

# Leadership in Challenging Times

Notes for Remarks by James R. Mitchell  
to the  
CBSA Managers Conference

Wakefield

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## Introduction

- Thank you for inviting me here today. I'm delighted to be here at this annual Managers' Conference. I am especially honoured because – believe it or not – I have a long history with CBSA.
- In fact, I was closely involved in the original idea of a border services agency back in 1992-93, in the lead-up to the 1993 reorganization. The person who really promoted it was one of the greatest public servants of our time – the late Jack Manion, former Deputy Minister of Immigration and former Secretary of the Treasury Board.
- He recognized that issues of border security and the effective management of cross-border trade would be critically important to Canada in the coming years. He saw the natural connection among customs, immigration and the other elements of the comprehensive border services mandate you have today.
- I confess that at first I was sceptical – I wasn't sure the Government would be ready for this sort of bold step.
- In the short term, it looked like I was right – when Mr. Chretien arrived in September 1994, he dismantled the Public Security Department we had created only a few months before. But just a few years later, it became obvious that I was wrong – after 9/11, the Government realized that Canada needed a border services agency. And so CBSA was put together.
- Today, it seems obvious that what you do here in CBSA is *essential* to the interests of this country.
- Unlike some departments and agencies, you needn't worry about your mission or your mandate. It is central to Canada's place in the world.
- And the Government has supported you. Perhaps not as well in financial terms as you deserve, but Ministers certainly know what you do, and why it matters.
- Today, I want to talk about what I see as the leadership challenges facing you as executives in CBSA – today and over the next five years.
- I'm calling my topic "leadership in challenging times", but the title really doesn't do justice to the age we're living in.
- In fact, I think that when we look back after we're all retired, we will see this as a time of significant *transition* in the Public Service. And we will see it as a period with some quite distinctive challenges, both for you as leaders in CBSA, and for the Public Service as a whole. A period that moves us from the old world of government to quite a new one.
- So that's my purpose – to talk about where we are today in Canada and in government, and to offer my thoughts on what these challenging times will require from you as executives in this agency over the medium term.

## **Government Today**

- One of the nice things about my job as a consultant is that I get to see a pretty broad slice of the Public Service.
  - I meet people like you in complex organizations like this one, where programs and services are delivered to Canadians across the country.
  - I see the people in central agencies – PCO and TBS. They manage the main agenda, and major initiatives such as Strategic Review that affect you like everyone else.
  - I work with people in the criminal justice system – Justice, the Prosecution Service, Corrections, the Parole Board and the RCMP. Like you, they have a central place on the government's agenda.
- The jobs of these managers and executives, across the Public Service, are in many respects dramatically different. That's true even inside CBSA. But the challenges they face are remarkably similar.
  - Like you, all are managing with travel and hospitality budgets frozen at 08/09 levels, and wage budgets that will increase by only 1.5% in future years, despite other compensation pressures.
  - All have been going through one version or another of strategic review, and all are likely to face the new Strategic and Operating Reviews announced in the last Budget.
  - Almost all report to Ministers, which means they have been living with the uncertainties and pressures of life in a minority situation.
  - Like you, they are thinking about the last Budget and what restraint may mean for their programs, or their jobs.

## **Why these are challenging times**

- But these features of life today are not all that special.
- Some would say "it's always been this way" – the world today is really no different, or more complicated, or more difficult for public servants, than it's ever been.
- After all, 15 years ago we went through Program Review. Before that, we had a decade of debt and deficit that meant no hiring. Before that we had inflation, and wage and price controls.
- Today, our economy is in good shape. The \$60 billion Economic Action Plan was delivered flawlessly. And the Public Service is bigger than it's ever been. We've had a decade of renewal, with many thousands of talented new employees joining government.
- We're much better today at financial management, and at audit and control. Employees are getting more training; Deputies and ADMs are paying more attention to people management, as are all managers.

- In short, you could make a good argument that today the glass is not half empty – it's more than half full.
- But that's not my point.
- I agree that much has been done over the past 10 or 15 years to make government work better, and I give full credit to people like you for doing it.
- I'm delighted by the quality of the younger people joining the Public Service. They're coming for the right reasons, and they're doing an excellent job, across government.
- These accomplishments – *your* accomplishments – are noteworthy. But to congratulate ourselves on what's been done, or to complain about what's not being done, is to miss the really significant features of public service work today.
- *We are entering a period of potentially dramatic change in how governments operate, and I'm not sure we have fully woken up to what that will mean for how government is organized, how public servants do their work, and how they work with others to meet the needs of Canadians.*
- Let me explain.

## **A New Paradigm**

- Across the spectrum of developed countries, there is an emerging recognition that governments are not meeting the needs and expectations of the citizens they serve.
- It's easy to list some examples from our Canadian experience:
  - Think of health care, across the country. To cite but one example, two million Quebecers have no family doctor. That's not acceptable.
  - Think about post-secondary education – it's more accessible to young people but institutions and budgets are strained to the breaking point. (Allan Rock told me the other day that OttawaU now has 40,000 students!)
  - Think about public infrastructure in cities – the Federation of Canadian Municipalities said in 2007 that their members need \$123 billion to renew bridges, sewers, roads and other essential infrastructure across Canada.
  - Think of the terrible state of local services in First Nations communities, including such basic services as housing, water and sanitation.
  - Think about a justice system in Canada that seems incapable of delivering justice to citizens in a timely and affordable way.
  - And think about the affordability of government generally.
- Those are just some of the needs. Think for a minute about expectations:
  - Think, for example, of what the public expects from CBSA on the border. They expect they should be able to pass easily and quickly through primary inspection – but if the wrong person slips through it's a headline in the newspaper.

- Think about expectations of what the government owes to Canadians abroad. We've now reached the point that people expect the government to rescue them, in a timely and relatively comfortable way, whenever things go wrong anywhere on the planet. Can we afford this? Should we?
- *We are living at a time when several powerful vectors into our environment combine to make the demands on government more intense and more difficult than ever before.*
- The most important of those is the revolution in electronic communications that is now in full, full bloom – it has truly eliminated time and space. Geography today is neither a barrier nor a bulwark – the world is here with us, all the time, instantly.
- The communications revolution has produced enormous changes in the world economy that have dramatically expanded what might be called the global middle class – people who participate in a wage economy, who have an education and who expect a better life for their children; people who use modern communication technologies, and who can afford a plane ticket (or passage on a smuggler's boat).
- There are billions of people like that in the world today, and your employees meet them daily at airports and ports of entry across the country.
- Canadians used to be privileged members of the developed world – itself a tiny slice of humanity. Now we are citizens of a small country competing with larger and more dynamic countries like Brazil, India and China. We're not special any more. These countries make the products we use daily. We will have to work much harder to match their success.
- Through the new social media like *Facebook*, the communications revolution has changed society. It has changed the attitudes and expectations of people who have lived for generations under oppressive regimes but who now won't take it any more.
- The dramatic events in Tunisia, Egypt, Libya, Syria, Yemen and elsewhere in the Islamic world show what happens when people decide they've had enough. Twenty years ago, none of this was possible. And now it's on our televisions and at our doorstep.

### **What does this mean for Government?**

- This changing world is imposing demands on governments which they cannot meet. Or, to put it a better way, they know they can't meet the increasing expectations of their citizens by governing in the old way. They have to do things differently.
- You can see this in the United Kingdom, where the new coalition government, driven partly by a huge problem of debt and deficit, is revolutionizing how government delivers services to citizens in almost every dimension of public life.
- I'm not using that word lightly – it's a revolution. They are fundamentally re-thinking the role of central government throughout the UK.

- In Canada, we don't have the same problems and we are running a federal system, not a unitary state. So, we're not doing what they are doing, and arguably we won't have to.
- But our government too has been taking a hard look at how things are organized, how services are delivered, how the back office works – and it's been doing all this in a low-key, rational way.
- By imposing limits on the growth of operating budgets, and by conducting strategic reviews that reduce spending by 5% each round, the Conservative Government forced changes in how departments organize themselves and their workforce to do their business.
- This is a good thing. It's a big step toward modern, technologically-enabled government.
- To its credit, the Harper Government did not slash the Public Service; it didn't freeze wages; it didn't stop recruiting. That's all a good thing.
- To a very considerable extent, the Prime Minister left it in the hands of the Clerk and the Deputy community to think through how to organize the Public Service in a modern, effective way to meet the challenges I've described above. Again, that's a good thing.
- But don't think for a minute that this approach means a continuation of the status quo. It doesn't. Rather, it means that over the next decade we are going to see profound changes:
  - in how departments operate;
  - in where they turn for internal services;
  - and in how they manage and equip individual public servants to do their jobs – be they border services officers, inspectors, policy people, or auditors.
- We will see changes in how governments interact with citizens, notably through web-based service delivery and a more horizontally-integrated physical presence of the federal government across Canada.
- We will see a virtual government presence in many areas, where in the past there was a physical one.
- We will see increasing cooperation with provincial and local authorities, in both program design and program delivery.
- And we will see increasing cooperation with other countries. Look at the government's North American border security initiative (something that would have happened under a liberal or conservative government).

## **What does this mean for you?**

- So what does all this mean for you as leaders in CBSA today and tomorrow?
- For starters, it means that the train is moving and you need to get on board. You need to see yourself as an agent of change and not its victim.
- By the same token, the people at work for you need to see you as someone who is part of the future – someone who is helping them to navigate in a new environment rather than trying to protect what you have today.
- Don't forget, you are managing a different workforce – since 1997, more than 100,000 new people have joined the Public Service of Canada. I'm sure you see evidence of this wherever you are in CBSA.
- In this new environment, employees have different expectations. The younger public servants of today see themselves and their jobs differently than we did 20 or 30 years ago.
  - They come in expecting both opportunity and challenge.
  - They expect to have a chance to contribute right away.
  - They want responsibility – they want an opportunity to succeed or to fail, and they expect to move up quickly (an expectation that may become increasingly hard to meet).
- The members of this new workforce also have different expectations about work-life balance, and so they should.
- With few exceptions, budgets won't go up, they will trend downward. And the days of generally increased hiring are over. Most public service managers – and I would expect most of you -- will have to manage and motivate a gradually shrinking workforce that will be higher-skilled and more demanding.
- And like all managers, you will have to get the best out of everyone because you won't be able to manage around your problem cases.
- The pressures of mounting fiscal restraint will affect your lives in other ways too. Management teams will be stressed as restraint touches programs – what's fair in terms of cuts? Who should bear the burden of restraint? Why my program and not yours?

## **How do you equip yourselves to succeed in this new environment?**

- The picture I'm painting here is not a gloomy one. There will be lots to do over the coming years, and the problems will be more interesting and important than ever.
- Over the next ten years you will be getting much more out of technology, but you have to embrace it. Every executive in CBSA should be thinking about how to apply technology to improve program delivery and reduce costs.
- And you can get much more out of your workforce, if you manage them properly. Whatever their job, today's workers need to be motivated through the sharing of

information and inclusive decision-making. They won't just do what you say – they need to understand *why* they're being asked to do something.

- If you can't inspire them, if you can't instill a sense of ownership in the result, they won't stay.
- That's life today. Successful managers will be those who can lead, and those who can't lead will be left behind.
- Front-line managers in CBSA face a particular challenge because they are leading a uniformed, unionized workforce with a strong sense of its own vocation. Leadership in this environment means first establishing credibility with people who already know how to do their jobs and then motivating them to do the job differently.
- If your staff can see you moving forward, if they can see from your example how the future CBSA is unfolding, they will follow. Because everyone wants the organization to succeed; everyone wants to do the job well. Your challenge is to equip them to do it – by creating a respectful workplace, by sharing information, by trusting and empowering the people who work for you.
- Wherever you are, the communications revolution means that things will be more transparent. The President and the EVP and the VPs won't be far away – in fact, they'll be right there beside you. Their expectations will be higher than ever, and they know your expectations of them are increasing all the time
- The last decade has set the stage for a new era in the world, in this country and in government. If you don't think so, reflect for a minute on all the things we take for granted today (like Facebook and virtual communities, iPads, Netflix and wireless everything) that didn't even exist five years ago.
- You're part of the future. And the future you're entering won't look like the world we came from.
- That's not a bad thing.

Thank you.