

# OTTAWA CITIZEN

## **Executive ranks of the public service also on the chopping block**

By Kathryn May, The Ottawa Citizen May 14, 2012

OTTAWA — The Conservative government is thinning the ranks of executives in Canada's public service because there are too many of the high-priced senior managers.

The number of executives who've received word they could lose their jobs has been lost in the flurry of more than 18,000 job notices that have been sent to unionized public servants over the past month. The federal budget also announced that 600 executive jobs will disappear as departments trim \$5.2 billion from their budgets and 19,200 jobs from payroll over the next three years.

When thousands of public servants are losing their jobs, there's little sympathy for the senior brass who are shown the door, especially when they are promised big performance bonuses for finding ways to cut spending.

But officials say the government is cutting more than just the jobs of executives who oversee the work of those in the 19,200 positions that will disappear in coming years. The executive cadre has grown like topsy over the past 12 years and a spokesman for Treasury Board President Tony Clement said some of those jobs are simply "unnecessary."

"Some executive positions are being eliminated due to our government's assessment that the number is unnecessarily high and costly to taxpayers," said Jennifer Gearey, director of communications.

"Not all positions eliminated are a result of eliminating other public service jobs but rather they have been deemed as unnecessary positions."

The executive cadre grew nearly 70 per cent in the decade after the Liberals' massive downsizing — more than twice the pace of the rest of the public service.

The government has five levels of executives. Ex 1 the entry-level rank, while Ex 5s are assistant deputy ministers. Overall, executives account for about 2.5 per cent of the total public service of about 275,000.

Today, there are nearly 7,000 executives and another six dozen deputy ministers and associate deputy ministers. The number of 'associate' executives, from associate directors to associate assistant ADMs, also mushroomed over the decade. They are paid salaries between \$119,000 for Ex 1 to \$309,600 for deputy ministers in addition to any performance pay and bonuses.

In fact, the number of executives continued to climb last year despite spending restraints which halted spending and flat-lined the rest of the public service.

It is unclear whether there is a strategy behind the cutting of executives. There doesn't seem to be a 'de-layering' of executives in a bid to restore morale, and the cuts don't seem to be aimed at any specific level, such as the fastest-growing categories of Ex 3 and Ex 1. Some worry the Conservatives, more interested in having bureaucrats implement their policies rather than offering advice, will trim more executives in policy shops than those in operational jobs.

But it's too early to see any patterns and several senior executives claim that in their departments the decisions are based on business decisions regarding work that no longer needs to be done.

The number of executives grew rapidly in the early 2000s after the Liberals' downsizing, slowed between 2003 and 2006, and surged again when the Conservatives came to power and looked for managers to implement their priorities on areas such as safety, security and crime. About 1,200 executives were hired between 2006 and 2010.

Executives aren't protected by the workforce adjustment agreement that unions and the government negotiated on how to handle surplus workers and compensate those who get laid-off. They fall under the "directive on career transition for executives" and their fate is largely determined by the largesse or parsimony of deputy ministers they work for.

The directive was conceived to handle individual cases of departing executives and was never intended to handle large layoffs. It gives deputy ministers the flexibility to tailor severance packages to a person's age, experience, years of service and chance of landing a job outside government. An executive who is a year from retirement would be handled differently than a young up-and-comer who just became an executive.

The treatment of executives seems to vary from department to department, with some offered packages similar to those given to unionized workers while others complain they were offered little more than a couple of weeks notice.

The growth of executives was driven by a variety of factors. The jobs of public servants, along with the policy and management issues they wrestle with, have become very complicated. Changing technology, the push for transparency, 24-hour media scrutiny, a growing posse of parliamentary watchdogs and the reforms of Federal Accountability Act have all added layers to the cost and management of public servants.

"I am not surprised by the growth," said David Mitchell, president of the Public Policy Forum. "This whole accountability thrust of the government in recent years puts a focus on risk management... and subsumes senior levels that require more leadership and horsepower."

Deputy ministers, for example, became 'accounting officers' and are now on the hook for anything that goes amiss in the management of their departments. They hired a slew of executives to make sure their departments and any risks were managed properly and could withstand any kind of scrutiny.

Some of the increase is reclassifying positions to management jobs as a way to boost pay – known as classification creep. Deputy ministers have the authority to create executive jobs at levels Ex 1 to Ex 3 while Treasury Board controls the number of Ex 4 and Ex 5 jobs.

Treasury Board officials explain some of the growth was due to new priorities: Y2K, 9-11, SARS, climate change, safety security, health, G8 and G20 summit responsibilities, infrastructure and stimulus funding. The government also created or rejigged departments, such as Canada Border Services Agency, Public Health Agency of Canada, and Public Safety.

But many say the day of reckoning for executives has been long in coming and the elimination of 600 jobs is just the beginning. The Conservatives have promoted the spending cuts as an opportunity for executives to “transform” government, the way it works and how it provides programs and services for Canadians.

“I think the time is right to rethink the executive role and what they want out of them. They are the leadership” said Maryantonett Flumian, president of Institute on Governance. “It comes down to whether this is going to be a different public service or not.”

The government’s advisory committee on executive compensation got the ball rolling a year ago for a major examination of the role and responsibilities of executives. In its last report, it promised to review “the evolving nature of executive work” including “the composition, size and responsibilities of executives.”

Carol Stephenson, the University of Western Ontario’s business school dean who heads the committee, said it wants a better handle on the “definition” of an executive in the public service and how it compares to the private sector. She questioned whether promotions into the executive rank have become a way to compensate super professionals, such as economists or policy analysts, whom departments want to keep. Once they hit the top of their pay scale, the only way to pay more is to promote them to management.

“It started with the growth and then we asked ‘what are they growing with’ and a lot of that growth came from the need for knowledge work and that led to the question of what is the definition of an executive.”

Donald Savoie, a University of Moncton who has long studied the public service, said it’s time executives took some responsibility for the unbridled growth of the public service. He also questioned how the advisory committee, which was first appointed 20 years ago, could take so long to be seized with such a fundamental issue. Executives are the leaders for a public service that Savoie argues has lost its way and whose role must be clarified.

“It’s time and long overdue, and frankly begs the questions of how they could, with any objectivity, have assessed salary levels if they don’t know the size, form and mandate of these people. What were they doing? Meeting a couple of times a year and throwing darts at a board on where salaries should be? How were they assessing executives all these years?”

“We need a fundamental review and maybe the committee is the mechanism for this to be done,” Savoie said. “You have to ask what public service managers in Ottawa do and when they divide up their day and year, what percentage is human resources, what is financial accountability and what is policy advice and what is meeting with Canadians. I think people would be taken aback at how much time they spend on accountability. We have stifled managers and policy advisers and it’s time we take a good look at that.”