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Good luck: the right person in the right place at the right time

Revenue Canada - Customs and Excise (1988-1992)

“Deputy Ministers ... are responsible, at the officials level, for the leadership of institutions with multi-billion dollar budgets and tens of thousands of employees; they exercise legal management authorities bestowed on them; they deal on a daily basis with clients. ... they play a key role in the broader process of public service renewal”

–Paul Tellier, First Report on the State of the Public Service, 1991

For some while I had been told that my name was on lists of people with the potential to be named deputy ministers some day. At the same time, I also knew that names climbed on and fell off those lists regularly, and that some had been on such lists for years

without ever being called to serve. It was very much a question of being in the right place at the right time – with the right skills for the job for the moment and the right temperament to be a good match with the corresponding minister.

At the same time, none of my friends was amongst the ranks of deputy ministers. I had only a nodding acquaintance with a very few, and negative experiences with some key figures including the Clerk. As a result, I took the information with a large pinch of salt, never imagining my number would ever come up.

“Nothing ever happens there...”

At the end of the day it did come up because of the sudden need for a replacement. As I was told, this particular position was a good training job for a deputy minister because: “nothing ever happens there. The responsibilities are constrained by legislation and precedent so that neither the minister nor the deputy has much flexibility. It is operated by very competent professionals who know what they are doing. It largely runs itself.”

Little did I know that this new environment was not going to be placid. It was going to become chaotic, loaded with new and difficult public administration and management challenges.

From one day to the next, I had been given responsibility for the leadership and management of more than ten thousand public servants at more than seven hundred points of service all across the country including a few offices abroad. Before that, I had been second in command in an agency with 130 people working on one floor in one building. I now had specific as well as delegated responsibilities for work I knew nothing at all about, as well as for the priorities imposed by various central agencies. I had a minister and staff none of whom I had never met before, all expecting to continue to be well-served. At the same time, I knew exactly one of my many employees.

I was terrified.

Fortunately, one of my fellow deputy ministers whom I barely knew telephoned me regularly in the early months to see how I was doing and to offer to be a sounding board. I was profoundly grateful and promised myself that I would do so the same for each newly arriving member of the DM tribe. It is a practice I continued for many years, mostly to welcoming noises from the people I contacted.

Deputy ministers have either no boss or several, depending on one’s perspectives. Before they reach that level, there is always one person whose job is to provide feedback on their work. Once there however, it is hard to know who to ask for feedback safely and, despite a reasonably designed formal process, in my time at least, the system did not always work well in practice. “The system” mostly judged deputies on a very simplistic pass-fail scale. There were few second chances for most in the beginning, and being rejected by the tribe at any time was often executed poorly. Over time however, for many, the opposite happened and shortcomings were overlooked, not mentioned, or even rewarded by engineering some “out of sight” appointment or being paid to stay home for months on end.

When I was asked to join the tribe, an experienced deputy minister charged with supporting deputies (Jack Manion) gave me some excellent advice. First, he said that I should mark 100 days on my calendar and take no action unless forced to do so before then. Second, he said that I should carry out the key front line roles of the organization myself so I would know what they felt like. Third, he said I should take some immediate action that was not significant but that would signify to everyone that a new person had arrived. Finally he said I should arrange things around myself so that I was as comfortable as possible and in ways that fitted with my particular style.

I dutifully marked off the 100th day, a day that felt initially as if it would never come.

I put on a customs uniform and spent a shift at the Canada-US border and went on an Excise audit in the Ottawa suburbs. These sorties earned me a fair amount of credit with the staff because I had experienced their main front-line work. At the same time, I never forgot what it felt like. On my stint as Customs Inspector, I experienced the reality of working in the cold with almost nothing in the way of tools to help get the job done. As an Excise Auditor at a time when computers were beginning to spread into businesses but when I and many auditors my age were unfamiliar with them, I discovered how inadequate I felt in an organization in which computers were simply an unaffordable luxury anyway.

I had difficulty thinking of something harmless to do right away that would nevertheless be noticed by all. In the end, I decided to send out a message that I wanted my signature block changed from the “yours sincerely” that most people used to “sincerely” instead. It spread like wildfire.

Finally, I remembered the instructions I had received about making myself comfortable. I entered the main boardroom for my first

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senior management meeting and changed the place where my predecessor had sat. It never occurred to me that I had just messed up the informal “pecking order” and could not have been more disruptive if I had tried.

The department was filled with capable, committed people who knew the law and used very good judgment to handle the challenges they encountered based on what they had learned through trial and error. It did largely run itself – and very well too – as long as the challenges could be tackled well by extrapolating from what had worked before, and the broader context did not demand something different.

Unfortunately some issues were becoming less and less susceptible to being treated as traditional problems and/or using solutions extrapolated from past experience. In these circumstances, there were definite advantages at having someone on a steep learning curve at the operational helm – asking the dumb questions, insisting on looking at things from a different angle, and generally spending time stimulating, enabling and supporting the others to imagine how to apply their experiences differently and how to collaborate in new ways.

To keep a grip on how things were going while I was there, I eventually settled on monitoring progress under six labels: major government initiatives; service to the public; relations with staff (including unions); support to the minister; managing the department; and corporate initiatives.

With the addition of policy development in all of its facets (similar to “service to the public”) as well as departmental/agency sustainability and positioning (in the medium and longer term), I believe that these threads cover most of the waterfront of a deputy minister’s role – at least during the decade when I was a tribe member. In fact, I would probably start with this slightly longer list today if I were trying to keep tabs on how things were going.

Context: the challenge at Revenue

There were two critical events during my tenure, implementing major, high profile, controversial policy change (Goods and Services Tax (GST) implementation) in an area that was still working with legislation designed in 1924 and, second, beginning to transform the departmental culture to be more service-oriented and to provide a more people-friendly workplace (Customs 2000, essentially

Sample chapter from “Profession: Public Servant” by Ruth Hubbard from Invenire, www.commonerspublishing.com the implementation in the Department of the Public Service 2000 reforms).

Revenue: organization and characteristics

Customs and Excise (along with Taxation, making up the Revenue Canada portfolio of the Minister) was a large, decentralized department regulating the behaviour of individuals as well as businesses, which had existed since before Confederation. Technically complex, Customs and Excise collected nearly one-third of federal revenue and administered laws on behalf of many other departments and agencies as well as its own. It had very strong enforcement powers, exercised all the way down to the front line on behalf of the responsible minister (or, in some cases, the deputy minister) with clear channels of appeal including, ultimately, the Federal Court.

As a non-policy department, it was not seen as one of the “heavy hitters”. The worlds of policy and operations were assumed to be relatively separate, the skills and interests different, and there was little if any movement of senior staff in either direction. Over time, this boundary began to loom large.

In one case, health concerns drove a number of deputy ministers and ministers to want to raise the price of tobacco products by increasing government taxes (including those of some provinces) in order to dissuade people from smoking. My department and I argued in vain with our minister, with the Department of Finance, with the Privy Council Office and with others that big price differentials between Canadian and US prices would only increase smuggling at the world’s longest undefended border. I tried explaining that inducing otherwise law-abiding citizens into criminal behaviour and seeing a growth in the infiltration of organized crime in this sub-sector was not good public policy. The government went ahead with the announcement anyway. Because of increased smuggling, they had to back down six months later much to the chagrin of the minister who asked me not to say “I told you so”.

Many of the people employed in the department had worked in the same area for most of their career, and some had fathers and grandfathers who had worked in the department as well. At that time it was predominantly anglophone and male-dominated especially at senior levels. Most had little experience working elsewhere so cultures and sub-cultures were strong and deeply ingrained. Most staff were deeply committed to their jobs and to serving Canadians. In fact, many close to the front line saw the hierarchy – especially deputy ministers and ministers – as unfortunate appendages who came and went without actually getting involved in the “real work”.

Underneath the skin of the department, there were two quite different businesses with different natural labour pools, different cultures and different work environments. This had not caused much tension historically because they each went about their work separately, working relatively together well when they needed to. As the need to act more horizontally (i.e. in concert and/or integratively) grew however, differences in culture became more of an issue.

On one hand, Customs’ job was controlling movement of goods and people into Canada – a business that involved the physical inspection of people, goods, and vehicles arriving by sea or land, air or through the mail (where they worked in Canada Post facilities). On the other, Excise’s involved interacting mostly with relatively large businesses - with revenue coming from taxes on things like tobacco and alcohol products as well as from the few hundred licensed Canadian manufacturers.

The customs business was more like policing work – in fact the RCMP did the work between Customs offices – and it looked for new recruits from Canada’s other police forces or recent law enforcement graduates. The work environment was fraught with issues of health and safety; people in the field tended to love enforcement or dealing with people (but usually not both). For the Operations Branch of Customs, faced with a great deal of uncertainty every day, people learned quickly to use common sense to get their jobs done and had only relatively recently been able to convince the Treasury Board that their work was more than clerical. They were very proud and sensitive about their classification as junior officers. Operational policy was carried out in a separate branch of Customs with little unnecessary intermixing of the two.

The Excise business was more like the work done in federal or provincial income tax administration. Their work environment was one that involved books and records and, until the arrival of the GST, revolved around a long professional association with well-established businesses. They were used to using a good deal of common sense to be able to administer a very old law in a changing environment and knew their clientele very well. They were accredited accounting professionals, careful and appropriately somewhat risk averse. Most were classified in the professional “auditor” category and concerned about keeping up-to-date in terms of knowledge and certification.

The two were very different and while more shared understanding and greater linkages would have helped them learn more and faster from each other, especially during GST implementation, they still needed somewhat different incentives and management rules

Sample chapter from “Public Servant” by Ruth Hubbard from www.commonerspublishing.com to be able to produce the best results. This need to embrace variety at the same time as holding some things in common was not even on the radar screen at the center, and I was unable to make much of a dent in shifting the thinking there.

The political-bureaucratic interface

The relationship between the deputy and the minister(s) to whom he/she is responsible is like an arranged marriage – in which neither partner may get to have any say beforehand about the other – with no hope of divorce. A way must be found to work together in harness relatively well despite the possibility of personality clashes, despite games being played by both sides (usually but not always by people other than the two principal players), and despite the different perspectives that exist institutionally.

In this job I was fortunate. The boundary was a relatively straightforward one to manage, and overall there was little room for ministerial discretion or political profile while the clientele had historically been relatively compliant. The minister in place when I arrived was experienced and had been in the portfolio for a relatively long time. He knew what he was doing and what the issues were.

Trust was tested early on however when a new minister, Otto Jelinek, was appointed. He was caught by surprise on the issue of whether or not to allow into the country the book “Satanic Verses” by Salman Rushdie. Not only had he said publicly that he would ban it when the decision was actually mine, but I later allowed it to enter. His staff and mine (me included) spent a weekend trying to figure out how to extricate the foot he had unknowingly put into his mouth. The result of that crisis was that while he certainly did not always agree with advice he got from me or from my senior management team, he always knew we were giving him the very best advice we could, or that if we had scooped him for newsworthy events, such as announcing a drug bust ourselves, it was by accident and not design.

He trusted us, and I worked hard to ensure we built and retained that trust with frequent brown bag lunches between my office, and his, and myself, as well as dinner meetings between him, his senior staff, with me and my senior management team to discuss issues but not to take decisions. We always aimed for “no surprises”. All in all, the interface was well managed on both sides and the partnership worked as it was supposed to.

Every minister is different in terms of background experience and personality, something that needs to be taken explicitly into

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account by a deputy minister in deciding how best to interact with him or her and people in the office. In the case of Mr. Jelinek, he was a small businessman who, amongst other things, felt a strong desire to reduce red tape, believed in being tough on crime as well as in small government, and he began by being somewhat suspicious of the usefulness of large numbers of public servants. He had never had responsibility for a large, decentralized operation, nor one that brought with it little opportunity for profile and was highly constrained by precedent and law. He was more visual and oral than some others. Neither English nor French was his first language, so that meetings at the end of the day were harder for him than in the morning.

I found it hard to understand the view he formed initially – which I saw as completely untrue – that he had had little influence on the department. As a result, I spent time showing him the changes we had made because of his specific priorities and instructions (like significantly toughening penalties for smuggling, and devising a “quick method” for small businesses to calculate GST). It also took a little time for him to learn for himself that the front line in the department could make or break his reputation as a minister and a politician and was essential for getting good results. Once he realized this, however, he was a tireless visitor to the front line to encourage and congratulate them on their work.

The department may have been used to a relatively straightforward life on the policy front, but things started to change soon after I arrived.

First, a federal election was fought over the idea of a Free Trade Agreement with the United States. I knew that we had to get ready during the election without seeming partisan, and this meant training 3,000 customs inspectors. We managed to keep the work “under the radar” and it never became an issue. We were lucky.

There was also action on the Excise side that was to dominate the agenda. We all stumbled into the experience of a lifetime – implementing the hated GST.

GST implementation: nothing works as planned

The GST was quite different from the old (hidden) Manufacturers’ Sales Tax that it was intended to replace. GST applied to all sectors of the economy. It was new to both Excise and to businesses. Implementation required new processes, policies, infrastructures,

staff, technologies, and even physical facilities.

The planning for sales tax reform was underway when I arrived, although no decision had been made about whether my department (Excise Branch) or Taxation would be asked to administer it. I spent a great deal of time agonizing about how to prepare for the work including who to put in charge, reporting to me. Since I really had no idea what I needed to consider, I did not know what to ask for on that front. I did get lots of good ideas later and many offers of support throughout.

In Richard Fulford (the Assistant Deputy Minister of Excise at the time), I had a person who was acknowledged as knowing a lot about sales taxes and who had been in the United Kingdom at the time they introduced their value-added tax (similar to our GST). He was regarded within the department as a wonderful leader who would have to work on the project. The Branch would need to increase massively in size (from 1,700 to 5,100 people, measured by person-years or PY, in three years) and add many more points of service. Its clientele would increase twenty-three fold from 75,000 licensed manufacturers to 1.7 million registrants in all kinds of businesses. He had no experience at managing this size of organization or change on this scale. Customs would need to be involved as well. The most senior levels of the Department of Finance believed he was certainly bright enough but perhaps not “strong enough or nasty enough to get the job done”.

Eventually I concluded I was better off with someone who knew about this kind of tax and might learn to be a good manager and leader of a much larger organization with a much more varied clientele, than with someone who was good leader and manager but knew nothing about the field and who would have a really tough job earning the respect of the team. My intuition told me that Richard Fulford would rise to the occasion. In the event, I was right.

My instinct told me that I had to use the time before start-up getting the Excise Branch to change so that it could, in fact, administer the tax properly. They had a good deal of commitment and professional pride, I thought that they would understand the substance and they would have to learn what was needed to deal with a much bigger and variable client base. I had to turn the Excise Branch into the nucleus of the GST team anyway. There were no other alternatives – it was as simple as that.

I also decided (especially given the strong insistence of the most senior levels at Finance) that there had to be someone on the team who would be the conscience of the team from the vendors’ perspective, reporting to me. It was the then deputy minister at Finance

Sample chapter from “Profession: Public Servant” by Ruth Hubbard at www.commonerspublishing.com who suggested Sal Badali (actually he had given me a short list of three to choose from) and talked him into considering the offer. It turned out to be one of the best decisions I ever made.

Early on in the GST experience I found out how valuable the fuss over Rushdie’s book had been when Treasury Board Secretariat advised me that a condition for their support recommending approval by the Treasury Board of the necessary arrangements was a letter from the Minister himself agreeing to handle any adverse reaction that arose from it. We needed the approval of the Treasury Board badly. The minister took my word about its importance and signed. It was very trusting of him.

Virtually nothing with this project worked the way it had originally been planned. We started out with the promise we would have 12 clear months to get the administration up and running once the policy design had been settled. In the end, Royal Assent was two weeks before start-up on January 1, 1991 and the last regulation became law just a few days before it was needed.

Three foundational principles of public service

GST implementation tested us all to the limit and clearly exemplified the three basic principles of the burden of office of public service executives that deputy ministers share – 1) loyalty to the public trust, 2) loyalty to the public good and 3) speaking truth to power.

There was one phrase in the old legislation that allowed for the department to “prepare for a new administration”. It would have been reasonable to argue that this meant that we could plan and get started, but not actually put a whole new administrative regime in place. Taking this view would have been assuming that the legislation did not provide a strong enough authority to keep spending public funds beyond some point. As time went by and the new legislation got stalled however, the minister and I were faced with assuming that the legislation gave us enough authority to continue or else of slowing things down.

He and I were between a rock and a hard place to the tune of about \$500 million.

We sketched out two possibilities. One was spending the money and facing a Parliamentary Committee after the announced start-up date without the necessary legislative approval, explaining why we had spent several hundred million dollars of the taxpayers’ money on the strength of one phrase. The other was not spending the money, not being ready and facing the Prime Minister after

the putative start-up date to explain why implementation could not begin. Neither had any redeeming features but, on balance, we decided that we preferred the first to the second and, as it turned out, we guessed right about which road to take.

Part way through getting ready for a federal-only administration – having given written assurance to my staff that no one would be adversely affected (i.e., laid off) by the plan – I was advised by the senior assistant deputy minister at Finance that the government of Quebec wanted to administer the GST in their province and that this collaboration was one that the federal government welcomed. My senior staff said that it would be possible if the takeover by Revenue Quebec did not happen at once but two years after start-up and if we started hiring people on their behalf now, transferring them later, along with our own staff.

It meant a real sacrifice on the part of some of the long-time professional staff – for example, those who could aspire to become managers in the federal system with an accounting accreditation but no accounting degree would no longer be eligible for managerial positions under the Quebec government’s rules at the time. My written statement would have to be interpreted as meaning that they would not really be “laid off” because they would be guaranteed jobs in the provincial system (acknowledging that they might well be regarded with a certain suspicion by their provincial counterparts).

It caused me significant anguish, but there was never any doubt in my mind that loyalty to the public good trumped my loyalty to my staff, even if it undercut their trust in me.

A few months later, the same senior assistant deputy minister at Finance advised me that another province wanted to do the opposite. They wanted the federal government to take over the administration of their own sales tax as part of GST implementation. It was good public policy and definitely something that the federal government wanted to see take place. My senior staff and I quickly concluded that it was an extra complication that would jeopardize the start-up date. I also knew that it would mark the end of my credibility with the staff.

I told the Clerk that it could not be done without shifting the start-up date and that I would have to be replaced if it were to proceed. In effect I said “no” and argued against the view of the Deputy Minister of Finance, notwithstanding all the good policy reasons for saying “yes” and the Clerk’s legitimate desire to press ahead. The Clerk’s decision was to accept my advice and the government said “no” to the province.

Making it up as we went along

We were blessed with a great deal of technical expertise about sales tax administration and the United Kingdom experience with value added tax. Nevertheless, it did not take a rocket scientist to grasp that since nothing was predetermined except the nature of the tax and the start-up date, what was most important was a mindset for flexibility and a capacity to adapt or evolve as time passed. Creating, fostering, encouraging, and insisting that such a capacity flourish – not just inside the department but inside the federal apparatus, not just at headquarters but also in the regions and districts too – started and remained priority number one for me and eventually for everyone else.

We all learned about assumptions we were not aware we were making, and things we did not know that we did not know.

Being clear about who was primarily responsible for what and exactly how the many different elements of the work fitted together seemed important first steps.

To this end, Richard Fulford and I spent time talking about expectations of where he was to focus attention (managing the project) as opposed to me (managing the boundary), and then set out a few performance objectives for him that we would formally discuss twice a year. Unfortunately, unknown to us for months despite our close working relationship, it turned out that our two interpretations of some of the words on that page did not coincide. For example, for me “boundary management” meant managing the boundary that was clearly external to the department – the center, the Minister, certain external stakeholder groups, while for him it had a more limited meaning. Our expectations of each other in this area simply did not match and we had to sort it out.

At the same time, in order to set out the many steps and their interaction, Richard and his staff used a very elaborate technique to produce what we all expected we could put up on a wall in a “war room” to monitor overall progress. Because of the enormous complexity of the project however, it took many, many weeks to get all the pieces of information needed. The result was too complicated and too much was changing too quickly for it to be of much use to monitor anything. Nevertheless, the many discussions and effort that went into creating it proved extremely useful at building the necessary commitment in all the players as well as teasing out inter-relationships that might otherwise have gone unacknowledged until much later.

There were some important things that senior managers, especially in Excise Branch, simply did not know that they did not know and had to be learned along the way.

For example for these professionals, the opening of a new office was a purely technical matter. By the time the information got to me, I learned that they had allowed only a very few days for the minister to make a decision, imaging that it was an ordinary matter. Of course it was very rare indeed for any federal government to be in a position to create thousands of new jobs and open many new offices. Choices of location hinge importantly on the technical considerations, but there are legitimate considerations about employment rates and prospects as well as political preferences.

There was no way that the Minister was going to be able to make this kind of decision in a few days; the department simply had to set out the considerations objectively, and provide advice and considerations respecting timelines for deciding. Any more time taken at this stage however, was going to reduce the time left to get ready. In addition, any choice of location different from the purely technical one would mean more scrambling. The decision, at the end of the day however, was prompt and involved very few adjustments. The Branch learned an important lesson about the legitimate role of elected officials.

In another case, it was clear to me that health and safety considerations would emerge with an expansion of the Excise Branch's clientele from a few hundred manufacturers to include many organizations of various sizes and stability and one-person operations in all sectors. The union dealing primarily with Excise branch staff was not familiar with the kinds of issues that might spring up and, despite my suggestions that they talk to their Customs counterparts and begin to think about and talk to Excise managers and staff to devise approaches ahead of time, they did not understand the need. They were left unprepared for what was inevitably going to come. Issues of harassment and even sexual harassment of staff by a few clients arose after start-up, much to the surprise of the staff and the union.

At the same time, Excise's approach had traditionally decentralized interpretation and centralized operations. This made sense since their client base of manufacturers was relatively stable and they had to make old legislative design fit an evolving environment. However, with a new tax that had a great variation in client base, lack of familiarity with the "rules" and goodness of fit of the rules with reality, this was exactly the opposite approach to the one needed. The Branch had sought outside expert advice about organizational

Sample chapter from “Profession: Public Servant” by Ruth Hubbard from [Invenire](http://Invenire.com), www.commonerspublishing.com architecture and, to their everlasting credit, the Excise managers across the country could see the merit of changing their approach and “dis-empowering” (their language) the regions and thus, themselves.

In the same vein, the “traditional” process of deciding how best to educate GST remitters who were small business owners, took the form of the central outlines of seminars and approaches prepared for marketing. Regions and local managers however often had ideas of how to make things work better. In one part of the country, the local Excise managers suggested that they arrange to get small store owners in strip malls to stay an hour after closing to find out what they needed to know. This local idea was great success. Experimentation became the order of the day.

Managing the change: family of communities of practice

Living with constant change, cultivating flexibility and adaptability became a way of life for systems, for procedures, for relationships – for everything. At the same time for me, at a subconscious level, it meant cultivating informal groups who shared some expertise and/or a passion.

The other imperative was a personal commitment to success. We had to believe that we could do it – at all levels throughout the “system” involved in getting the administration up and running. We could not allow ourselves to be discouraged or depressed either all at the same time or for long periods of time. Our family of communities of practice enabled and nurtured that extraordinary commitment.

The journey was fraught with stress however, and I personally vacillated between feeling confident and being more than a little anxious, sometimes within a period of weeks.

For example, by the time we had agreed to complicate our lives by transferring the administration to Revenue Quebec, I knew that we faced a worse outlook than we had just a few weeks earlier. I recorded my views this way: “In terms of morale and sheer work to be done, it is hard to imagine that it could be any tougher. We are hanging in there and will pull off something that will operate. No one will be pleased with what we have done or how we have done it – not our staff, not our unions, not our managers, not the provinces, not the politicians, or the business community. I’m most upset about the staff and managers. I feel I have let them down.”

By the summer and fall of the final year before start-up, it was clear to me that the whole GST project was messier than the textbooks would say. There was too much ambiguity and too much left to fall between the cracks. It was not clear that what we were doing was the right way to go about it (at least in terms of what I was doing). Suffice to say, it was the only way I knew and I was stuck with it. I had already concluded that we would have a regulatory organization that was entrepreneurial in its outlook and how it did its job by the next January but only if I concentrated on one of my main tasks – to protect the organization from too much instability or uncertainty.

I was already worrying however about how to keep it as changed in approach as it had become and to transfer the understanding to the rest of the department, as well as to keep the post start-up period from being too much of a zoo. I was worried that without the external pressure of the relentless deadline and glare that surrounded the GST we might sink back into our more familiar (and less entrepreneurial) thinking. I was also worried that without something that represented change on such a large and significant scale as the GST, it would prove impossible to effect the same kind of change in mindset on the Customs side of the department that was implied by PS2000.

Close to the actual start-up, like the others who worked on GST, I was weighed down with a significant amount of “battle fatigue” and had to husband my limited energy. Afterwards, there was a struggle with the consequences of the earlier scramble to get ready “enough” and it showed up in all facets of the work. As one example, I noted to myself that the Minister had stopped asking for revenue figures – but only because he had given up on the idea that we were capable of producing them; something with which I had to agree privately.

We were so flexible that it felt to me as if we were coming close to being out of control from time to time. There was incredible pressure, incredible workload, and incredible frustration and pain for everyone. People put up with it all however, because their hearts were in the right place. At the end of the day, no one could bear to let the team down.

We invented new feedback mechanisms (e.g. my “kitchen cabinet” reviews), and we learned risk management (e.g. what about a postal strike? An auditors’ strike?). We were forced to learn to manage risks before it became fashionable to manage this way.

You want to sue me?

Take a number!

When a company called me to say they were suing the department and me over our selection process for the processing centre lease, I was very anxious. No one had ever sued me before.

A few months later it happened again. This time I told them to go to the back of the line because eight other companies were ahead of them in the “threatening to sue” line.

Our process had always been reasonable in the circumstances, but my perspective had changed.

At the senior levels we gave away our responsibilities to others only to learn that we had not given away enough and had to keep paring down. We devised our own individual ways of handling the enormous stress (e.g. I bought a stuffed bear I named “GST bear” with whom I shared the relentless pressure). We learned to handle the unexpected and revised our plans accordingly. We overcame the death of a key senior player in a house fire, replacing him with someone who was considered “too nice” by his then boss but turned out to contribute enormously to our ability to succeed and in part for that very reason.

We were not as successful on all fronts as I wanted. I worked hard to convince the Office of the Auditor General to use their first GST audit not just to examine what we had done and how we had done it but also to set out some lessons - good and bad - learned from our experience for others, and to use the opportunity to explore the balance that is needed between finance, fairness and performance in the accountability link to Parliament. I had little success in this regard. It would have required a broader and softer definition of accountability than they seemed willing or able to accept.

“Healthy communities of practice”

Nevertheless, as I wrote to myself at the time “It was the essential humanness of the team that shone through the project and made the difference between success and failure. All the way through I was conscious of the people who were using the systems and doing the work. It became a living, breathing organization with a special character that was more than the sum of the individuals in it. Things

Sample chapter from “Profession: Public Servant” by Ruth Hubbard from Invenire, www.commonerspublishing.com that had been slow and painful for the department became second nature (e.g. dealing with “the center”, handling Question Period, dealing with communications challenges). You could feel it humming not just at headquarters but wherever you went in regions and districts. It was very busy humming, very stressed humming, but happy humming nevertheless.”

That we succeeded so that when the light switch was turned on at start-up, the electricity started to flow, was due in part to luck. It was due as well to the enormous commitment and professionalism of thousands of people all across the country including some from many other departments as well as other sectors.

At the same time, it was a demonstration of the often-unacknowledged role played by healthy communities of practice (i.e. communities of people who share a common goal or expertise getting together spontaneously) in getting good results. In Customs and Excise there were many visible communities of practice already but the GST and the way we handled it, in effect, created another – a broader one – with the shared goal of showing the world that a large part of our organization could and would create the best sales tax administration possible. I certainly did not set out to do this, but it emerged out of the work and people’s commitment and looking back I realize how powerful it was.

I felt a pride and euphoria that I will never forget at being part of a group that did what the private sector had said was patently impossible and what other deputy ministers had told me they were grateful had not been their burden to bear.

Customs 2000

In a speech to the Association of Professional Executives in 1990, the Clerk, Paul Tellier, talked about the renewal and reform of the federal public service launched by the government late the previous year (PS2000) as being “10% legislative change, 20% change in systems, and 70% changes in attitudes and practices within departments and agencies”. He said that he saw deputy ministers as playing a key role. I became a member of his “Deputy minister Task Force on Service to the Public” and learned that we were to pay attention to providing “good service”, to designing our programs and processes from the “outside in”, and to enabling and supporting our staff in cultural change.

Within my department, GST implementation provided a key driver to significant change within the Excise branch. At the same time, because it was such a high priority and no one in other departments or central agencies wanted to be seen as spoiling the chances of success, we were given the resources we needed to invest as long as we offered a reasonable justification. The consequence was that we had the leeway to experiment, to imagine, to invent, and to learn how to do different things and to do things differently. The result (according to the Centre for Creative Leadership) was that the GST burden had accelerated the process of change in parts of the department to an unheard of degree. I have always wondered whether something as challenging as GST implementation is needed to drive large-scale and profound change.

It was clear that we need something to galvanize the customs side of the department, pushing it to change as much as possible, and reinforcing the changes in central services that were emerging already. We found a label in the Customs blueprint (and the Minister’s announcement of what we christened “Customs 2000”) and it became the road towards modernizing Customs administration. It certainly provided some pressure for change, but it had the disadvantage that it was not one of the government’s top priorities and thus did not get the attention or the resources from the center.

At the same time, we were also assisted by occasional crises at the land border.

The crises arose in part because of changes in citizens’ desires to have more say in decisions that affected them, partly because of increases in cross-border shopping that created more and more congestion.

The unsafe bridge

In one instance, word reached the ears of the Minister that local customs officials had closed an international bridge to commercial traffic for safety reasons but that the local community was no longer willing to accept this kind of unilateral decision and was clamouring more and more loudly for it to be re-opened. The issue definitely “had legs.”

The local customs officials were knowledgeable and had exercised this kind of discretion extremely well all across the country for decades. They were adamant that the commercial level of the bridge was unsound and that it was being closed in the interests of the safety. However, local community activists were shouting more and more loudly about the impact it was having on their businesses.

The Minister rightly wanted the issue “fixed”. There was no evidence that the probability of it failing in a week or two was much greater than it had been the week before. This suggested to me that we should re-open the bridge to commercial traffic for a short period while the local community got a chance to learn more about the condition of the bridge, the realistic choices it faced and the decisions that could be taken.

I agonized briefly and decided that the strategy had to be tried. For a very few terrible weeks, during the period that the commercial part of the bridge was re-opened, I lived with the fear that something tragic would happen. At the same time, I decided that I would take on the worry about the impact on the staff of over-riding their good judgment as a small part of the much larger issue of managing the profound change that was now clearly washing over my part of the public service. The result was general support for closure, and I had dodged another bullet.

Announcing a “well-executed failure”

Like Excise, Customs also learned to experiment in public rather than trying ideas out behind closed doors. On one occasion, to deal with problems of real congestion at the land border, at my behest and with the Minister’s approval, they instituted a series of six-week-long experiments across the country. Some turned out to be “well-executed failures” in the locations we tried them but they helped invent new approaches. We even got the Minister to announce the failures as well as the successes – his only caveat was that we needed to put in more successes per speech than failures.

We also learned to help the Minister do what he did best - dealing with ordinary people and businesses in small communities deeply frustrated with conditions that he could not fix but for which he and his government were being blamed. When cross-border shopping began to raise howls of protests about the relative price differential between Canada and the US for basic groceries like cheese and chickens, the minister insisted that he wanted to sit down with community leaders in a number of communities even though he could not “solve their problems”. He had a very small amount of money at each location (perhaps \$10,000-\$15,000) that we had been able to scrounge for him to spend on the local customs office to ease traffic flow and little else, but it provided an ear of the federal government to citizens.

He held that series of meetings and got the local community leaders to work out how they wanted the little bit of money invested

Sample chapter from “Profession: Public Servant” by Ruth Hubbard from www.inventorspublishing.com and a lot of the heat was taken out of the issue. People knew he could not “fix things”, but they gave him enormous credit for listening to their complaints and for doing his best.

The hazards of unbalanced enthusiasm

At the same time, my enthusiasm for the objectives of PS2000 sometimes had strange outcomes.

For example, I spent weeks meeting a senior executive from a Canadian printing company to try to ensure the department was being helpful in enabling them to avoid accidentally bidding on shipments of material to be imported, printed and then exported, which turned out to contain a small amount of prohibited pornographic material. When we discovered this material we held up the whole shipment, much to their distress. No suggestion I made for us to help them learn how to avoid falling into our clutches was ever taken up. I eventually found out from someone who knew the criminal scene well, that I was dealing with a company that may have had connections with organized crime.

At the same time, admonitions to me and my department to simply “streamline” commercial traffic at the land border drove us to become so obsessed about operations that we did not think of the relative economic difficulties between Canada and its US neighbour if goods were streaming in very efficiently while our exports continued to face non-tariff barriers going the other way. In fact, as a non-policy department we were undoubtedly considered not relevant to be included in any real economic policy musings. The hazards of carrying a view about our policy irrelevance too far were very real.

Policy, leadership and management

Fortune smiled on me in my first job as deputy minister in terms of the fit between my nature and my style and the challenges that I encountered.

Since I had never regarded myself as an expert at anything, I was happy to let the technical experts lead the way. The legislation and precedent would have constrained me anyway, but it was my predilection to stand back. At the same time, since I had never been shy to admit I had no clue about something but was also the first woman deputy minister the department had ever had, when asked what I wanted to do I could, and often did, say: “I haven’t the vaguest idea, let’s explore the possibilities” and get away with it. If I had

Making choices about harassment

I learned that two bottles of wine had been given to my representative at an international meeting as a present for me, but that the gift giver had also sexually harassed her. We poured the wine down the toilet in my bathroom together as a symbol of our deep distress and my great disapproval of his actions.

Nevertheless, I did not raise the harassment with anyone else, partly because the victim was so distraught, and did not want this, but in large part because the official involved was a very senior member of a foreign government.

Because I have always respected (and needed) all the people around me whatever their role and level and have tried to treat others the way I wanted to be treated myself, I was able to build a degree of trust in my dealings with others that stood me in very good stead.

As I look back now, I can see that leading this organization demanded a very light hand, a lot of innovative thinking, a lot of boundary management around town and with stakeholders, and a lot of trial and error. I turned out to be one of the right kinds of people for the time.

At the same time however, I had blind spots – including my blissful ignorance of the impact I was having on other powerful and senior bureaucrats (particularly the ones in central agencies).

On the management front, it occurred to me that the need to produce a memorandum of understanding (MOU) with the Treasury Board under the rubric of “Increased Managerial Authority and Accountability” (IMAA) provided a good opportunity to institute some management reforms that might serve to increase pressure for senior managers to use their “departmental” hats more often. It might also provide a chance to demonstrate to ministers the unfortunate and even perverse consequences for the Customs side of the house of some of the approaches being adopted at the center in management rules.

Management reforms

Hopefully, from my viewpoint, creating a policy committee would begin to encourage my senior management team to become more strategic, and more collaborative across the department. This is a key task of any deputy minister. Not surprisingly however, it took longer than I thought to produce the behaviour I thought we needed. Ten months passed before the new committee began to

do any useful work. Then it started working on a very necessary MOU but still never discussed policy. Nevertheless, we made progress slowly and eventually held a management meeting that I recall as a turning point in the relationship of the senior managers of the department.

By 1990-91, I was pleased with our work on the second iteration of the memorandum of understanding, but I agonized about whether I was making progress in bringing about changes in mindset that would be reflected in how the senior leadership viewed their jobs or whether I was just getting them to do what I wanted while nothing had really changed. Ultimately however, the departmental executive committee agreed to a strategic approach to the department’s work that they had come up with and it was a very good effort.

On the matter of trying to improve performance related to “softer” objectives such as better “people management” that was being sought by PS2000, it struck me one day that I was probably better off to pick a couple of broad labels and let people determine their own goals than to try to prescribe something. As a result, I asked the people who reported to me to tell me what they thought their goals should be for the forthcoming year related to better people management systematically in their work unit as well to their own behaviour towards their staff. They could decide themselves how much of a “stretch” was involved and what they wanted to emphasize. My only requirement was to know how they (and I) would know at the end of the year the extent to which their goal had been met.

The result was a lot of corridor conversation amongst them to find out who was undertaking to do what, followed by some much more realistic undertakings that were actually met.

Perverse incentives from the center

Like virtually all other large operating departments, pleas for consideration to improve effectiveness fell largely on deaf ears. In part, this was entirely understandable in times of severe resource restraint – although the negative consequences of providing some resources but not others that went hand-in-hand with them were not well understood at the center. In part however, it fell afoul of the presumption that one-size-fits-all, the fear of precedents and the determination to treat groups more or less similarly.

At one point, Treasury Board gave us money to pay overtime to the customs inspectors on staff but not to hire new people (at lower cost). The result of continuing this approach for years was that eventually the double and triple overtime pay became embedded in an increased standard of living for some customs inspectors that proved very difficult for us to withdraw.

On another occasion (before I arrived), the department was given money to computerize tariff determinations to improve efficiency

and effectiveness, but failed to ever provide the promised money to implement the rationale for the change – training and equipping the expert customs inspectors who used to do the work to use their time to identify and track down more serious smugglers. Resource constraints were ever-present and Treasury Board Secretariat probably took the view at the time that the department could “find” the resources to implement the rest of what was needed, gradually if necessary. Departmental managers could not or did not. The result was a general feeling on the customs inspectors’ part that they had been dis-empowered – that their technical judgment had been replaced by machines leaving them without challenging jobs and little to enable them to use their heads for more than hat racks.

It was a legitimate consequence left for me to deal with, but I only learned about it by chance. Having been denied necessary resources and having found a way to live with the consequences as satisfactorily as they could, senior managers were not likely to even think of re-opening the question.

On still another, as I found out when I worked my shift at the border, black patent leather shoes were forbidden – only other kinds of black shoes were acceptable – but Treasury Board would not supply a shoe allowance to match this dress requirement. I vowed to fix this during my four and half year tenure. I failed. I was told over and over that such an action might have caused a precedent and other groups might have sought something similar.

The department was not blameless either. Central departmental officials denied a legitimate request from a remote site (where huge annual snowfalls were usual) for a large snow blower and a roof over a large propane tank to keep the tap from freezing. The result was that by the time I visited it, the customs inspectors working there were using a hammer to make the tap budge in winter. I had visions of a terrible explosion. I think my subsequent protestations got this fixed.

By the end of my time in the department, I was so concerned about the seemingly endless willingness of the center to run down the “good will” of the frontline staff, eventually likely to cause real problems with service to citizens, that I decided to end-run Treasury Board Secretariat. I engineered a half-hour presentation by my Minister to his Treasury Board colleagues related to MOU II, the “memorandum of understanding” an agreement between the department and Treasury Board– something unheard of for an operating department. The other ministers were exposed to realities they knew little about. The presentation, with pictures of piles of parcels being inspected by customs officers overwhelmed with work as well as line-ups at the border with officers who had inadequate tools and sometimes inadequate facilities to do the job, went extremely well.

Nevertheless, Treasury Board Secretariat was furious at having been outmanoeuvred by the department and by me. We did not get the required resources. At the same time, unknown to me, the Clerk had played a key role in protecting me from the ire of key

Sample chapter from “Public Servant” by Ruth Hubbard from Invenire, www.commonerspublishing.com players. In fact at his farewell party shortly afterwards, he took me aside and told me to “watch my back”. I did not understand what he meant and never took him up on his offer to help me if I ever wanted or needed it. If I had, I might have learned some important lessons about myself and how others saw me that could have made me more effective later.

Conclusions and the importance of innovating

Looking back, it is clear that leading and managing the consequences on a large operating department of the profound change going on in the world was a current that ran underneath the more-visible challenges that included implementing a high priority but complex and sensitive project.

This meant several things.

The first was that keeping the people (partners, colleagues, subordinates and others) with me turned out to be hugely important. There is simply no point being in the right place at the right time if, when you look around, almost no one is there with you. With respect to people, my deeply felt need to do my best to ensure that they were treated respectfully and fairly turned out to help my credibility as a leader and to build necessary trust.

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