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Leadership in the Public Service of Canada

Leaders, the leadership environment, and
Canada's Public Service in the 21st Century

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Introduction

The nature and role of leadership in the federal public service is one of the main components of the new initiative launched by the Public Policy Forum (PPF) – called *Canada's Public Service in the 21st Century*. But what exactly is leadership and what aspects of leadership will this study address?

What is leadership?

Steven Cronshaw describes leadership as “the pre-eminent *people* skill.” According to Dr. Cronshaw, leadership has the most impact of any skill within an organization, though it is also the most difficult skill for individuals to acquire. He describes leadership not as a quantifiable thing, “but [as] a dynamic process that emerges and grows from the sum total of life experience, at least as this life experience requires social and organizational involvement in pursuing common goals.”¹

Leadership is thus a very particular and personalized skill. Rooted in a set of values, it is gradually and painstakingly refined over the course of one's lifespan through a blend of personal experiences, relationships, and acquired knowledge. It requires a combination of unflinching drive towards collective goals and a willingness to genuinely care for and support those people that must be interacted with in order to achieve those goals. At its most basic level, the exercise of leadership involves a capacity to use language and personality within a specific social arena – whether the sandbox or the boardroom – to obtain a desired result.²

It is then important to differentiate between the two conceptions of leadership. The first understanding of leadership is unconstrained by any type of higherarchical structure. It presumes that leaders can exist at all levels – not just at the top. A leader is essentially anybody, in any position within an organization, who can drive the achievement of significant goals. Through their vision, motivation, encouragement and support, leaders can change the way others think and act, and create more collaborative and productive working environments.³

Within an immense, complex and multi-tentacled organization like the federal public service, fostering a less vertically oriented working environment in which every employee can assume a leadership role within their own working unit would be ideal. As the Clerk of the Privy Council Kevin Lynch recently articulated, any renewal effort

¹ Steven F. Cronshaw, “Development of Leadership as the Pre-Eminent People Skills,” from *Leading in an Upside-Down World: New Perspectives on Canadian Leadership*, ed. Patrick Boyer, 2002 Guelph University Leadership Conference, 2002, p. 103.

² Cronshaw, 103-112.

³ Pete Smith, “The Essence of Leadership,” text of speech, Medina Lecture for the National Capital Area Chapter – American Society for Public Administration, April 28, 2004, online, www.govleaders.org/essence_of_leadership_print.htm.

should try to ensure “a public service that *reflects* excellence and leadership”⁴ (my emphasis). This implies not only having effective leaders, but infusing the values inherent in effective leadership into the organizational culture.

The second conception of leadership reflects a more traditional, organizational perspective. When considering the unique nature of the public service as an entity that must translate the vision of evolving or changing governments into policies and services for citizens, leadership from the top – both bureaucratic and political – is inevitably crucial. Senior leaders must then be supported by the array of executives and managers below them. Within this context, the emphasis shifts from the characteristics of leadership to the role and conduct of leaders themselves, summed up in the following passage: “Leadership sets forth/asserts a vision that has an impact upon and defines the mission, culture and values of an organization; sets direction, time perspective, and organizational structure for achievement of goals and objectives; [and] models behaviour that inspires and motivates achievement.”⁵

What will this review touch on?

The leadership research stream will thus examine these two important interpretations of leadership in the federal public service: the first being the diffusion of the values and competencies required of leaders at all levels throughout the federal public service; the more narrow and comprehensive second will focus upon the senior executive cadre in the public service. It will examine the responsibilities of the Public Service’s leaders and the nature of their values-driven roles, the environment in which they work, the significance of the relationships they must maintain, the skills they must possess, and finally the challenges they and the institution as a whole will face in the future. The role and responsibilities of the Deputy Minister will receive particular attention, as they represent the all important conduits between governance and administration, policy and management.

Roles, Responsibilities, and the Public Service Leadership Environment

- What role do executives play? And what type of environment do they work in?

Leaders in the public service – Senior Executives

Deputy Ministers (Deputy) are the highest authority within a department after the Minister, making them the top ranking level of public servant. Appointed by the Prime Minister – though generally chosen by the Clerk of the Privy Council – Deputies are accountable for their actions on a day-to-day basis to their Minister, and ultimately to the

⁴ Kevin Lynch, 15 September 2006, “Why Public Service Renewal Matters,” Remarks by the Clerk of the Privy Council and Secretary to Cabinet, Dalhousie School of Public Administration (17 October 2006), www.pco-bcp.gc.ca/printer.asp?PRinterFriendly=&Language=E&Page=clerk&Sub...

⁵ Cronshaw, 2002, p. 103.

Prime Minister. While they have a wide range of duties in a variety of departments (for example, Finance, National Defence, and Citizenship and Immigration), they essentially must fulfill three key functions: the first is to support their Minister with operational or policy advice in order to assist them in achieving their agenda; the second is to oversee program delivery and the management of their department; and the third is to ensure inter-departmental co-ordination, or more generally to contribute to the collective management of the government.⁶

Deputies are joined in the senior leadership cohort by an array of heads, commissioners, and presidents (of agencies, offices, councils, boards, and commissions) that make up the Core Public Service.⁷ Also appointed by the Prime Minister, these Deputy equivalents manage organizations ranging from smaller or more peripheral bodies like the Law Commission of Canada and the Canadian Space Agency, to the influential central agencies like the Privy Council Office, the Department of Finance and the Treasury Board of Canada Secretariat. Much like the general public service workforce, there are a broad range of positions represented within this cohort, across a spectrum of organizations, requiring a diversified leadership group.

The primary focus in the study of the senior executive cadre, however, will be on the Deputy Minister population. A recent report identified 61 members within the Deputy community, 24 of which are classified as Associate Deputies. On average, Deputies are 55 years of age, almost evenly split along gender and linguistic lines (though more male and Anglophone than female and Francophone), are highly educated, and work between 60 and 90 hours per week in the National Capital Region. They generally have experience within – and thus valuable working knowledge of – the important central agencies. Finally, over 60% have been promoted to Deputy positions from within the public service, and 25% were new to the community in 2004-05.⁸

Leaders in the public service – Other Leaders in the Management Stream

While the Deputy is the senior public servant in each department under the government, there are five other levels of leaders in the management stream.⁹ Below the Deputies are Assistant Deputy Ministers (ADM), who are classified at the EX-4 or EX-5 levels within the executive cadre. Broadly speaking, the ADM is responsible for creating and instilling a vision, as well as an organizational culture in which goals can be achieved. They must also be willing to involve themselves personally in management functions, particularly

⁶ Treasury Board of Canada Secretariat, “Review of the Responsibilities and Accountabilities of Ministers and Senior Officials,” Report to Parliament, 2005, p. 23-24; Gordon Osbaldeston, “Job Description for DMs,” Policy Options, January 1988, 33-34.

⁷ As defined by the *Financial Administration Act*; the 165,000 staff within the Core – 2.5% classified as Executives – work for 73 departments, agencies, boards and commissions.

⁸ Public Policy Forum, “Today’s Leaders: Building Bridges between the Public and Private Sectors,” 2006; Canada School of Public Service, “Learning Needs...,” September 2006.

⁹ Public Service Commission and Treasury Board Secretariat, “Profile of Public Service Leaders and Managers,” Government of Canada, 1990.

the short- and medium-term human resource requirements of the department, while also being innovators and leaders of both policy and administrative change initiatives.

There are currently more than 250 ADMs in the federal public service. As a cohort, they are highly educated, two-thirds male, three-quarters English (as a first language), predominantly in their mid-50's, and (almost all) work in the National Capital Region. Almost exclusively having emerged from the ranks of the public service, they usually spend 10 years in the ADM community, and average between 55 and 65 hours worked per week.¹⁰

Director Generals (DGs) and Directors occupy the EX-3 to EX-1 positions below the ADMs, with some Directors classified with a departmental designation. Their roles require diplomacy and strategic communications, as they must be able to reach down into the department to build and maintain support for the vision and objectives identified by the management team. In the policy arena, they must be innovative and forward-thinking, but they must also be able to constructively question policies and practices. As administrators, they must help shape the organizational structures that allow for goals to be achieved. They must also play an active role in managing the departmental human resource regime, both by motivating and delegating effectively and by taking responsibility for attracting, retaining and promoting talent.

Below the EX cadre are the middle managers and supervisors. Both must be able to lead small teams and manage a budget. They must be capable of allocating resources effectively, and reaching outside their unit when necessary to gain information or to solve problems. Their primary responsibility though is to challenge the members of their team by creating realistic goals and deadlines, and by generally trying to encourage a collaborative environment in which everyone takes responsibility for their files. Strong interpersonal skills are needed, as managers and supervisors must build commitment and morale, apply administrative policies and procedures, encourage teamwork, provide project support and constructive criticism on a day-to-day basis, recognize employee achievement, and understand the balance between flexibility and firmness in their demeanour.

Admittedly, the descriptions of the leadership roles above represent extremely broad generalizations. It is crucial to acknowledge that roles within the federal public service are not homogenous by any means. There is a vast multitude of departments, agencies and other bodies that all have different mandates, are different sizes, have different structures, and require different capabilities of their leaders. Yet, while an in-depth analysis of these levels of management would be far too extensive for this study, it is nonetheless important to keep in mind that there are many similarities between the required skills and capabilities of leaders from top to bottom, and that in fact an important responsibility of senior executives is to motivate and empower the leaders below them in the organization.

¹⁰ Canada School of Public Service, "Learning Needs of Senior Leaders of the Federal Public Service: An Overview," slideshow presentation, September 2006.

The Nature of the Leadership Environment

Centralized Control

Control in the Canadian parliamentary system is centralized with the Prime-Minister, and largely flows through the strong central bodies – the Prime Minister’s Office (PMO), the Privy Council Office (PCO), Finance and the Treasury Board Secretariat (TBS) – that coordinate decision-making and the implementation of policy and programs throughout the federal departments and agencies. In addition to relying upon the Cabinet and central agency processes as locales for policy development and management, the Prime-Minister (and his/her Clerk) also leans upon the appointed executive cadre of senior public servants that work within the central agencies and line departments for support in the decision-making process.¹¹

Evert Lindquist describes this executive structure as one unique to Canada, “because of the extent to which the Prime Minister and Clerk view the executive group as a corporate resource, to be informed as a group and used in advisory, reform and learning initiatives.” Deputies are actively engaged by the Clerk through weekly breakfast meetings, regular retreats, inclusion in corporate planning processes and government transitions, as well as through participation on advisory committees, task forces, or corporate research initiatives. In addition, ranking Deputies are included in the Committee of Senior Officials (COSO), a body that has the Clerk’s ear on key issues and that is responsible for completing performance reviews of their peers.¹²

Politicization?

The Canadian federal public service has always proudly advertised itself as an apolitical, ethically rigorous and professional institution that provides impartial advice and competent service delivery in line with the public interest to whichever party is in power. Yet, despite the professional and apolitical mandate, it is not difficult to understand how the optics of the appointment process for Deputy Ministers might seem politically motivated to an outside observer. The appointment of Deputies by the Prime Minister could naturally lead to the assumption that the selection of senior public officials is motivated by a desire to choose people whose political or ideological beliefs align with those of the party in power. This assumption – that the appointment process must lead to the installation of partisan and potentially unqualified senior bureaucrats – is not helped by the fact that the Deputy Minister is in constant contact with elected MPs, Cabinet and the PMO.

¹¹ Evert Lindquist, “A Critical Moment: Capturing and Conveying the Evolution of the Canadian Public Service,” Canada School of Public Service, 2006, p. 30.

¹² Lindquist, p. 32-33.

But while public servants might find themselves in the difficult position of having to support sometimes ill-advised policy initiatives, there is little evidence to support the theory that partisan leanings affect the way in which they exercise their authority. Countries employing Westminster systems of government, including Canada, Australia, New Zealand and Great Britain, have proven quite adept in entrenching the separation between administrative and political functions at executive levels. Senior public servants must reconcile a number of competing interests, and they can also develop a degree of administrative loyalty towards their political masters, but the requirement that they provide unbiased and professional advice while serving their Minister and the government actually allows them to maintain their independence. Because public servants are ultimately expected to implement the government's agenda – whether they perceive it to be in the public interest or not – they are expected to privately work collaboratively and constructively with members of the government while also being granted the opportunity to take adversarial positions where they feel initiatives require improvement or are not in the public interest.

A recent study by public administration scholar Jacques Bourgault reaches this conclusion, insisting that neither recruitment processes nor Deputy positions themselves are politicized in Canada. In fact, Bourgault states that “Canada has [comparatively] become quite a unique case, some say anachronistic, due to the apolitical character of its senior officials.” Furthermore, he identifies the Canadian senior public service as being representative of non-elitist and diversified recruitment, of professionalism, and of exhibiting of a sense of prestige and belonging within the Deputy Minister community. When compared internationally, there is also better female representation and more egalitarian social origins among Canadian federal Deputies than among their equivalents in Europe or the United States.¹³

Organizational Culture

The federal public service is widely understood to have a strong if rigid organizational culture, which has a significant effect on the leadership cadre. Given the immense size of the institution and the frequency with which governing parties and political dynamics change, this strong culture is an important factor, providing a degree of constancy and a linkage with the overarching commitment to the interests of the Canadian people. At the same time, this rigidity, combined with the sheer scope of the public service, seems to have resulted in an organization that is less innovative, accepting of criticism, and less able to renew itself.

Peter Larson and David Zussman's survey of a group of mid-career recruits into the management stream provides some fascinating insights into the organizational culture of the public service from an outsider's perspective. The group of respondents recognized the particularly complex policy and management challenges faced within the public service, and expressed high levels of respect for the intellectual caliber, professionalism

¹³ Jacques Bourgault, “Profile of Deputy Ministers in the Government of Canada – Working Paper Series,” Canada School of Public Service, 2005, p. 15-16, 19, 33.

and dedication of the senior officials with whom they worked. However, they also admitted to having a significant amount of difficulty as outsiders integrating into the senior ranks, with some describing it as a “closed shop.” As Zussman and Larson point out, there are significant barriers that limit the flow in and out of the federal public service, including the relative isolation of Ottawa, the bilingual imperative, and the less attractive compensation packages executives receive when compared with the private sector. For the respondents largely coming from the private and not-for-profit sectors, much more exasperating were some of the characteristics of the internal culture they came up against.¹⁴

They identified the focus on following rules at the expense of outcomes as a particularly noticeable weakness, brought upon by the structure of rewards and punishments. Among leaders, this seemed to result in an emphasis on policy leadership over organizational leadership. On another note, the lack of financial performance information, needed to inform decision-making, leaves managers with little capability to cost their projects, and generally results in poor financial management at the executive level.

Lastly, they identified a pervasive sense of fear amongst the executive cadre that interestingly had little to do with political interference or manipulation. It seemed to correspond more with the extremely high level of competition for positions and status within the senior ranks. The executive recruits were of the view that few of their colleagues wished to publicly express an opinion that strayed too far from the general consensus without thoroughly testing it first. In their view, in the absence of a clear cut metric to determine success amongst executives, ideas and information act as currency and are thus guarded closely.¹⁵

The Relationships and Accountability Structures of Public Service Executives

- Upwards (government), downwards (department or organization), horizontally (across government) and outwards (public and other stakeholders)

Another critical component of the leadership environment is the accountability structure in which leaders must work. A common public perception – further propagated by the recent Gomery proceedings – is that public servants are endowed with a great deal of independence and control over massive amounts of public funds without really being accountable. The resulting implication is that elected officials must make senior public servants accountable by better defining their roles and responsibilities, and increasing regulation, transparency and oversight. Yet – without deigning to contribute to the prescriptive debate of accountability processes – a great many experts find this perception to be unfounded.

¹⁴ Peter Larson and David Zussman, “Canadian Federal Public Service: The View from Recent Executive Recruits,” Optimum Online – The Journal of Public Sector Management, V. 36 I. 4, December 2006, online at www.optimumonline.ca/print.phtml?id=s69, p. 1-5.

¹⁵ Larson and Zussman, 5-9.

Twenty years ago, Gordon Osbaldeston was writing that the problem is not a lack of Deputy accountability, but the fact that “they are accountable to so many people that accountability is diffused.”¹⁶ Similarly, a contemporary report criticizes Gomery’s “obsessive preoccup[ation]” with defining roles and responsibilities as a basis for assigning blame; Hubbard and Paquet affirm instead that “the complex relationships among the [Deputy, Minister and Parliament], and the necessary fuzziness and blurring of roles necessary for good governance, with the soft but intelligent accountabilities that ensue there,” are areas that should be better recognized.¹⁷ At the same time, calls for a clearer delineation of the roles and responsibilities of deputy ministers – and in fact for a new conception of deputy ministerial responsibility in regards to administration – date back to the report of the Lambert Commission in 1979;¹⁸ it called for deputies, as chief administrative officers for their departments, to be responsible for “performance of specific delegated or assigned duties before the parliamentary committee responsible for the scrutiny of government expenditures, the Public Accounts Committee.”¹⁹

The recent Federal Accountability Act has done just that. It created provisions that designate deputy ministers and deputy heads as the accounting officers for their organizations. For administrative issues narrowly falling within four spheres - administrative policies and procedures, systems of internal control, departmental accounts and legal authorities – deputies are now legally obliged to appear before House of Commons or Senate committees when called under the pretext of their role as accounting officer. For broader responsibilities falling beyond the scope of these four areas, it remains at the discretion of the department or organization to identify the most appropriate representative to appear before committees.

Though it seems clear in principle, there is a great deal of interest in how the accounting officer concept will take shape in practice. Firstly, though the new guidelines are described as simply codifying a long-standing convention, the dichotomy they create between the administrative duties grouped into the four spheres and the broader deputy responsibilities will undoubtedly require that deputies and parliamentarians become much more aware of the capacity in which public servants are appearing. The complexity of the distinction might make this a challenge.

Secondly, Privy Council Office guidelines make explicitly clear that the new provisions do not infringe on the framework of ministerial responsibility; deputies are accountable *before committees* though Ministers remain accountable *to parliament*. Yet, the principles of the provisions are underpinned by the need for parliamentarians to respect the proper scope of questioning, the non-partisan nature of the proceedings, and the inability of accounting officers to defend themselves from personal criticism. Furthermore, in cases where questions do go beyond acceptable bounds or questioning becomes demeaning, it

¹⁶ Osbaldeston, 36.

¹⁷ Ruth Hubbard and Gilles Paquet, “Gomery II: Fear of Blurring and the Lack of Temperatio,” Centre on Governance, University of Ottawa, February 2006, p. 3, 10.

¹⁸ Alex Smith, “The Accountability of Deputy Ministers before Parliament,” Library of Parliament, 2 February 2006, p. 4.

¹⁹ Royal Commission on Financial Management and Accountability – Lambert Commission, *Final Report*, Ottawa, March 1979, p. 189.

is the responsibility of the Minister to protect their deputy.²⁰ Given the tone of some recent committee sessions, many would ask whether or not these are reasonable expectations?

On the whole though, while the accounting officer provisions are a significant new development, they represent but one element in an already complex web of interactions and accountabilities. In performing their duties, deputies must manage upwards by supporting and advising their Minister, downwards in the management of their department, horizontally by contributing to the collective management of the government, and outwards with the provinces and territories, the public and with other non-governmental actors. This array of relationships and accountability arrangements inevitably result in conflicts about expenditure or human resource agendas, obligations to Minister or Government, and management priorities, which are often exacerbated by the variety of interests that are pushing and pulling at any given time.²¹

Upwards Management

According to a recent report by the Treasury Board, the DM must act as the “bridge between ministers and other public servants.”²² They must be responsive to the Minister’s agenda, while simultaneously providing management expertise, policy advice, and liaising with the central agencies in order to achieve the Minister’s objectives. It is extremely important for both sides that the DM and their Minister have a strong and trusting relationship, with clear and consistent lines of communication; Gordon Osbaldeston went as far to liken this working relationship “to a marriage,” though the Minister is required to act as the leading partner.²³

There are a number of factors that make the building and maintenance of these relationships quite difficult. The first is the simple fact that it takes time and effort to build a trusting, collaborative rapport. This is especially difficult when a new government arrives after a long absence, as there will always be a degree of suspicion about the ties between the bureaucracy and the former government. Important other players such as the chief of staff and the Ministers of State often also complicate matters, and require that the Deputy possess a delicate and inclusive touch.

Secondly, the Deputy is expected to be frank and honest – to speak ‘truth to power’ – as an advisor. The Minister, on the other hand, might occasionally expect loyal implementation, especially when a politically sensitive decision must be taken. In fact, Donald Savoie wrote recently that politicians are increasingly arriving in office expecting that they receive not unbiased or neutral policy advice, but responsiveness if not partisan

²⁰ Privy Council Office, “Accounting Officers: Guidance on Roles, Responsibilities and Appearances Before Parliamentary Committees,” 2007, online at www.pco-bcp.gc.ca/default.asp?Language=E&Page=Publications&doc=guidemin/account-guideonrole2007_e.htm, p. 1, 5-8.

²¹ Gordon Osbaldeston, “Job Description for DMs,” *Policy Options*, January 1988, p. 33-34.

²² Treasury Board of Canada Secretariat, “Review of the Responsibilities,” p. 24.

²³ Osbaldeston, “Job Description,” 33.

competence in supporting their pre-determined agendas. Though this might not seem to be a revelation given the contemporary nature of political discourse, it marks a distinct change from the objective and non-partisan policy support that was welcomed 25 or 50 years ago.²⁴

Thirdly, the success of the relationship – and often the individual success of the Deputy – is frequently determined by whether the Deputy and Minister can establish a firm and workable agenda early on. A clear and focused agenda, backed by a Minister that is able to gain support from the Prime Minister and Cabinet, provides the stability that allows the Deputy to work more effectively both through the political interface and in their departmental management responsibilities. By the same token, a rudderless Minister can make life extremely difficult for the Deputy and for the department.²⁵

Lastly, there is a high rate of churn among Ministers and Deputies, requiring that new relationships be forged and new policy expertise be developed on both sides. Cabinet shuffles and changes in government often precipitate the rotation of Ministers, while Deputies, caught up in the mix, often find themselves shifted laterally or out of the line departments by new governments or new Clerks. This can have a significant effect, as Osbaldeston estimates that it generally takes Deputies at least six months to feel comfortable within their new department, and there is no reason to believe the transition would be easier for Ministers.²⁶

This high mobility through interdepartmental transfers, however, is also seen by many within the public service as the quickest way to the top. According to a report by the Public Policy Forum published in 1996, Deputies had generally passed through 5 different departments before receiving their appointment, while private sector CEOs usually only moved once before being given the top job.²⁷ This is often justified in the public service by the twin beliefs that high executive mobility will provide the cadre with a broader understanding of different policy areas and departmental roles while also ensuring loyalty to the government rather than to their departments.

The benefits might be balanced or even outweighed by the consequences, however, as experience and content expertise are valuable in any position. A recent survey of public and private sector leaders indicated that that almost half of Deputies, agency heads, Crown CEOs and other equivalent senior public service leaders had been in their position for less than 3 years, compared with only one-third of the Canadian private sector CEOs surveyed.²⁸ Furthermore, it is hardly a stretch to suggest that the frequency and unpredictability of the lateral transfer of Deputies might be a barrier to the articulation of

²⁴ Donald J. Savoie, “The Public Service: The Glue is Coming Unstuck,” *Policy Options*, March/April 2005, p. 52.

²⁵ Osbaldeston, “Job Description,” 35-36.

²⁶ Gordon Osbaldeston, “Dear Minister,” *Policy Options*, June 1988, p. 9.

²⁷ Sharon Varette and David Zussman, “Today’s Leaders: Career Trends of Canada’s Private and Public Sector Executives,” Public Policy Forum, 1996, p. 10.

²⁸ “Today’s Leaders: Bridging Skills and Career Trends of Canada’s Private and Public Sector Leaders – Survey Results,” Public Policy Forum, July 2006, p. 8.

and commitment to long-term agendas or to pursuing organizational change within the department.

Downwards Management

The downwards management responsibilities of public service executives are extensive. In addition to setting the general strategic direction for their department, Deputy management responsibilities require that they manage their office, oversee their executive management committee, and ultimately be responsible for the entire department. A survey of Deputies by Jacques Bourgault suggests that they employ a diverse array of people management methods, meeting with their ADMs and other subordinates at different intervals ranging from once a month to multiple times per week, and delegating tasks and disseminating information in a number of different manners.²⁹ Deputies also have to be capable financial managers, and must have a solid understanding not just of the policy development process but of program implementation. Such operational responsibilities require that they be able to manage and conduct strategic planning while bearing in mind cost factors, delivery systems, staffing issues, and an array of other dynamics.

Zussman and Smith, however, point out that the upward policy development and political interface role has traditionally been seen by public service leaders as more of a priority than their downward management and administrative responsibilities, which are often delegated. There is in essence a split between the policy wonks and the managerial types. Issues like crisis management frequently require as much time as people management. Similar circumstances have prompted other Commonwealth countries such as New Zealand, Australia and the United Kingdom to make significant structural changes to address this issue by developing executive agencies or other bodies that allow for the separation of policy and service delivery responsibilities.³⁰ The accounting officer provisions represent a baby step in this direction.

Other experts, however, have explicitly identified the nature of the relationship between Deputies and Ministers as the major cause of one of the most glaring systemic problems. Savoie points to a passage from the 1996 report of the Task Force on Values and Ethics that bluntly asserts that the upwards preoccupation of many Deputies is a product of the fact that “many senior public servants have made their careers because of their skills in managing up. They have been valued and promoted because they were adept at providing superiors with what they needed, in a timely fashion.”³¹

This upwards preoccupation has another important consequence. It has become increasingly apparent – to private sector CEOs as well as leaders in other sectors – that

²⁹ Jacques Bourgault, “The Contemporary Role and Challenges of Deputy Ministers in the Government of Canada,” Canadian Centre for Management Development, 2003, p. 89-92.

³⁰ Jennifer L. Smith and David Zussman, “Modeling the Public Manager,” Public Policy Forum, 1998, p. 3, 7-10.

³¹ Savoie, 54.

success and productivity depends largely upon their managers ensuring a motivated and well-directed workforce. Compared with the routine workers of yesterday, today's knowledge workers in the public service face increasingly complex and citizen-centered tasks. As a result, the organization – and ultimately the managers within – must provide them with a supportive and healthy environment that can allow them to innovate and contribute.

Linda Duxbury argues that these mid-level managers that are responsible for the crucial functions of directing and supporting staff are frequently disconnected from and undervalued by their senior managers. Her studies have shown that good people management at all levels can improve worker health, job satisfaction and performance by approximately 30%. Yet, mid-managers are often not brought into the loop. According to Duxbury, they are often tasked with unworkable or superfluous assignments without having been consulted, and are then expected to justify these corporate initiatives to their staff with a smile on their face. For middle-managers, she writes, “speaking truth to power is seen as risky – a career limiting move.”³²

Horizontal Management

Senior public servants are also increasingly required to devote their time and energies to horizontal management, which is basically the administration of any policy or program issues that require collaboration between two or more departments or agencies (for instance, any issue of national security would generally require the involvement of a number of line departments). Though the public service is sometimes criticized as an overly siloed organization, Jacques Bourgault argues that the Canada has one of the most advanced governments in the world in the realm of horizontal management at the corporate level. He describes the framework as one in which Deputies provide “collective opinions as broad senior advisors to government as much as in their capacity as deputy ministers of a specific department, if not more so.”³³

The process – both formal and informal – depends largely upon the style of the Clerk, and can range from weekly breakfast or lunch meetings that address broad themes to advisory committees or consultations on specific policy development and implementation issues. Under the current government, there are 10 deputy minister committees that are tasked with coordinating horizontal policies and providing counsel and background information to inform Cabinet decision-making. These committees, composed of between about 10 and 30 deputies, organizational heads and other senior public servants, range in purpose and theme from the Coordinating Committee of Deputy Ministers and the Deputy Ministers' Breakfast – both chaired by Kevin Lynch – to the Global Affairs Committee and the Social Inclusion and Justice Committee.

³² Linda Duxbury, “Getting Mid-Management Right: the emperor has new clothes,” *Canadian Government Executive*, July/August 2004, p. 5-7.

³³ Bourgault, “The Contemporary Role and Challenges of Deputy Ministers,” 19.

This type of interdepartmental approach to governance is here to stay, and there is no doubt that it imposes an increased burden on senior public servants. In addition to the time spent in preparing and traveling for meetings, following-up with their counterparts, and generally attempting to cobble together consensus, deputies must also involve Ministers and Cabinet committees above them while engaging and delegating to their ADMs and other departmental staff.³⁴ There are also a vast array of channels and structures in place below the most senior levels. Intended to facilitate horizontal cooperation, they can represent a time consuming infrastructure for busy junior executives.

Broader collective management responsibilities represent yet another aspect of the accountability structure. As an appointee of the Prime Minister, an explicit component of the role of the Deputy Minister is to actively support the general policies and priorities of government, while ensuring that they abide by the administrative and managerial guidelines established for the government by the central agencies. This relates to both government-wide guidelines relating to official languages or financial management, and specific policy initiatives like the Federal Accountability Act or the Universal Child Care Benefit. Deputies are thus responsible not just to their Minister, but to the Prime Minister, to other ministers, to Cabinet and to agencies like the Treasury Board.³⁵

Outward Management

Public servants must also look to gain input from players outside of government. The federal government has increasingly looked to consult, collaborate and (at times) partner with the provinces and territories on issues around education, infrastructure or even the place of municipalities that fall within provincial jurisdiction but are considered to be in the national interest. Federal public servants are now expected to conduct many of these consultations with provincial counterparts. Occurring through both formal and informal channels, these intergovernmental consultations can be time consuming and logistically difficult.

Moving beyond government to civil society, the relationship between Deputies and their Ministers – representing the point at which government and bureaucracy intersect – has increasingly become a key entry point for a number of other parties with interests in the policy-making process. Non-governmental actors ranging from non-profit or charitable organizations, lobbyists, industry associations or advocacy groups, to think tanks, research institutes and the media have made great strides during the last two decades in increasing their access to the legislative process. This has undoubtedly left the public service and its leaders feeling increasingly uncertain about the nature of their role as it pertains to shaping policy.³⁶

³⁴ Bourgault, 2003, p. 28-33.

³⁵ Privy Council Office, “Guidance for Deputy Ministers,” 20 June 2003, p. 12-16, online at http://www.pco-bcp.gc.ca/default.asp?Language=E&Page=publications&Sub=gdm-gsm&Doc=gdm-gsm_doc_e.htm.

³⁶ Savoie, 51.

Finally, public servants are often expected to perform public outreach initiatives on behalf of both Minister and department. The citizen-centered nature of service delivery is requiring that ‘customer satisfaction’ be more accurately measured, and improvement targets set. At the same time, Ministers concerned with public opinion and influenced by their constituents are tasking public servants with consulting Canadians so that their views can be reflected in the policies that that come out of government. As outlined by the Privy Council Office, Deputy Ministers are ultimately responsible for ensuring that their departments are “attentive to citizens’ priorities... from a ‘whole of government’ perspective.”³⁷

Values and Ethics

- Promoting the values and ethics of the public service from the top-down

Values based leadership

In a recent address to the Public Policy Forum’s first annual Gordon Osbaldeston Lecture, former Deputy Minister and Supreme Court Justice Frank Iacobucci described the values base of the federal public service as a “core strength and a key part of Canada’s competitive advantage and civilized society.” The fundamental values must reflect the importance to Canadians of the responsible management of employees and public funds, and they must be made to reflect the challenges the public service faces in the 21st century. However, he says, the recent shift towards whistle blower legislation in the wake of the Sponsorship Scandal is “very unfortunate and reflects a breakdown in leadership as much as anything else.”

According to Iacobucci, what is needed is a clearer articulation of the core values of integrity, accountability, impartiality and professionalism that have become entrenched since the establishment of the Civil Service Commission in 1919, and that represent the foundation of the public service ideology. These values, insists Iacobucci, must be instilled in the institution from top to bottom, and they must be reflected in the actions taken by members of the public service across the system. Ensuring that they are understood, he maintains, “is the job of leaders.”³⁸

This view was stressed in the text of the Tait Report, which is seen by some as one of the best articulations of what the public service stands for that has ever been produced. The study group chaired by John Tait – officially titled the Task Force on Public Service Values and Ethics – asserted that “nothing is more important for the future of the public service values than the quality of leadership at the top levels of the public service.”³⁹

³⁷ Privy Council Office, “Guidance,” 6.

³⁸ Frank Iacobucci, “Speaking Notes – First Annual Gordon Osbaldeston Lecture,” held 15 November 2006, Public Policy Forum, 2006, p. 6,8, 14.

³⁹ John C. Tait, “A Strong Foundation: Report of the Task Force on Public Service Values and Ethics,” Canadian Centre for Management Development, December 1996, p. 52, 57.

The Tait Report describes the core values of the public service within four concise clusters. The first and most unique to the public service are *democratic* values, described as ensuring public trust by “helping ministers, under law and the Constitution, to serve the common good.” The *ethical* values clustered within a second family are also relatively distinctive within the context of the public service. Consisting of integrity, accountability, respect for rule of law and due process, and prudent management of public resources, they again centre upon the importance of respecting democratic institutions and serving in the public interest.

The last two families of values are less distinct to the public service, and instead reflect characteristics of the internal culture of any successful organization in Canada. The first – *professional* values – broadly include the pursuit of excellence, continuous improvement, impartiality and merit. The second – *people* values – reflect a combination of personal morals, respectful and fair conduct towards others, leadership principles, and deep-seated Canadian values.⁴⁰

The report emphasizes that the four overlapping sets of values – democratic, ethical, professional and people – must exist universally throughout the public service, though they are malleable enough to allow for them to be articulated and applied differently among the organizational sub-cultures that exist within the public service. The values must be clearly expressed by leaders not just to guide the conduct of their staff, but in fact to renew and embolden public servants by restoring their confidence in the character of the institution for which they work. Echoed a decade later by Iacobucci, the Tait Report described “these core values, rooted in the democratic mission of government, [as] the bedrock, the solid foundation on which renewal can take place and on which a stronger public service can be built.”⁴¹

Developing an organizational culture of values-based leadership

The Tait Report was the basis for the groundbreaking *Values and Ethics Code for the Public Service* that was released by the Treasury Board Secretariat in 2003. Intended to both guide public servants in their professional conduct and strengthen public confidence and appreciation for the Public Service as a central institution in Canadian democracy, the Code articulated the very same four clusters along with instructions on how the values and ethical behaviours should be applied. It also included conflict of interest guidelines and post-employment measures.⁴² However, many have since argued that codified values and ethics mean little if leaders are not seen to be expressing them.

⁴⁰ Tait, 53-58.

⁴¹ Tait, 58.

⁴² Treasury Board of Canada Secretariat, “Values and Ethics Code for the Public Service,” Minister of Public Works and Government Services, 2003.

Skills, Competencies and Leadership Development of Public Service Executives

- Determining what skills and competencies they must have, and what makes for effective leadership?

The nature of public service executive leadership

In his study of Deputy Ministers in the Government of Canada, Jacques Bourgault described the persistent dilemma in the study of leadership: should leaders inspire and direct from the front, or should they consult, empower and support from their troops from the rear. His reasonable response is that maintaining a blend of control and support is probably optimal. In analyzing the practice of contemporary management, however, he suggests that the practice of leadership has undergone a shift. Where the focus was on hierarchical relationships and enforcement of compliance, effective leadership now seems to rely upon a values-based approach to inspiring and supporting people along with results-oriented markers of management success. This perception is reflected in the following qualitative response provided to Bourgault by a member of the Deputy Minister community:

It's not just a matter of getting people to do things...which they want to do anyhow! It's a matter of getting them to do things they would not do if it were up to them; down the line, they'll understand that it was in their best interests: this calls for vision and motivation.⁴³

In compiling a range of responses from federal Deputies, Bourgault identified four distinct forms of leadership. The style of leadership most frequently cited by the Deputies who took part in his study is *Change Leadership*. The Deputies generally identified change leadership as the development and articulation of a vision or strategic plan that sets out clear priorities for the department, and ultimately leads to operational changes. Often equated with Deputies who assume a difficult portfolio or who have to push through major reforms, this form also generally requires that leaders actively involve different players in the change process.

The second style of leadership is defined as *Risk and Courage Leadership*. Courage leadership is exhibited by those who are willing go against the current and make difficult or unpopular decisions in support of their employees or the goals of their department. Deputies who are willing to risk personal censure to follow the advice of staff, take responsibility for mistakes, or shield members of the department in times of crisis, can be extremely important in building trust and maintaining morale.

⁴³ Bourgault, "The Contemporary Role and Challenges," 67.

Day-to-day Leadership requires Deputies, as figureheads, to carry themselves with a respectful confidence, as staff members are constantly gauging the demeanour of the departmental head. It also requires that Deputies actively maintain cohesion in times of flux, both within their management team and in the budgetary process. Perhaps most important, a Deputy must encourage their team to challenge themselves and to commit to the goals of the department. To do so, they must be able to show their human side, and to reach out by, as one Deputy put it, making a “deliberate policy of being physically present in the department.”⁴⁴ The willingness of a leader to build strong relationships and to commit to the goals of the organization has a significant impact on the perception of other managers and staff.

Lastly, *External Leadership* is practiced outside the department with a range of departmental client groups, in relations across government, with other levels of government, and internationally. External leadership is often crucial when a Deputy must reach out beyond the department to build consensus around a departmental or governmental agenda, to arrange events or coordinate portfolios with departments or organizations, or even to provide Canada with a voice at an international forum.⁴⁵

How do public service leaders compare with their private sector counterparts?

The first foray into the examination of public service leadership, as a part of this wide-reaching project, was a Leadership Survey sent to both federal Deputy Ministers and equivalent heads of agencies, commissions and Crown corporations, and private sector CEO’s and senior executives from Canadian corporations. In addition to compiling demographic information, the Survey asked these prominent individuals about their experiences with, and their perceptions of: the skills of leaders in the two sectors, the personal and organizational approaches to leadership development, and the amount of contact between public and private sector executives.

The quantitative and qualitative responses, while representing only a sampling of opinion, were both compelling and confounding. On the one hand, there was a degree of confusion in regards to the similarities and differences in roles, responsibilities, markers of success, organizational structures, accountability requirements, leadership development processes, and even in approaches to leadership. Public sector respondents’ – who joined with corporate CEO respondents in taking a low view of the skills of the federal public service leadership cohort – readily acknowledged that they could learn from their private sector colleagues. Yet they tempered their responses with two crucial caveats that speak to the uniqueness of the public service environment: they are not afforded the same clarity as their private sector counterparts in defining success by the colour of the balance sheet, and private sector leadership principles are only useful if they

⁴⁴ Bourgault, “The Contemporary Role and Challenges,” 82.

⁴⁵ Bourgault, “The Contemporary Role and Challenges,” 69-85.

can be made to take into account that public servants are responsible for protecting and supporting the common good above all else.⁴⁶

On the other hand, the survey underscored an understanding among both sets of leaders that public and private sector organizations face many of the same management issues, that leaders require many of the same skills, and that in fact executives in both sectors could learn from each other. A similar survey conducted for the World Business Forum in 2005 confirms that, with one important exception, the challenges to business leaders are – as we will see in the next section – quite comparable to those identified by the public service leaders.

The participants, predominantly corporate executives ranging from CEOs to senior managers, were asked to choose which three management challenges, from a list of fourteen, were most critical to the success of their businesses'. People management and innovation issues, including hiring and retaining the right people, aligning corporate culture with strategic direction, and identifying thought leaders and innovators were, to quote the report, "cited much more frequently than other answers participants might have been expected to choose." This corresponds closely with responses from similar public service surveys. The only challenge selected more frequently by World Business Forum respondents – the clear exception from public sector survey respondents – was "generating profitable growth;"⁴⁷ this is representative of both the fundamental distinction between the missions of public and private sector organizations, and the different means by which performance and success can be measured.

What skills do public service leaders need?

These public service distinctions require that senior executives possess slightly different skill sets from their colleagues in other sectors. Smith and Zussman are perfectly willing to concede that public sector leadership requires traditional management skills in finance, budgeting, resource allocation, human resources and risk management as any non-governmental executive would. The difficulty – and the contrast that exists with leaders in other sectors – is "balancing the need to understand the broader policy environment, its political implications, and the notion of the *public interest*, with the need to lead an organization (their emphasis)." The bottom line, they insist, is that in a 21st century public service that requires *people* managers, "promoting individuals into management positions based on technical or policy expertise is no longer a viable practice."⁴⁸

The critical competencies that need to be instilled in public sector managers, they continue, – including leadership, communication, strategy, vision, ethical standards,

⁴⁶ "Today's Leaders: Bridging Skills and Career Trends of Canada's Private and Public Sector Leaders – Survey Results," Public Policy Forum, July 2006, online http://www.pforum.ca/common/assets/publications/en/survey_results.pdf.

⁴⁷ Right Management Consultants and HSM Group, "World Business Forum - Executive Leadership Survey Results," Conference was in New York, 13-14 September 2005.

⁴⁸ Smith and Zussman, 8-9.

accountability, citizen engagement and integrity – can generally only be acquired through experiential processes like formal and informal development initiatives, mentoring, acting positions, secondments and inter-sectoral exchange programs.⁴⁹ This view corresponds with the findings of a Public Policy Forum survey. When asked what makes them effective leaders, public and private sector executives uniformly identified personal and informal factors like job and life experience, and personal values and qualities, over structured institutional processes such as formal development programs and education.⁵⁰

The Challenges of Public Service Leadership in the 21st Century

- Demographics, accountability, technology, globalization, and increasing uncertainty

The Canada School of Public Service recently released an overview of what they consider to be the major emerging and enduring challenges faced by leaders in the public service. The five emerging challenges – demographics, increased accountability and transparency, globalization, digital era governance, and increased paradox – all suggest that leaders will increasingly find themselves in situations where they need to satisfy opposing interests, take risk and innovate with less room for error, and generally administer a larger and more complex range of issues with less autonomy.

Add to these emerging dynamics the enduring challenges of increasing complexity and speed within the system, the growing need to work with other levels of government and with non-governmental actors, the continuing need to build and maintain relationships, the ever-present paucity of resources, the continued maintenance of public service neutrality and professionalism, and the requirement that they actively advance institutional values, and it might seem to paint a disquieting picture. The nature of this type of working environment will require that leaders rely more than ever on personal and corporate values, an awareness of their personal preferences, and their inclusive communication and relationship building skills.⁵¹

Similarly, in 2004 the Institute of Public Administration of Canada (IPAC) conducted a survey⁵² of federal, provincial and territorial Deputy Ministers and municipal Chief Administrative Officers. The survey asked them to rank the top ten management issues that Canadian public service organizations will face in the near future. Grouped into four thematic areas, the second highest set of responses identifies the need to redesign governance, policy and fiscal arrangements to respond to the increasing cost pressures public service organizations are facing, while also responding to important issues such as the deterioration of public infrastructure. Along the same lines, the third theme addresses the difficulties of satisfying the increasing citizen demand for public services, despite

⁴⁹ Smith and Zussman, 9.

⁵⁰ André Côté, “Skills and Career Trends of Canada’s Public and Private Sector Leaders – Report of the Leadership Survey,” Public Policy Forum, October 2006, p. 9.

⁵¹ Canada School of Public Service, “Overview of Emerging and Enduring Leadership Challenges and their Impact,” slideshow presentation, September 2006.

⁵² Brian Marson and Peter Ross, “2004 Survey: Deputy Ministers Identify the Top Management Issues,” IPAC online (13 July 2006), www.ipac.ca/research/survey_of_dms_and_caos/2004_survey.html.

these very same budgetary stresses. Lastly, the pan-Canadian cohort of public sector managers identifies transparency, performance management and accountability as the fourth theme, acknowledging the erosion of citizen trust and respect for public institutions and public leaders.

As was the case with respondents of the aforementioned World Business Forum survey of business leaders, the issues that ranked highest, by a good margin, fit within the theme of human resource and knowledge management. In addition to the ever-present recruitment and retention concerns, the most pressing issue according to public sector leaders from across Canada will be the management of the generational shift – the retirement of the baby boomers – and the resulting need to develop the next generation of workers and leaders while maintaining requisite levels of corporate knowledge. This conclusion squares nicely with the federal government’s public service renewal agenda, outlined by the Clerk of the Privy Council Kevin Lynch, which identifies a rethinking of the recruitment and retention model, of professional development approaches, and more generally of the “toolkit” of values and regulations that supports the ability of public sector leaders to creatively and effectively manage human resources.⁵³

Conclusions and Guiding Questions

Returning to Kevin Lynch’s clear assertion that a strong public service will reflect excellence and leadership helps to put the current realities into perspective, as they represent two core components of the organizational values base. The public service and its leadership cadre do not seem to have strayed too far from the professional, ethical and apolitical institution Canadians have by and large lauded over the years. At the same time, while survey and anecdotal evidence generally point to the fact that the executive group is respectful of the values base as defined by Tait, the general malaise and level of distrust of management recorded among public service staff in survey data is reflective of the fact that Tait’s values are often not being reflected in certain segments of the organizational culture of the public service.

This does not necessarily imply that the blame should be laid at the feet of the executive cadre however. The leadership environment and accountability structure are increasingly complex, rules and regulations abound while transparency has been heightened, and senior public servants must address increasingly challenging and cross-cutting issues in their relations with elected officials and outside stakeholders, in their capacity as policymakers, and in the implementation of programs. The increasing number of variables at play might have made the job more complicated in recent years, but they do not justify the fact that evidence has shown that senior public servants have tended to devote their time and energy supporting their Minister and the government’s policy development priorities at the expense of their operational, administrative and people-management responsibilities. Still, while some have argued that a focus on this type of upwards management is often looked upon by ambitious public servants as the best way

⁵³ Kevin Lynch, 15 September 2006, www.pco-bcp.gc.ca/printer.asp?PRinterFriendly=&Language=E&Page=clerk&Sub...

to move up through the ranks, it is entirely understandable that senior executives would reflexively focus on the government's agenda as opposed to the needs of their department for purposes of simple self-preservation.

Finally, the broad challenges faced by the public service do not differ a great deal from those faced by other institutions and organizations within Canadian society. The demographic shift will necessitate new approaches to human resource management, technological innovation and the need for increased transparency have both sped up the flow of information and the need for organizations to be accountable to shareholders or to society at large, and globalization is imposing new rules and is requiring increased collaboration and consultation with other levels of government and with non-governmental or foreign stakeholders. At the same time, the mandate of the public service – to support the government in the service of Canadians – is unique, as is the environment in which it functions and the standard to which it is judged.

There is an important correlation between these realities and the skills that will be required of public service leaders in the future. There is no doubt that traditional leadership skills in finance, strategic planning and visioning, and human resource management need to be coupled with the interpersonal attributes that allow for motivation and the brokering of consensus. But leaders in the public service also require policy knowledge, awareness of the political and societal environment, and an understanding of citizen engagement rooted in the notion of the public interest, all of which are incredibly specialized capacities.

Bearing all of these dynamics in mind, a number of expansive questions can begin to guide this study forward. Though systemic barriers clearly exist, do public sector leaders possess the leadership skills they need to navigate the troubled waters ahead? Are they being provided the necessary organizational supports that can allow them to develop the right skills? Perhaps more importantly, is the current federal landscape conducive to effective leadership, or has an organizational culture of assigning blame while increasing transparency, accountability and the complexity of regulations stifled the ability of leaders to innovate and make the meaningful systemic reforms that will allow the institution to meet the challenges of the future? Finally, if the leadership environment is in fact proving to be too stifling and the organizational culture is in need of significant revitalization, what are the leverage points at which renewal efforts can begin and what are the key drivers of change?



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