45.8% in 2013.

The average age of deputy ministers and EXs (at both lower and senior levels) may have fluctuated slightly over the past three decades; however, it has remained relatively stable since 2003.

Average Age	March 2012	March 2013
Deputy Ministers	55.5 years	56.3 years
Associate DM	55.2 years	55.4 years
EX 04 to EX 05	53.7 years	54.0 years
EX-01 to EX-03	50.0 years	50.1 years
Executives	50.2 years	50.3 years
EX minus 1	48.6 years	47.9 years
EX minus 2	46.0 years	45.5 years
FPS	44.4 years	44.8 years



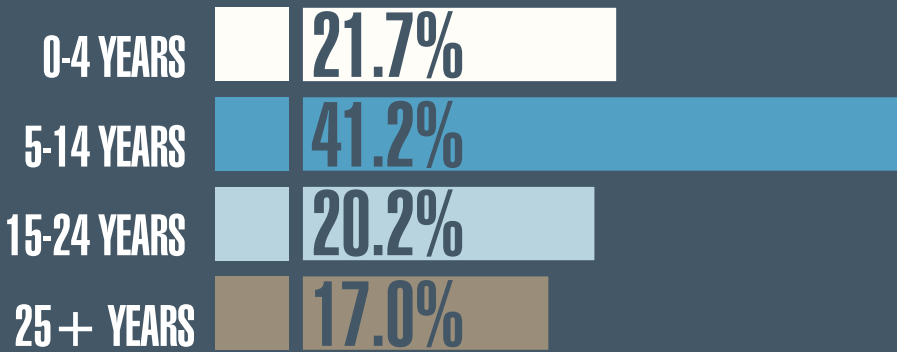
YEARS OF EXPERIENCE

After increasing gradually from 1983 to 2007, the proportion of public servants with over 25 years of experience has begun to slowly decrease.

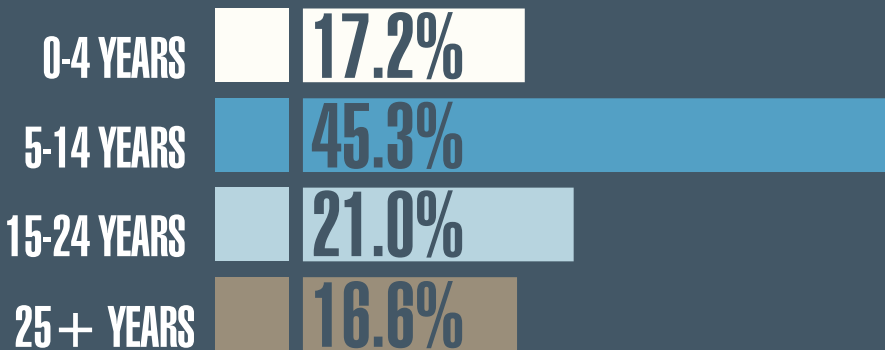
Notably, between March 2012 and March 2013, the proportion of FPS employees with 5-14 years of experience and those with 15-24 years of experience increased by 4.1 percentage points and 0.8 percentage points respectively, while those with 0-4 years of experience and 25 years of experience or more decreased by 4.5 percentage points and 0.4 percentage points respectively.

These numbers reflect current recruitment and retirement patterns.

MARCH 2012



MARCH 2013

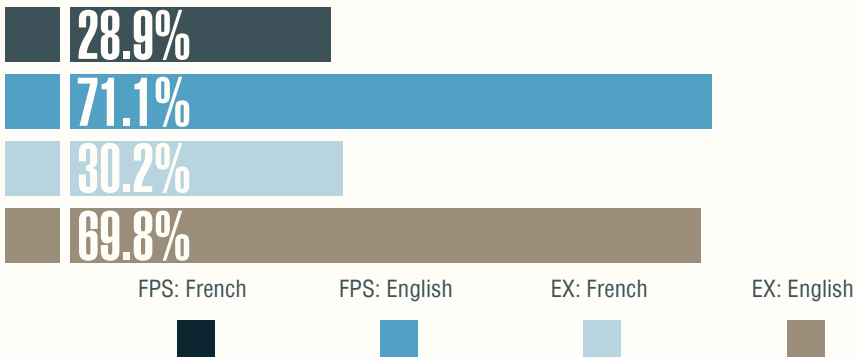


FIRST OFFICIAL LANGUAGE

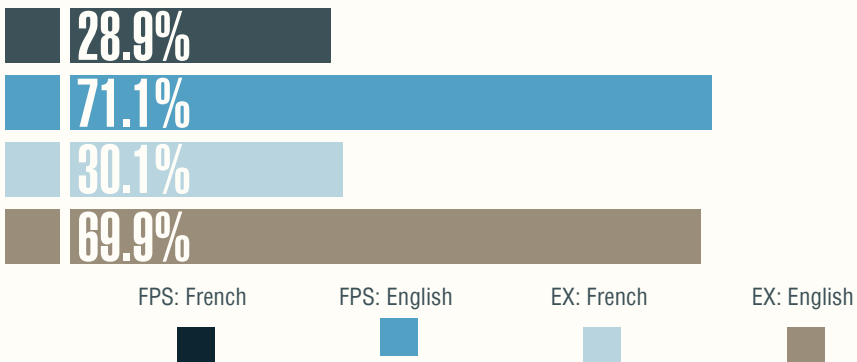
The representation of official languages in the Public Service has been relatively stable for over 25 years.



MARCH 2012



MARCH 2013



REPRESENTATION VS. WORKFORCE AVAILABILITY (WFA) ^{iv}

The statistics presented below are for the overall FPS, CPA EX^v, and CPA New Hires.

In the past ten years, there have been significant gains in the representation of all four Employment Equity groups.

Overall, the FPS representation levels of all groups exceeded their respective workforce availabilities. This was also true for the CPA Executive cadre, with the exception of Aboriginal peoples. Women comprised 46.0% of the CPA EX community, a significant gain since 1983 when women comprised less than 5.0% of the CPA Executive cadre.

Representation vs. WFA 2011-12	Representation vs. WFA 2012-13
Members of a Visible Minority group	Members of a Visible Minority group
All FPS: 13.3% vs. WFA: 13.0%	All FPS: 14.0% vs. WFA: 13.0%
CPA EX: 8.1% vs. WFA: 7.2%	CPA EX: 8.2% vs. WFA: 7.3%
CPA New Hires: 22.3% vs. WFA: 12.4%	CPA New Hires: 14.7% vs. WFA: 12.4%
Persons with Disabilities group	Persons with Disabilities group
All FPS: 5.7% vs. WFA: 4.0%	All FPS: 5.8% vs. WFA: 4.0%
CPA EX: 5.5% vs. WFA: 4.0%	CPA EX: 5.3% vs. WFA: 4.0%
CPA New Hires: 3.0% vs. WFA: 4.0%	CPA New Hires: 3.5% vs. WFA: 4.0%

Aboriginal Peoples	Aboriginal Peoples
All FPS: 4.5% vs. WFA: 2.9%	All FPS: 4.6% vs. WFA: 2.9%
CPA EX: 3.7% vs. WFA: 4.5%	CPA EX: 3.7% vs. WFA: 4.4%
CPA New Hires: 5.3% vs. WFA: 3.0%	CPA New Hires: 4.9% vs. WFA: 3.0%
Women	Women
All FPS: 55.3% vs. WFA: 52.8%	All FPS: 55.0% vs. WFA: 52.8%
CPA EX: 45.9% vs. WFA: 44.7%	CPA EX: 46.0% vs. WFA: 44.7%
CPA New Hires: 53.0% vs. WFA: 52.3%	CPA New Hires: 52.9% vs. WFA: 52.3%

ⁱThe “Federal Public Service” refers to the Core Public Administration (CPA) - departments and agencies for which the Treasury Board is the employer - and separate agencies (principally the Canada Revenue Agency, Parks Canada, the Canadian Food Inspection Agency and National Research Council Canada). Data are primarily provided by the Office of the Chief Human Resources Officer.

ⁱⁱThe methodology for defining the EX minus 1 and EX minus 2 levels is for within the Core Public Administration only and is based only on salary, not taking into account the value of work. Furthermore, this methodology has evolved and thus cannot be compared to previous years.

ⁱⁱⁱDepartures include movements from the Core Public Administration to separate agencies.

^{iv}Workforce availability (WFA) for an Employment Equity designated group is the percentage of citizens working in occupations in the Canadian workforce that correspond to occupations in the Federal Public Service (FPS), with the data being derived from the 2006 Census statistics. WFA estimates for the FPS and the Core Public Administration (CPA) are based on the 2006 Census. All workforce availability data is based on the indeterminate population and term population of three months or more. Some small separate agencies were not included in the FPS data because of missing information. Data for new CPA hires by Employment Equity designated group comes from the Public Service Commission (PSC) for 2011–2012, whereas for 2012–2013, PSC and the Office of Chief Human Resources Officer collaborated to develop a new common methodology. Therefore, the two years are not comparable.

^vCPA EX includes the representation levels and WFA for both the Executives and the Law Management occupational groups (LC group) altogether in the Core Public Administration.

ANNEX C: EIGHTH REPORT OF THE PRIME MINISTER'S ADVISORY COMMITTEE ON THE PUBLIC SERVICE

I am pleased to present to you, Prime Minister, the eighth annual report of your Advisory Committee on the Public Service.

I write as the departing chair of a renewed committee. While I am sorry that personal commitments oblige me to step down after nearly five years, the quality of our new members makes me confident I am leaving things in good hands.

Over the past year, a number of long-serving members have also completed their service, including my friend and colleague Paul Tellier, who did a remarkable job as co-chair from the very beginning of the committee. I also wish to thank Donna Soble Kaufman for her significant contributions.

The renewal of the committee is an affirmation of your commitment to our work, and we appreciate your continuing engagement. Like you, we want to do whatever we can to equip Canada's Public Service to support our country's success in a competitive global environment.

The members of the renewed committee have now had three meetings together. We have been inspired by the people we met on those occasions and by the ambitious agenda for renewal set out in Blueprint 2020. I am confident that the committee will contribute to continued innovation in this vital national institution.



The Honourable David Emerson

Chair

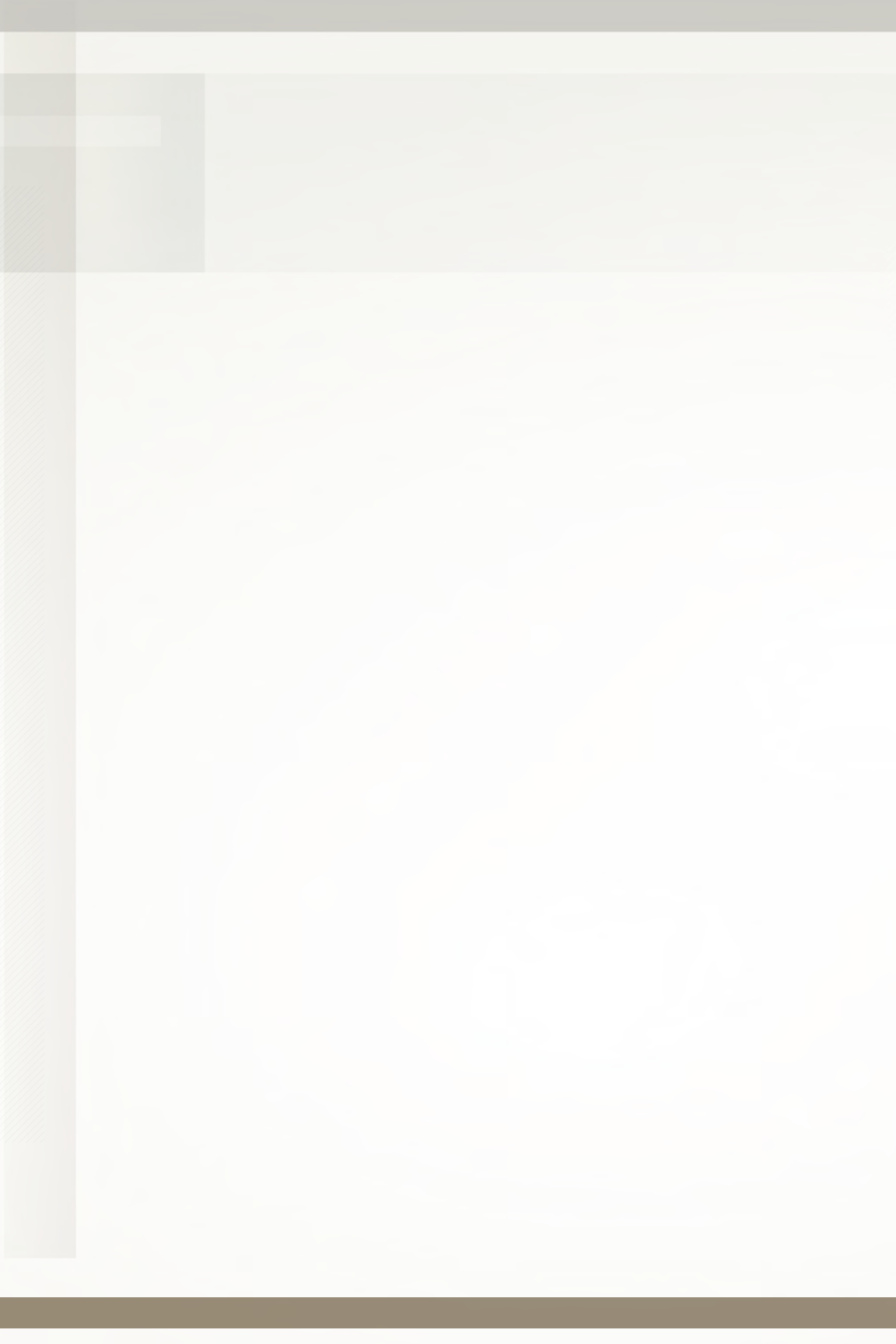
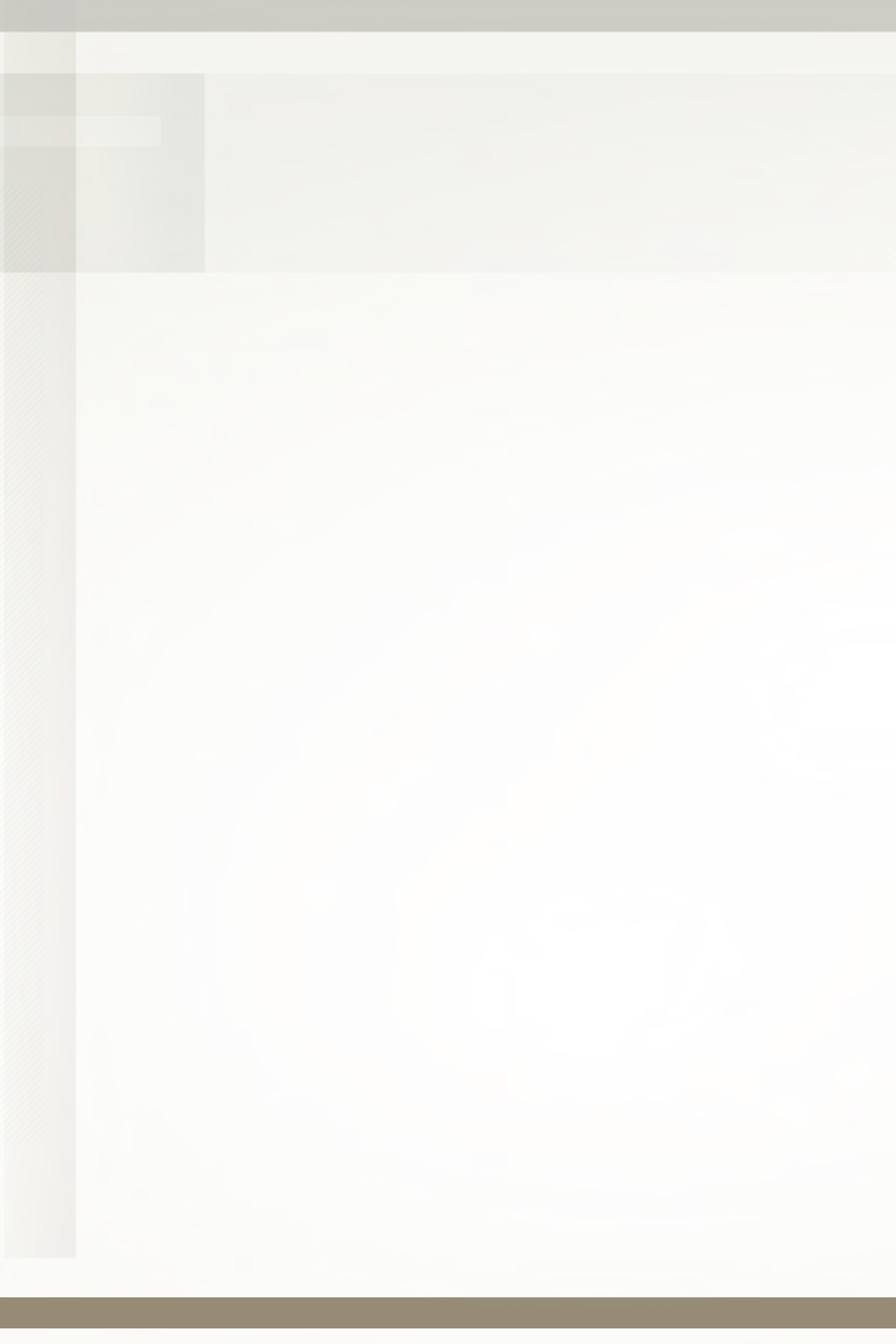


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PART I: INTRODUCTION

The Prime Minister's Advisory Committee on the Public Service was created in 2006 with a mandate to "advise the Prime Minister and the Clerk of the Privy Council on the renewal and future development of the Public Service of Canada."

Over more than seven years, the committee has done just that. We have provided our advice in written form in eight annual reports, and in regular meetings with the Prime Minister and the Clerk. Sustained engagement with the head of government is one feature that has distinguished our work as an advisory body. We know our views are welcome at the highest level and we are pleased that they have had some influence on decision making.

Another key feature of our work has been the committee's close contact with the Clerk of the Privy Council and many other senior officials regarding all the major management issues facing the Public Service. This open dialogue with Public Service leaders has been, we believe, a sign of the committee's continuing relevance. This is a satisfying assignment because each of us feels that our opinion matters and that, collectively, we can make a difference. We are all committed to fulfilling the substantial mandate of this committee.

New Members

Over the past 12 months, five new members have joined the committee – Dominic Barton, Global Managing Partner of McKinsey & Company; Monique Leroux, head of Desjardins Group; John Oliver, chair of Kinross Gold Corporation; Susan Paish, CEO of LifeLabs Diagnostic Labs Inc.; and Eugene Polistuk, founding CEO of Celestica Inc.

Each member brings different experiences and, inevitably, a somewhat different perspective to our common task. All have

been engaged in leading national or international enterprises, and all want to see Canada succeed at a global level. Most importantly, and whatever are our differences in background, we share a commitment to the value of the Public Service as a national institution. We all appreciate the essential contribution public servants make to Canadian society and to an internationally competitive economy.

This Report

This document is the first report from what is essentially a new committee. It is intended to spell out why we believe the Public Service matters to the broader Canadian interest and what we believe is required if the Public Service is to renew itself for the greater benefit of Canada.

Our report differs to some extent from previous ones in that it is largely focused on the future. We have spent a good part of our three meetings discussing the Public Service-wide engagement on renewal (Blueprint 2020) and how to move that initiative forward. We have also been engaged on ideas and plans for reforms in human resources management, including learning. We have observations and recommendations to offer in all of these areas.

The Public Service is changing today. As in any institution, change and renewal are the price of continued relevance and success. Like Canada itself, the Federal Public Service cannot afford complacency – standing still means falling behind. The Public Service must change, not for the sake of change, but because it must support the evolution of Canada as we continue to explore new and different ways to compete and build our prosperity.

We believe that if the Public Service can move forward in the right way, making full use of the energies and talents of its members

and leveraging the work of external partners, it will be well positioned to support the future success of the entire country.

PART II: THE PUBLIC SERVICE TODAY

Canada's Public Service is on a path of significant change and renewal.

Deficit Reduction

This committee report follows the tabling of Budget 2014. We support the Government's strategy to balance its budget and we recognize that in order to realize this goal, all must contribute, including the Public Service. But there must be a balance between cost reduction, operational efficiency and renewal through investment and re-investment in the Public Service.

Among other things, the Budget announced a two-year continuation of the operating freeze on departmental budgets. In the simplest terms, this means managers and employees must continue to look for efficiencies and reduce costs, without diminishing the quality of service to Canadians. After five years of similar restraint measures, this will be no easy task, and yet it is the reality of the increasingly competitive global environment.

What has been apparent in our conversations with deputy ministers, and what is no doubt obvious to many people throughout the Public Service today, is that these fiscal pressures can only be met through a deeper rethinking of how work is done inside government. The need for fundamental change in the operations of government is a premise underlying public sector reform in many countries. And it is a theme repeated in successive annual reports by the Clerk and by this committee. We have some proposals to offer in this regard, as well as observations on some of the significant changes currently under way in the government.

Blueprint 2020

Blueprint 2020 is the name for the current engagement process to reform and renew Canada's Public Service. It rests on four guiding principles:

- An open and networked environment that engages citizens and partners for the public good.
- A whole-of-government approach that improves service delivery and value for money.
- A modern workplace that makes smart use of new technologies for networking, access to data and customer service.
- A capable, confident and high-performing workforce that embraces new ways of working and mobilizing the diversity of talent to serve the country's evolving needs.

We have full confidence in Blueprint 2020 as a reference point and guiding document for continued renewal of the Public Service. We particularly support the active involvement of employees at all levels in the process of reform, something that has been a feature of the Blueprint 2020 exercise from the beginning. Our experience in the private sector is that real change must come from within, and that it will only be successful if it is energized by the ideas and commitment of employees.

We also recognize the importance of modernizing the workplace through the application of information technology. Younger employees in particular are demanding this, and they are right. An effective and efficient technology infrastructure, combined with an agile culture that embraces technology, is key to the future success of the Public Service. And we agree completely with the

goal of improving client service through a more horizontally integrated approach to program and service design and delivery. Canadians want fast, seamless and e-enabled services from government. The Public Service should redouble its efforts to meet this expectation.

Blueprint 2020 is an undertaking for the long-term benefit of a national institution, which will complement many other significant change initiatives under way in the Government of Canada. In all cases, it will take time to achieve results. Those results will depend heavily on the continued backing of the Government for the reform process as a whole. Progress will also require continued leadership from the Clerk of the Privy Council, his colleagues and public servants at all levels.

PART III: THE COMMITTEE'S WORK OVER THE PAST YEAR

In our three meetings over the past year, the committee met with senior officials to discuss a number of significant management initiatives under way in the Public Service. These included:

- *Pension and pay transformation*, where we learned how Public Service pension services have been successfully consolidated in Shediac, New Brunswick and a new system implemented. Already this is generating savings. We were also informed that the consolidation of Public Service pay services in Miramichi, New Brunswick and the replacement of the old system are progressing very well. The project is on time and on budget. These are excellent examples of how investments in technology generate efficiencies and enable common services to be located outside the National Capital Region.
- *The consolidation of key back-office infrastructure* under Shared Services Canada. This is another measure that is long overdue. Shared Services Canada has developed a

strong implementation plan for email, data centres and networks consolidation. Departments are looking for the benefits of the new common IT infrastructure. The key now is to implement the plan and not to frustrate the process of modernization with unnecessary approval requirements and red tape.

Middle Management

We also began an active dialogue with the Chief Human Resources Officer on the broad issue of middle management. We wanted to know who exactly the middle managers are. What is their role in a 21st century Public Service? Do they have the right training, orientation, experience, skills and span of control? Is organizational design too cumbersome? Are there too many management levels? What is the right structure for a positive, efficient working environment?

There are no simple answers to these questions, not least because departments vary enormously in size and function. What is needed by way of middle management in one organization may be very different in another. But in every organization, middle managers represent the cohort of future leaders. They must be positioned and equipped to add optimal value. They must facilitate what the organization is doing rather than serve as an obstacle to efficient output. Equally, they must be qualified individuals who are given operational responsibility, held accountable for results and recognized accordingly.

Simplifying management structures should be seen as an opportunity for managers and employees alike because it will open up lines of communication and speed up decision making.

Streamlining Business Processes

In thinking about middle management, we saw lessons to be learned from what we have observed directly through the use of “lean” process engineering in the private sector. There the focus is on the elimination of unnecessary business processes in manufacturing supply chains and value chains to increase value while reducing costs.

“Lean” is as much an attitude to organizing work as it is a specific set of tools or prescriptions. And while no one would suggest organizing the Public Service just like a private sector enterprise, many governments have adopted “lean” practices. The Federal Public Service can continue to learn from cases where managers and employees have increased the value of their programs and services by doing things more efficiently. What’s more, this approach addresses other concerns raised by employees such as the need for greater empowerment and, generally, cutting red tape.

Innovation and Change

In our conversations, we talked with the Clerk and deputies about the challenges of innovation in large organizations, a subject that has preoccupied all of us in our own careers.

We talked about how to lead and manage change, and how to achieve real change in a large organization. We talked about how to stimulate innovation, and about the benefits of experimentation and pilot projects. We talked about the importance of early wins, and the need for a clear focus and a concrete agenda for change. These are all themes that we believe will resonate with employees throughout the Public Service.

It became apparent in our discussions that the preoccupations of managers and employees today are remarkably similar in both the

private and public sectors: the drive for efficiency and cost reduction; the need for organizational agility and responsiveness to client and citizen needs; and the challenge of applying new information technologies to empower people throughout the organization.

We also realized that many of the challenges facing the public sector today are present in other governments around the world. Many of our sister democracies are going through similar processes of public service renewal. It will be important that we learn from their experience and adopt, where appropriate, their best practices.

Learning

In our most recent meeting, we discussed the importance of learning and training as an investment in productivity and as a lever for recruitment and retention. Investments in learning are particularly important in a time of change and renewal, as is the case today.

Training is obviously a key tool for developing the kind of culture aimed for in Blueprint 2020. This means aligning the learning agenda with the values and strategic direction of the Public Service as a whole.

We believe that, as much as possible, training should be accessible online and under the control of the individual employee. We see a continuing role for the Canada School of Public Service in delivering core training and professional development to public servants. We also see the benefits of drawing on outside expertise for specialized training and as a way to ensure the Public Service has the benefit of ideas and experience from the wider community. A two-way interchange of

talent with the private and not-for-profit sectors benefits both parties and is a proven vehicle for employee development.

An important dimension of the learning process is informal mentoring and coaching, something that should be encouraged as a way of transmitting institutional knowledge and sustaining corporate values. Mentoring need not be formalized or expensive; it is really a sign of a healthy culture in an organization.

Communication

As a committee drawn largely from outside government, we are aware that the Public Service should be doing more to communicate its accomplishments and explain the critical role it plays in the daily lives of Canadians. It should provide clarity on the object of change, benchmarks to monitor results, and timelines to achieve the desired changes, thereby offering all stakeholders a true blueprint for the future.

Better communication does not have to mean self-promotion or usurping the role of politicians; instead, greater use can be made of third parties (like ourselves) to raise public awareness of the value to Canada of a modern, high-performing public sector. Such an effort could also serve to build pride in the Public Service and reinforce its essential role in serving Canadians and Canada.

PART IV: LOOKING AHEAD

As we look ahead, the committee will focus on issues that are key to successful change and renewal in the Public Service. We want to ensure the Public Service is equipped to play its essential role in supporting a healthy society and a globally competitive economy.

Facing up to the Information Age

It is a truism that the globalized information economy is changing not only politics but the whole business of government. Yet we



have only begun to explore in this country the implications of the information revolution for Canada's Public Service. Much more can be done, and must be done, if the Public Service is to make its full contribution to Canada in this new environment.

Making optimal use of new technologies to work better and smarter is a pervasive theme of Blueprint 2020 and it will be a central focus of the committee's work moving forward.

- We will be examining new approaches to policy development in the information age.
- We will encourage pilot projects on the 21st century workplace. Deputies should be encouraged and supported in trying out new ways of working that use the new technologies to empower a new generation of public servants right across the government.
- And we will urge the Government to empower public servants not just with technology but with the freedom to do their jobs better. Responsible risk taking in the service of the government should be the norm, not an ambition.

Our objective is to push the Public Service forward on this path as fast as is reasonably possible.

Thinking about Middle Management

The committee has just begun its work on how to get the most from a modern middle management cadre in government, today and tomorrow. We will continue our dialogue with the Chief Human Resources Officer and other deputies on required investments in learning and leadership development, on management structures and processes, and generally on how best

to equip this vital cohort for an optimal contribution to good public administration.

Investing in Longer-term Thinking

A recurrent theme in our discussions, particularly given the challenge of global competitiveness facing Canada today, is the importance of long-range thinking about longer-term issues such as an aging population, energy, infrastructure and the environment. These matters touch all Canadians. To deal with them, governments need the support of an intelligent, connected Public Service that can draw on ideas and experience from around the world.

Meeting the obligations of longer-term thinking means continued recruitment of high-quality analytical talent, and continued investments in research, in medium- to longer-term planning, and in longer-term policy development to address the needs of the country.

Over the coming year, the committee will be engaging in an active dialogue with officials about how best to do all these things. We will be thinking about how to build and retain the required policy and analytical capacity, and how best to harness that capacity for effective support to the Government of the day. This is a core responsibility of the Public Service.

Managing Change

A common element in the experience of committee members is change management. We have all done this in our corporate jobs, and we can now see the particular challenges of change management in the Public Service. Since change and renewal will be a continuing feature of life inside government, we know that managing change will be a focus of our work over the coming

year, and that middle managers are critical to the entire process of renewal.

Recommendations

The members of the renewed committee are pleased to engage with public servants on issues that matter not only to them but to Canada. We know that public servants perform their duties with integrity and with a deep sense of duty to the country. We appreciate their service.

Over the coming months, we will be returning to many of the issues and concerns raised in this report. But even at this point, we feel confident in offering some specific recommendations for action. In every case, it will be important to set specific goals, monitor progress and be prepared to report on results.

1. *Start by involving all employees, especially those on the front line, in process improvements.* Push authority down in the organization and hold people accountable for results. When people are empowered to make changes, they grow as a result. This should be seen as an explicit goal of the Government's change agenda, including Blueprint 2020.
2. *Put renewed effort into streamlining business processes.* Experience shows that this pays benefits because it forces people to assess risks and better manage them. And making things simpler and eliminating wasted effort is in everyone's interest. But there are no cookie-cutter solutions; you have to look at the individual characteristics of the organization. Our advice is to start with one or two departments, tailor the process improvements to those circumstances, and let everyone learn from the

experience. Here again, it will be important to agree on a time frame for implementation and yardsticks for measuring progress.

3. *Invest in learning, with a particular focus on core Public Service competencies and skills.* For specialized training, be prepared to look externally. And *invest in leadership development*, especially at middle management levels. One dimension of this effort should be on “re-branding” the public service career for younger people as an opportunity to develop transferable skills for the private and not-for-profit sectors as well.
4. *Ensure that middle management roles are clearly defined and adapt management structures in departments to meet today’s requirements.* Middle managers are a key to leadership and culture change in every organization. Put the right management structures in place to support their leadership and enable their maximum contribution in implementing change. There may be lessons to be learned from the private sector about how to reduce bureaucracy and accelerate decision making.
5. *Invest in longer-term thinking, both in people and institutions.* And maintain an active engagement with research and analytical work outside the public sector. Only through a sustained effort in this area will governments (and Canadians as a whole) get the full benefit of the policy and analytical capacity they deserve.
6. *Sustain the momentum of the management reforms under way and establish milestones for progress.* This recommendation comes directly from our collective experience in the private sector. Change on the scale being undertaken today is not a short-term deliverable. Take the time to do it right.

Final Thoughts

Blueprint 2020 is about modernizing the Public Service. It complements other elements of the broader change agenda that are focused on reducing costs and improving efficiency and effectiveness across a diverse public sector. As we have said, the whole process will take time and considerable effort. The importance of this undertaking, not only for the federal government but for Canada, cannot be overstated.

A high-quality, non-partisan, technologically enabled Public Service, able to serve Canadians in both official languages, is essential to Canada's capacity to meet the challenges of the 21st century. If our public sector is not competitive, our country will not be either.



Dominic Barton



David Emerson



Monique Leroux



Peter MacKinnon



John Oliver



Susan Paish



Eugene Polistuk

APPENDIX: MEMBERS OF THE PRIME MINISTER'S ADVISORY COMMITTEE ON THE PUBLIC SERVICE

The Honourable David Emerson, corporate director and former Minister (retiring from the Committee);

Dominic Barton, Global Managing Director, McKinsey & Company;

Monique Leroux, Chair of the Board, President and Chief Executive Officer of Desjardins Group;

R. Peter MacKinnon, former President and Vice-Chancellor, University of Saskatchewan;

John Oliver, Independent Chairman of the Board, Kinross Gold Corporation;

Susan Paish, President and CEO of LifeLabs Diagnostic Labs Inc.;

Eugene Polistuk, founder and former Chairman and CEO of Celestica Inc.