

# Ten Tough Jobs

---

By Peter Larson

*Aussi disponible en français*



Forum  
des politiques  
publiques

Public  
Policy  
Forum

## **The Public Policy Forum**

### *Striving for Excellence in Government*

The Public Policy Forum is a non-partisan, non-profit organization aimed at improving the quality of government in Canada through better dialogue between government, the private and the third sectors. The Forum's members, drawn from businesses, federal and provincial governments, the voluntary sector and the labour movement, share a common belief that an efficient and effective public service is a key element in ensuring our quality of life and global competitive position.

Established in 1987, the Public Policy Forum has gained a reputation as a trusted, neutral facilitator, capable of bringing together a wide range of stakeholders in productive dialogue. Its research program provides a neutral base to inform collective decision-making. By promoting more information sharing and greater linkages between governments and other sectors, the Public Policy Forum ensures that Canada's future directions become more dynamic, coordinated and responsive to the challenges and opportunities which lie before us.

## About this report

About ten years ago, I came upon a book about public service management with an intriguing title: *The Prune Book: The 100 Toughest Management and Policy Making Jobs in Washington*. Written by John Trattner of the Washington-based Center for Excellence in Government, the book laid out job descriptions for some of the key government appointments to be made by newly elected President George Bush.

As a student of public administration, I was fascinated by the book's description of the challenges facing individuals in some of the U.S. government's key jobs.

Trattner's objective was to provide a real understanding of just how complex some key government jobs can be. The reference to prunes in the title refers to the fact that while most people outside government consider them plum appointments, the jobs are actually very tough.

Promoting understanding between those inside and those outside government is one of the objectives of the Public Policy Forum. *Ten Tough Jobs* is meant to contribute to that understanding.

I hope that by examining even a few of the entries in this book the reader will come to appreciate just how challenging the job of a senior manager in the public service can be.



David Zussman  
May 31, 2002

## **About the Author**

Peter Larson is Executive Vice President of the Public Policy Forum. He has authored and co-authored several Forum publications. He would like to acknowledge the excellent research assistance of Erika-Kirsten Paupst.

## **Acknowledgements**

The Public Policy Forum would like to acknowledge the generous support of the Canadian Centre for Management Development, which translated this report into French, and the Public Service Commission of Canada, which covered the cost of printing. However, neither organization had any editorial input.

## Table of Contents

Foreword . . . . .	6
Executive Summary . . . . .	7
Introduction . . . . .	10
<i>Chapter 1</i> Good Government and National Competitiveness . . .	15
<i>Chapter 2</i> Managing in the Public Sector . . . . .	19
<i>Chapter 3</i> The Ten Tough Jobs . . . . .	29
• Assistant Commissioner, Compliance Programs, Canada Customs and Revenue Agency . . . . .	30
• President, Canadian Food Inspection Agency . . . . .	36
• Assistant Deputy Minister, Operations, Citizenship and Immigration Canada . . . . .	42
• Commissioner, Competition Bureau . . . . .	49
• Assistant Deputy Minister, Health Products and Food, Health Canada . . . . .	55
• Assistant Deputy Minister, Quebec Region, Human Resources Development Canada . . . . .	60
• Regional Director General, B.C. Region, Indian Affairs and Northern Development . . . . .	65
• Assistant Deputy Minister, Energy Sector, Natural Resources Canada . . . . .	70
• Assistant Deputy Minister, Safety and Security, Transport Canada . . . . .	76
• Chief Human Resources Officer, Treasury Board of Canada . . . . .	81
<i>Chapter 4</i> Conclusion . . . . .	88
Contributors . . . . .	90

## Foreword

From 1997 to 2001, I had the privilege of chairing the Advisory Committee on Senior Level Retention and Compensation. Our mandate was to advise the President of the Treasury Board about senior-level human resources strategies and policies for the federal public service.

During my term, I had the opportunity to interact with many senior public servants: deputy ministers, assistant deputies, heads of agencies and a range of other officials. I was consistently impressed by the commitment and dedication of these individuals, and developed a healthy respect for their demanding and complex responsibilities. Having spent my entire career in the private sector, I learned a great deal about the federal public service. For me, the concept of maximizing shareholder value is easily understood and can be readily measured. The aim of serving the public interest is not only challenging, but also complex and difficult to measure. Herein lies a major difference between the private and public sectors.

I commend the Public Policy Forum, under the leadership of its President David Zussman, for authoring *Ten Tough Jobs*, a report that examines the challenges, complexities and constraints facing a cross-section of senior managers in the federal public service. I hope this report will assist others, especially those in the private sector, to gain a better understanding of the demanding nature of these jobs. Furthermore, I hope that this understanding will help garner support for the current initiatives to modernize and revitalize the federal public service. This reform process is vital if Canadians are to continue to be well served into the 21st century.

Lawrie Strong<sup>1</sup>

---

1 During his term as Chair of the Advisory Committee on Senior Level Retention and Compensation, Lawrence Strong was President and Chief Executive Officer of Unilever Canada. He is also a former Chair of the Public Policy Forum.

## Executive Summary

Most Canadians have ambivalent attitudes toward government. It is felt that government wastes resources, is overly bureaucratic and frequently unfriendly to citizens. On the other hand, we also know that the general level of service is rather good: food is safe, borders are secure and the tax system is free from corruption.

This good service is, in part, the result of the extraordinary work of the men and women who manage the senior levels of public administration. These are public servants whose work is often little understood. They normally stay out of the spotlight, allowing elected officials to speak on behalf of the government, and the titles of senior public administrators do not fully communicate the work they really do.

This study examines the challenges, complexities and constraints facing the men and women who direct our system of federal public administration by focusing on ten specific jobs. It examines the main objectives of each job and the policy and management constraints that often make that job difficult. This report also looks at some of the challenges shared by all senior administrators in the public system.

These ten positions were identified with the help of experts and observers from both inside and outside the public service. Based on public and private documents as well as more than 50 interviews, a profile was created of the management and policy challenges facing incumbent managers.

The jobs analyzed in this study are very different from each other. The Assistant Deputy Minister, Energy Sector at Natural Resources, for example, is primarily a policy job. It does have significant management responsibilities, but the key element is to define Canadian energy policy. On the other hand, President of the Canadian Food Inspection Agency is a huge management job with thousands of employees spread across the country.

However, despite the important differences, eight common elements exist in all positions examined.

**Large staff and budget:** Each job tends to have a vast area of responsibility, significant budget (ranging from \$75 million to \$800 million) and substantial staff (the smallest was 352, the largest 10,000).

**Significant pressure:** Each job has extensive daily deadlines that cannot be deferred. Whether facing a potential salmonella outbreak or a rail accident, incumbent managers are under continual pressure to respond to outside events quickly and decisively.

**Accountability:** The pressures of accountability—to the Treasury Board, the Auditor General and Parliament itself—are significant, and in themselves necessitate a hierarchical structure. Keeping staff motivated in a hierarchy is a key management challenge.

**Matrix-based management structure:** Many managers in this study had only indirect relationships with people on whose performance they were completely dependent. As a result, many of the most challenging files cannot be dealt with independently and measuring a manager's success is difficult.

**Political sensitivity:** Each job requires a high level of political sensitivity to ensure that administrative decisions are consistent with the intentions of the minister, the needs of caucus and the policy orientation of the government. No examples were cited of ministerial interference in the administration of departments or agencies.



**Serious consequences of error:** In each job, there are serious consequences for the health, safety and economic security of the Canadian public should managerial errors occur. Terrorists might be admitted into the country inadvertently, unsafe foods might appear on grocery store shelves and airplane accidents might occur.

**Extensive scientific/technical content:** In most of the jobs studied, more than half of staff could be characterized as knowledge workers: PhDs, medical doctors, lawyers and technicians. Few incumbent managers were scientists.

**High degree of job satisfaction:** All incumbents indicated that they derived considerable satisfaction from doing a job that makes a difference. “I know people who have left here to go to a law firm,” said one respondent. “They have doubled their income, but they are bored. If it wasn’t for the financial penalty, many would come back to the public service.”

Some of these elements have parallels in the private sector. However, a number are unique to the public sector, and close scrutiny of some of the challenges public sector managers face clearly reveals why these managers deserve respect and support.

## Introduction

The President of the Treasury Board of Canada recently announced her intention to make major changes to the management of the federal public service. Her announcement came after several years of criticism regarding the lack of clear responsibilities within the public service, particularly in the area of human resources management.<sup>2</sup>

Among the voices for change was an external advisory committee chaired by Lawrie Strong, at that time President and CEO of Unilever Canada. In January 1999, the committee tabled a report urging the government to make significant changes in the way it manages senior executives.

The committee also noted that compensation packages for senior managers were shrinking in comparison to most other identifiable comparator groups. This was of concern to the committee for two main reasons: the increasing rate of egression from the public service to the private sector; and the public service demographic profile, which predicts that a large proportion of senior managers can be expected to retire in the next ten years.

To quote from the committee's report: "To continue the current approach to human resources will lead to an inevitable weakening of this cadre. Not only will departures accelerate over the short term, but the public service will not be able to attract and retain the people it needs to replace the very high proportion of managers expected to retire in the next decade."<sup>3</sup>

Based partly on these recommendations, the government increased compensation packages for the senior management group. The new pay structure still left a significant gap between the salaries of senior managers in the public and private sectors, but was probably as far as the government felt it could go politically.

---

2 For a complete discussion of attempts at public service reform in the Canadian federal government, see *Public Service Management Reform: Progress, Setbacks, and Challenges*, Office of the Auditor General of Canada, February 2001

3 Strong, *Advisory Committee on Senior-level Retention and Compensation, First Report*, January 1998, p. 3, Treasury Board of Canada.

The public, rightfully, is skeptical about any increases in government spending—including salary increases for public servants—the cost of which will be borne by taxpayers. Given that the average Canadian taxpayer earns \$25,000 per year<sup>4</sup>, it is not surprising that few politicians are keen to defend public sector salaries four or five times that amount.

But the public service must also compete with the private and para-public sectors for skilled personnel. This does not mean that the public sector has to pay salaries identical to the private sector, but the public sector cannot ignore private sector wage scales, either.

The Public Policy Forum believes that the Canadian public and business community should have a better appreciation of the challenges, complexities and pressures facing senior managers in the public service. We also need a clearer understanding of the extent to which Canada's economic competitiveness depends upon the efficient operation of the public service.

Helping the private sector better understand government is one of the Public Policy Forum's key missions. In fact, one of the earliest Public Policy Forum meetings, held in Calgary in 1987, was an informal discussion among federal deputy ministers and CEOs about the challenges and difficulties facing deputy ministers in Ottawa.

Following that meeting, private sector business leaders wrote a letter to the Prime Minister urging significant reform to public service management. Shortly thereafter, Prime Minister Brian Mulroney announced a number of improvements to the public service, including the launch of an initiative called PS2000 and the creation of the Canadian Centre for Management Development.

Given current efforts to streamline the public sector, the Public Policy Forum felt it would be beneficial for Canadians to have a better understanding of exactly what it means to be a senior manager in the public sector.

To facilitate such understanding, the Public Policy Forum decided to profile, in an easily accessible fashion, a sampling of senior jobs in the Canadian federal government.

---

4 1996 Census data.

The first challenge was to select which positions to study. The author polled members of the National Business Association Roundtable—an association of 22 of Canada’s largest and most influential business associations—to identify “significant and challenging positions that have made a difference to their association, their industry or the country.”

The poll generated a list of over 50 positions. The author then turned to government officials at the Leadership Network and the Privy Council Office for further guidance.<sup>5</sup> These officials were asked to help the Public Policy Forum establish a selection of jobs that reflected the range of responsibilities within the administration’s senior levels.

Once the ten jobs had been identified, a PPF study team consulted publicly available documents and interviewed at least four knowledgeable observers for each of the positions under investigation. A final interview was then conducted with the incumbent manager to verify facts and impressions.

All the interviews focused on five aspects of each job:

- political dimensions—including relationships with the minister, caucus, and sometimes individual Members of Parliament;
- relationships with other departments and agencies;
- relationships with central agencies—principally with the Office of the Prime Minister and the Privy Council Office;
- relationships with stakeholders—often those with different interests, strengths, abilities and points of view; and
  - the main management challenges of the job, taking into account that most have staffs ranging from 350 to almost 10,000 people, often spread across the country and around the world.

---

<sup>5</sup> We are particularly indebted to Doug Lindley of the Leadership Network and Jean-Guy Fleury at the Privy Council Office for their advice and assistance.

## The Report Format

The first chapter of the report argues that the quality of our public service “makes a difference” and that all Canadians should care about public service management and the abilities of public sector leaders.

The second chapter outlines some of the differences and similarities between management in the public and private sectors, and makes some general observations about the ten jobs in the sample.

Chapter three consists of ten short job descriptions. A number of sources were used to create these descriptions, including newspaper articles and press releases. Each job description concludes with a list of key challenges—managerial and political—identified by knowledgeable observers of the position.

Chapter four offers concluding observations.

The reader is urged to keep in mind that these descriptions focus only on the main elements of each job. In every case, whole areas of responsibility were ignored. For example, the section on the Assistant Deputy Minister, Safety and Security at Transport Canada focuses entirely on safety-related responsibilities, ignoring accountability for the Transport Services Unit—more than 400 people who operate and maintain government aircraft. Similar simplifications occur in almost every job description.

In addition, all senior managers have corporate responsibilities within their organization and often within the public service at large. This report focuses on the managers’ unique responsibilities in their agency or branch. However, as one assistant deputy minister (ADM) noted in his written comments: “Outside the day job, there are a range of horizontal files the ADM must manage. These include encouraging diversity, developing middle management and maintaining relationships with the voluntary sector, and require the cooperation of the department

and intergovernmental groups. Though often built on management and policy priorities faced by the ADM in the context of operational responsibilities, dimensions of involvement and complexity are added as these files require extensive interactions with additional internal and external stakeholders.”

The report’s conclusion makes observations about key issues facing the public service.

The jobs analyzed in this report should not be seen as the ten toughest or most important jobs in government, but they do cover a wide spectrum. Some are policy jobs, others operational. Some are in central agencies, others in line departments. Some are Ottawa-based, others based in the regions. Three of the incumbents are women and seven are men.<sup>6</sup> All have massive responsibilities, sizable budgets and significant challenges.

---

<sup>6</sup> The report deals with the positions, not the incumbents. However, to simplify the job profiles, where the current incumbent is a woman, "she" has been used in the job description. Where the current incumbent is a man, "he" has been used.

## Chapter 1

# Good Government and National Competitiveness

*“Government may be expensive, but ineffective government is a disaster.”*

– Senior Canadian banker

Government has become a factor in international competitiveness. The World Competitiveness Report, carried out annually by IMD, a Swiss-based research organization, shows a high correlation between quality of government and national competitiveness. Of the 47 countries surveyed in the 2000 report, Canada ranks tenth (behind the USA and ahead of Austria), while a country with a notoriously corrupt government—Russia—ranks last.

The crucial role of government is clearest in countries where the state has failed to deliver even fundamental public services. According to a 1997 report by the World Bank, in some countries “a vicious circle has taken hold: people and businesses respond to deteriorating public services by avoiding taxation, which leads to further deterioration. In the former Soviet Union ... it was the state’s long-term failure to deliver on its promises that led, ultimately, to its downfall.”<sup>7</sup>

Government can have a profound effect on national competitiveness in several ways:

- by creating and administering a legal/judicial framework for both criminal law and civil transactions—courts, police, justice and the correctional system, etc;
- by establishing a financial framework including a national monetary system, and a system to raise and distribute taxes;
- by creating and maintaining important public infrastructure — water and sewage, roads, bridges, schools, hospitals, etc;

<sup>7</sup> The State in a Changing World, The World Bank, Washington D.C., 1997

- by establishing rules for market functioning and consumer protection—food inspection and labelling, regulation of pharmaceuticals, zoning, etc; and
- by creating a social safety net that supports those citizens who are not able—whether because of age or physical, mental or other disability—to fully participate in the workforce.

Hidden in this apparently simple list are complex policy and management challenges. Even an objective as straightforward as “establishing the rules for market functioning” entails establishing policies, ensuring adherence and evaluating efficiency. Creating the policy itself requires considerable knowledge of and familiarity with the marketplace, while developing an appropriate inspection (or complaint-reception) capacity can be a significant administrative task.

It is difficult to measure the importance of the government to the competitiveness of the country. Certainly, the quality of public infrastructure, the predictability of the judicial system, the integrity of the rule of law and the skills of the labour force are all key ingredients to national competitiveness. The IMD report attributes 20 percent of overall national competitiveness to “government,” including such factors as the “efficiency of public administration,” the “degree of state intervention in the economy” and the “quality of justice and security.”

Whatever the true weighting, it is clear that the success in the marketplace of many private sector organizations depends on the legal, regulatory and administrative frameworks set out by our public bodies. Without these frameworks, and the domestic and international confidence they provide, Canada would be a less attractive place in which to invest and do business.

Thus, it is highly relevant if the Competition Bureau is well managed or not, and if its decisions are consistent, timely and equitable. In the words of one observer: “Major investment



decisions, which have an impact on the whole country, are influenced by international investors' perceptions of the performance of our Competition Bureau.”

The Canadian Food Inspection Agency plays a similar role in protecting the integrity of the entire Canadian food system. Without the guarantees arising from imposed standards and the inspection of foodstuffs, confidence in Canadian food products would fall. Canada exports over \$11 billion in foodstuffs each year. Those sales depend on the certifiable quality of Canadian food and an inspection system that operates efficiently.

The competitiveness of our airline industry depends not only on an effective infrastructure—such as airports and air traffic control—but also on Transport Canada's regulatory and inspection framework, which ensures passenger safety. Without this publicly funded infrastructure, more accidents would happen and confidence in the industry would fall.

These three examples make it clear that in a mixed economy, business and government are intimately linked and Canada's competitiveness is directly related to the quality of its public service.

This paper does not deal with policy choices; those are in the political domain. It deals with public administration. The ability of the public service to propose sound policy options and the ability of its administrative structures to carry out those policies are both crucial to the country.

If the Competition Bureau was inconsistent or unpredictable in its decision-making, if the Food Inspection Agency was not reliable, or if the inspection of the air transportation industry in Canada was haphazard or intolerably bureaucratic, the negative impacts on business and our standard of living would be immense and immediate.

Of course, the role of government is not just about making Canada competitive. Government is the vehicle through which society defines and defends its geographical space, establishes and enforces its own values and priorities, and organizes and

orders its public life. But in Canada, as in most countries around the globe, a priority of government is to improve the quality of life of its citizens. Improving Canada's standard of living inevitably depends on developing a productive society and fostering an efficient and effective public sector.

Public administration costs money—and the taxes that support it are a cost that affects industry and citizens, and impacts our ability to sell goods in the marketplace. Therefore, it is also important that our public managers find a way to deliver services cost-efficiently.

The logical conclusion is that Canada is best served when it has a high-quality public administration, led by experienced and able senior officers. Support and encouragement of those senior executives are crucial if the country is to maintain its competitiveness.

## Chapter 2

# Management Challenges in the Public Service

Some 300,000 people are employed by the Canadian government or one of its agencies. Many are public servants working in one of 22 operating departments; others work for the Canadian Armed Forces, the RCMP, or a range of government agencies, commissions and boards such as Canada Post, the Canadian Industrial Relations Board or the Canadian Grain Commission.

Of this multitude of employees, about 500 are senior executives—deputy ministers, assistant deputy ministers and heads of agencies—who constitute the senior management of the federal government. The ten jobs in this report represent a cross-section of those 500 senior managers.

Six are assistant deputy ministers. There are currently 243 ADMs (or equivalent) in the federal public service.<sup>8</sup> As a general rule, an ADM is the first rank below deputy minister—the most senior public servant in a department. Most departments have four to eight ADMs.<sup>9</sup>

One regional director general was included in the study. Director general (DG) is a senior position with a large budget and staff. A director general normally ranks below and reports to an ADM. However, from time to time, a director general may report directly to a deputy minister, as is the case with the regional director general included in this study.

The final three positions are in independent agencies. The President of the Canadian Food Inspection Agency reports directly to the Minister of Agriculture. The Commissioner of the

---

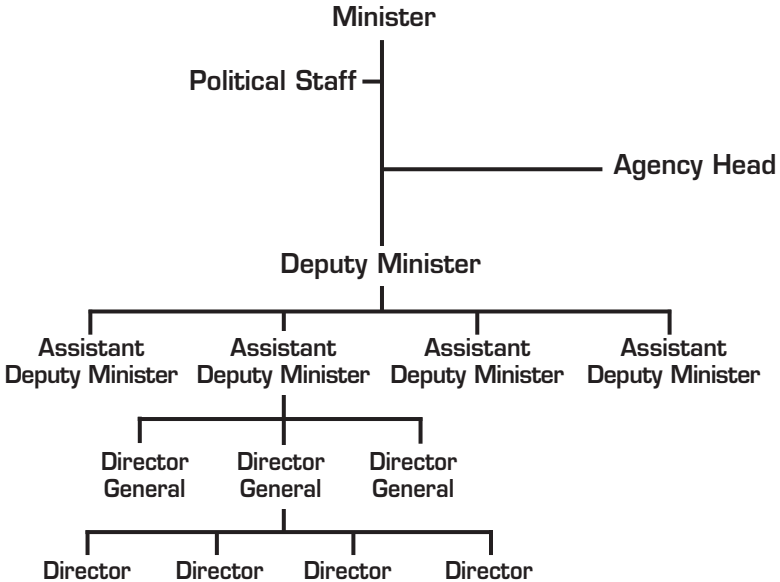
8 ADM Corporate Listings, The Leadership Network. Does not include those of ADM rank currently on other assignments.

9 For the sake of simplicity, we have omitted some intermediate gradations, like associate deputy minister, or senior assistant deputy minister, which also exist in some departments.

Competition Bureau reports to Parliament on mandate and to the Deputy Minister of Industry on administrative issues. The role of assistant commissioner of the Revenue Agency is analogous to that of an ADM but in the context of an independent agency.

An organizational chart for a hypothetical department is shown here. It illustrates the hierarchy of minister, deputy minister, ADMs, directors general, and a reporting agency.

### Typical Organization Chart



## **Management Challenges in the Public Service**

Managing is managing, whether in the public sector, the private sector or a not-for-profit organization. Senior executives provide strategic direction, establish financial and management systems and provide moral leadership.

However, there are four significant considerations that set management in the public sector apart from management elsewhere.

### **Political direction**

A government department is always under the political control of a minister—a member of cabinet—who establishes priorities. Deputy ministers provide advice and carry out policy decisions. Priorities can change rapidly and without much input from senior staff, as the minister's priorities often reflect a political rather than administrative agenda. This can prove frustrating for senior managers, but is an unavoidable corollary of democratic control.

Political control is less of an issue for the positions in arm's-length agencies—the Competition Bureau, the Canadian Food Inspection Agency and the Canada Customs and Revenue Agency. These agencies follow their established mandate with little political interference.

### **Extensive process constraints**

Every manager, whether in the public or private sector, has to abide by process constraints. The criminal code, environmental protection regulations and minimum wage laws are a few obvious examples. In the public service, however, the process constraints tend to be more restrictive. For example, there are strict rules about the contracting process, which limit a manager's ability to award contracts above \$25,000. The objective is to limit the possibilities for patronage and favouritism; the incidental result is higher costs and longer processing times.

The process constraints that most frustrate managers are undoubtedly those concerning hiring and promotions. In order to ensure that our public service is non-partisan and that

appointments are based on merit, an arm's-length agency—the Public Service Commission, which reports directly to Parliament—oversees all hiring and promotions. The price, however, is high. The process is cumbersome and ultimately takes responsibility away from managers.

Most interviewees agreed that process constraints do prevent political interference in the system, but result in frustrating bureaucratic constraints. “The current system is asinine,” one interviewee told us. “To get anything done, I have to go around the system. In fact, the success of a senior manager depends on his or her ability to understand the system so he or she can get around it.”

### **Exposure to intense public scrutiny**

Few journalists are interested in whether a major bank wastes money on a computer system that doesn't work or how a CEO uses his private jet. But they are keenly interested in how much the head of a public agency charges to his or her expense account, or whether the management retreat was held at a golf course, and often spare no effort to publicize embarrassing information.

Furthermore, parliament has enacted laws, including *the Access to Information Act*, which allow citizens to access management records. A manager has to consider every memo, letter, briefing note and e-mail as a public document. As a result, public sector managers work in an environment that private sector managers would find difficult to imagine. Even logical and sensible decisions can sometimes be presented in a manner that causes embarrassment for the minister and the department.

### **A mission of enforcement and entitlement**

Another fundamental difference between public and private sector organizations is their relationship to the customer. Even use of the word customer is not entirely accurate. “I am not a mere customer of my government,” aptly noted management

guru Henry Mintzberg. “I expect something more than arm’s-length trading and something less than the encouragement to consume.”<sup>10</sup>

For the most part, the relationships between government departments and agencies and citizens are built on two basic paradigms—entitlement and enforcement. These paradigms affect everything in government from structure to decision-making.<sup>11</sup>

These management paradigms are quite different from the customer-centred approach of private sector companies. In order to sell goods and services to individual customers, private organizations anticipate the needs of those customers and, where possible, tailor their products accordingly. The final test is whether the goods and services can be offered at a profit. Of course, these decisions must be made within the constraints of the law and acceptable behaviour.

The entitlement paradigm mandates that services must be provided—usually based on need and without a fee—to all qualifying citizens. Examples of such services include unemployment benefits, and hospital, education and welfare services.

The enforcement paradigm, on the other hand, mandates those government services that are decided by general consent—through law and regulation—and enforced on all members of the population. Income taxes, highway traffic and immigration regulations are some examples.

These paradigms are inherent in the provision of government services. When legislators decide that citizens have the right to unemployment insurance, that right must apply to all qualifying citizens. And when legislators decide that the speed limit is 80 kilometres per hour, it applies to all drivers.

---

10 Managing Government, *Governing Management*, by Henry Mintzberg, Harvard Business Review, May-June 1996, pp. 75-83.

11 A few government agencies—particularly Crown corporations such as Canada Post, VIA Rail and Quebec Hydro—have a relationship with customers that is largely based on the customer paradigm. They offer a service for which they charge a price. And customers are free, at least theoretically, to buy the service or not.

Each paradigm—customer, entitlement and enforcement—has a profound effect on the structure and management of the organization that follows it.

An organization that follows the customer paradigm recruits people who are customer focused, makes investments based on customers' needs and will try to create a customer-friendly corporate image. Such an organization might be prepared to spend extensively on its image, if it thinks it can attract more customers, and will reward entrepreneurship and independent thinking that finds success in the marketplace.

An organization whose main paradigm is enforcement, however, will do all these things differently. For example, it might tend to hire people who are technically competent and not open to corruption, and be less interested in how well they relate to customers. Such an organization's decision-making structure will be more hierarchical and less tolerant of independent thinkers.

Finally, an organization governed by an entitlement paradigm may have yet another approach to recruitment and decision-making. Such an organization will generally try to reduce its client numbers and ensure users get only that which is mandated by law or regulation rather than seeking out new customers.

In the past few years, the federal public service has done much to improve the delivery of service and research indicates that it has been successful. In the process, the public sector has been able to learn from the private sector.<sup>12</sup>

But these efforts to improve delivery should not lead to confusion about the nature of the public service. The objective of the public sector can never be to satisfy the customer as a market-driven organization attempts to do. The public sector must always balance the needs of individuals, groups and regions, etc. against a broader view of what the public interest requires.

---

<sup>12</sup> *Citizens First*, Canadian Centre for Management Development, 1998.



Most of us prefer a public service that is a little less risk averse, a little more open to experimentation and a little less critical of managers who make mistakes. Few people argue that we reduce chlorination of the water supply by half to see what happens, or eliminate airline safety codes and trust that the airlines will do the right thing. Why not? Partly because the risks are enormous and partly because the public doesn't trust private sector organizations to do other than that which is in their own interest. In other words, the public will always demand protection from the public sector, and will also demand that it be more risk-averse than the private sector.

In a similar vein, we might well wish that police officers were more friendly, tax collectors more sympathetic and procedures for getting employment insurance faster. We might support programs or efforts to improve the level of customer service in these areas. On the other hand, our prime concern will always be that borders are protected, tax evaders caught and only those entitled to UI actually receive it. In other words, customer service cannot be the government's most important objective.

Managing under these conditions is not an easy task and calls for astute, dedicated and hard-working public servants. The hours are long, the challenges great and the pay relatively low when compared to the private sector.

All of the jobs analyzed for this study are predominantly shaped by either the entitlement or enforcement paradigm. In some cases, both paradigms are powerful influences. This is not the result of the hierarchical or autocratic management styles of the incumbents; it is part of the job. However, this does not mean that public servants cannot strive to be more customer-friendly. "Just because we're a tax-collection agency," noted one observer, "doesn't mean that we shouldn't have good manners."

Putting a more human face on departments and agencies guided by entitlements and enforcement is a significant management and human resources challenge faced by all of the incumbents we interviewed.

## **Common Characteristics of the Ten Jobs**

The ten jobs analyzed in this study are all different. The Commissioner of the Competition Bureau and the Assistant Deputy Minister, Energy Sector at Natural Resources, for example, are primarily policy jobs. Both have significant management responsibilities, but the key element of each job is to define Canadian policy. On the other hand, the President of the Canadian Food Inspection Agency and the ADM, Operations, at Citizenship and Immigration are largely management jobs—with both incumbent managers attempting to implement policy decisions that have been made by other departments.

Despite these important differences, however, eight common elements exist in all the positions examined.

### **Large staff and budget**

All of the jobs have vast areas of responsibility, significant budgets—ranging from \$75 million to \$800 million—and a substantial number of employees—the smallest staff was 352, the largest was 10,000. All of these positions are comparable to senior management jobs in mid- or even large-sized Canadian companies.

### **Significant pressure**

All of the jobs have extensive daily deadlines that cannot be deferred. Whether facing a potential outbreak of salmonella or a rail accident, incumbent managers are under constant pressure to respond to outside events quickly and decisively. At the same time, managers must find time for the strategic aspects of their jobs. The result is long hours at work, taking dossiers home to read at night and many weekend meetings. A conservative estimate suggests these managers are working an average 50-70 hour week.

## **Accountability**

A minister is legally and politically responsible for the actions of his or her department, as well as being accountable to parliament for all administrative decisions. Policies, actions and expenditures have to be traceable to a parliamentary authority. The pressures of accountability—to the Treasury Board, the Auditor General and Parliament itself—are significant, and in themselves necessitate a hierarchical structure. Keeping staff motivated in a hierarchy is a key management challenge.

## **Matrix-based management structures**

Successful performance depends on close collaboration across large departments, as well as between departments and agencies. Many important issues facing incumbent managers do not fit neatly into the responsibility of any one branch, agency or department. For example, managing Canada's climate change initiatives requires cooperation among many departments and agencies, including Environment Canada, Natural Resources Canada and Industry Canada. Many managers in this study had only indirect relationships with people on whose performance they were completely dependent. As a result, many of the most challenging files cannot be dealt with independently and measuring a manager's success can be difficult.

## **Political sensitivity**

In Canada, we make a distinction between the elected politicians who decide policy and the public service that implements it. No examples were cited of ministerial interference in the administration of departments or agencies. However, all the jobs require a high level of political sensitivity to ensure that administrative decisions are consistent with the intentions of the minister, the needs of caucus and the policy orientation of the government.

## **Serious consequences of error**

In each job, there are serious consequences for the health, safety and economic security of the Canadian public should managerial errors occur. Terrorists might be admitted into the country inadvertently, unsafe foods might appear on grocery store shelves and more airplane accidents might occur. However, the consequences of management errors are usually less severe—in the so-called billion-dollar scandal at HRDC, for example, no lives were threatened—and while there might not even be any real error in management, the reputation of minister and government can be severely damaged. The matrix-based management structure makes assigning responsibility difficult; as a result, the public service reward structure encourages caution and avoids personal penalties.

## **High scientific/technical content**

In most of the jobs studied, more than half of branch staff could be characterized as knowledge workers: PhDs, medical doctors, lawyers and technicians. Managing scientific workers and, in particular, the interface between scientific workers and the public policy process is a difficult challenge. Significantly, few incumbent managers were scientists.

## **High job satisfaction**

All incumbents interviewed indicated that they derived considerable satisfaction from doing a job that makes a difference. “I know people who have left here to go to a law firm,” said one respondent. “They have doubled their income, but they are bored. If it wasn’t for the financial penalty, lots would come back to the public service.”

## Chapter 3

### The Ten Tough Jobs

*Listed alphabetically by department or agency*

- Assistant Commissioner, Compliance Programs, Canada Customs and Revenue Agency
- President, Canadian Food Inspection Agency
- Assistant Deputy Minister, Operations, Citizenship and Immigration Canada
- Commissioner, Competition Bureau
- Assistant Deputy Minister, Food and Health Products, Health Canada
- Assistant Deputy Minister, Quebec Region, Human Resources Development Canada
- Regional Director General, B.C. Region, Indian Affairs and Northern Development
- Assistant Deputy Minister, Energy Sector, Natural Resources Canada
- Assistant Deputy Minister, Safety and Security, Transport Canada
- Chief Human Resources Officer, Treasury Board of Canada

## Assistant Commissioner Compliance Programs Canada Customs and Revenue Agency

<b>Reports to:</b>	Commissioner, Canada Customs and Revenue Agency		
<b>Job description:</b>	Accountable for the development of programs to ensure compliance with and the integrity of Canada's revenue system		
<b>Office location:</b>	Ottawa		
<b>Staff location:</b>	Ottawa and more than 50 locations across Canada		
<b>Dimensions:</b>	Number of employees:	8,800	
	Operating budget:	\$526 million	
	Compliance programs for:	23 million individual tax-filers;	
		1.2 million corporations;	
		2.1 million GST registrants;	
		1.3 million employers; and	
		0.5 million others, resulting in tax assessments of \$5.7 billion in 2000.	

### Main divisions/areas/units that report to this position:

(One of 17 assistant commissioners)

- Deputy Assistant Commissioner, Audit Program
- Manager, Administrative and Executive Services
- Director General, International Tax Directorate
- Director General, Investigation Directorate
- Director General, Scientific Research and Experimental Development Directorate
- Director, Enforcement Technology Support Division
- Director General, Compliance Research Directorate and Quality Assurance Directorate
- Director, Program Planning and Analysis Division
- Assistant Director, Human Resources

*CCRA Press Release*

*Winnipeg, August 27, 2001 – The Canada Customs and Revenue Agency (CCRA) reported today that Daniel Kingsley Lear, also known as Ralph Merle Swimm, and the corporation 3056849 Manitoba Ltd. were fined \$2,410,230 after being found guilty of income tax evasion in Court of Queen’s Bench. Lear was also sentenced to five years eight months in jail.*

*Lear did not file personal and corporate tax returns for the years 1993 through 1998. By doing this, he failed to report more than \$8 million of income and sought to evade more than \$2 million in federal tax.*

*The Court heard that from 1993 to 1998 Lear was the president, secretary and treasurer of 3056849 Manitoba Ltd. The corporation operated under the names: Wholesale Vacations, Lear Group, Pennywise Privilege, Card International, Incentives International, Get-Aways Travel Network, and Front Desk Pass. Business activities involved acquiring excess space from vacation resorts and reselling it to travel agents and car dealerships for promotions.*

*During the court proceedings, Lear used arguments similar to those put forward by other tax protesters who say that tax is unconstitutional and that the Income Tax Act is invalid and therefore unenforceable. However, the jury did not accept his arguments.*

## **The Role of the Assistant Commissioner, Compliance Programs Branch**

CCRA is the largest agency of the federal government. In 1999, it processed 23.7 million individual tax returns and another 1.2 million corporate returns. It takes in about \$275 billion annually in individual, corporate, excise and other taxes.

The foundation of Canada’s tax system is voluntary tax compliance. This country’s high rate of voluntary compliance reflects the prevailing notion that the tax system is fair and that proce-

dures are straightforward. As a result, CCRA audits only a selected number of the total to ensure that rules are being generally followed, while targeting specific returns that are most likely to be incorrect. Maintaining this public confidence in the tax system is a key objective of CCRA; a system of universal audit would be prohibitively expensive.

The job of the Assistant Commissioner is not only to ensure that Canadians pay the correct tax, but also to educate them on the need to do so. The branch has an extensive outreach program that includes the use of community visits. Compliance is one of the largest branches within CCRA and it is where some of the most contentious decisions are made.

The main Compliance Programs Branch areas are:

### **Audit**

Audit is the largest program, with about 7,000 auditors working across the country, often on third-party premises, to review a selected number of tax returns from individuals, businesses and corporations. The total number of audits performed each year is a very small portion of the 25 million corporate and individual returns filed annually.

### **International taxation**

This directorate has a staff of almost 1,000 and deals with issues such as transfer pricing, international investments and tax havens. These issues require a high level of cooperation with other agencies and countries.

### **Investigations**

The investigative directorate, which focuses on customs and tax fraud, has a staff of 1,000 accountants, lawyers and other professionals, including technical specialists and scientists who can help analyze specific businesses. This agency also deals with money laundering and works closely with the RCMP.



## **Compliance research**

CCRA cannot verify all tax returns—nor would it want to. The objective of compliance research is to identify areas where audit and investigation are most likely to yield results, and promote methods encouraging voluntary compliance. Compliance research essentially develops a strategy for risk management in tax collection, making it, in many ways, the brain of the branch.

The mere existence of the compliance function at CCRA is an important incentive for taxpayers to pay the taxes they owe and in 2001 the work of the branch netted the federal government \$5.7 billion in revenue.

## **Key Management Challenges**

### **Getting the best return from compliance efforts**

Based on past experience, CCRA is aware that of the 25 million tax returns filed annually, some will be erroneous or fraudulent. Auditing is labour-intensive and costly, however, and the agency cannot audit every return. Accordingly, the branch uses careful research and all available data to refine auditing methods and concentrate efforts where results are likely to be greatest.

### **Ensuring consistent application of tax rules**

Public perception of fairness and equality is a key factor to maintaining high levels of voluntary compliance. It is important that a taxpayer in Cape Breton be reasonably confident that his tax circumstances will be given the same consideration as those of someone in Toronto or Vancouver. Given the large number of auditors spread across the country, this attention to fairness requires a substantial investment in training, verification, and systems audit.

## **Recruiting and retaining staff**

In general, the agency's auditors use the same skills as private sector auditors, but working conditions—often on the premises of unhappy tax filers—can be tense and sometimes even hostile. When combined with the public sector salary constraints under which the agency operates, these working conditions make it difficult for the agency to retain auditors. This difficulty is particularly acute in areas such as Toronto, Calgary and Vancouver, where the cost of living is high.

## **Key Political Challenges**

### **Combining enforcement with customer service**

The majority of Canadian tax returns are processed automatically with little fanfare. However, the job of the branch is also to look for areas where the law is being compromised. Every year the branch finds approximately \$5 billion of tax revenue that was not remitted voluntarily.

The agency must be diligent in its enforcement but, as one observer noted, “with as good a bedside manner as possible.” The perception that the agency is not sensitive to legitimate concerns has been a political issue in the past. The challenge now is not only to ensure that situations are dealt with professionally and with the least possible conflict, but also that law-abiding Canadians are not unduly inconvenienced or mistreated.

### **Terrorism and money laundering**

Since the events of September 11, 2001, there has been renewed focus on controlling the international flow of money to help curb terrorist activity. The Paris-based International Financial Action Task Force on Money-Laundering ranked Canada poorly—27<sup>th</sup> out of the 29 countries rated—for its work in combating money laundering.

To the embarrassment of Canadian authorities, the U.S. has also identified a number of Canadians involved in an international money-laundering network. However, the evidence is inconclusive and a significant proportion of Canada's immigrant population relies on informal money transfers to support relatives. Imposing appropriate controls without restricting privacy and freedom will pose a significant political challenge.

### **Maintaining the confidence of the tax community**

A key element in voluntary compliance is confidence in the fairness of the system. But half of all Canadians deal with the CCRA through an intermediary, an accountant or a lawyer, who plays an important role in shaping their views of the tax system. A recent change in legislation imposes penalties on advisors who participate actively or passively in misrepresentations to avoid taxes or otherwise break the law. The legislation raised concerns that legitimate differences in interpretation could expose tax advisors to penalties.

"Practitioners were terrified that they would be exposed to sanctions just for disagreeing with the taxman," noted a managing partner of a large accounting firm. "If the Assistant Commissioner had not been able to convince the tax community that the new law would be handled sensitively, the repercussions would have been enormous."

### **Conclusion**

The job of the Assistant Commissioner of Compliance Programs is one of the most sensitive in the tax system. "If things are going to blow up," noted one observer, "it will be in the area of compliance." The Assistant Commissioner is responsible for policing the tax system and has at his disposal a wide range of investigative and coercive tools for enforcement. Yet resources are finite and must be used judiciously, to ensure both optimum results and minimal inconvenience for law-abiding taxpayers.

## President Canadian Food Inspection Agency

- Reports to:** Minister of Agriculture and Agri-Food Canada  
(The President of the Canadian Food Inspection Agency is appointed by the Prime Minister and has the rank of a deputy head of a Government of Canada department)
- Job description:** Responsible for ensuring that Canadians have a safe food system
- Office location:** Ottawa
- Staff location:** Five area offices—West, Ontario, Quebec, Atlantic and the National Capital Region; 18 regional offices; 185 field offices; Hundreds of offices in non-governmental establishments—such as processing facilities; 22 laboratories and research facilities across the country
- Dimensions:** Number of employees: 5,000  
Operating budget: \$500 million

### Main divisions/areas/units that report to this position:

(One of 17 assistant commissioners)

- Executive Vice President
- Head, Legal Services
- Vice President, Operations
- Vice President, Programs
- Vice President, Public and Regulatory Affairs
- Vice President, Human Resources Services
- Executive Director, Corporate Audit and Review
- Associate Vice President, Science Evaluation
- Executive Director, International Affairs
- Comptroller

- Primary functions:** The President's main objective is to provide leadership in the administration, application and enforcement of 13 Acts, 32 sets of regulations and 14 distinct scientific and regulatory programs. The President is also responsible for the development of policy and the implementation of timely and appropriate risk-based strategies and science-based decisions regarding food, fair labelling, plant protection and animal-health emergencies.

*On February 2, 2001, Canada's Food Inspection Agency (CFIA) banned the importation of beef products from Brazil, claiming that it was not possible to demonstrate that Brazilian beef was free from BSE or mad cow disease.*

*Enraged Brazilians demonstrated in front of Canada's Mission in Sao Paulo. They claimed the action was really a thinly disguised retaliatory measure in Canada's longstanding trade dispute with Brazil over airplanes. They threatened to take the matter to the WTO. Many Canadians also wondered if there was more than food inspection behind the CFIA ban.*

*Because of the danger of BSE, Canada had banned the import of beef from specific European countries and asked its trading partners, including Brazil, to give evidence that their livestock herds were protected. For two years, Brazil ignored these requests. As the disease spread in Europe, and without proof that appropriate measures had been taken in Brazil, CFIA decided to ban Brazilian beef imports.*

*Within a few weeks, Brazilians provided the sought-after documentation and invited a tri-country team of inspectors from Canada, the United States and Mexico to visit Brazil. When the team confirmed that Brazilian beef was protected from BSE, the import ban was lifted.*

## **The Role of the President, Canadian Food Inspection Agency**

CFIA is a complex, science-based policy and policing agency. It enforces the food-safety and nutritional-quality standards established by Health Canada, and sets standards and carries out enforcement and inspection on matters regarding animal health and plant protection.

CFIA has a staff of approximately 5,000 people. The following statistics demonstrate the breadth and complexity of the organization:

- CFIA veterinarians and inspectors conduct rigorous inspections in some 1,800 meat- and fish-processing plants;

- inspectors check shipments from abroad—examining plants, animals, and even packaging materials that might carry diseases;
- agricultural officers inspect potato fields and greenhouses, hatcheries, feed mills and livestock premises;
- laboratory scientists analyse food samples for impurities, drug residue or disease-causing agents; and
- regulators evaluate the safety of the newest kinds of seeds, feeds, fertilizers and animal-health products, such as vaccines, for use in Canada.

CFIA's powers are considerable. Basing decisions on scientific assessment, CFIA can:

- issue a health warning about specific foods or food products that might pose a health threat—to people with allergies, for example;
- halt production at meat processing plants;
- order a recall of tainted or dangerous products;
- refuse entry into the country of goods that pose a hazard to Canadians; and
- quarantine animals that might threaten the health of either animals or humans.

From its headquarters in Ottawa, CFIA coordinates 18 regional offices, 185 field offices—including border points-of-entry—and 408 offices in non-government establishments—such as processing facilities. CFIA also maintains 22 laboratories and research facilities, which develop new technologies and conduct research as well as provide scientific advice and testing services.

The President of CFIA is the chief executive officer and has overall responsibility for strategic direction and effective management of the agency—within the budget and legal authorities given by Parliament. As chief executive, the President is also responsible for federal government programs aimed at maintaining food safety, animal health and plant protection.

The President reports to Parliament through the Minister of Agriculture and Agri-Food. *The Canadian Food Inspection Agency Act* gives the President full authority to be the Government of Canada's food-safety watchdog.

## Key Management Challenges

### Managing within a context of scientific uncertainty

Science is in perpetual evolution. New knowledge is continually developing, as are the diseases, viruses and bacteria themselves. As a result, CFIA is always managing within a context of scientific uncertainty, with scientists themselves often in disagreement. The consequences of agency action—such as issuing a food-product recall—can be severe. A recall can mean enormous financial loss and even bankruptcy for the plant or company involved. So the agency must continually weigh the seriousness of an event—probability multiplied by effect—against the consequences of its own actions. This means making a complex series of judgments based on scientific, political and other factors.

### Managing technical and scientific staff

Almost 70 percent of the agency's staff of more than 5,000 are highly trained scientific, professional and technical employees: veterinarians, toxicologists, food pathologists. Many are located in dozens of remote establishments across the country.

Ensuring consistent application of standards is a challenge. There is a constant risk of "regulatory capture" (where the agency's staff come to see themselves as part of the companies where they physically work). This could potentially lead to a flexible interpretation of the rules. There is also an inverse danger: some agency employees may be overly zealous, resulting in high rejection rates and appeals from plant managers to CFIA head office. Ensuring reasonable and consistent application of standards across the country, while at the same time maintaining confidence in agency field staff is a considerable challenge.

## **Maintaining a 24/7 response across Canada**

Today, food is distributed more quickly than ever before. Five thousand truckloads of food, plants and animals, including over 1.6 million tonnes of meat and poultry, enter Canada every day. Food-related products are also shipped across the country from more than 3,000 processing plants to tens of thousands of retail shelves in a few hours. Because of the rapid rate at which food-related hazards develop, CFIA must have an instant-response capability across the country. On average, CFIA receives thousands of queries and complaints every year, and the Office of Recall opens a new file every day. Each of these files must be followed up immediately, as any delay could prove fatal.

## **Developing a system-quality approach to food protection**

The best way to ensure food safety is to prevent problems from arising in the first place. The agency actively promotes a system based on manufacturing standards—akin to ISO qualifications—for food production, called the Hazard Analysis Critical Control Point (HACCP) system. These science-based principles are recognized internationally as the best way to prevent food-safety problems. The agency helps the industry tailor and refine HACCP methods, and also provides accreditation. This allows the agency to move away from inspecting products and focus more on inspecting systems. Given the high stakes involved, there is little margin for error.

## **Key Political Challenges**

### **Maintaining public confidence in the food system and in the agency's reputation as a science-based regulator**

An IPSOS Reid poll released in March 2001 showed that 75 percent of Canadians trusted CFIA to protect them from food-borne illnesses. But as the issue with Brazilian beef demonstrated, there is always a danger that agency actions can be seen



as politically motivated. This is especially true in a post-Krever political context, where confidence in public institutions is generally weak. CFIA is responsible for managing several highly charged political issues, including the use of genetically modified organisms. The agency must therefore be careful to ensure its reputation as a science-based regulator, making judgments on the basis of scientific evidence indicating harm or potential harm to humans.

### **Maintaining an appropriate relationship with stakeholder groups—particularly industry**

The agency enjoys an excellent reputation among its key stakeholders—both industry and consumer groups—as being easy to work with. This is due in part to the fact that industry, government and consumers all have a vested interest in maintaining the integrity of Canada’s food system.

The agency would be hard-pressed to function properly without the active cooperation of the food industry. However, the agency also possesses policing powers that it uses on a daily basis. This presents a significant challenge to the president: how to work with industry and, at the same time, control it.

## **Conclusion**

CFIA is vital to Canada’s social and economic infrastructure. “Few people recognize it, but CFIA is more important to our health and well-being than the RCMP,” notes one industry observer. “Not only do we all eat three times a day, but the Canadian food industry—which employs a considerable number of people—also exports large quantities of food.” Managing CFIA involves protecting Canadian consumers in the light of constantly evolving scientific opinion, hard-nosed food-production requirements, and the realities of Canadian and international politics.

## Assistant Deputy Minister Operations Citizenship and Immigration Canada

<b>Reports to:</b>	Deputy Minister, Citizenship and Immigration Canada
<b>Job description:</b>	Responsible for directing the implementation of Canada's citizenship and immigration programs.
<b>Office location:</b>	Ottawa
<b>Staff location:</b>	Five regional offices, 70 border points and 80 embassies and missions abroad.
<b>Dimensions:</b>	Number of employees: 3,915 Budget: \$540 million

### Main divisions/areas/units that report to this position:

ADM, Operations is one of nine senior executive positions reporting to the Deputy Minister/Associate Deputy Minister.

- Five Atlantic regional directors general—Atlantic, Quebec, Ontario, Prairies and Northern Territories, British Columbia and Yukon regions—staff of 2,549
- Director General International Region—363 Canadian staff and approximately 1,000 locally engaged staff
- Director, Medical Services
- Director, Case Management
- Director, Strategic Operations

### Primary functions:

The main legislative authority for the department comes from Parliament in the form of two acts: The Citizenship Act and The Immigration Act. The latter sets out the terms for the facilitation and control of the entry of immigrants, refugees and visitors to Canada.

*In the immediate aftermath of the horrific attack on the World Trade Center, rumours circulated that the terrorists had penetrated the United States from Canada. Some even claimed that Canada was a haven for terrorists.*

*The rumours were unfounded. The hijackers had all entered the U.S. from Europe, overcoming the supposedly stricter U.S. security measures. Nonetheless, U.S. political pressure to tighten its borders—including the border with Canada—was overwhelming. The fact that even a completely sealed Canadian border would not have stopped the World Trade Center attack did not play a large role in U.S. public opinion.*

*The events of September 11, 2001, exposed a central dilemma of Canadian immigration policy. To ensure economic development and prosperity, Canada needs to maintain a free and unhampered flow of goods and people between itself and other countries, particularly the United States. For our own security, and for the security of our southern neighbour, we need to maintain a strict vigilance over who gets into the country.*

## **The Role of the ADM Operations**

At its most basic level, Citizenship and Immigration Canada (CIC) has three kinds of clients, each with unique characteristics.

### **Immigrants**

Canada's economic development has historically been based on an active policy of attracting immigrants, first from France and the United Kingdom, then from the rest of Europe and, most recently, from the whole world. Family reunification remains a key driver of Canada's current immigration policy; the country also depends, however, on immigrants to renew the labour force. Canadian government policy sets an annual target for immigration, currently approximately 250,000.

## Refugees

Canada is proud of its humanitarian tradition and continues to accept thousands of refugees each year from war-torn or dangerous areas of the globe. In recent years, the number of people seeking refuge or asylum in Canada has risen sharply, from about 20,000 per year to as many as 45,000. Some refugees apply from abroad, but many appear on our doorstep without even appropriate identification. We have little control over the numbers applying for refugee status.

## Visitors

Over 100 million people enter Canada each year as temporary visitors, including tourists, business professionals, students and government officials.

Among the legitimate applicants in all three categories are a few who should not be admitted. These include increasingly sophisticated criminal elements—drug smugglers, money launderers and those involved in organized crime. It could also include terrorists and others who might seek to harm Canada or her allies. In absolute terms, the number of terrorists is extremely small. But enforcement and control of the movement of all people is an increasingly vital part of the immigration mandate.

The main challenge of Citizenship and Immigration Canada is to encourage and facilitate the entry of legitimate immigrants, refugees and visitors while protecting the country from those seeking to harm its citizens.

CIC also assists in the settlement of newcomers to Canada, and is responsible for the process through which they eventually become Canadian citizens.

Of the nearly 4,000 CIC employees in operations:

- 2,500 CIC employees are based at 70 locations across Canada. Large numbers are concentrated at strategic points such as the Toronto and Vancouver airports. Facilities such as these have to be managed on a 24/7 basis and provide staff with the

opportunity to interview and detain people as needed. CIC also supplies coverage to the 272 border points along the 5,000-mile Canada-U.S. border.

- 250 are based outside Canada in 80 missions and embassies from Beijing to Dakar. These visa officers receive a steady stream of applications. Aided by almost 1,000 locally engaged staff, as well as agencies such as the RCMP, CSIS and Health Canada, the officers' role is to receive the applications, verify information, interview applicants and determine eligibility to enter Canada.
- Ten people work in a small headquarters group that coordinates the department's work.

## **Key Management Challenges**

### **Unlimited demand—limited resources**

The number of people who cross Canada's borders and apply to enter the country is growing annually—faster than the department's resources. One result of this is the backlog of over half a million unprocessed applications, with interview waiting times of two to four years not uncommon. Attempts to simplify the application process have merely resulted in more applications—and longer lines.

### **Ensuring consistency**

With employees operating around the globe, ensuring that similar applications are treated in a comparable manner is an ongoing challenge that requires a considerable investment in training and in the administration of systems and audits.

### **Delivering service through others**

While CIC is responsible for who gets into Canada, most people entering the country never see a CIC officer. This is because screening entrants is delegated to Canada Customs and Revenue (CCRA). CIC becomes involved only if a Customs agent feels the situation requires more attention, an arrangement that necessitates

a high degree of cooperation between CIC and CCRA. The ability of the ADM to do her job depends, in fact, on the work of Customs officers over whom she has no direct control.

The department is also dependent on its close relationship with the RCMP and CSIS, whose screening and investigation are key to the immigration system. The Department of Justice, in which over 130 lawyers provide litigation assistance and advice, is another critical partner.

### **Protecting Canada without impeding legitimate business and personal travel, especially between Canada and the United States**

More than 220 million people travel between Canada and the U.S. each year, 99.9 percent of whom pose no problems and enter and exit without incident. However, as concerns about security increase, scrutiny becomes more intense, more referrals will be made, and delays at the border will become longer. CIC and its U.S. counterpart have been experimenting with a variety of methods to speed up the border-crossing process by dealing with entrants according to their level of risk. This experimentation has become more critical since September 11, 2001.

### **Protecting the integrity of the system**

International smuggling of humans is becoming increasingly profitable, a fact that has attracted organized crime. The arrival of four boatloads of Chinese on our B.C. coast in 1999 is one example of these criminal efforts. Corruption, bribery and infiltration remain part of everyday life in many countries where documents are easily falsified. Ensuring Canadian systems are protected against attack by organized criminal elements is of paramount importance.

## Key Political Challenges

The department is under constant scrutiny from the press, and receives continual criticism and lobbying from lawyers, immigration consultants, associations, and church and human rights groups. The department comes under pressure from:

### Members of Parliament

Members of Parliament are themselves constantly lobbied to intervene on behalf of specific applicants. The pressure may come from family members, friends or the growing number of lawyers and immigration consultants. Given the huge immigration backlog and long waiting times, the pressures are significant. While most MPs carry out their representational duties appropriately, each request from an MP requires investigative resources and so only compounds the problem.

### The press and opposition

Canada has traditionally received about 25,000 refugee claimants per year. In the last few years, that number has almost doubled to nearly 45,000, putting considerable strain on the system. While awaiting hearings of their cases—a process that can take several years—most refugee claimants are released on their own recognition, and receive welfare allowances and health care paid by the federal government. Almost 20 percent of these claimants fail to appear for their hearings. The department's perceived coddling of refugees, some of whom may actually be headed for the U.S. or elsewhere, is the cause of intense criticism.

### Business and others

While some would like to make the border more hermetic, many Canadian businesses have a legitimate interest in facilitating entry to Canada for both visitors and immigrants. The tourism industry depends on travelers being able to enter Canada easily. Canadian universities and colleges depend on the income they earn from foreign students. The agricultural industry depends on immigrant

farm-workers from Mexico. Artists, musicians, technicians and consultants are among the people who need to get into and out of Canada easily and quickly.

## **U.S. Immigration and Naturalization Services**

One of CIC's most important relationships is with the INS: the Immigration and Naturalization Department of the U.S. So many goods and people cross the Canada-U.S. border daily that CIC and INS must depend on each other for information in order to function effectively.

Historically, the U.S. has placed a higher priority on national security than has Canada—a political reality that has often clouded relations between CIC and INS. However, both an ongoing exchange of information and daily cooperation help to reduce tensions and facilitate concerted action. In the wake of recent events in the U.S., managing this relationship in a constructive manner will become even more important.

## **Conclusion**

The position of ADM, Operations, at Citizenship and Immigration Canada is one of high-stakes and skilled risk management. The ADM is ultimately responsible for tens of thousands of individual judgments made by departmental staff every day, in Canada and around the world. "The immigration and citizenship department is grossly under-resourced for the caseload it has," notes a former assistant deputy, now a consultant. "Some cases take two to three years to process. Mistakes are bound to happen."

The political consequences of such mistakes could be significant; any one of CIC's decisions could end up on the front page of a newspaper. But the security consequences could be even greater, as errors in judgment could lead to significant breaches of national security.



## Commissioner Competition Bureau of Canada

<b>Reports to:</b>	Parliament of Canada regarding mandate Deputy Minister, Industry Canada regarding administration
<b>Job description:</b>	Responsible for ensuring that competition in the Canadian marketplace is unhampered by collusion, restraint of trade or unfair practices.
<b>Office location:</b>	Ottawa
<b>Staff Location:</b>	Seven regional offices across Canada
<b>Dimensions:</b>	Number of employees: 384 Budget: \$25 million

### Main divisions/areas/units that report to this position:

- Senior Deputy Commissioner, Mergers Branch
- Deputy Commissioner, Civil Matters Branch
- Deputy Commissioner, Criminal Matters Branch
- Deputy Commissioner, Compliance and Operations
- Deputy Commissioner, Fair Business Practices Branch
- Deputy Commissioner, Competition Policy Branch
- Assistant Commissioner, Communications Branch

### Primary functions:

Under the provisions of The Competition Act, the Commissioner has the power to disallow mergers and acquisitions. He also has extensive investigative and analytical powers, as well as a range of tools with which to resolve competition issues. The Commissioner has:

- the legal authority to search and seize documents, demand the production of documents and records, and take sworn verbal evidence;
- the ability to refer criminal matters to the Attorney General of Canada, who then decides whether or not to prosecute before the courts; and
- the power to bring civil matters before the Competition Tribunal.

Toronto—The ripples from the decline in airline travel after the September 11, 2001, terrorist attacks have left Ottawa facing an uncomfortable paradox: Air Canada, itself financially weakened, now controls at least 85 percent of the air-travel market in Canada.

But the question for many observers is to what extent foreign capital or foreign carriers can—or should—fill the gaping competition void left by the collapse of Canada 3000.

Konrad von Finckenstein, the federal competition commissioner, said yesterday that the federal government should consider looking abroad to resolve Canada's competition gap.

"What needs to be done is to ensure that we have a viable industry. You have to look at the various aspects. You have to look at ownership restrictions and terms of entry," noted Mr. von Finckenstein, going on to say that so much has changed for the airline industry since September 11, 2001, that Ottawa will have to look very carefully at what steps it will need to take to ensure competition.

— *Globe and Mail*, November 10, 2001

## **The Role of the Commissioner, Competition Bureau**

The Commissioner of Competition is the head of the Competition Bureau and acts as an independent law enforcement head. He reports to Parliament through the Minister of Industry on the state of Canada's competitive system. Under *The Competition Act*, he has extensive powers, including the ability to launch inquiries, intervene as a competition advocate before federal and provincial bodies, challenge civil and merger matters before the Competition Tribunal and make recommendations on criminal matters to the Attorney General.

In his practical work the Commissioner is supported by a substantial staff, of which the key elements are:

- The Criminal Matters Branch, which investigates criminal offences relating to anti-competitive behaviour, for example, conspiracy to fix prices or bid-rigging.
- The Fair Business Practices Branch, which deals with misleading advertising and other deceptive business practices, and with the laws concerning the adequacy and accuracy of information provided to consumers in the labelling, packaging and marking of consumer goods.
- The Civil Matters Branch, which investigates competition cases subject to review by the Competition Tribunal, for example, abuse of dominant position or refusal to deal.
- The Mergers Branch, which is responsible for the review of merger transactions, including those that require pre-notification filing.

## **Key Management Challenges**

### **Maintaining an appropriate relationship with stakeholders**

The Bureau is a powerful agency with police-like functions, including the ability to initiate wiretaps, surveillance and lay criminal charges. Nobody likes talking to the police. As a result, it can be difficult for the Commissioner to enter into frank discussions with stakeholders about ways of doing business.

In general, the Competition Bureau has three very different kinds of stakeholders.

- One group consists of those who turn to the Bureau for protection against what they perceive to be unfair competitive practices of one sort or another. They can sometimes become frustrated if the case they bring does not fall under the purview of the Bureau—or within its resource constraints

- A second group consists of the ‘Competition Bar,’ a knowledgeable and influential group of lawyers who take a strong—even proprietary—interest in the work of the Bureau and expect a high degree of consultation.
- A third group includes those businesses that, from time to time, fall under the scrutiny of the Bureau. This group would not normally define itself as a stakeholder and normally avoids any contact with the Bureau until it finds itself in some discussions with it.

Finding appropriate ways to maintain independence from, but sensitivity to, stakeholders is a key challenge. This stakeholder asymmetry was a particular challenge during recent consultations on amendments to *the Competition Act*. The Competition Bar was very present, but other stakeholders preferred to be invisible.

### **Picking priorities, managing disappointment**

The Competition Bureau cannot control either the number of complaints that are registered with it, nor the size and scale of the cases put before it. This means that the bureau must pick and choose the ones that seem most significant. Small business complains that the bureau is overly focused on competition between large national companies, and pays little attention when, through merger or monopolistic practices, large companies drive small ones out of business. They find this particularly galling since, under the Act, only the commissioner can initiate an investigation.

## Key Political Challenges

### Maintaining the Bureau's independent status

The role of the Commissioner is to ensure that competition reigns in the Canadian marketplace. He is a public servant, but his views on what is necessary to accomplish open competition do not always square with government policy. For example, the Commissioner has repeatedly said, when asked, that from a competition point of view he sees no reason for ownership limitations on Canadian airlines. His challenge is to maintain the independence of the Commission without being drawn into partisan political debates.

This task is further complicated by the fact that the Commissioner is responsible to Parliament for his work, but administratively located within Industry Canada. This has led to confusion over the agency's identity. A recent OECD report charged that this structure creates uncertainty about the bureau's real independence. Many observers feel that in order to be seen as beyond political influence, the Commissioner needs to be able to obtain and allocate resources as he deems necessary.

### Clarifying the role of the Bureau

The mandate of the bureau is widely misunderstood. Some feel it should protect consumers, others that it should protect small businesses. The bureau has taken the view that competition law is geared to the maintenance and promotion of competition as a process, and not to the protection of specific competitors.

"Every time there is a spike in gasoline prices, the bureau is inundated with calls," noted one observer. "But the bureau can't intervene against high gas prices. Its mandate is to ensure that companies—in this case oil companies—don't collude. The difference is subtle, but the confusion presents a major challenge."

## **Fulfilling a Canadian mandate in a North American—even global—marketplace**

The Competition Bureau's mandate is limited to Canadian political and economic issues. However, Canada is part of a larger North American market. Whether in air transport, telecommunications or retail, competition in Canada is shaped by the larger market in which services are developed and sold. This situation poses a challenge to the very future of the Canadian Competition Bureau. As one observer noted: "There are few major merger issues that do not have a significant international component."

## **Conclusion**

The Commissioner of Competition plays a critical role in shaping Canada's business marketplace. "After the Governor of the Bank of Canada and the Deputy Minister of Finance," remarked an observer, "in the eyes of the business community, the Commissioner of Competition is the most important federal bureaucrat. His or her decisions can affect the climate for investment, the growth potential of many major Canadian enterprises and the country's economic security itself."

## Assistant Deputy Minister Health Products and Food Health Canada

- Reports to:** Deputy Minister, Health Canada
- Job description:** Responsible for developing a policy, legislative and regulatory framework to maximize the safety and efficacy of drugs, natural-health products, food, medical devices, biologics and related biotechnology products in Canada.
- Office location:** Ottawa
- Staff location:** Ottawa headquarters and five regional offices
- Dimensions:** Number of employees: 1,768  
Budget: \$212 million

**Main divisions/areas/units that report to this position:**

- Director General, Therapeutic Products
- Director General, Food
- Director General, Natural Health Products
- Director General, Biologics and Genetics
- Director General, Office of Biotechnology Strategy and Coordination
- Director General, Office of Consumer Affairs and Public Involvement
- Director General, Policy and Strategic Planning
- Director General, Regulatory Affairs

**Primary functions:**

As well as being responsible for developing a comprehensive framework to address health determinants and risks associated with products ingested into the human body, the Assistant Deputy Minister also determines goals and priorities and allocates resources for the branch's activities. The ADM represents the department in high-level discussions and consultations with provincial and territorial governments, other federal departments and agencies, non-governmental organizations, and other clients and stakeholders.

*On August 31, 2000, after consulting experts both inside and outside the federal government, Health Canada decided to restrict blood donation by anyone who had spent six months or more in France between the years 1980 and 1996. The measure was taken to reduce the risk of variant Creutzfeldt-Jakob Disease (vCJD), or mad cow disease, being transmitted through the blood supply.*

*Health Canada issued this directive as a precaution, despite the fact that there are no known cases of transmission of vCJD through blood transfusion. There is, however, a theoretical risk that such transmissions could occur in the future.*

*Balanced against the possible threat of blood contamination is the risk that restricting donors may lead to a blood shortage. The Canadian Blood Service is already warning that blood supplies are low and Canada could someday find itself short of blood for transfusions. The ban on those who have spent time in France, for example, could cause Quebec to lose up to 3 percent of its donor pool.*

## **The Role of the Assistant Deputy Minister, Health Products and Food**

*The Department of Health Act sets out the Health Products and Food (HPF) branch's mandate, which is to promote and preserve the health of Canadians in all areas not otherwise assigned by law to another department or agency, within the limits of the federal jurisdiction.*

Within this mandate, the ADM is responsible for protecting the health of Canadians against possible dangers that might exist in food, drugs, cosmetics, medical devices, natural-health products, or any similar product available for general use or consumption.

The branch employs over 1,700 scientists and technicians including top-level specialists in highly technical fields such as viral and bacterial immunology, genetic therapy, radio-pharmaceutics and haematology. Many employees work in Ottawa but the branch also has locations across Canada.



Contrary to what most Canadians think, Health Canada does not have its own labs to test the food we eat, the drugs we take or the medical devices we use. Rather, the role of the HPF branch is to examine available scientific evidence and make recommendations as to whether products should be made legally available in Canada. HPF scientists review data from manufacturers and compare this to independent scientific studies and information provided by other jurisdictions including the U.S., Europe and Japan.

## **Key Management Challenges**

### **Managing the volume of demands**

The branch is responsible for the safety and quality of more than 22,000 drugs and 130,000 medical devices, as well as innumerable foods, food and natural-health products. As a result, the ADM has to make critical decisions on an almost daily basis, ranging from whether or not to allow a pharmaceutical company to proceed with drug trials on human subjects, to whether or not specific ingredients can be added to so-called functional foods. Some of these decisions can have life or death consequences.

In all cases, the ADM has to make decisions—many within strict deadlines—based on the best scientific evidence available regarding the possible dangers of approval versus the potential negative consequences of refusal. There is little room for error.

### **Improving relationships with stakeholders**

The branch has a reputation among its various stakeholders—industry and consumer groups, as well as other government departments—as being difficult to deal with. Staff is perceived as uninterested and unconcerned with the needs of those outside the branch. Part of this complaint is inherent in the nature of the role. The branch is a regulator, with the power of approval and refusal, and there will always be people who are unhappy with its decisions.

Branch employees are widely recognized for their technical competence and commitment to both their profession and their role as

protectors of Canadian society. But many feel that protection slides into overprotection, and that Health Canada's scientists are perfectionists, inclined to continue their research without concern for time or budget constraints until all risk is eliminated.

This poses a serious challenge for the ADM, who has to manage risk and consider the needs of outside stakeholders.

### **Maintaining the confidence of scientific staff**

Health Canada could not function without the dedication of its staff. However, there is widespread feeling among scientific and technical employees that senior management does not pay adequate attention to their opinions. Many of the whistle-blowing incidents in the federal government have been the result of unhappy Health Canada scientists leaking information to the press. A key management challenge is to gain and maintain the confidence of the scientific staff.

## **Key Political Challenges**

### **Managing tension between safety and consumer access**

While the branch is under considerable pressure to ensure Canadians receive the food and drug products they need as quickly as possible—new medicines for the treatment of HIV, for example—it is also subject to the demands of people promoting natural foods and non-traditional medicine who believe the branch is being overly restrictive. But the branch has a responsibility to protect Canadians from untested or dangerous products, and this creates powerful contradictory pressures. Keeping products off store shelves can protect some Canadians, but harm others.

As well, product testing is a never-ending process. New data is always being accumulated, some of which contradicts earlier conclusions or raises fresh concerns.

The role of the ADM is to weigh the risks—or benefits—of allowing products onto the market against the consequences of disallowing them, and all in a context of considerable scientific uncertainty.

### **Managing the interface between health science and public policy**

Many decisions that come before the branch have both a scientific and a public-policy dimension. Whether or not to approve RU482—the morning-after contraceptive pill—is one example. Many oppose the product for moral reasons, while others support it based on different moral principles. And, some natural foods used by certain ethnic communities may be seen as part of the community’s traditional culture, regardless of whether there has been sufficient scientific testing to determine the product’s benefits—or dangers.

### **Maintaining an independent Canadian capacity**

“It would be cheaper and simpler,” argued one observer, “if Health Canada automatically adopted products approved for sale in the U.S. It would certainly reduce delays and costs.” However, such a move would also undoubtedly diminish Canadian sovereignty. Another observer noted that the drug-recall rate in the U.S. is more than 20 times higher than it is in Canada. Whether such a recall rate would be acceptable to Canadians is debatable, but there is certainly an argument for harmonization or mutual recognition agreements with compatible countries such as the U.S., Europe and Japan.

## **Conclusion**

“This is the most difficult management job and the most difficult policy job in government,” stated a former deputy minister of Health. “The policy job lies in the management of risk and the management job lies in the managing of people.”

## Assistant Deputy Minister Quebec Region Human Resources Development Canada

**Reports to:** Deputy Minister, Human Resources Development Canada

**Job description:** Responsible for implementing HRDC programs in the Quebec Region. As the senior representative of the largest and most visible federal department in Quebec, the ADM is also responsible for ensuring that the federal government has a visible and effective presence in the province.

**Office location:** Montreal

**Staff location:** 78 locations across Quebec

**Dimensions:** Number of employees: 4000

**Budget:** \$374 million

**Main divisions/areas/units that report to this position:**

- Director General, Information and Strategic Planning Directorate
- Director General, Finances, Administration and Information Technologies
- Director, Human Resources
- Director, Communications
- Director General, Operations, Montreal
- Director General, Operations, Province
- Director General, Programs and Services Branch
- Director, Investigation
- Regional Director, Labour
- Associate Executive Director, Policy, Federal-Provincial Relations

*“Let me summarize what I have been saying: the so-called billion-dollar boondoggle wasn’t. The most that can be said is that in a particular job-creation program that represented ten percent of the famous \$1 billion, there was evidence of partisan political manipulation, and that some businesses made improper use of the funds they received. But the other \$900 million, which is used by non-government organizations across the country for purposes such as literacy training, community development, preparing Aboriginal people to enter the workforce, and training the disabled, has been virtually ignored.*

*... The HRDC affair is a case of how not to hold somebody to account. Public respect for government has been damaged, the staff of a major department has been slandered and demoralized, governments are now being re-bureaucratized, and voluntary organizations across the country are now struggling under an increased paper burden.”*

*Arthur Kroeger  
Speech to the Canadian Club of Ottawa  
December 2000*

## **The Role of the Regional Assistant Deputy Minister, Quebec Region, Human Resources Development Canada**

Human Resources Department Canada (HRDC) is the federal government’s principal social department and carries the main responsibility for Canada’s social safety net.

With a \$64 billion budget, HRDC has the greatest annual expenditure on programs and services of any federal government department or agency. This represents more than 38 percent of the total federal budget. However, more than 92 percent—or \$58 billion—goes directly to individual Canadians through the Employment Insurance program (EI), the Canada Pension Plan (CPP) and the Old Age Security program (OAS). About ten percent of HRDC’s total budget is allocated to a range of other programs aimed at helping Canadians of all ages to enter and be successful in the workplace.

HRDC has a number of regional ADMs who co-ordinate programs in a specific region and manage the interface with local and provincial governments.

The ADM, Quebec Region has three main areas of responsibility:

- To oversee the effective administration of HRDC's programs in Quebec. The largest and most labour-intensive of these is the Employment Insurance program. HRDC has 78 offices spread across the province, from Abitibi to Gaspé. This allows the department to determine the eligibility of unemployed workers in remote locations and establish appropriate assessments of economic activity. Such economic assessments are necessary because eligibility requirements vary according to economic circumstances. For example, in the three months following the terrorist attacks of September 11, 2001, applications for EI in Quebec increased by more than 15 percent.
- To be the representative of the federal government in Quebec. HRDC is the most visible and widespread federal department in the province. Indeed, in many communities it is the only federal government department present. As a result, the ADM is responsible for ensuring that the federal government's presence is felt across the province.
- To represent the views of the Quebec Region within the decision-making structures of the department and federal government; and to explain the views of the Government of Quebec on a variety of issues dealing with federal-provincial relations.

## Key Management Challenges

### Balancing the needs of the region with those of head office

The Quebec region of HRDC has 25 regional offices and 78 points of service. The ADM tries to visit each regional office annually, which takes 60 workdays—or almost a third of her time. She also spends at least one day a week in Ottawa, bringing issues to HRDC head

office or participating in interdepartmental committees. This leaves little time to deal with the management of 4,000 employees.

### **Managing significant fluctuations in volume**

Over 2,700 of HRDC's Quebec-based employees work in employment insurance, and demand fluctuates depending on the economic cycle. For example, from 2000 to 2001, HRDC experienced a 15 percent increase—significantly higher in some locations—in demand for services across the province. However, because HRDC had experienced difficulty recruiting qualified staff, particularly in its many centres outside of Montreal and Quebec, this increase resulted in a significant backlog of applicants and created political pressure on the government.

### **Dealing with loss of corporate memory**

In 1997, the federal government agreed to transfer the labour-market development section of its employment services to the provincial government, along with almost \$650 million in funding and more than 1,000 employees. Many employees who transferred had years of service in HRDC and extensive contacts in the community. As a result, HRDC lost both significant program-delivery expertise and some of its outreach capability.

## **Key Political Challenges**

### **Ensuring a federal presence in Quebec**

HRDC is one of the few federal departments and agencies with a physical presence throughout Quebec—another is Canada Post. The department is the largest federal employer in Quebec and receives the biggest budget. As a result, HRDC is, in some sense, the federal flag-bearer in the province. This confers special responsibilities on the ADM as a senior representative of the federal government and she vice-chairs the Quebec Federal Council—a group helping to coordinate all efforts of federal departments in Quebec. As one observer noted: “Every time the federal government introduces a

program, it seems the Quebec government does the same thing within a couple of years. Then people complain about overlap and duplication.”

## **Managing a wide range of stakeholder interests**

HRDC programs directly affect a wide range of stakeholders including labour unions, business associations, municipal councils, and Aboriginal, church, women’s and community groups. On specific issues, some stakeholder groups may agree with one another, while others will be diametrically opposed. Relationships with many stakeholders are also coloured by the stakeholder group’s attitude toward Ottawa and Canadian federalism. It is a major challenge to develop and maintain generally positive and trusting relationships with such a wide range of stakeholders.

## **Ensuring Ottawa understands the region’s needs**

Precisely because of its extensive Quebec presence and its contacts with a wide range of stakeholders, the department is a key source of information concerning Quebec’s needs and political thinking. The ADM is called on to spend a great deal of time helping her own department understand the province’s needs. On a broader scale, she also helps the federal government to understand developments in Quebec. In this sense, the ADM is the federal government’s ambassador to one of its most challenging provinces.

## **Conclusion**

“The job of ADM, Quebec Region is 50 percent administrator and 50 percent ambassador,” noted a senior representative of a Quebec business association. “Or rather 75 percent administrator and 75 percent ambassador, because it really is a job and a half.”



## Regional Director General – British Columbia Indian Affairs and Northern Development

<b>Reports to:</b>	Deputy Minister, Indian and Northern Affairs Canada	
<b>Job description:</b>	Represents the department and the Government of Canada on issues involving Aboriginal people in the Province of British Columbia.	
<b>Dimensions:</b>	Budget:	\$555 million, including \$524 million in grants/contributions
	Treaty negotiations:	\$5-10 billion with transfer of funds over a 20-year term
	Number of Employees:	352
	Number of Indian Bands:	197
	Treaties under negotiation, settled and/or implemented to date:	49
	Main divisions/areas/units that report to this position:	<ul style="list-style-type: none"> <li>– Associate Regional Director General, Operations</li> <li>– Executive Director, Federal Treaty Negotiation Office (FTNO)</li> <li>– Director, Funding Services</li> <li>– Director, Lands and Trust Services</li> <li>– Director, Executive Services</li> </ul>
	Reporting through the Executive Director, FTNO, are: Manager, Research, Planning and Analysis; Manager, Public Information and Consultation; Manager, Finance and Administration; Manager, Financial and Cost Sharing Issues; and eight senior negotiators.	

*On June 15, 2000, the Supreme Court of British Columbia determined that the Canadian Pacific Railway (CPR) did not have the right to sell approximately ten acres of land in downtown Vancouver.*

*CPR had taken possession of the land in 1899, when Vancouver was still mostly swamp, logs and mud. However, when CPR decided in May 1989 to sell the multi-million dollar property, local Indian bands commenced legal action claiming ownership. After ten years of legal argument at different levels of justice, the Supreme Court finally sided with the Squamish Indian band.*

*There are literally thousands of unsettled land claims in British Columbia. In fact, because some lands are claimed by more than one First Nations band, the territory in dispute actually adds up to more than 100 percent of B.C.'s total land mass.*

*Uncertainty over land ownership places a heavy burden on the economic development of British Columbia. Without clear title to lands, it is difficult to see why anyone would make substantial investments in infrastructure. A successful resolution of land claims is one of the keys to B.C.'s economic development.*

## **The Role of the Regional Director General, British Columbia**

The Regional Director General (RDG), British Columbia, is one of 17 positions that report to the Deputy Minister. The very nature of the Indian Affairs and Northern Development Department's mandate makes its regional directors general extremely important, especially the RDG for British Columbia.

British Columbia has the highest concentration of First Nations people in Canada. There are 197 individual First Nations groups—33 percent of Canada's total—and 1,618 reserves—68 percent of the Canadian total. Currently, there are 49 separate treaty negotiations—with an estimated value of up to \$10 billion—in various phases of negotiation and implementation.

The Regional Director General has three main areas of responsibility:

- managing the delivery of a wide array of federal programs to First Nations people in B.C. Much of this is done through 230 funding arrangements with First Nations organizations, bands and tribal councils;
- managing, on behalf of Indian people, thousands of active leases, timber permits, individual landholdings and other interests; and
- managing the tripartite—federal/provincial/native—negotiation of self-government agreements, land claims and treaties.

The RDG finds himself in a peculiar position. Situated 3,000 miles from head office, he is the senior representative of the federal government for a large and complex task that is fraught with political tensions and economic consequences. The RDG must comport himself in a way that reflects the priorities of his department, minister and government. At the same time, the RDG has to maintain good relationships with the B.C. provincial government, which is often in disagreement with the federal government.

## **Key Management Challenges**

### **Delivering services in remote areas**

The department of Indian Affairs is responsible for providing provincial-type services—policing, housing, education and health services—to First Nations people living on reserves. The B.C. region comprises 1,618 reserves, almost all of which are situated in remote parts of the province. Simply maintaining high standards of program delivery to this number of clients is a formidable challenge. A further complication is that the population comprises numerous distinct groups, each with its own language and culture.

### **Delivering services through others**

The department's policy is, as much as possible, to allow Indian bands to manage the delivery of services. This flows from the

demands of First Nations people themselves and is in line with the federal policy of devolving autonomy back to native groups. The services are sometimes poorly managed, resulting in waste, inefficiency and even allegations of corruption. However, native groups regard themselves as sovereign and do not easily accept direction from the department. As a result, the department is vulnerable when there are allegations of misspending, serious health problems, or child or drug abuse, but has little management leverage other than terminating delivery of a service at significant political cost to the minister.

### **Keeping the treaty negotiation process on track**

As of December 2001, there were 49 separate treaty negotiations underway in British Columbia with a total estimated value of \$5-\$10 billion. The negotiations are tripartite—federal/provincial/First Nations—which is complicated enough given the wide gap between the initial positions of the three parties. But an additional problem is that the process has to be structured to allow third parties—such as loggers, fish and game associations, mining companies, and major labour unions—to comment.

## **Key Political Challenges**

### **Handling a potentially explosive political issue**

The issue of land claims and native rights is a more sensitive political issue in B.C. than in any other Canadian region. This, undoubtedly, is due to the concentration of First Nations people, the relatively recent influx of non-indigenous peoples and the fact that, unlike most of Canada, no treaties were ever signed in B.C. Feelings run deep, and the possibility of violence is never far away, as seen by the frequent blockades of provincial roads and highways. The RDG plays an important political role by maintaining a dialogue with all parties and trying to find practical and workable solutions to specific issues. The challenge for the RDG is to ensure that claimants remain at the table—free from involvement in civil disturbances and moving toward agreement.

## Managing federal-provincial relations

The RDG is effectively the federal government's representative on Aboriginal issues to the B.C. government. British Columbia has a huge stake in the outcome of treaty negotiations and has been accepted by the federal government as an equal partner. But B.C. provincial politics have been volatile, with successive governments promoting radically different postures with respect to First Nations. In addition, the province and the federal government are frequently involved in disputes over other issues, some of which—such as soft-wood lumber—are impacted by the progress of treaty negotiations.

## Finding a viable negotiating partner

First Nations politics are complex. As mentioned, there are 197 different First Nations groups in B.C., and a wide array of overlapping and, in some ways, competing bands, tribal councils and native associations, including the First Nations Summit, the Union of B.C. Indian Chiefs and the B.C. section of the Assembly of First Nations. This political mosaic makes it difficult to find a partner with whom negotiations can be completed successfully. On more than one occasion, agreements have been signed that subsequently were not endorsed by local communities.

## Conclusion

The RDG is part peacemaker, part dealmaker and part service provider. "This is an impossible job," a B.C. Indian chief observed. "The Regional Director General has to be a tough cop, while at the same time keeping good relations with everyone." Many think that one of the hardest parts of the job is not in B.C. at all, but rather 3,000 kilometres away in Ottawa where the RDG has to overcome a lack of understanding about the sometimes conflicting needs of First Nations people, the provincial government and the business community in British Columbia.

## Assistant Deputy Minister Energy Sector Natural Resources Canada

<b>Reports to:</b>	Deputy Minister, Natural Resources Canada
<b>Job description:</b>	Responsible for providing leadership in the development of strategies and plans for the stewardship of Canada's renewable and non-renewable energy resources.
<b>Office location:</b>	Ottawa
<b>Staff location:</b>	Five locations in Ontario, Quebec and Alberta
<b>Dimensions:</b>	Number of employees: 663
	Budget: \$331.5 million

### Main divisions/areas/units that report to this position:

- Director General, Policy and Economic Analysis Branch (staff of 95)
- Director General, Energy Supply Branch (staff of 81)
- Director General, Energy Demand Branch (staff of 79)
- Director General, CANMET – Energy Technology Branch (staff of 325)
- Director General, Office of Energy Research and Development (staff of 20)
- Director, Support (staff of 60)
- Director, Quality Office (staff of 2)

*When U.S. Vice President Dick Cheney placed his U.S. energy policy report before the American public on May 18, 2001, his recommendations generated considerable controversy. The report also gave rise to extensive discussion in Canada, particularly on what Canada's response should be to Cheney's call for a "North American energy framework."*

*The oil and gas sector, based largely in Alberta, saw the Cheney call as a golden opportunity to further expand access to an energy-hungry United States market. Others worried about a framework that might give the United States guaranteed access to Canada's oil and gas reserves.*

*Canada stepped carefully around the issue. It took the position that the country wanted to sell energy to the U.S., but in the context of free markets rather than a continental framework.*

*Providing advice to the government on energy policy issues is the chief responsibility of the Energy Sector of the Department of Natural Resources.*

## **The Role of the Assistant Deputy Minister, Energy Sector**

Natural Resources Canada (NRCan) is the federal government department responsible for the sustainable development and use of natural resources. NRCan focuses on four main areas of resource management: energy, forestry, geoscience—mapping and other information—and mining. In each of these areas, the department conducts research to develop knowledge and technologies to make better use of natural resources; maintains a national knowledge infrastructure on Canada's land and resources; and provides policy advice to ministers on issues such as the environment, trade and the economy.

The role of the ADM, Energy Sector, is to provide the Deputy Minister with information and policy options that protect Canada's long-term interests in the energy field. This entails formulating—

within the context of the economic realities of the energy sector—a strategy in response to the government’s fiscal management priorities and socio-economic and environmental agendas.

The job of the ADM has three main components: a large and very complex policy element, and two separate but related management elements.

### **Developing energy policy**

The ADM is responsible for providing overall leadership to about 100 experts focusing on energy developments in Canada and abroad. The ADM closely monitors supply and demand for crude oil, oil products, natural gas, electricity from all sources, and uranium and nuclear activities in Canada. This requires close liaison with industry, the two federal energy regulators—the National Energy Board and the Canadian Nuclear Safety Commission—and provincial governments.

The ADM is also expected to propose strategies and frameworks for the federal government with respect to the extraction, transmission, ownership, distribution and taxation of energy and energy products in Canada. Particular attention is paid to the evolving international energy situation on both the supply and demand side, including but not limited to North American demand for energy.

### **Encouraging energy efficiency**

The ADM is responsible for the overall management of several programs aimed at increasing Canada’s energy efficiency. Canada was a signatory to the Kyoto Accord and, more broadly, has decided that sustainable development is an important element in the country’s economic strategy. For this reason, the department devotes considerable effort to energy efficiency programs, especially in industry, transportation and building design. The department works with outside partners to develop a public education program aimed at encouraging responsible use of energy. It also works with, and provides funding to, a variety of groups including environmental NGOs and green industry representatives who promote energy efficiency.



## **Undertaking basic energy research and development**

Finally, the ADM is responsible for the Energy Technology Branch (CANMET), which operates three separate research and development facilities in Ontario, Alberta and Quebec. These facilities carry out basic research on a variety of energy issues including energy efficiency, renewable energy and hydrocarbon energy development. The branch employs about 300 professionals, mostly scientists and technicians. In addition, a significant research program in collaboration with many other government departments and agencies is managed through the Office of Energy Research and Development.

## **Key Management Challenges**

### **The need for simultaneous depth and breadth**

Energy policy is not one issue, but a collection of many interrelated issues. Some examples are:

- how will Canada respond to the Kyoto Accord;
- what legal/economic framework will be used to develop offshore hydrocarbon resources in the Gulf of St. Lawrence;
- what will be the federal role in any new Arctic gas pipeline; and
- how should Canada respond to policy and legislative changes emanating from the U.S. with respect to the production and marketing of electricity.

Each of these issues raises complex technical, economic and social questions that require significant expertise and stakeholder discussions in order to answer.

Each issue is also linked to the others—promoting one fuel source can be seen as favouring it over another, promoting one provincial resource might mean giving it an advantage over a competing approach. Policies adopted in one situation could be seen as precedents elsewhere. The management challenge is to deal with each

issue in appropriate depth, while retaining a broad view of developments in each area and an ability to anticipate impacts of decisions or policies in all areas.

## **The need to manage laboratories**

The energy sector employs about 300 scientists and technicians in three laboratories across Canada. These labs conduct basic research on energy efficiency, alternative energy sources and energy development. Like most in the federal system, these labs have not had significant equipment upgrades for over a decade, making it more and more difficult to remain on the leading edge in research. As a result, recruitment and retention of young scientists is becoming increasingly difficult, a situation aggravated by salary scales that are not generous when compared to universities and the private sector.

## **Key Political Challenges**

### **Horizontal management of key policy issues**

Energy is linked closely to a significant number of other policy issues—Canadian sovereignty, federal-provincial relations, the environment, Aboriginal development, international relations and regional development. Particularly challenging is the nest of policy issues concerning the environment, climate change and sustainable development. In fact, at the cabinet level there is a reference group composed of ministers from a dozen departments that have an interest in energy issues. Inevitably, NRCan sometimes finds itself at odds with other departments—most particularly the Department of the Environment. And while NRCan has the lead on energy issues, many others want to express opinions. In such a context, taking the lead is a significant challenge.

## Management of provincial relations

The provinces like to remind the federal government that natural resources belong to them. Some provinces even go so far as to suggest that the federal government has no role in energy at all. However, depending on the issue, other provinces demand federal participation. In addition, the federal government has a legitimate role in international and inter-provincial trade, taxation and transportation, among other things, all of which affect energy policy. Because of the close links to these other policy areas, it is almost impossible for the federal government to abdicate responsibility. As a result, managing relationships with the provinces is a key challenge.

## Stakeholder impatience

The department is under significant criticism from industry representatives for lacking influence in Ottawa. Industry stakeholders think NRCan should be their natural ally at the federal level, and are frustrated that the department seems to have less influence than in previous years. As a result, some industry stakeholders believe there is no energy policy—just the results of interdepartmental infighting. A major challenge for the ADM is to gain the confidence of these stakeholders and reinforce the role of the department with key economic players in the federal infrastructure.

## Conclusion

“The breadth of knowledge required to do this job is huge,” observed a former provincial Deputy of Energy. “The job is vertical in some aspects—you have to understand the economics of each type of energy—but it also requires very broad lateral vision, how energy is linked to economic development, the environment, Aboriginal matters and more. To understand the complexities in each one is at least a day’s work.”

## Assistant Deputy Minister Safety and Security Transport Canada

<b>Reports to:</b>	Deputy Minister of Transport Canada	
<b>Job description:</b>	Accountable for developing, overseeing and enforcing all national safety and security programs for marine, aviation, rail and road transportation.	
<b>Office location:</b>	Ottawa	
<b>Staff location:</b>	Across Canada	
<b>Dimensions:</b>	Headquarters budget:	\$250 million
	Number of employees:	1,500 reporting directly through eight directors general; a further 1,300 supporting compliance activities in the regions, reporting functionally

### Main divisions/areas/units that report directly to this position:

- Director General, Civil Aviation (staff of 558)
- Director General, Marine Safety (staff of 104)
- Director General, Railway Safety (staff of 55)
- Director General, Road Safety and Motor Vehicle Regulation (staff of 113)
- Director General, Transportation of Dangerous Goods (staff of 73)
- Director General, Security and Emergency Preparedness (staff of 104)
- Director General, Aircraft Services (staff of 415)
- Director General, Safety Programs, Strategies and Co-ordination (staff of 78 including the Transportation Development Centre)

OTTAWA—Transport Minister David Collette today announced that, pursuant to the provisions of the Aeronautics Act, Transport Canada has fined Air Transat \$250,000 stemming from maintenance infractions related to the Air Transat aircraft involved in the August 24, 2001, emergency landing in the Azores. The infractions resulted from the release of the aircraft back into service without having the maintenance completed in accordance with required procedures.

*“Transport Canada is committed to taking whatever action is required to protect the Canadian travelling public,” said Mr. Collette. “While we are satisfied with the measures taken to date by the company in response to the occurrence in the Azores, and with the preliminary information coming from Transport Canada’s safety audit, we believe it is appropriate to place these limitations on Air Transat while we continue to monitor its operations.”*

*Transport Canada continues to support the investigation underway by Portuguese authorities into the contributing factors and causes of the occurrence and will respond to its findings as required.*

*– Transport Canada Press Release, September 6, 2001*

## **The Role of the Assistant Deputy Minister, Safety and Security, Transport Canada**

Transport Canada is responsible for ensuring that Canada’s system of transportation is safe, efficient and environmentally responsible. Because of its vast geography, Canada has one of the world’s most extensive transportation systems.

The ADM heads the department’s Safety and Security Group. This is the largest group in Transport Canada and is responsible for the development of legislation and regulations to ensure system safety, provide for inspections and enforce regulatory compliance.

For administrative purposes, the transportation system is divided into four modes: rail, road, marine and civil aviation. There are many parallels in the approaches to safety and security among the four modes, but also important differences. For example, civil aviation is a federal responsibility. Road transportation, on the other hand, is a shared federal-provincial responsibility, with the provinces shouldering most of the enforcement burden.

The Safety and Security Group directly employs approximately 1,500 staff. These employees perform inspections, provide program support and operate and maintain aircraft. Additionally, the ADM exercises functional leadership of approximately 1,300 regional staff across the country dedicated to safety and security functions including inspection and enforcement. In total, more than 50 percent of Transport Canada employees work within the Safety and Security Group.

Regional employees are located in various Transport Canada offices and in dozens of third-party facilities across the country—such as airports, ports, harbours and rail centres.

## **Key Management Challenges**

### **Managing diverse sectors**

The ADM simultaneously manages safety and security in four different transportation modes: air, marine, rail and road transportation. While there are many similarities among modes, each has its own history, legislative base, stakeholders and technology. The approach to safety in civil aviation, for example, is quite different from the approach in motor vehicle and road transport. The ADM cannot hope to become an expert in all fields, but seeks to add value to the technical experts by challenging their advice and managing the interaction between them and politicians.

## **Managing self-regulation and safety-management systems**

With the various transportation sectors growing ever more complicated, it becomes less feasible for Transport Canada to physically inspect each vehicle. Industry must be encouraged to regulate itself, allowing the department to focus on audit and systems verification. This requires the development of a system of self-regulation that gives politicians and the public confidence that sufficient safeguards are in place. It also means that the department might need employees with different skill sets from current staff.

## **Ensuring the integrity of the system**

The 1,500 inspectors of the Safety and Security Group have enormous discretionary powers. With a single phone call, an inspector can shut down a rail line or pull a plane from service. “An inspector can make life miserable for a service manager,” noted the head of one industry association. “As a result, the opportunities for graft and corruption are potentially enormous.” While, no problems have been uncovered to date, the potential is real and the ADM must ensure a strategy of constant vigilance.

## **Key Political Challenges**

### **Establishing a basic philosophy**

Every policing or inspection agency faces the same philosophical dilemma: should it catch offenders or facilitate compliance? Of course, both must be done. The ADM must establish a general philosophy for his branch that applies across the country. Without a consistent philosophy, Transport Canada could inadvertently favour one mode or geographical region over another. “For many years, Transport Canada’s marine inspectors in B.C. had a tougher reputation than those in the Atlantic provinces,” noted one industry observer. “Hardly surprising that savvy companies moved their operations east.”

## Managing risk

It is not possible for Transport Canada to eliminate risk entirely. The challenge for the ADM is to manage acceptable risks while maintaining the effectiveness of the transport system as a whole. But what is acceptable risk? Tolerance of risk varies considerably and is especially low in the wake of accidents, when emotions rise and the public demands measures that appear to give a higher degree of safety. The ADM must ensure that any measures introduced are neither too restrictive nor too permissive.

## Conclusion

“This is a very busy job,” noted a close observer. “You could spend your whole day, and most of the night, fighting fires. Every day there are a dozen events in Canada that demand attention, from airplane near misses to train derailments and exploding airbags. Each incident brings pressure on the branch.” The ADM has to rise above immediate pressures and define a strategic direction for the whole branch to ensure the overall safety and security of Canada’s extensive transportation system.



## Chief Human Resources Officer Treasury Board Secretariat

**Reports to:** Secretary of the Treasury Board and Comptroller General

**Job description:** Responsible for:

- overseeing development of human resources management policies and projects;
- recommending and providing leadership in human resources management policies in all departments and many government agencies;
- evaluating departmental compliance with human resources programs;
- developing and evaluating a universal classification standard; and
- managing the government's relationship with bargaining agents.

**Office Location:** Ottawa

**Staff Location:** Ottawa

**Dimensions:**

Number of direct employees:	384
Annual payroll costs affected by this position:	\$12.5 billion
Annual pensions and benefits:	\$2 billion

**Main divisions/areas/units that report to this position:**

- Assistant Secretary, Strategic Planning and Analysis (staff of 98)
- Assistant Secretary, Pensions (staff of 29)
- Assistant Secretary, Official Languages (staff of 30)
- Assistant Secretary, Employment Equity (staff of 30)
- Assistant Secretary, Human Resources Management (staff of 68)
- Assistant Secretary, Labour Relations (staff of 51)
- Assistant Secretary, Universal Classification Standard (staff of 64)
- Director, Office of Values and Ethics (staff of 5)

*In November 1991, 180,000 federal public servants across Canada walked off the job in this country's largest-ever labour conflict. Picket lines were set up from St John's to Whitehorse.*

*The main issue was economics. But economics alone probably would not have been enough to push normally placid public sector workers into a strike. Underlying the economic issue was a festering resentment over public servants' deteriorating working conditions and the perceived contempt they felt from the Mulroney administration.*

*The strike lasted 17 days and the breach seemed total. In several places tempers flared, violence erupted and strikers were arrested. There was much political posturing on both sides, with union and government spokespersons each denouncing the other in stark terms.*

*However, throughout the strike, the government's Chief Human Resources Officer struggled to keep lines of communication open—in particular with Daryl Bean, then President of the Public Service Alliance of Canada. Both Daryl Bean and the Chief Human Resources Officer recognized that once the strike was over, they would have to find a way to work together.*

## **The Role of the Chief Human Resources Officer**

The Treasury Board<sup>13</sup> is considered the employer and general manager of the Government of Canada. With functions that are in many ways analogous to those of the head office in a diversified company, Treasury Board's role is to ensure corporate consistency and to protect the interests of the shareholder—in this case the Government of Canada. Among other things, Treasury Board:

- sets general management and administrative policy;
- examines and approves departments' proposed spending plans;

<sup>13</sup> Treasury Board is a Cabinet committee, the only Cabinet committee established by statute. The Treasury Board Secretariat is a federal department. The President of the Treasury Board is both the chair of the Cabinet committee and the minister responsible for the department.

- establishes the terms and conditions under which the public service attracts and retains staff; and
- provides the management framework in such areas as accounting, audit and evaluation, contracting, financial management, information technology, real property and regulatory affairs for the government's administrative practices and assets.

The Chief Human Resources Officer (CHRO) heads the Human Resources Branch of Treasury Board and is accountable for the development and implementation of all human resources legislation, policy and programs affecting the Canadian public service. The CHRO is responsible for the pay, benefits and working conditions of approximately 155,000 employees in more than 65 departments and agencies, ranging from filing clerks in Ottawa to nursing staff in Inuvik.

The CHRO is the point of convergence for three areas of interest.

**The Department of Finance:** Finance is responsible for the overall fiscal position of the government of Canada. Treasury Board is responsible for the effective and efficient management of the government of Canada. In collaboration with the Department of Finance, Treasury Board establishes the salary, administration and program spending envelopes for each department and agency and for the government as a whole.

**Public service unions and professional organizations:** Over 85 percent of public servants belong to some kind of union or association. There are more than 15 such associations and over 40 collective agreements with staff. The largest employee association is the Public Service Alliance of Canada with more than 87,000 members.

**The deputy minister community:** The CHRO is responsible for negotiating salaries—and more importantly, working conditions—for employees in more than 65 federal government departments and agencies, each headed by a deputy minister or equivalent. These deputy ministers are responsible for the effective and efficient administration of their own department or agency, but are influ-

enced by wages, working conditions and other policies determined by Treasury Board. As a result, the deputy minister community is an important one for the CHRO.

Each of the three areas of interest has its own priorities, challenges and preferred options with respect to human resources management. The choices made by the CHRO must reflect the needs of these three very different communities.

## **Key Management Challenges**

### **Maintaining a strategic focus**

The job of the CHRO has both transactional and strategic elements, but the volume of transactions makes it difficult to find time for strategic questions. In particular, obligations arising out of responsibility for labour relations—with 15 bargaining units representing over 132,000 employees—are substantial. During collective bargaining, the CHRO must provide strategic direction to seven different negotiating tables that together involve a dozen unions, while respecting the mandate given by Treasury Board and maintaining close liaison with the deputy minister community.

In addition to labour relations, the CHRO is also responsible for providing Treasury Board with recommendations on an array of other human resources issues. Each week the CHRO prepares a large docket for Treasury Board ministers on specific transactions, from pension benefits for common-law spouses to severance pay for specific executives.

The CHRO is also responsible for the development of all human resources management policies—such as preventing workplace harassment and providing expense allowances.

As a result, little time is left to address strategic issues such as the aging of the public service workforce, retention of key executives and recruitment of new employees.

## **Developing a client-service mentality in a central agency**

To carry out its job effectively, Treasury Board would like to position itself as a management board with a service orientation, assisting other government departments and agencies to achieve their goals.

But as a central agency, Treasury Board approves budgets, provides overall consistency, gives guidance to operating departments and agencies and, in general, protects the interests of the government of Canada.

Because of their powerful position, central agencies are inherently more inclined to speak rather than listen. This is reinforced by the fact that Treasury Board and other central agencies attract many of the brightest, hardest working and most ambitious public servants. This mix of ambitious public servants in powerful positions is not necessarily the best recipe for a client-service mentality.

## **Key Political Challenges**

### **Renewing the public service of Canada**

The public service of Canada faces significant challenges to its ability to attract and retain motivated, high-quality candidates. The growing disparity in salaries between the private and public sectors, particularly with respect to senior executives, and the declining appeal of the public service as a career to young university graduates are among the obvious challenges. This is reinforced by an impending demographic implosion. The public service is heavily peopled by baby boomers—13 percent are eligible to retire by March 2005 and 31 percent by March 2010. These problems have been referred to in several official documents and specific steps have been taken, but much remains to be done.

### **Defusing a pay equity time bomb**

In 1991, one of the largest public sector unions sued the government alleging illegal wage discrimination against female employees over many years. The suit was successful—and extremely costly for the

government. To avoid future problems, the government announced it would develop a universal gender-neutral job evaluation tool called the Universal Classification System (UCS). Attempting to develop a system applicable to a prodigious range of jobs in every region of the country has turned out to be an organizational nightmare. After four years' work and millions of dollars, no approach has yet been found that avoids leaving the government exposed to litigation from one group or another. Current estimates are that UCS could increase the federal government wage bill by as much as \$4 billion. However, if a solution is not found, the government will be exposed to further litigation similar to the initial complaint.

### **Simplifying the structure of human resources management**

The most serious challenge facing the CHRO is the multiplicity and overlapping nature of responsibilities with respect to human resources management itself.

While each government department and agency has a human resources management function, many central agencies also have an oversight role with respect to human resources management. Among these are:

- the Clerk of the Privy Council, who is the head of the public service;
- the Public Service Commission—an independent parliamentary agent responsible for ensuring the merit system for recruitment and promotion;
- the Committee of Senior Officials (COSO), which advises the Clerk on senior appointments and other human resources priorities and issues;
- the Treasury Board Secretariat Advisory Committee of Deputy Ministers;
- the Commissioner of Official Languages; and
- the Canadian Centre for Management Development, which is responsible for management training.

In the words of the Auditor General of Canada: “The government needs to give attention to the simplification of the current legislative and administrative framework for human resources management, increasing the transparency of the regime’s operations and engaging Parliament in making the required changes.”

## **Conclusion**

The job of Chief Human Resources Officer is one of intense contradictions. Officially responsible for human resources management, he is in fact at the locus of competing pressures and effectively shares authority for decision-making with a wide range of others. Responsible for long-term human resources strategy, the CHRO is at the same time driven by intense short-term demands.

The CHRO is the face of the employer to the unions. “The job of CHRO is the toughest one in government,” said the president of one of the largest public service unions.

## Chapter 4

### Concluding Observations

It has been said on more than one occasion that the public service is a calling rather than a profession. An analysis of the jobs profiled in this study would seem to support that observation. Or perhaps it supports the view that working at a senior level in the public service is both a calling and a profession. All of the profiled positions require professionals who are able to deal with considerable areas of control, extensive financial responsibilities, large staffs and significant consequences of error. They are expected to provide leadership in the broadest sense of the word. The hours are long, the pressures high and the pay, compared to what most could earn elsewhere, is relatively low.

But in the descriptions of the ten jobs, there is also a call for help. Many managers and outside experts repeatedly pointed to three main issues that, in their view, need to be addressed.

The first is the ever-increasing level of process constraints—human resources rules, contracting rules, spending rules—within which senior managers must work. The objective of these rules is to prevent the politicization of the public service. However, most interviewees agreed that the price being paid—in terms of flexibility and length of time to get things done—is too high.

The second issue is a widespread concern that cutbacks that took place in the mid-1990s have had a significant impact on the public service—the effects of which are only now starting to appear. Two manifestations are decaying infrastructure, which makes it difficult to get work done, and long hours of work. Furthermore, minimal hiring since the mid-1990s, combined with overall demographic trends, means that 80 percent of senior managers are eligible for retirement by 2007.



The last point concerns compensation comparability between the public and private sectors. Many discussions revealed that the lure of private sector salaries is a major concern in many technical areas of the public sector—from transportation inspectors to tax auditors. Senior managers in the public service are still paid significantly less than their private sector counterparts, even after recent adjustments. Other factors, including job satisfaction, can compensate for this up to a point, but many interviewees cited concern about the ability to recruit and retain qualified staff.

One observer said that managing in the public service is a bit like managing a baseball team; the home crowd is always looking for errors and second-guessing every move. But on a good day, it's hard to find a better job.

## Contributors

*The author would like to express his appreciation to the many people who agreed to be interviewed and who contributed their time and observations to the preparation of this research report. They may or may not share the opinions expressed herein.*

Pierre Alvarez, President, Canadian Association of Petroleum Producers

Bill Baker, Assistant Commissioner, Canada Customs & Revenue Agency

Jacques Bourgault, PhD, Ecole nationale d'administration publique

David Brown, Director of Special Projects, Public Policy Forum

Michael Cadesky, Chartered Accountant

Ric Cameron, Assistant Deputy Minister, Energy Sector, Natural Resources, Canada

Mike Cleland, Senior Vice President, Canadian Electricity Association

Allan Cocksedge, Global Public Affairs

Laurie Curry, Vice President, Public Policy and Scientific Affairs, Food & Consumer Products Manufacturers of Canada (FCPMC)

Richard Dicerni, Executive Vice President and Corporate Secretary, Ontario Power Generation

Gary Dingleline, Assistant Secretary, Treasury Board of Canada

David Dodge, Governor, Bank of Canada

Ronald Doering, President, Canadian Food Inspection Agency

William Elliott, ADM, Safety and Security, Transport Canada

Len Farber, Director General, Tax Litigation, Department of Finance

Jean-Guy Fleury, Assistant Secretary to the Cabinet, Senior Personnel Management, Privy Council Office

André Gladu, Deputy Minister, Développement économique Québec.

Calvin S. Goldman, Q.C., Davies, Ward & Beck

Diane Gorman, Assistant Deputy Minister, Health Products and Food Branch, Health Canada

André Gravel, Executive Vice President, Canadian Food Inspection Agency

Peter Harrison, Deputy Minister, Natural Resources Canada

Jennie Hillard, Vice-President, Consumers Association of Canada

Larry Hillier, Vice President, Operations, Canadian Food Inspection Agency

Steve Hindle, President, The Professional Institute of the Public Service of Canada

David Holdsworth, Vice President, International Cooperation, Canadian Centre for Management Development

Ronald Jackson, Principal, Sussex Circle

Arthur Kroeger, Ottawa, Ontario

Christopher Kyte, J. President, Food Processors of Canada

Jerry Lampert, President and CEO, Business Council of British Columbia

Doug Lindley, Visiting ADM, The Leadership Network

Gaetan Lussier, Montreal, Quebec

Lynne Macfarlane, Associate Chief Human Resources Officer, Treasury Board Secretariat

Clifford Mackay, President & CEO, Air Transport Association of Canada

Mike Malloy, Special Co-ordinator, Middle East Peace Process, Department of Foreign Affairs and International Trade

Anita Mayer, Vice President, Public Policy Forum

Senator Yves Morin, Special Advisor on Health Research

Martha Nixon, Assistant Deputy Minister, Operations, Citizenship & Immigration Canada

Marcel Nouvet, Chief Human Resources Officer, Treasury Board of Canada

Richard Paton, President, Canadian Chemical Producers Association

André Piché, Senior Policy Analyst, Canadian Federation of Independent Business

Yves Poisson, Director of Special Projects, Public Policy Forum

Miles Richardson, Chief Commissioner, British Columbia Treaty Commission

Nicole Sénécal, Directeur exécutif, Commission de l'immigration et du statut de réfugié

Elaine Sibson, Tax Partner, PricewaterhouseCoopers

Ginette Stewart, Visiting ADM, The Leadership Network

Tom Stewart, Director General, ADM Corporate Secretariat, The Leadership Network

Danielle Vincent, ADM, Quebec Region, HRDC

Konrad von Finckenstein, Commissioner, Competition Bureau

John Watson, Regional Director General, B.C. Region, Indian and Northern Affairs Canada

Bob Weaver, President, Canadian Meat Council

Peter Woolford, Vice President, Retail Council of Canada

Gary Wouters, B.C. Treaty Council

The members of the National Business Association Roundtable



This document may not  
be reproduced without  
permission from the  
Public Policy Forum

**Public Policy Forum**  
1405-130 Albert Street  
Ottawa, Ontario  
K1P 5G4

Tel.: 613.238.7160  
Fax.: 613.238.7990  
[www.ppforum.ca](http://www.ppforum.ca)