

CANADA'S  
PUBLIC POLICY

**FORUM**

DES POLITIQUES PUBLIQUES  
DU CANADA

# OPTIMIZING GOVERNMENT Modernization in the Public Sector

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Victoria 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 Victoria on April 27, 2015. Hosted by the University of Victoria, 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 public service in British Columbia. (*Agenda and list of participants are attached.*) Key themes from the Victoria session included the impact of organizational culture on public sector innovation, as well as the importance of focusing modernization efforts on delivering value to citizens. To build on the progress achieved, the public sector needs visionary leaders who are focused on better outcomes and talent management strategies that respond to changing dynamics.

## Organizational culture: *Risk aversion and short-termism*

Throughout the roundtable discussion, many participants expressed the challenges of driving innovation and managing change in a context of heightened public scrutiny. The emergence of a 24/7 news cycle and social media has not only increased demands for transparency and accountability in government, but also politicized the public service. Faced with a greater risk of public criticism and controversy, civil servants are constrained by a culture of fear, especially when every misstep or failure can quickly become a public relations issue for government. Ironically, the public sector has become more opaque as open platforms have expanded.

In addition to risk aversion being a barrier to modernization, some roundtable participants raised concerns over short-term thinking in government. While responding to emerging trends is critical for long-term prosperity, immediate pressures, exacerbated by the current media landscape, are limiting the ability of the public service to effectively anticipate and plan for the future. In fact, balancing short and long-term priorities is a common struggle across sectors, as organizations must continue to meet present needs while adapting to changing contexts. However, short-sighted public policy can have broad implications for all aspects of society.

To challenge risk aversion, public sector organizations need to recognize that they can help shape public perceptions through greater engagement and efficiency. For example, social media can enable the public service to better understand and respond to changing citizen expectations, although some participants raised concerns about encroaching on the role of elected officials. Moving toward a longer-term view may be more difficult due to political dynamics. Nevertheless, the public service has an opportunity to take the lead in building a forward-thinking government, from focusing on where

government can have the most impact to finding new avenues for cross-sector collaboration to investing resources and engaging all employees in innovation.

## **Citizen-centred approach: *Culture, structure, and technology***

Although bureaucratic processes continue to reinforce negative perceptions of the public service, municipal and provincial governments are starting to adopt citizen-centered approaches focused on enhancing efficiencies and meeting public expectations. Instead of using more resources, public services at all levels need to redesign service delivery from the user's perspective, pivot quickly when faced with unintended consequences, and consider moving out of the way if less government involvement can lead to better outcomes.

Creating a more nimble public service requires a new type of organizational culture that values customer service and continuous improvement. To drive this cultural shift, participants highlighted the importance of visible changes and positive reinforcements. Rather than emphasizing what is not working, effective change management requires leaders who can draw from past achievements and motivate employees to work smarter.

As culture is often the by-product of structures and processes, another key barrier to improving performance is the siloed approach common across the public sector. While the lack of collaboration within and across governments can create inefficiencies in all areas, the siloed approach is particularly challenging for Aboriginal communities, as departmental and jurisdictional divisions tend to complicate access to funding and services. A more centralized, coordinated approach to working with Aboriginal communities can not only contribute to better relationships, but also support better community engagement in policy and program development, which will help improve service delivery.

With tighter budgets and higher demands, technology can play a role in improving efficiency and coordination in government. From social media and mobile technology to big data and cloud computing, a range of new tools and platforms are expanding possibilities for communication and collaboration. However, most participants stressed that technology is not a solution in and of itself. Modernizing the public sector starts with an understanding of emerging trends and a clear vision of how to respond. Governments must also ensure that they have the right culture and structure in place to adapt to the changing needs and expectations of citizens. While new technologies may help improve public sector performance in some cases, their impact depends on organizational capacity, sound governance, as well as broad public uptake.

## **Building on progress**

Barriers to innovation continue to exist across the public sector in British Columbia, but much progress has also been achieved, including improvements in service delivery through Lean methods, advancements in shared services and open government, as well as the establishment of the first province-wide Aboriginal health authority in Canada. To build on positive developments, the public sector needs to share stories of success and continue to find new avenues for enhancing organizational performance.

In particular, participants identified opportunities to modernize talent management to better adapt to shifting demographics and workplace dynamics. With an aging workforce and increasing competition, finding and retaining talent will be imperative to a high-performing public service. As demands and

expectations change, public sector employers will need to align compensation frameworks, workplace arrangements, and professional development strategies. Better training and education is another avenue to explore, especially as knowledge gaps remain in such areas as Aboriginal history and relations in Canada and the respective roles of elected officials and public servants in democratic governance.

Regardless of the specific direction or approach, modernizing government in a challenging environment ultimately requires strong leadership. Effective public sector leaders need to be guided by a broader vision for the future while they manage specific day-to-day challenges. Although some participants believe in continuous improvement, others support a bolder approach that replaces incremental change with more decisive action, especially as many of the challenges discussed are not new. To overcome the barriers discussed, the public sector needs courageous yet practical leaders who can tackle ongoing issues head on by moving beyond what needs to be done to focusing on how to actually make transformative change a reality.

# Optimizing Government

## *Roundtable on Public Sector Modernization*

April 27<sup>th</sup>, 2015  
11:30am – 2:00pm  
University of Victoria  
Administrative Services Building, Lobby Boardroom 120  
Victoria

### AGENDA

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11:30am – 12:00pm	<b>Arrival and Lunch</b>
12:00pm – 12:25pm	<b>Introduction</b> <ul style="list-style-type: none"><li>• Welcome by David Mitchell, President and CEO, Public Policy Forum and Scott Anderson, Senior Program Manager, Microsoft Canada</li><li>• Opening remarks by Jamie Cassels, President, University of Victoria</li></ul>
12:25pm – 1:55pm	<b>Roundtable Discussion</b> <ul style="list-style-type: none"><li>• What are the key barriers to improving public sector performance?</li><li>• How can government modernize its structures and processes to meet changing needs?</li><li>• Where should government target its efforts and investments?</li></ul>
1:55pm – 2:00pm	<b>Closing Remarks</b> <ul style="list-style-type: none"><li>• Wrap-up by Microsoft Canada and the Public Policy Forum</li></ul>

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# Optimizing Government

## *Roundtable on Public Sector Modernization*

### PARTICIPANT LIST

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Microsoft Canada

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**Roger Butcher**

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**Jamie Cassels**

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