Defending a Contested Ideal

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Being both operator and guardian over staffing, we are a safety valve defusing an otherwise potentially explosive issue. It is an awkward role to be sure: it does violate some of the simpler tenets of conventional organizational wisdom. At the same time, the present PSC model to my mind is essentially an inspired creation, taking into account with considerable sensitivity the realities of the Parliamentary/public service environment.

PSC Commissioner John Edwards, May 1, 1979

The decade immediately following the 1962 Glassco Commission report was perhaps the most active period of administrative reform in Canadian history. The Glassco Commission inspired a flurry of decentralizing reforms contained in a new legislative framework: the Public Service Staff Relations Act, the Public Service Employment Act (PSEA) and the Official Languages Act, combined with several minor amendments to other statutes, redistributed responsibilities among the central agencies, departments and the new civil service unions. The reforms were so intensive that, by the early 1970s, public servants were feeling rather overwhelmed and were considered to be suffering from a "saturation psychosis." In addition to the currents of reform washing over the public service, there was also rapid growth in the size of the public service, which added 74,000 new employees between 1970 and 1975, creating a generational shift and new expectations from the younger workforce.
These legislative developments, in particular the enactment of the PSEA in 1967, were aimed at, among other things, making the renamed Public Service Commission efficient and effective within a more limited staffing role and thus a more valuable partner in the transformation of the public service into a more managerially competent organization. Improving the efficiency and effectiveness of staffing processes, while always a part of the PSC's mandate, crystallized with the report of the Glassco Commission and was a key goal of the PSEA; this agenda was given a further push with the appointment of J. J. Carson as chair of the PSC. Having authored the Glassco Commission volume on personnel management, Carson brought with him the zeal of a true believer in the Glassco-style management reforms. Central to this new vision was delegating staffing authority to departments based on the provisions of the PSEA.

The new legislative framework was designed to allow the PSC to focus on its core responsibilities for the merit principle, staffing, appeals processes, and training and development services, as well as on its newly acquired responsibilities in the areas of language training and internal management consulting. With rhetoric of decentralization at a high pitch, the PSEA permitted the formal delegation to deputy heads of the authority needed to make appointments in their own departments.

The prevailing view now was that the path to a more managerially effective public service was to allow the PSC to delegate more of its authority to deputy ministers. The trend toward delegation of more authority, which had initially begun under the Civil Service Act of 1961, had received new impetus and urgency with the Glassco Commission report. The idea that managers needed the authority to make quick decisions regarding staffing was now central to the whole agenda of increasing the efficiency of the public service more generally. However, the PSC noted, at the time, that it “intends to delegate its appointing authority in accordance with a planned and controlled system which will ensure the preservation of the merit principle as well as permitting effective and economical staffing.” Such delegation of authority required that the PSC create selection standards that by law would be “not inconsistent with” classification standards. While it took a long
time to get a classification revision, as required by the new 1967 PSEA, the selection standards were in place by 1969.

One thing the reforms of 1967 did not accomplish, however, was to simplify or streamline the whole personnel system in the Government of Canada. If anything, the 1967 reforms made the system more complex by introducing the Public Service Staff Relations Board (PSSRB), which was assigned power to adjudicate grievances on issues of discipline arising out of collective agreements. This meant that the PSSRB and the PSC would both have systems of recourse and redress, with the PSSRB focusing on discipline and the PSC on allegations of incompetence, incapacity and improper selection. Confusion easily arose between the two roles. What's more, the new PSEA relieved the PSC of its responsibilities in matters of pay, classification and conditions of employment, and transferred them to the “employer” in the form of the Treasury Board Secretariat (TBS) which, post-Glassco, was now hived off from the Department of Finance with its own Cabinet minister called the president of the Treasury Board and a secretary who had the rank of senior deputy minister.

The establishment of public sector unions in the 1960s not only complicated the personnel system but also reflected the expansion of democratic rights in the public service. This was a step away from the view of the public service as a servant of the Crown toward a view of the public service as an institution with its own rights and responsibilities. Public servants were less a part of a great chain of responsibility leading to Parliament and instead were becoming possessors of rights and interests of their own, a development that would bring them into conflict with the other institutions of government. Naturally, considerable debate ensued with the advocates of a more traditional definition of responsible government, who felt that these changes would result in a withering away of administrative responsibility through the minister to Parliament. Yet, an emerging consensus held that democracy would be better served if public servants were treated as other citizens. This new consensus would be one factor in the slow erosion of the notion that public sector employment was a “privileged” vocation; increasingly, it would be regarded as just another line of work.
This chapter will examine the transformation of the PSC's conception of the public service between 1967 and 1979, the period in which it had to deal with issues concerning minority representation, emerging political rights of public servants that might threaten the neutrality of the public service and the persistent view that the PSC was frustrating the managerial ambitions of governments. In a sense, those challenges were typical of the balancing act that the PSC had always played as it reconciled competing imperatives around representativeness, constitutionality and efficiency. However, pressures had mounted, forcing it to accept the view that the public service needed to be a more managerial organization with goals, plans and responsibility for effective service delivery. In this environment, the PSC, unwilling as it was to abandon its other roles, came to be seen not only as a brake on reform but as an organization that was incapable of playing an effective role as a component of the executive government and needed to be relegated to the role of watchdog with audit powers and relieved of its executive authority. This was a view that found new advocates in two major commissions in the late 1970s but that was resisted by the PSC itself.

**Representative Public Service in Canada: Language, Gender and Race**

The definition of merit has always been flexible, and issues of representation have never been far from the PSC staffing equation. Nonetheless, pressures for greater linguistic and democratic representation reached a boiling point by the late 1960s and early 1970s. The idea that equality in public service employment could end with the issue of procedural fairness and the ability of all Canadians to apply for public employment was no longer adequate. More proactive approaches aimed at encouraging greater representation by francophones, women and aboriginal peoples eventually dominated the debate about staffing and became an issue on the PSC's permanent agenda. The PSC had long been targeted by criticism that it was the actual cause of underrepresentation in the public service and therefore
an unsuitable body to address the issue of inequality in the public service. This argument had been expressed for decades and was based on a clear decline in the number of French-Canadian public servants overall, especially in the senior ranks, since 1918. According to this view, the PSC was responsible because it allowed the continuation of a position classification system in which deputy ministers and other managers set position requirements that often favoured incumbents. Underrepresentation of francophones was also blamed on the PSC because it had failed to use its power under the earlier Civil Service Act to report on the organization of departments. Critics in Parliament had long argued that the PSC did not use its power to ensure that the public service exemplified the democratic principle of representation by population, which needed to be a requirement just as it was for other political institutions such as the House of Commons and the judiciary, which had guaranteed French-Canadian representation.7

The argument for a more representative public service had existed at least since the publication of Donald Kingsley's Representative Bureaucracy in 1944.8 However, it was not until the late 1960s and early 1970s that the idea shed its "socialist" roots and was embraced by all governments as a reform whose time had come. To be rejected now was the idea of the public service as a clan of "Mandarins" who would function as a caste existing apart from the society surrounding it.9 The idea of a representative public service became a core concept of public service staffing despite the controversy it generated. While there was always a community that favoured a more elitist approach to recruitment, the idea of a more representative public service moved from the fringe of academia into the realm of major social reform, redefining the legitimacy of the public service. The idea that the public service should be reflective of the community it serves now in fact enjoys the status of a truism, even if it is still less than completely realized.

Representative bureaucracy had always been a central feature of arguments favouring a more democratic civil service.10 It was a tacit admission that the public service had independent power and that, for this reason, the public service, especially the senior public service, had to become representative of the major social segments of Canadian society. Recognizing that it needed to rethink its understanding of
merit, the PSC came to the obvious conclusion in the early 1970s that the existing merit system "[had] failed in one respect. It [had] not given us a representative public service." The senior public service was dominated by English-speaking males, creating barriers for many Canadians. While francophones had made some progress, both francophone and female participation was nearly non-existent in the higher ranks, and aboriginal people were almost completely absent at every level. The PSC, well aware that it had been applying the concept of merit too narrowly, began to develop a dynamic concept for creating a public service that would more accurately represent the people it served. The PSC came up with individual programs aimed at French Canadians, women and aboriginals in its first major efforts to improve democratic responsibility through representation. While the PSC took the lead in the development of these programs, by the 1980s the issue moved up the agenda and the Treasury Board began to challenge the PSC's leadership in this area.

The model the PSC pursued favoured a passive form of representation easily adaptable to concepts of representative democracy. Passive representation "concerns the source of origins of individuals and the degree to which, collectively, they mirror the total society," whereas active representation occurs when the individual public servant is "expected to press for the interests and desires of those whom he is presumed to represent, whether they be the whole people or some segment of the people." While there was some feeling that passive representation would lead to active representation, it is clear that the PSC was only ever interested in passive representation, which meant ensuring that the number of designated group members reflected their numbers in society." The PSC has, in fact, never conceived of public servants from minority groups as being representatives of the social groups from which they emerge, nor have those public servants been encouraged to think that representing their respective groups is or should be part of their role in the public service. Such a concept would be inconsistent with responsible government and would mean conceding the notion of the public service as an independent player in public administration.
The issue of language representation received its first impetus with the Civil Service Act of 1961, which created an expectation about the language qualifications of public servants based on the needs of the population being served in a given region. The next significant push came in the aftermath of the Royal Commission on Bilingualism and Biculturalism, when Prime Minister Lester B. Pearson announced that "the linguistic and cultural values of the English-speaking and French-Speaking Canadians will be reflected through civil service recruitment and training." Thus, merit came to be redefined in such a way as to include the ability to speak French, an idea endorsed by Prime Minister Pierre Elliott Trudeau when he noted in 1970 that "Canadians whose mother tongue is French should be adequately represented in the public service—both in terms of numbers and in levels of responsibility." As a result of these clear directions from political leaders, the PSC began a concerted effort to recruit more francophones. The PSC also became the home of an expanded language training effort that it would manage for the next forty years.

While pursuing its language programs and goals, the PSC also began to respond to the long simmering issue of women's representation in the public service and opened its Office of Equal Opportunity for Women on the heels of its own report entitled "Sex and the Public Service." Its efforts also received a significant boost from the Royal Commission on the Status of Women. The PSC committed itself to increasing the number of women in the public service and particularly in the senior ranks of the public service. It began by involving more women in the Career Assistance Program (CAP), which had begun in the 1950s; it made sure that women's volunteer experiences were rated in the same manner as other relevant experience; it developed new small courses for women and it removed any male-only restrictions from career areas. While the Civil Service Acts of 1919 and 1961 had never actually endorsed discrimination, they had remained silent on the matter, and the PSC had tacitly approved of deputies designating certain occupations as being suitable for men only. The 1967 PSEA, on the other hand, clearly stated that discrimination on the basis of gender would no longer be allowed. By 1978, the PSC felt that it needed to
devote a chapter of its annual report to the issue, noting that it "did not see itself as having a mandate from Parliament to extend preferential treatment, and hence its strategy in this field has been one of actively promoting equality of opportunity." It wanted to avoid the experience with the French language, in which the establishment of quotas had led to criticisms of "reverse discrimination". Maintaining that it had no parliamentary mandate concerning women as it did with the French language, it wanted to avoid anything that had the feel of affirmative action. It was the view of the PSC at the time that the existing merit system, with no restrictions on women, was adequate to increase the representation of women.

The issue of aboriginal representation centred on education qualifications, as had the decades-long debate on francophone participation. There were almost no aboriginal public servants in the 1970s. In response, the PSC developed programs to help increase aboriginal representation throughout the public service. These included programs that waived merit requirements for aboriginal people working in the north and replaced education criteria with requirements such as knowledge of native customs, ways and languages. While these modifications proved of some benefit, they were clearly not having a significant impact. Treasury Board President Donald Johnson suggested, as a result, that the performance of deputy ministers be evaluated on the basis, at least in part, of the number of aboriginal people they hired into their departments. Yet, even here the government was never willing to go so far as to legislate quotas, maintaining instead its notions of targets, guidelines and encouragement.

From these early beginnings emerged programs that required all departments to develop strategies to promote targets for all three groups of employees; people with disabilities would later form a fourth group. An Employment Equity Act eventually was passed and revised in 1995. But prior to these legislative changes, the PSC, as lead agency, developed an anti-discrimination branch to investigate complaints of discrimination in the public service based on sex, race, national origin, colour or religion. By the mid-1970s, 67% of the PSC's budget was spent on its many and varied training and development activities.
while another 27% was spent on statutory functions related to staffing and representational career development activities. The remaining 6% was spent on activities related directly to the merit principle, including the development of selection and language standards and of merit specifications of positions, which now included notions of representation. While the PSC would share these responsibilities with other agencies over the years, by 2004 full responsibility for ensuring the implementation of the Employment Equity Act was transferred to the Public Service Agency of Canada, which is now responsible for the role of employer with respect to employment equity and the related planning and accountability frameworks. Today, while there remain critics of the pace of movement towards representativeness, a great deal of progress has been made. French Canadians throughout the public service have achieved representational equality, and it is only the Executive Group that still requires new efforts toward this goal for women and aboriginal Canadians.

The PSC moved on the issue of creating a representative public service for two reasons that had evolved over time. First, it was a matter of human rights. Second, one way to ensure that the power of public servants was used responsibly was to make the public service broadly representative of the citizens it served. By convention, public servants were anonymous and could not be blamed or identified to the public. Thus, a representative public service would serve as a means of making sure that the public service was passively responsible. The true test of a representative public service then was not that it had the same values as the public it served but that it reflected Canadian society in terms of education, social status, employment, gender and ethnicity. This notion of statistical representation would remain central to the ideal of a representative public service.

THE POLITICAL RIGHTS OF PUBLIC SERVANTS: NEUTRALITY REDEFINED

While questions of representation were rising to the top of the agenda and demanding an evolving and ongoing response, the constitutional
rights of public servants began to evolve fundamentally. In the past, neutrality had been linked exclusively to political party activity: the Civil Service Acts of 1919 and 1961 had limited all engagement of public servants with political parties so as to maintain the perception that the public service was not in any sense subject to pressure by politicians. Indeed, the PSC tended to regard any political activity as part of a process of politicization. However, the outright ban on party activity eventually gave way to the idea that public servants needed to be considered as citizens and should not be banned from all political activity. Political activity came to be viewed less as an indication of politicization and more as a basic right that all citizens should be able to exercise.26 Again, this change in attitude did not take place in a revolutionary manner. It was a slow, piecemeal process of expanding the political and constitutional rights of public servants in terms of partisan political activity and free speech, and of balancing those rights against the requirement that public servants be supportive and be seen to be supportive of the government of the day. The issue of non-partisan appointment and public service neutrality may have become widely accepted by the 1960s, but it was seen to have been achieved at the expense of the rights of public servants.

Since 1908, the notion that the PSC would ensure a neutral and competent public service had been central to its credibility and mandate. Part of its success in creating a space of political neutrality for the public service had been its ability to limit the political activity of public servants to voting in elections. The goal had always been to reassure the public at large that the public service was operating in an impartial manner, but also to reassure Canadians that access to employment in the public service was open to all Canadians, regardless of their political affiliation. However, even before the Public Service Employment Act, a variety of exceptions had begun to appear, and with the PSEA, boundaries of permissible political activity were opened up. The arrival of the Canadian Charter of Rights and Freedoms in 1982, which expanded the free speech rights of public servants, advanced the push for new rights even further.27
At the core of the challenges faced by the PSC in the redefining of political activity was a consensus in the PSC that no public servant should be involved in politics or be vested with power to influence the political judgment of the community. It was also recognized, however, that public servants needed to be responsive to the public will as expressed by politicians. This meant that public servants needed also to be alert and submissive to changes in the public will as expressed in political decisions. Hugh Heclo captured this notion well when he noted,

Neutral competence does not mean the possession of a direct-dial line to an overarching, non-partisan conception of the public interest. Rather it consists of giving one’s cooperation and best independent judgment of the issues to partisan bosses—and of being sufficiently uncommitted to do so for a succession of partisan leaders. The independence entailed in neutral competence ... exists precisely in order to serve the aims of partisan leadership.

In order to do their job effectively, public servants in Canada were expected to identify with the political leadership and not simply provide the same sort of advice no matter who was in power. That is, not only did public servants need to provide impartial policy advice, but they also had to suggest what the likely political consequences of that advice might be. As collaborators with ministers, public servants needed to anticipate both political and policy consequences.

For decades, the PSC had maintained that the key value of staffing the public service on merit principles lay in the fact that it politically sterilized public servants (and therefore supposedly made them impartial), and that this outweighed other values that might be attractive to politicians, such as staff enthusiasm for policies, contributions by public servants to the life of politics, or the right of public employees to influence their employer through political means. Yet, pressure built within the system and this concept of shielding the public service from politicians by limiting their ability to participate in politics gave way to a new view that public servants were less valuable if they were denied an
ability to engage in political activity. At one point, Canadians may have desired a public service that was free from any taint of partisanship, thereby justifying a limitation on political rights, but opinion had slowly shifted in favour of the idea that public servants should function as complete citizens with complete political rights and privileges.

The political rights of public servants are closely related to constitutional conventions surrounding neutrality, and changes in one invariably lead to changes in the others. As Professor Kenneth Kernaghan has noted, the elements of the doctrine of neutrality are interdependent and

a substantial expansion of the political partisanship of public servants may erode the reality and appearance of a politically neutral public service by such means as increasing patronage appointments, expanding public comment by public servants, reducing public service anonymity and diminishing job security.

The PSC had always been concerned with maintaining the confidence of the public and the administrative efficiency of the public service. Nevertheless, the Public Service Employment Act gave the PSC the authority to determine whether public servants could seek election on the basis of how their candidacy would affect their usefulness to the public service. Even so, the PSC in its role as the guardian of political neutrality felt that participation in politics was a clear threat to this core value of neutrality.

The PSC had consistently argued that the public service had to be neutral relative to the minister, the public and other public servants. Of paramount concern had always been the notion that public servants were required not only to be neutral but also to have the appearance of neutrality. This became even more crucial as the public service became more active in public policy as well as the various quasi-judicial functions that it was acquiring as a result of the growth of government. Also, for the doctrine of neutrality and anonymity to be effective, it had to be clear that promoting or giving advantages to certain public servants who had exercised their political rights would destroy the morale of the public service and taint public service professionalism.
Thus, political rights were often cast as something that would lead to a new form of patronage.

For the PSC, the understanding that public servants needed protection from political interference was crucial to finding balance. However, public servants also needed to be able to exercise their right as citizens to engage in political activity. This dilemma found some resolution only after the arrival of the Charter of Rights and Freedoms in 1982 and after public servants took their individual cases to the Supreme Court. Yet, in the meantime, what constituted acceptable political activity remained a moving target and, in individual cases, the PSC often had to exercise a great deal of judgment. The PSC was shifting its focus from an exclusive concern with ensuring public service impartiality by policing merit to a new concern about appropriate limitations on the political activity of public servants, particularly those without access to sensitive information or without any obvious conflicts of interest. Pressures mounted in the 1970s to both define these rights and protect public servants while ensuring that the decision-making process was protected from public servants with declared political bias.

During the 1970s, federal employees began to participate in politics, and disapproval of this participation led to the suspension of those seeking political nomination. At the time, the PSC was accused of acting in a high-handed manner in suspending individuals and not allowing them an avenue of appeal. But this issue had struck at one the PSC’s core values.

By the end of the 1970s, it was clear that the political rights of public servants would get a boost with the coming of the Charter of Rights and Freedoms. In addition, the PSC was also becoming adept at managing political rights on a case-by-case basis. The public service was now so large, divided, classified and organized that it proved possible to grant expanded political rights to large classes of employees who did not come into contact with the decision-making apparatus of the government and therefore in no way threatened to bring the public service’s neutrality into disrepute. It should be noted that demands for improved political rights were coming not only from staff associations and unions but also from those interested in expanding the idea of human rights. This situation was typical of the way the PSC responded
to pressure for change. Its actions were incremental and ad hoc and suggested little in the way of overarching conceptions; they were related to an immediate need to find a solution to a pressing issue.

**THE LAMBERT COMMISSION: PERSONNEL MANAGEMENT UNDER THE MICROSCOPE**

The mid-1970s saw a number of substantial changes at the PSC, including the departure of Chairman John Carson, who had been a staunch advocate of the new managerial orthodoxy, his replacement by Edgar Gallant and the appointment of John Edwards and Anita Szlazak as commissioners. The new commissioners supported the PSC’s traditional guardian role, more so than Mr. Carson, but they also recognized that change was inevitable once the Liberal government established two commissions to help clarify the PSC’s role. These major inquiries were the Royal Commission of Inquiry on Financial Management (Lambert Commission) and the Special Committee on the Review of Personnel Management and the Merit Principle (D’Avignon Committee). While the PSC had not yet become an audit agency as the Glassco Commission had called for in 1962, it had begun to lose responsibility for personnel policy with the growing strength of the Treasury Board Secretariat.

The Lambert Commission famously emerged out of the 1975–1976 report of Auditor General J. J. Macdonnell, who noted, “I am deeply concerned that Parliament and indeed the government – has lost, or is losing, effective control of the public purse.” To rectify this situation, the Lambert Commission, even more so than the Glassco Commission, reaffirmed the need for more effective management and put pressure on the PSC to vacate its last remaining positions within the executive management framework and become responsible only for preserving and monitoring the merit principle. In particular, the Lambert Commission did not care for the PSC’s original, far-reaching executive role in personnel management because it felt that this role gave the public service too much autonomy from government. While the report was mostly concerned with financial control, it contained many recommendations about personnel policy, many of which, if
implemented, would have fundamentally altered the PSC. In the end, this report had little impact due to the political turmoil in Canada in the 1979-1980 period, but it heralded a direction of change for the future.

The Lambert Commission followed the Glassco Commission’s lead in trying to increase the managerial role of the Treasury Board, which ultimately assumed heavy new responsibilities for overseeing the management of all aspects of government. The Lambert Commission’s recommendations for changes to the Treasury Board were designed to clarify its role as the central agency responsible for effective management in government of both personnel and financial resources, and also as the primary instrument through which the Cabinet calls departments and agencies to account for how they have fulfilled their managerial responsibilities.

The recommendations further strengthened the managerial orthodoxy by imposing more Cabinet direction and overhead control over the public service, which, as usual, meant a diminished role for the PSC.

For the Lambert Commission, this recommendation for more executive control of personnel management had the advantage of ending the old problem in which the PSC had executive authority but was at the same time required to audit itself to ensure that its activities were carried out within rules approved by Parliament. Lambert disliked this process because he felt that accountability suffered when the Public Service Commission, in effect, monitors itself through its review systems. Consolidation of personnel management responsibilities in the Board of Management would clarify the lines of accountability for staffing on the one hand and monitoring staffing procedures on the other.

The Lambert Commission also pointed out the problem of the lack of clear parliamentary oversight. In its view, the problem was not being adequately addressed and had become obscured in the obsession to facilitate both merit and efficiency. For example, there were no parliamentary reviews of personnel management similar
to the review of financial management that took place in the Public Accounts Committee. Once again, underlying the problem was the PSC’s ambiguous position. “It is unclear whether the PSC should appear before a parliamentary committee to account for the exercise of its staffing authority, as well as to provide an independent assurance that staffing had been carried out on the basis of merit.” While Parliament needed an accounting of both, it was not clear that it should be provided by the PSC alone. Rather, personnel management activities needed to become the responsibility of the new secretary of personnel management and deputy heads, and the PSC “should report directly to parliament on its responsibility for ensuring that appointments within the public service are based on merit and not subject to political or administrative patronage.”

The Lambert Commission is perhaps the most dramatic example of an attempt to turn the PSC into a classic parliamentary watchdog agency. It argued that the independence of the commissioners had to be guaranteed by having both Houses of Parliament ratify appointments of commissioners for a period of ten years, by having salaries established by statute and by ensuring that salaries were not subject to appraisal procedures applicable to Governor-in-Council appointments. The PSC had to be given enhanced power to request documents and be able to require responses and explanations from the public service whenever it deemed necessary. In essence, the Lambert Commission wanted to ensure that the PSC would be capable of fulfilling three core responsibilities. First, the PSC needed to examine the personnel policies established by central agencies and deputy heads and make sure that they were protecting merit principles. Second, the PSC needed to hear appeals against staffing decisions that contended that the merit principle had been violated, and provide statistical data on the number of appeals heard and the number of appeals pending. Third, the PSC needed to report to Parliament on instances where personnel policies were not protecting merit principles and where departmental internal audits revealed non-compliance with the merit principle.

This was the most radical vision of the PSC yet put forward. The PSC would have the capacity to audit, but would be stripped of all its executive authority for staffing; it would become an appeal body and an
audit body and move into a new category of parliamentary agent like the auditor general. Yet, as radical as it may seem, it was this vision that was implemented by the civil service commissions of the USA in 1978 and the UK in 1991.

There were two decisive directions set out in the proposals put forward by the Lambert Commission. On the one hand, it wanted to increase overhead control by Parliament and Cabinet by expanding the mandate of various watchdog agencies, one of which would be the PSC. On the other hand, it considered that the current weakness of financial management in the civil service stemmed from a failure to delegate sufficient authority to enable the public service to manage its affairs in the pursuit of clearly defined objectives. In its view, if these two directions were simultaneously pursued, a more accountable government and administration would develop. In actual practice, this would mean that the proposed board of management could ensure that departments made realistic program proposals and carried them out with economy, efficiency and effectiveness. Parliament would receive clear comprehensive and consistent information on spending proposals and achievements.

For the Lambert Commission, as well as for nearly every other public service inquiry, in the final analysis the senior public service, and deputy heads in particular, were the fulcrums of reform. Senior officials represented the most important link in the entire chain of responsibility. This meant that deputy heads needed to be accountable directly to Parliament. At the root of the problem, according to Lambert and others, was a fatal flaw in the doctrine of ministerial responsibility. As Lambert argued, "Any defence of ministerial responsibility that did not take into account the real and independent role of the deputy in the administration of government would ultimately prove destructive to the doctrine itself."10 This warning would be echoed over the years, but it would be disregarded in Ottawa. The notion that the deputy should be made formally responsible for the administration of departmental activities based on goals and objectives agreed with the ministers was somehow considered a reform that would divert too much power away from Cabinet. The Lambert Commission was not the first group to note that the constitutional conventions governing the Canadian public
service were weak and required strengthening. If those conventions were not strengthened, the public service would continue to be subsumed under more direct political control.

However, the bulk of Lambert's recommendations focused on making the senior civil service more managerial; this required giving it more discretion, more autonomy and more power and assigning a number of overhead agencies responsibility for providing the necessary administrative checks and balances. The PSC would be but one of those agencies. In attempting to create a bridge between a modern and traditional approach to public administration, the Lambert Commission emphasized the need to respect traditional parliamentary authority as exercised through various watchdogs, including a PSC that would audit merit and neutrality while accepting the expressed desire for managerial autonomy. One critic, however, complained,

"Commissioners have been childlike in their innocence, painfully lacking in modesty where they had much to be modest about, and inadequately informed about a number of crucial matters where ignorance could have been readily dispelled."  

Most troubling in this critique was the implication that the recommendations would actually lead to a massive centralization of authority in the proposed board of management, which would accumulate all of the PSC's operational functions along with more financial control, tilting the balance of power to the centre and undermining not only the authority of deputy ministers but that of individual ministers as well.  

D'AVIGNON COMMITTEE AND MERIT IN DECLINE?

Despite its own willingness to accept the need for more effective management in the Government of Canada and to help bring about this goal, the PSC faced persistent concerns about the scope and clarity of the legislative framework that had emerged in 1967. The legislative framework was still viewed as an impediment to effective management and, in particular, there was dissatisfaction with the confusion caused
by the reforms affecting the PSSRB and the PSC, each of which exercised appeal functions. The confusion stemmed from the fact that individuals who appealed down one avenue were deprived of access to the other appeal process. The growing perception was that people were being unjustly treated through no fault of their own. To help remedy the situation, the government established the Special Committee on the Review of Personnel Management and the Merit Principle to examine the problems arising from the Public Service Employment Act, particularly as it related to merit, promotion and procedures for redress and appeals in regard to appointment, promotion and demotion and access to employee training. This inquiry, headed by Guy D’Avignon and consisting of both government and union representatives, was instructed to inquire into the operation of personnel management and the merit principle, two activities at the core of the PSC’s mandate.

While some of the D’Avignon Committee’s recommendations were helpful in resolving the jurisdictional disputes over appeals procedures, the committee was no champion of the merit system. Rather, it came to view merit much like many critics of the PSC had since as early as the 1920s: merit was a secondary consideration in the face of the overwhelming need for effective personnel management in the public service and the more pressing need for effective executive leadership from Cabinet. Merit, rather than being a substantive value at the heart of personnel policy in a democracy, was now commonly viewed as a series of instrumental procedures centred on ensuring fairness, equality and transparency but not on ensuring that new public servants had the character and values associated with being a responsible public servant.

According to the D’Avignon Committee, the problems of personnel management and merit could be traced, yet again, to the absence of any philosophy of management or sense of organizational leadership. In these circumstances, managers were poorly equipped to manage, suffered from excessive and inflexible regulation governing merit and slavishly adhered to universally applied merit rules at the expense of efficiency and effectiveness. Many believed that the PSC should concentrate on activities construed to “establish high standards of managerial competence, to identify managerial jobs and develop managers.” This meant moving from a preoccupation with protecting
the merit system toward a greater focus on developing a philosophy of management and developing managers.

But what would that philosophy of management look like? The D'Avignon Committee suggested that a philosophy of management needed to occupy itself with the relationship between managers and their employees, state the areas where high achievement was expected, and specify appropriate performance criteria. Employees were more productive if they knew what was expected of them. For this reason, it was vital that the management philosophy be goal oriented. It was probably impossible, and certainly unreasonable, to hold employees accountable for failing to achieve goals that were not clearly specified at the outset. According to the D'Avignon Committee, the greatest problem with the public service was that it "simply lacks a system that defines goals, secures the commitment of managers to their achievement, and feeds progress reports to provide the mechanism for accountability."^4^5

The D'Avignon Committee reflected the accumulated wisdom of the two previous royal commissions, plus the new intellectual orientation in the field of management studies, all of which urged that managers be given the opportunity to manage while being subject to a series of checks and balances provided by central agencies and oversight bodies like the PSC, which would establish policies and procedures. Nevertheless, as with the past two decades of reform, changes to the PSC were difficult to implement. The committee pointed out that since 1920 there had been an ever-increasing burden of rules, regulations, guidelines, directives and controls, which managers claimed were sapping the system of its energy and limiting their ability to manage.^4^6 This rigid system was "the very antithesis of modern management philosophy" and while it could, in certain instances, prevent the worst abuses associated with older management philosophies (that is, patronage and corruption), it would never create the "results-oriented" management that was needed.

As part of its desire to modernize the personnel management system, the D'Avignon Committee, echoing a loud chorus of critics, wanted to modernize the concept of merit. It had been repeatedly pointed out that when merit was introduced in the 1920s, the vogue in managerial thinking was scientific management. But academic
and professional understanding of management and organizational behavior had evolved substantially over the years. D'Avignon noted,

Among the organizations that comprise the public service are found structures, managerial styles and systems that reflect the entire range of organizational theory. Yet our merit system is firmly rooted in the school of scientific management and no other.5

What is striking about this statement is its lack of regard for merit as a key value associated with the constitutional convention of a non-partisan public service. There was no sense that merit was a value that had to be maintained if the public service were to retain its status as an important and independent institution of Canadian democracy. Indeed, by the end of the 1970s, the notion of a constitutional public service based on the core principles of merit and non-partisanship appeared to be rather romantic. It was an era in which the public service was expected to be responsive to politicians, citizens and managers, and there was little acknowledgment of its broader role.

What emerged from the D'Avignon Committee was a desire to create a more flexible merit system without returning to a patronage system. The concern was not a return to political patronage; rather, it was the old, ever-enduring concern that managers would create a form of bureaucratic patronage. There was also a concern about the rise of a closed career service that would be hostile to outsiders, particularly regional minorities, racial minorities and women. As a partial remedy, the committee proposed the old view that the PSC should continue to promote a closed career service in the unionized or lower public service but be much more open to talented outsiders in the more senior ranks. The senior civil service should be open to outside recruitment whereas the unionized parts of the public service should operate according to the principle of entry-level recruitment and internal promotion.68

The D'Avignon Committee report is not, strictly speaking, a report on the merit system at all, as the discussion of merit takes up only a small portion of the entire text. In addition, the committee's views regarding merit are generally unhelpful. The committee saw merit as something that bound the hands of management and was in need of reform so
that the government could “adapt the merit system to management’s needs.” It also stressed the idea that merit should not be paramount among administrative principles in the public service but rather should reside alongside efficiency, effectiveness, sensitivity, equity and equality of opportunity. Merit should be designed to allow managerial flexibility to deploy staff according to changing program demands and fluctuating workloads.” The message is clear: if merit interferes with management, then the needs of management should prevail.

The D’Avignon Committee’s only praise for the merit system came in its approval of the distinctly Canadian practice of applying merit to a particular job and not to the fitness of the candidate for a lifelong career that would typically involve different kinds of work. This practice had been in place since the 1919 classification plan and had ensured that recruitment to the Canadian public service was never confined to the entry levels but occurred at all levels. Its main advantage had always been that it allowed elite recruitment into the senior public service, and it was seen as something that was encouraged in the existing legislation. The committee’s only suggestion regarding this practice was to amend the Public Service Employment Act to allow more direct recruitment when it was in the public interest, as opposed to the interest of the public service. This meant that the PSC needed to make sure that outside appointments to the senior ranks were more representative of Canadian society than before.

CONCLUSION: THE RISE OF THE PERFORMANCE PARADIGM

New views about the changing role of the public service generally involved restricting the role of the PSC. Michael Kirby, principal secretary to Prime Minister Trudeau, expressed a growing trend in his call for a decentralized and disaggregated public service in which service delivery was brought closer to citizens. He envisioned establishing revenue dependency for units that offered services with market potential, private-public competition and full costing of public services. The goal was to make government managers subject to the strong economic incentives that now exist only in the competitive business world, and this would
make at least part of government decision making subject to the same kind of discipline which governs decision making processes in the competitive private sector.53

Clearly, Kirby's ideas were part of the movement toward what would soon be referred to as "entrepreneurial government," and the PSC was seen to be a major obstacle on the road to that goal.

There was growing pressure to see the PSC restricted to a recruitment service at best or an audit agency at worst. It was supposed to focus on the lower levels where it could provide efficient service while becoming an audit or certifying agent to ensure that proper procedures were fulfilled in the case of higher-level appointments. One commentator noted that such a "slimming down would create a new role for the PSC, more akin, on the personnel front, to that of the auditor general on the financial front."54 The PSC as an audit agency with all appointment powers transferred to executive control would remain a reform that was very popular with external reviewers but one that could never find a sponsor within government. No politician in Canada was willing to remove the PSC's executive responsibility and, in so doing, renge on the original 1908 bargain with Parliament.

Despite the reluctance to follow through on measures to downsize the PSC, there was nonetheless a slow but growing acceptance that the public service was an organization that had to modernize; it had to transform itself from a servant of vague principles associated with constitutional conventions into a more instrumental organization in the service of the executive. Slowly, the public service was being stripped of any moral content; the notion of merit as a substantive value was being replaced instead by the view that merit amounted to a series of instrumental procedures.55 This chapter has focused on how the PSC was caught up in various attempts to play down the role of merit and was increasingly asked to see its role as helping to elevate the importance of management in the creation of a professional public service. To some extent, the PSC was forced into this role. It appears that merit had few friends and that everyone was calling for greater direct executive leadership over management functions in order to make the public service more accountable, more efficient and more responsive
to political direction. While this was not the only trend during this period, it does stand out as a key development in the post-1967 reforms leading up to the 1980s, the decade in which politicians around the world began to express great interest in public management reforms, which collectively, if somewhat vaguely, would come to be called the New Public Management (NPM). This managerial worldview arose from a desire to overcome the constraining influence of the merit system in the name of better management. Consequently, any agency that represented an attachment to the old view of public service was seen to be standing in the way of progress. It was at this time that the PSC’s counterparts around the world were put on the chopping block.

Yet, the complaints were not new. The PSC was, from the outset, viewed as counterproductive to modernization. It was too slow, it deprived managers of their rightful authority and its emphasis on fairness and process meant that meaningful reforms were difficult to implement. What those examining the role of the PSC in the 1970s were suggesting was that if the Government of Canada followed the requirements of managerial reform, the result would be a better performing public service for Canadians. Public service reform was coming to be seen as a technical activity that could be made to work through clear lines of authority and concentrated executive power. There was little willingness to defend any other considerations beyond those that would help improve performance. Emphasis was on the nature of the work and its ability to achieve results, and no longer on the earlier ideas of public service as a vocation that was part of a well-ordered and well-governed society. As well, there was a growing lack of interest in, and respect for, the professionalism and neutrality of the public service, which the PSC had been responsible for maintaining.

**ENDNOTES**


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