

Notes for a Presentation to the Advanced Leadership Program

by

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Introduction

- Thanks for that very kind introduction, Greg. I'm delighted to have this chance to speak to you all today. I know many of the people in this room and I've had a fair bit of contact with other participants in the program since it was started. In fact I had lunch with Ric Cameron yesterday.
- Greg has asked me to talk about a number of things which together could be bundled under the heading "*How are things different?*"
- I suppose the question itself presumes that things are different today than they were five or 10 or even 20 years ago. And in some respects, of course, they're bound to be. The Public Service doesn't stay the same and certainly the government environment has changed quite dramatically in recent years.
- But this a great question, because it gives us a chance to reflect on the important differences between the world we're in today and the world that most of us grew up in as officials.
- It also gives us a chance to reflect on what one might call success factors in the environment in which you people will be Associates and Deputies.
- My perspective on these matters may be useful to you because, as I think you know, I deal with most of the government, pretty regularly. And I deal with people at all executive levels.
- So I think I have a pretty good sense of what the world is like for a cross-section of the senior public service.
- I'm happy to share with you today my thoughts on the kinds of questions that Greg put to me:
 - First (and most importantly) how does the Public Service environment today differ from that of five or 10 or 20 years ago? And what are the reasons behind the changes?
 - How has the role of the Deputy Minister changed?
 - What is the capacity of the Public Service today to generate new and innovative policy solutions?
 - What changes are we seeing in the relationship between the Public Service and the political executive?
 - What do all these changes imply for the role of central agencies?
 - What do they mean for senior officials – like you – in line departments?

- I'll give you my observations on all these matters. And at the conclusion of my remarks we will have plenty of time for questions and discussion.

The Changing Environment

- As we all know, the environment is a lot different today than it was five years ago. Most obviously, we've gone from a situation of fiscal surplus (which is actually not all that easy a circumstance) to one of fiscal restraint.
- But unlike the Americans, our situation is manageable. We will get out of the deficit within the medium term and without extraordinary measures.
- In the meantime, however, fiscal restraint means dramatically less room for policy and program innovation, notwithstanding the needs of various organizations in government and the very real challenges out there in the world today.
- A second obvious factor present today that wasn't there five and certainly ten years ago is minority government. For deputies and other senior officials, this fact alone colors almost everything.
 - It affects the relationship between the Minister's office and the bureaucracy
 - it constrains the policy agenda
 - it changes the focus of the Deputy's work, and that of ADMs
 - it changes how the government sees its own agenda and its own possibilities.
- I'm sure you would agree that there's no sense complaining about this, because it looks as if we may have minority governments well into the future. Deputies and Associates simply have to learn how to manage effectively with this kind of pervasive uncertainty.
- A third consideration is that we are working today in an environment in which every department is subjected, every three years, to strategic review. This is an increasingly sophisticated exercise that is actually beginning to show results. But it's getting harder every year.
- Departments and agencies that went through the early stages of the first round of Strategic Review were able to get their money back; those who came later had to find a 5% saving, and they did that – generally without too much effort.
- Now, as people prepare for round two, they realize they cannot meet their firm 5% target without making real cuts to programs and personnel. This is the kind of saving the exercise was intended to drive, and it seems to be working.
- So let's give the Government, and TBS and Finance, some credit for a strategic and relatively focused approach to expenditure restraint.

- What else is new about the environment today? Let me list a few things that will have a major impact on our lives in the world of government:
 1. The arrival of social media, a phenomenon that brings opportunities but also a whole host of challenges.
 2. The presence of a new generation of public servants whose attitudes and expectations are in many respects very different from those that we arrived with 20 or 30 years ago
 3. A dramatically different international environment. The fiscal crisis has shown the vulnerability of the United States and Iraq and Afghanistan have revealed the very real limits on American power. Yet our interests are closely tied to America's success. We don't have other friends; we aren't members of a regional bloc, as are almost all of our competitors. And if we can't do a deal with the U.S. that will keep us inside their tent, we are in trouble.
 4. A Canadian public whose lives and jobs and expectations of government are markedly different in 2011 than they were, say, 10 years ago – before the real arrival of the information revolution; before the financial crisis; before the disappearance of Canadian manufacturing ...

The Role of the Deputy Minister

- In all the important respects, it's the same today as it ever was:
 - making decisions and carrying responsibility;
 - dealing effectively with the Minister, with PCO and with Treasury Board;
 - picking the right people for senior jobs, and leading and motivating them;
 - and making it all look effortless.
- I'm sure you're good at all those things.
- But the interesting question is, is the job of the Deputy different today than it was five or 10 years ago? I think it is. Let me offer three or four ways in which I think this is true:
 - First, the Deputy today is subject to dramatically more oversight, scrutiny, second-guessing and general back-seat driving than he or she was a decade ago. In part, this is a response to the sensitivities of a minority situation, but I also think it's a reflection of the proximity and the speed that comes with the revolution in information technology.
 - A Blackberry enables the PCO or the Minister to reach out to the Deputy 24 hours a day, seven days a week. And they expect to find the Deputy there. Not only do they expect an answer, they expect action – and right away.

- Second, the last 10 years have seen a remarkable focus on management in all its dimensions.
- Deputies are expected to be managing more systematically and more rigorously than ever before, according to dozens of different standards of excellence imposed by the Treasury Board, and a whole variety of different accountability regimes.
- They're graded on their performance by a dozen or more different authorities and their performance is a matter of public record. People are not left alone to get the job done.
- And one can't help but feeling that *how* one does the job is almost more important than *what* one is doing. (In my view, the balance has slipped and we need to correct it.)
- Third, the old saw about "horizontality" really has become true for everyone and almost every file. You can't succeed as a Deputy if you can't work with others, on major files.

Can we still innovate?

- Another way to put this question is – do we have the creative policy capacity we need to address the problems of today and tomorrow?
- I confess I'm not entirely confident.
 - We have plenty of policy jobs, and lots of people in those jobs.
 - We also have many creative, dynamic and very hard-working policy people who are as good as any we've ever had.
 - We have policy-skilled deputies – again, many of them just as good and just as experienced as any we've had in those jobs in the past.
- But at the same time, the market for new ideas is not what it used to be.
- As you know, there is a view held by some at the political level that policy work is really the responsibility of politicians – that's what *they* were elected to do. It is politicians who bring the ideas, while (on this theory) bureaucrats are there to implement. "If you want to do policy work, get into politics – otherwise, stick to your knitting."
- That's not my view, but it is a view.
- Moreover, and as I noted earlier, we're in a period of real restraint. There just isn't the money to sustain dramatic new initiatives in most fields. (There is a separate question as to whether we could have used the infrastructure money in more strategic ways, but I'll leave that for the discussion.)

- But beyond the issue of the political environment and money, I confess I am somewhat worried about the capacity of departments to do the kind of creative thinking and writing that we did 20 or 30 years ago.
- Again – it's not a matter of ability. But it is a matter of departmental culture and the kinds of expectations that are put on policy officers right from the word go.
 - It's a matter of how they're managed and developed;
 - its what expectations are put on people;
 - it's how work is used and appreciated;
- It's really a question of whether we have an institutional culture in government today that values policy work of the highest order, and is therefore capable of generating it.
- I don't like to say it, but the business niche of our firm lies essentially in providing policy products that departments are not capable of generating themselves. That market didn't exist thirty years ago.
- What's my prescription?
 - Invest in policy and related research and analytical capacity.
 - Value creative people.
 - Don't cut down the tall poppies.
- If I were a Deputy, I would make sure – regardless of what kind of organization I was heading – that I could bring to the table better ideas and more in-depth analytical horsepower in my area of responsibility than any of my interlocutors – PCO, TBS, Finance or other departments.
- In short, what I'm saying is that a whole lot of meeting the policy challenge today is up to people like you – the tone you set, the people you value, and the expectations you impose on your organization. It's your expectations that count.

Politicians and Public Servants

- Again, a sensitive subject, and another area where things have changed. It's not all bad – I know many organizations where the relationship between the Minister, their office and the Deputy is excellent – perhaps not what it was 30 years ago, but certainly positive, professional and efficient.
- At the same time, and as we all know, there are some departments where things could be a lot better. In part this is a function of having so many junior political staff who, in a minority situation, tend to think of every issue only in political terms.

- But perhaps more importantly, I think that the slow pace of bonding between politicians and the Public Service really is a function of a minority environment that has not allowed the government to focus on its substantive agenda, but rather has required a short-term, day-by-day focus on political survival and political advantage.
- In other words, if we were in the majority situation, I believe things would, by now, be a lot better.

The Role of Central Agencies

- I'm not sure that I have a whole lot to say under this heading. My one observation from my experience as an adviser on strategic reviews is that TBS now knows a whole lot more about programs than it has in many, many years. And that's a good thing.
- I would also say that Treasury Board's approach to the strategic review process has been consistently constructive and helpful.
- So Treasury Board has changed for the better.
- As far as I can see, PCO is much like it was when I was there. I don't see the role being much different, though, as I said, they are very much into every file in ways that I would like to think we weren't 20 years ago. Though we were accused of meddling, we actually gave Deputies more room than they have today.
- And Finance is of course back in the saddle now that we're in a period of restraint. As all of you know, it's much easier and better for Finance when we're in a deficit situation than in surplus because deficits make it easier for Finance to hold the upper hand.
- A word on other agencies such as Agents of Parliament and the Public Service Commission – all I can say is that they seem to be more present today than ever before, and that reporting and accountability requirements imposed on departments by these other agencies are really quite onerous today. But you all know that.

Implications for Senior Officials

- So what does all this mean for senior officials like you – people who are already senior ADMs. Many of you will become Associates and Deputies. What does this new environment of 2011 mean for you?
- I think it does put a premium on leadership and the particular qualities of leadership. It really does call for patience, fortitude, broad shoulders, and a good sense of humor.
- These times also call for inner strength. You have to put up with a lot.
- They call for good judgment – for knowing what's important and what is and isn't worth resigning over.

- As I said, they call for people who can work with their colleagues, because issues belong to everyone these days.
- This politically charged, accountability-heavy environment of fiscal restraint and eventual program and personnel reductions, calls for deputies who really can manage organizations.
 - Those of you who've spent years on the staff side of government should polish your management skills.
 - Those of you who came up as line managers should turn on the radar because today the politics really matters.

Conclusions

- As I said, this environment is not an easy one. It's all the more difficult because, as I observed, the room for maneuvering is more limited, and the risks of error are greater.
- So the challenge today is:
 - to advise Ministers who in some cases are not attuned to advice from the Public Service;
 - to innovate in an environment that does not encourage risk-taking;
 - to reach out to stakeholders without getting yourself in trouble;
 - to manage effectively in a period of restraint and eventually downsizing;
 - to motivate a workforce that is confused and in some cases dis-spirited.
- This is a great opportunity. The issues are more important and more challenging than ever before, and you get paid to deal with them.
- What a lucky bunch!