

CANADA'S
PUBLIC POLICY

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DU CANADA

OPTIMIZING GOVERNMENT Modernization in the Public Sector

Montreal Roundtable Summary
June 2015





The Public Policy Forum is an independent, not-for-profit organization dedicated to improving the quality of government in Canada through enhanced dialogue among the public, private and voluntary sectors. The Forum's members, drawn from business, federal, provincial and territorial governments, the voluntary sector and organized labour, share a belief that an efficient and effective public service is important in ensuring Canada's competitiveness abroad and quality of life at home.

Established in 1987, the Forum has earned a reputation as a trusted, nonpartisan 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 information sharing and greater links between governments and other sectors, the Forum helps ensure public policy in our country is dynamic, coordinated and responsive to future challenges and opportunities.

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Introduction

Public sector modernization is an ongoing priority as governments adapt to new expectations. Faced with shifting demographics, disruptive technologies, and budget deficits, public sector leaders must rethink their roles in an increasingly complex, rapidly changing environment. New challenges also present new opportunities to drive greater efficiency and effectiveness. How are growing demands for innovation, collaboration, and accountability being met? What type of transformation is needed to drive better outcomes for Canadians? Where should governments target their efforts for the greatest impact?

In partnership with Microsoft Canada, the Public Policy Forum launched Optimizing Government, a project exploring challenges and opportunities for public sector modernization. Following a series of multi-sector leadership roundtables, this project will culminate in a white paper that will help inform the development of high-performing public services at all levels of government.

As part of this project, the Forum convened a roundtable discussion in Montreal on April 21, 2015. Hosted by EY Canada, this roundtable brought together a select group of leaders across sectors to help define what it means to modernize government, with a particular focus on the federal public service. *(Agenda and list of participants are attached.)*

The interventions shared by roundtable participants were wide-ranging. Many agreed that several challenges remain for public service modernization. The uncompetitive salary scale, as well as the erosion of research capacity and the impact of social media present significant obstacles to improving government performance. Participants also saw a great need for the improvement of government service delivery and the cultivation of a risk-taking culture.

Talent management

Several of the issues raised at the roundtable revolved around the recruitment and retention of talent. According to several participants, uncompetitive remuneration is a major obstacle to attracting the best qualified and highly educated individuals to the public service. In fact, government salaries continue to be much lower than those in the private sector. To compete successfully with private sector employers, some believe the salary scale must be revamped to allow for more flexibility. For instance, a two-tiered system with a predetermined pool of funds to boost compensation in certain cases may help the public service attract talented candidates.

Research capacity

Diminishing public service capacity to conduct research, analyze information, and develop policies compromises any modernization efforts. Among the top reasons for this erosion is the loss of expertise within the public service. Many participants expressed frustration with the disappearance of sectoral experts in certain ministries, especially in the finance and science-related departments. This loss of in-house expertise and technical knowledge may significantly reduce efficiency and productivity in the public sector, as well as negatively impact the quality of advice coming from public servants. Participants also expressed concerns with the potential adverse effects of outsourcing research and policy advice, an increasingly common practice across governments.

While the public service is facing a loss of capacity, it is also dealing with the emergence of big data, the massive volume of structured and unstructured data rapidly produced by multiple sources. Not only is it increasingly difficult for government departments to follow all the global information streams, but

separating quality data from the rest has also become a significant challenge. The reduced ability of the public service to weed through vast amounts of data, compounded by recent budget cuts at Statistics Canada, may seriously hinder the capacity for long-term planning.

The tendency to rely on outdated information systems is another obstacle to improving government performance and productivity. Today, senior public servants are often better equipped at home than in the office, which can lead to significant security risks. Canadian governments must recognize that technology can be a useful tool in optimizing the public service. However, improved productivity and outcomes will require a significant investment in overhauling current technology. Governments can jumpstart this process by identifying a champion to lead the development of a digital strategy based on best practices.

Social media

Social media is a useful tool to reach and engage citizens, as well as to facilitate the exchange of information between governments and Canadians. The rate at which information is shared through social networks has, however, created unprecedented challenges for governments across the country. Participants were particularly concerned with the impact of social media on government processes and the ability of governments to respond to increasing demands.

The public service currently lacks the capacity and resources to quickly respond to issues as they arise and spread on social networks. With changing public expectations for public sector transparency and responsiveness, governments are now forced to remain constantly on alert, losing their long-term focus as they become more reactive. While specific solutions did not emerge from the roundtable discussion, participants saw value in studying the impact of social media on government processes to determine how best to address these challenges.

Advancing a citizen-centred approach

The improvement of government services and the shift to a citizen-centric delivery model continue to be key priorities for Canadian governments. Participants agreed that governments across the country have made great strides in this direction – service delivery in certain areas is now much simpler than it used to be – but further improvements are possible.

Various approaches to improve service delivery already exist, but participants noted that change requires a champion with specific competencies, including leadership and empathy. But more importantly, an effective champion of change will have the courage to take calculated risks and to push for change in the face of barriers. There was a general agreement that the federal public service is currently lacking such champions and that it should put more effort into attracting and developing courageous leaders with change management skills.

While champions might help move things forward, some participants believe that risk aversion will continue to hinder public sector optimization unless there is culture change. Others are even more skeptical, arguing that the public service will only act on certain issues when it reaches an impasse and has no other choice but to change. The most recent global economic crisis is an example of governments being forced to develop more effective ways to deliver public services. Emerging issues of public concern, such as the potential risks associated with cyber security, may also compel government action.

Optimizing Government

Roundtable on Public Sector Modernization

April 21th, 2015
7:30am – 10:00am
EY Canada
800 René-Lévesque Boulevard West, Office 1900 – Montreal Room
Montreal

AGENDA

7:30 – 8:00am	Arrival and Breakfast
8:00 – 8:25am	Introduction <ul style="list-style-type: none">• Welcome by Sébastien Goupil, Vice President, Public Policy Forum and Sylvie Giguère, Industry Director – Government, Quebec and Atlantic, Microsoft Canada• Tour de table and opening remarks by Anne-Marie Hubert, Managing Partner, Advisory, EY Canada
8:25 – 9:55 am	Roundtable Discussion <ul style="list-style-type: none">• What are the key barriers to improving public sector performance?• How can government modernize its structures and processes to meet changing needs?• Where should government target its efforts and investments?
9:55 – 10:00am	Closing Remarks <ul style="list-style-type: none">• Wrap-up by Microsoft Canada and the Public Policy Forum

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Optimizing Government

Roundtable on Public Sector Modernization

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