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**Eighth Annual Report**

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**to**

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**the Prime Minister**

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**on**

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**the Public Service of Canada**

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Mel Cappe

Clerk of the Privy Council,  
Secretary to the Cabinet and  
Head of the Public Service

**Canada**

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PRIME MINISTER • PREMIER MINISTRE

March 30, 2001

Dear Mr. Cappe:

Thank you for your annual report on the Public Service of Canada. I was pleased to read about the action that you and your colleagues are taking to respond to the challenges of the knowledge economy and society.

As I said in my reply to the Speech from the Throne on January 31, 2001: "An activist government requires a first class public service. I am proud of our public service. The government will take all the steps necessary to ensure that we continue to have the talent necessary for a public service that is committed to excellence. And we will make the necessary reforms to modernize the public service for the requirements of the 21st century."

With our combined efforts, I am confident we will have in place, as we move into the future, an institution that is even more innovative, dynamic and reflective of the diversity of the country. A strong, professional, non-partisan, bilingual and national Public Service will help the Government of Canada fulfil its responsibilities and bring us closer to meeting our goal of building a higher quality of life for all Canadians.

Together, we will succeed.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Jean Chrétien".

Mr. Mel Cappe  
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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 29, 2001

Dear Prime Minister:

As Head of the Public Service and in response to section 47.1 of the Public Service Employment Act, I am very pleased to report again on the state of the Public Service of Canada and to signal the direction we will be taking this year and beyond.

Here, I describe the challenges facing the Public Service and report on what we are doing to address them. I also signal the beginning of a phase of more fundamental reform that will enable the Public Service to become a modern, people-centred institution which gets results that matter to Canadians in an economy and society based on knowledge.

With your support and that of your Ministers, along with the contribution of deputy ministers, agency heads, and public servants across the country, I am confident we will be able to achieve the Government of Canada's objective for the Public Service, as outlined in the Speech from the Throne.

To assist the Government in fulfilling its responsibilities, Canada must have a public service distinguished by excellence and equipped with the skills for a knowledge economy and society. The Government will seek bright, motivated young women and men to accept the challenge of serving their country in the federal public service. The Government is committed to the reforms needed for the Public Service of Canada to continue evolving and adapting.

These reforms will ensure that the Public Service is innovative, dynamic and reflective of the diversity of the country — able to attract and develop the talent needed to serve Canadians in the 21st century.

Speech from the Throne  
January 30, 2001

## **The Knowledge Economy and Society**

Around the world, the success of economies and societies is increasingly based on knowledge. The pace and scope of change from an industrial to a knowledge-based economy is unprecedented and so are the challenges and opportunities.

Globalization is making people, goods and services more mobile and more interdependent, increasing competition within and among sectors, particularly for talent. Attracting and retaining knowledge workers is an ongoing challenge.

Today's society is increasingly diverse and governments need to do more to draw on this strength. In a knowledge economy, diverse perspectives, backgrounds and approaches contribute to better and more relevant service and stronger policy advice.

Technology is making it easier to exchange information and to create and better disseminate knowledge. For governments, technology is making it possible to put information and services on-line and to respond to the demand for faster, better, more dynamic and customized service.

We are also seeing a broader transformation to E-Government. While it involves the better use of new information and communications technologies, E-Government is not just “electronic” government. It is “enabled” government — government that delivers different and better programs and services to Canadians.

E-Government is about people: new skill sets, mindsets and leadership approaches. It will transform how public servants work, relate to each other, do business, and engage citizens and other partners.

## **A People-Centred Modern Public Service**

Prime Minister, a more modern public service is emerging to respond to the challenges of today’s rapidly changing, interdependent world focussed on knowledge.

We are moving away from a traditional model of public service based on hierarchical, directive management. We are leaving behind a public service where jobs were based primarily on repetitive, well-defined tasks and predictable activities and where vertical, top-down communications approaches were the norm.

We have begun the transformation to a modern, people-centred Public Service of Canada, one which is more flexible and responsive, adaptive and innovative. But the transformation is taking place too slowly. Current laws, rules and structures for managing people in the Public Service are neither flexible nor responsive enough to allow us to compete for talent in a knowledge economy. As well, the industrial era mindset and culture is still alive in many parts of today’s Public Service.

As we make this transformation, the very foundations of our proud heritage will guide us. We will continue to be non-partisan and bilingual, national in scope and international in outlook. We will continue to embrace the core values that the late Deputy Minister John Tait outlined for us and that underpin everything we do:

- Democratic values mean we help Ministers, under law and the Constitution, to serve the common good.
- Professional values reinforce our unwavering commitment to merit, competence, excellence, continuous improvement, objectivity and impartiality in advice, and fidelity to the public trust. Innovation, initiative, creativity, service to citizens, partnership, networking and teamwork are other examples of our professional values.
- Ethical values guide our actions and decisions and ensure that we put the common good ahead of personal interest or advantage.
- People values mean we respect our colleagues' needs and aspirations as well as those of the citizens we serve.

Further, the Public Service of Canada will continue to offer fascinating and challenging work, interesting people to work with, and an unparalleled chance to make a difference in the lives of Canadians and the future of Canada.

Above all, we will continue to provide sound, non-partisan advice to Ministers and strive to deliver the highest-quality service to Canadians.

## **Focussing on Our People**

Successfully managing the transformation to a modern public service will be challenging, but it is necessary if we are to remain effective in the knowledge economy and society.

Deputy ministers, agency heads and I are committed to improving how we manage people because people are central to this transformation and to our ability to advise on public policy and deliver public services.

We are seeing some improvements. For example, we have put in place and updated programs for developing people at various levels and in several functional communities. We are investing in our future by providing work experience to post-secondary students and then offering employment to qualified graduates.

We are creating networks to help public servants, particularly managers, to make the transition to a knowledge economy and society. And we have modernized our approach to all aspects of selection and career support for our assistant deputy minister cadre.

The sum of these efforts represents the beginning of a cultural shift where good people management is seen as an integral part of good management.

But today's human resources management laws do not allow us to move quickly enough on the transformation to a modern, people-centred Public Service. More fundamental change is required, as I outline at the end of this report.



In the meantime, the Public Service must keep doing everything it can within its power today. This means a continued focus on recruitment, workplace well-being and retention, and learning and development, in line with the commitment in the Speech from the Throne in 1999.

It means taking steps to more quickly and easily recruit the diverse work force we need and want, while protecting the principle of merit in an increasingly competitive labour market. It means implementing classification reform. It means developing creative solutions which allow for the transfer of essential corporate memory and knowledge before a large percentage of our current work force retires. And it means committing to learning as an investment in our people, for a Public Service which is based on knowledge and innovation.

Prime Minister, I invite public servants at all levels and in all regions to act on the recommendations of three deputy minister-level committees: on recruitment, on workplace well-being, and on learning and development.

### ***Recruitment***

For the first time in several years, we are accelerating our efforts on recruitment.

Prime Minister, we are actively encouraging managers to do everything they can to recruit top talent. This means targeting Canada's best graduates at home and abroad and being visible on university and college campuses.

It also means giving students meaningful and challenging assignments because students are our best ambassadors. We want young people to join for the experience. We hope many will stay for a career.

Across the Public Service, both at headquarters and in regions, departments are sharing recruitment strategies and programs, best practices, innovative approaches and tools. Assistant deputy ministers who have been named “champions” of recruitment are providing leadership in their individual departments.

Diversity is central to our recruitment efforts. And, in the coming year, we are focussing on improving the representation of visible minorities. With the help of such organizations as the National Council of Visible Minorities, we are working to create a more diverse pool of potential recruits. As well, we are inviting new Canadian citizens to consider working for the Public Service.

Managers are encouraged to act on the recommendations of the Perinbam Task Force on the Participation of Visible Minorities in the Federal Public Service and of the Smith Task Force on an Inclusive Public Service. This means meeting or even exceeding the benchmarks on hiring visible minorities in the Public Service, in the Perinbam report endorsed by your government.

Departments, with the support of central agencies, in the coming year will work to better integrate their work force plans and business plans. In line with the Official Languages Act, we are taking steps to ensure that the Public Service of Canada reflects the equitable participation of both official languages communities and is a workplace which is conducive to the use of both official languages.

## ***Workplace Well-being***

Workplace well-being begins in the individual work unit. The cumulative impact of positive, individual efforts helps the Public Service of Canada become an employer of choice.

Over the past year, employees and managers across the Public Service continued to act on the issues raised in 1999 in the Public Service Employee Survey. They have been developing and implementing creative and customized solutions to issues of workload, career development, team spirit, and more.

Central agencies are supporting these efforts by ensuring that the right policies and programs are in place. For example, a modern policy on the prevention and resolution of harassment in the workplace — a major problem identified by survey respondents — has been developed and is being prepared for implementation.

Leave and flexible work arrangements are two other examples. In the year ahead, central agencies will make the details of such policies more accessible to managers and employees and find other ways to promote workplace well-being.

All managers and employees are encouraged to create inclusive and healthy workplaces that embrace diversity and eliminate barriers to full participation.

## ***Learning and Development***

Just as the Government of Canada is focussing on skills and innovation for Canadians in the knowledge economy, so too is the Public Service focussing on learning

and development for public servants. Our efforts here support and reinforce actions on recruitment and workplace well-being.

Learning events on such topics as service improvement, modern comptrollership, and values and ethics are being offered to give greater support to managers and employees. Courses are being given in priority areas, such as diversity. Some departments are initiating mentoring programs, which can help to retain and develop employees. In keeping with the move toward using electronic technology, on-line tools are being developed to help managers conduct self-assessments and develop personalized learning plans.

Perhaps the most valuable learning and developmental opportunities are informal — occurring naturally through the variety of work public servants do every day. The Public Service of Canada offers an unparalleled array of work in all kinds of occupations and in such diverse areas as the environment, natural resources and the North; science and technology; Aboriginal issues; heritage and culture; and policing and corrections.

Still, we can do more to make sure employees have the knowledge, competencies and tools they need to continue developing sound policies and delivering services with excellence in the knowledge economy and society. We are considering various policies and programs to support managers and employees, including a government-wide learning policy, a learning and innovation seed fund, and portable learning accounts.

We need to enable and empower public servants to learn and grow to ensure a high-performing workplace that can deliver results for Canadians. Public servants are

responsible for their own learning plans; managers are responsible for giving them the opportunity to learn.

## **Working Smarter in a Knowledge Economy and Society**

Prime Minister, our efforts to improve how we manage inside the Public Service are proceeding at the same time as we are improving how we support the Government in fulfilling its obligations in today's knowledge economy and society. We continue to focus on results as we seek innovative ways to improve the delivery of services and programs to Canadians and to provide our best policy advice to Ministers.

The Government's management framework, *Results for Canadians*, highlights the need to strengthen management practices, decision making and priority setting to better respond to citizens' needs. Practising integrated risk management supports the desired cultural shift to a risk-smart work force and environment.

Breaking down the "silos" of hierarchies that exist within government is also important for getting results. Information technology is helping in this regard. And federal regional councils are experimenting with different approaches for integration and horizontal management.

### ***Modernizing Service Delivery***

Over the past year, public servants at headquarters and in regional and local offices have worked to provide Canadians with faster, easier, more convenient, more seamless access to government information and services in both official languages. We have continued to establish

Service Canada centres for people who want face-to-face service. We have also encouraged Canadians to use 1-800 O-Canada, our primary toll-free number for information on 1,000 federal programs and services. And we have met the first-year targets of the Government On-Line initiative, thus moving the Government closer to putting information and service on-line by 2004.

In January 2001, the Public Service took a significant step toward that end, Prime Minister, when you launched the redesigned Government of Canada Web site ([www.canada.gc.ca](http://www.canada.gc.ca)). The Canada Site provides information and service through three gateways: Canadians, Canadian Business, and Non-Canadians. It is now one of the world's easiest government Web sites to use.

We will continue our efforts to modernize and improve service delivery for the knowledge economy and society. We will move ahead with the Government On-Line Initiative and ensure knowledge workers have the tools, learning and infrastructure to deliver in an electronic world.

We will look for ways to better integrate service delivery channels in order to improve access, quality, efficiency and citizen satisfaction. We will seek to improve the delivery of services in both official languages.

### ***Strengthening Policy Advice***

We have also continued to strengthen our advice to Ministers in a knowledge economy and society at every step of the policy-making continuum: research, analysis, development of options, implementation and monitoring.

Today's policy research capacity is considerably stronger than it was five years ago. Through the Policy Research Initiative, we have built networks with other governments, academia and think tanks. These have, in turn, helped us to better identify and address the medium- to long-term policy issues facing Canada.

We have continued to consider policy issues thematically, to allow for broader perspectives on a set of issues. More and more policy is being developed horizontally, from children and youth to sustainable development and Aboriginal issues. We have explored the application of risk management principles to policy analysis and development. We encourage full and substantive interdepartmental consultations. And we continue to emphasize the need for monitoring how policies are being implemented and for making adjustments where necessary.

In January 2001, recognizing that sound policy advice depends on a strong policy community, we launched a Policy Research Development Program designed to attract the best graduates into policy research in the Government of Canada. This complements departmental and corporate developmental programs.

While the way we approach policy issues today is fundamentally different than it was a decade ago, more can still be done. Departments and central agencies need to work together to develop policy proposals with a whole-of-government perspective, to understand the linkages within and among policy issues, and to ensure that efforts to advance in one area also support progress in others. We also need to broaden the range of perspectives contributing to policy and program analysis by better integrating and co-ordinating advice across departments. Public servants

are encouraged to integrate regional and operational perspectives in policy research, analysis and development, and implementation.

## **Taking the Next Steps**

Prime Minister, we have the right foundation, and we are moving in the right direction. There is a collective commitment to modernize the Public Service for today's knowledge economy and society. But our efforts are not leading us quickly nor far enough toward a Public Service that is innovative, dynamic and reflective of Canada's diversity.

Many people inside and outside the Public Service have analysed our human resources management challenges. These include the Strong Advisory Committee on Senior Level Retention and Compensation and, recently, the Auditor General.

Human resources management has been examined through many lenses. One is the life-cycle approach outlined here: recruitment, retention and learning. Another, offered by the Strong Advisory Committee, is to take a functional approach with a long-term human resources strategy based on five interrelated elements: planning, staffing, rewarding, developing, and retaining. Still another approach, focussing on union-management relations, is being explored by the Fryer Advisory Committee on Labour Management Relations in the Federal Public Service.

No matter how you look at it, it is clear that we are not able to keep pace because our current people management regime is too linear, inflexible and complex.



As the Strong Advisory Committee commented:

It is the Committee's view that there is an urgent need for clear accountabilities, matching authorities and a general streamlining of human resource processes if the Public Service is to deliver on its ambitious goals. In this respect, we support the Auditor General's recommendation that the government address the long-standing structural and systemic issues immediately.

To keep pace and better support the efforts of public servants at all levels, we need to move from our incremental approach to a more fundamental reform of the legislative framework for human resources management in the Public Service.

We are already taking action to modernize comptrollership by making managers responsible for financial management within a clear accountability framework. Now it is time to modernize the management of human resources in the Public Service.

We believe that modern human resources management legislation should be based on the following guiding principles:

- First and foremost is the protection of merit, non-partisanship, representativeness and competence.
- Second, management should be responsible for all aspects of human resources management.

- Third, authority for human resources management should be pushed as far down in the organization as possible.
- Fourth, managers should be held accountable for the exercise of their responsibilities.

In doing so, we aim to enable the Public Service of Canada to attract, retain and develop the talent needed to serve Canadians in the 21st century.

## **Conclusion**

I am confident that we will be able to modernize the Public Service of Canada for the future.

Prime Minister, the Public Service of the future is about people and place. It is as diverse as Canada itself. It is inclusive. The best and the brightest want to join — and do. They share a wealth of knowledge and experience.

People and ideas circulate within and across organizations. There are career public servants and there are those who come and go, bringing with them new skills and knowledge. Outside expertise and diverse perspectives are welcome. There are leaders at every level. People work in teams and networks. They break down barriers.

Decisions are made at the right level. People take responsibility for their actions. They are committed to serving their country and their fellow citizens with loyalty and dedication. They look to and prepare for tomorrow while getting results today.

The Public Service of the future is a place that offers the most interesting and challenging work around. It offers the opportunity for personal learning, development and growth. It provides people with the tools and the environment to do their work well. It is enabled by technology.

It embraces continuous learning, career and professional development. Employees and managers share responsibility for learning. And it is a learning organization — where people share their experiences and learn from them.

It is dynamic and adaptive, flexible and responsive. It values and rewards excellence and innovation. It promotes a balance between work and personal life.

The Public Service of Canada of the future is an employer of choice that serves Canadians better and gives Ministers better, more integrated policy advice.

Modernizing the Public Service is challenging. But it is too important not to do.

Prime Minister, it is my privilege to lead the Public Service of Canada into the 21st century and to work with deputy ministers, agency heads, and public servants across the country to support the Government's efforts to position Canada as a world leader in the knowledge economy and society.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mel Cappe', written in a cursive style.

Mel Cappe