

“Ethics and Values in the Public Service”

Notes for an Address

to the

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by

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Mr. Chairman, thank you very much.

I am delighted to be here. Our topic tonight is one I care a lot about, as I know you do. It's one I worked on when I was in government, and that I have been reflecting on since my own departure from the Public Service three years ago. I believe it is central to the new vision of comptrollership that is the focus of your meeting over these three days.

So I am very pleased to have this opportunity to share my thoughts with you, and, what is just as important, to hear your views on the subject of ethics and values in the Public Service.

Comptrollership and the Values of Public Service

I will begin by pointing out that "comptrollership" is itself a value-laden term. As is so well-explained in the excellent report by the Independent Review Panel:

- comptrollership is about making things better in an organization;
- it is about concepts of control and accountability, which are themselves value terms;
- it is about information for decision-making, a human activity.
- It is about information on performance to support judgments about whether objectives have been achieved.

All these are concepts and issues that are closely connected to questions of value, and in some cases, ethical values – that is to say, values that have to do with right and wrong.

Moreover, the new concept of comptrollership is based, in part, on a commitment to "ethics, ethical practices and values". Even more generally, the Review Panel points out that the shift to a modern concept of comptrollership will have taken place "only if decision-makers at all levels accept and adopt comptrollership attitudes and values". So my topic tonight is at the centre of what your profession has been thinking out over the past year and more.

As it pursued its own mandate, the Panel was obviously conscious of the work that has been done in recent years inside the Public Service on the issue of values. I want tonight to pay particular tribute to the work of the Study Team on Public Service Values and Ethics, led by John Tait and Ralph Heintzman.

Their report, which some of you may have read, is the single best piece I have ever seen on the issue of Public Service values, and certainly one of the best

publications on an issue of importance to public servants that has been produced during my time in Ottawa. That our colleagues can deliver this kind of product speaks well for the quality of the Public Service today.

I want to focus my own remarks tonight on four propositions that, to me, sum up where we are on the issue of values in the Public Service today. Then I want to say a few things about what all this means for comptrollership and for the senior financial community on government.

First, a word about terminology -- the distinction between “values” and “ethics”. I use these terms in basically the same way as the Study Team does. That is, as I understand it, values have to do with what is important to people or institutions, in a whole variety of ways, while ethics are about right and wrong. Both can shape what people do, and how they do it.

Thus modesty may be a value for some people, because it is important to them, and therefore a guide to their conduct. It may be a characteristic of a culture, or a standard which people try to live up to. But most people would not say that someone who is modest is *better* than someone who is not, or that it is morally wrong to behave in an immodest way.

(Of course, in some religions, modesty is indeed seen as an ethical matter, and immodest conduct is condemned precisely on moral grounds. But that we can recognize these cases only serve to point out the difference between a question of values and a question of ethics.)

Or to take another example, the pursuit of profit is a value that helps to define enterprises in the private sector, and it is certainly a guide to conduct in private enterprise. But even the most ardent capitalist would not claim that the person who pursues profits is *better* than someone who pursues public goods. Or that the pursuit of profit is an ethical objective.

For the purposes of our discussion tonight, I am going to talk mostly about values – that is, the concepts and the principles that guide our conduct as public servants, but that do not necessarily involve what is morally right or wrong.

Here is my first proposition.

1. The Public Service is an organization that has been defined, and sustained, by a distinctive set of values.

I think all of us would agree that this has been true for much of this century. And nearly all of us would agree on what those defining values are.

In its report, John Tait’s Study team mentions four categories:

- 1) **democratic values.** These are based on the democratic mission of the Public Service, which is defined as “helping Ministers, under law and the constitution, to serve the common good”.

These foundational values of public service include:

- professional loyalty to the government of the day,
 - nonpartisanship,
 - equity
 - candour toward Ministers
 - discretion
 - service to the people of Canada
- 2) the Study Team’s second category of values is termed “**professional values**”, some of which are unique to the public service and some of which are not. These professional values include a commitment to:
 - excellence, economy and effectiveness
 - objectivity and impartiality in advice
 - telling truth to power
 - fidelity to the public trust
 - 3) a third group of values is called “**ethical values**” – these include integrity, honesty, impartiality, probity, trustworthiness, respect for law and due process, and “the careful stewardship of public resources”
 - 4) and finally, “**people values**” – courage, moderation, decency, humanity, civility, tolerance, courtesy – the list is a lengthy one.

The point is not the precise contents of any of these four categories. Rather what is striking about this whole list is that these values are so obvious to us all. They are what distinguish our business from the business of our neighbour the non-public servant, whether he or she is a stockbroker, a construction worker, or a teacher.

In fact I would presume to say there is not a person in this audience who would not acknowledge those values as ideals which ought to define the Public Service as an institution and guide the conduct of its members.

Certainly they are the institutional values that attracted most of us to the Public Service in the first place, and have kept most of us in it despite other opportunities.

The question that has so many of us worried today is “do these values still define the Public Service?”

This brings me to my second proposition.

2. Like every institution in our society today, the Public Service is under stress, and the values that have defined the Public Service as an institution are being questioned as never before.

This is partly a general reflection of the times – all institutions seem to be having a rough go of it. Many seem to be in outright decline. The church, the schools, the military, the police, the universities, professions such as law or teaching (or public service). Even Parliament itself.

These institutions are not respected as they once were; they are not influencing our society in the way they once did; they are not producing the “results” – however we understand the term -- that we used to expect of them.

Why is this?

Partly because all institutions require stability and a reasonable degree of continuity. Yet the modern information economy is the enemy of stability. It thrives on discontinuity. It is all about the immediate satisfaction of constantly-changing needs.

Another reason for the apparent decline is that institutions are essentially nothing more than groups of people engaged in a common enterprise, for a shared purpose, according to a common set of values. Yet if there is no agreement among the members of the institution on the business they are in, or why they are doing it, or what should be the outcomes, then the institution is in trouble.

We used to think we were in the business of providing public goods, with all that is implied about equity and consistency and allegiance to goals that transcended our own interests or the immediate interests of our organization. We thought we were serving the public, or Canada.

Now public servants are told they are supposed to be “in business” (of some sort); they are supposed to be entrepreneurial (within limits); they are supposed to raise revenue rather than simply spend money appropriated by Parliament.

These conflicting signals only create confusion in the minds of both employees and the public. In fact, if you ask the public, what you discover is that while they want cheaper government, they don't want public servants to be entrepreneurs. And they care more about good service from government than from knowing that costs are being recovered directly for things they believe they have already paid for through their taxes.

This ambivalence over purpose is what we see today. Too many public servants don't know whether they will be criticized for being too innovative or for being too conservative. The answer is, both. And this brings me to my third proposition

3. Unless the Public Service can articulate and affirm its values – in a way that speaks meaningfully to the realities and challenges of the present – it will not survive in a form that we would recognize ten years from now.

This is a big challenge.

First, for all the historical/cultural reasons I just mentioned. We are living in an age that it is hard on institutions. Ask a teacher or a soldier or a priest.

Second, because successive governments, in their desire to make the Public Service relevant and cost-effective, have unwittingly undermined the “values basis” of the institution and therefore the values-based commitment of their employees. How? In at least three ways:

The first way was by changing the terms of the basic employment contract (what Ian Clark and I some years ago called the “basic bargain” between public servants and the Crown).

No longer do people have confidence that by doing a good job, they will keep their job. Instead, they are essentially told that market forces may well result in their job being eliminated or contracted out, and them with it. If you impose the rules of the private sector labour market on public servants, then they will act accordingly.

The second way in which governments – not deliberately, mind you -- have undermined the values basis of the Public Service was by trying, in a whole variety of ways, to make the Public Service more like the private sector.

By introducing cost recovery, and talking about service to clients instead of citizens, and bringing in performance measures that are more appropriate for enterprises focused more on output than stewardship.

I want to remind you that this change is not new and it is not a matter of political ideology – it is not something that began with the present Government, or the Conservatives in 1984. Some would say that it began with the introduction of performance pay back in the 1970s. What kind of performance are we trying to encourage?

The point is this -- if you import into the working culture of the Public Service concepts and values that are based in another culture and another set of values, then problems can arise.

The third and most recent trend that has shaken the values basis of the Public Service is the effort to distinguish what is called a “core Public Service” from all the rest of government.

That is, from the departmental functions and programs that, we are told, are to be packaged into new organizational forms and run according to different principles and values than the organizations at the centre.

When you hear that something is supposed to change the world, it's a good idea to pause and ask whether this is all just advertising or whether something really new is about to happen. After all, one could have said twenty years ago that the public sector was divided into a “core” consisting of departments, plus a “non-core” made up of all the rest -- Crown corporations, agencies, boards tribunals and the like.

So what's new? Perhaps nothing. In which case, there is nothing for people to worry about when they hear the words “alternative service delivery”.

But then again, perhaps there is something new about ASD -- perhaps the idea is to develop really new ways to deliver not commercial services like passenger rail, or quasi-commercial functions like building nuclear reactors, but public goods -- the kinds of services that Canadians expect to get from their government, in both languages and with the consistency and equity that distinguishes public services from private ones.

But if this is what we're talking about, then we need to make sure that the shift to new forms of service delivery does not carry with it a shift in institutional values.

To repeat -- what confuses people inside government is not the challenge of doing something new, or better, or doing it differently. But rather not knowing

what business you're in, how you should behave and what kinds of behaviours you will be rewarded for and what will get you into trouble.

This kind of confusion points to uncertainty over values.

4. My fourth proposition may sound a bit heretical. I believe these important questions of institutional values need to be carefully distinguished from matters of personal conduct.

By and large, the questions we are talking about tonight are not matters of ethics – of honesty or dishonesty, of treating people fairly or unfairly, of doing right or wrong. They are not about “value statements” in the sense that one sees plaques on the walls of departments. They are not about senior managers “walking the talk” (though of course that is very important for its own sake).

In my view, these questions have much more to do with the rules that define and govern the activities of public servants. Rules that are set by the Treasury Board and the PSC and PCO. They are much more about the rewards and incentives that affect the behaviour of individual public servants. They have a lot to do with what we say about ourselves, and what Ministers and other politicians say about us.

So if people say that the values of the institution are in decline, they do not mean that people are less ethical today than they once were; that public servants are more inclined to abscond with the cash or to violate the public trust in some way or other. They are not. Public servants are as personally ethical as they ever have been.

Rather, what is meant is that people no longer have a clear idea of what the public trust is, and what it means to exercise that trust. They don't know if they are supposed to go out and make a good business deal for their department, or even what a good deal would really look like, given that they are still public servants, with a Minister and Deputy above them and a Parliament to which their Minister must account. Those things have not changed.

What does all this have to do with comptrollership? Quite a bit. If I am right about institutional values, it means that the new comptrollership:

- needs to focus on the rules and systems that will define the new universe of financial and program management in the Public Service;
- it needs to reflect a clear understanding of the difference between stewardship in the private sector, and stewardship in government; and

- it needs to take care that the rewards and incentives inside government do not motivate the wrong kinds of behaviour.

The new comptrollership really is an agenda for the senior management of the Public Service. It will force them, I hope, to think carefully about the major structural decisions that are facing government, because those changes have consequences that will shape the values basis of comptrollership.

This is not a plea for conservatism. I am not suggesting that change is bad, or that public servants cannot do their duty in new organizational forms.

But I am suggesting to you that before making changes, it is important to think through the consequences for institutions and for people. You cannot maintain the trust of employees if the signal you are sending is that they are disposable assets who must prove themselves daily or be moved out. You cannot get consistency in behaviour if you send conflicting signals to people about what they are supposed to do, or not do.

If the values of the new Public Service are supposed to be more like those of business, then people will start to behave like they do in large private sector enterprises - they will think first about themselves and second about the interests of the organization. And they will never think about the "public interest".

Values are about people. Public sector institutions are values-based. So too is the new comptrollership.

Your challenge as senior financial officers is to ensure that people in your organizations approach their responsibilities for reporting and performance measurement in a way that is consistent with the values of the Public Service. That is the creative challenge, which the Review Panel has left to you and to the senior management of every organization in government.

Good luck.