Good Practices in Citizen-Centred Service

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Canada

The opinions expressed are those of the author and do not necessarily reflect the views of the Canadian Centre for Management Development.

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Introduction

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Background

The Citizen-Centred Service Network (CCSN) was established by the Canadian Centre for Management Development (CCMD) in July 1997. Its purpose is to accelerate the implementation of a citizen-centred approach to public sector service across Canada through a combination of research and collaborative action. The CCSN originally comprised approximately 50 senior officials from the three levels of government, as well as leading academics and outside experts in the field of public sector service. Since November 1997, however, a further 170 government officials have taken part in the Network's work plan as participants in CCSN's provincial and regional forums and networks.

The Network established 10 major research projects to identify citizens' and clients' priorities for service improvement and to identify good practices in implementing a citizen-centred approach to public sector service. In this respect, the Network has been guided by the conceptual framework shown as Figure 1, known as the *Framework for Modernizing Public Sector Service*, or the *Service Gap* model, which concerns the gap between the service that citizens and clients expect and the service they actually receive. The model has four components:

- knowing what citizens and clients expect in terms of public sector service, including how they want to be engaged and what their priorities are for service improvement (Box 1);
- measuring progress in closing the service gap using a variety of tools, and ensuring accountability for the results (Box 2);
- improving the capacity of public organizations to provide the service that citizens expect (Box 3); and
- using the appropriate mix of tools to help close the service gap (Box 4).

The purpose of this project was to identify, analyse and communicate good practices in citizen-centred service from all four areas of the Service Gap model. This Final Report presents the findings, based on case studies published in this collection.

Good Practices in Citizen-Centred Service: Research Plan

The research and writing of this document took place between January and September, 1998. In the first stage of this project, research identified a large number of initiatives, from all three levels of government, that focused on citizen-centred service. The Service Gap model was then used to sort and sift through what turned out to be a vast collection of material.

Key sources of information included: the preliminary findings of the Citizen-Centred Service Network, and later findings from the Regional and National Forums; the 1996 *Deputy Minister Task Forces on Citizen-Centred Service Delivery*; Treasury Board of Canada Secretariat's Best Practice documents; public management journals and magazines; public sector organization

FIGURE 1
A FRAMEWORK FOR MODERNIZING PUBLIC SECTOR SERVICE

Citizen Expectations of Government Service (BOX 1)
- Citizen Engagement
- Citizen Involvement in Service Design
- Citizen Evaluation of Government Service
- Citizen Priorities for Improvement

Close Gap

Government Service Improvement Toolbox (BOX 4)
- ASD/APD
- Partnerships
- Single Window
- Re-engineering
- Service Quality
- TQM
- Benchmarking
- Innovative Practices
- Technology
- Cost recovery

Service Delivery Gap

Monitor and Measure Performance & Accountability (BOX 2)

Close Gap

Government Delivery of Services (BOX 3)
- Integrated Front Line Delivery & Innovation
- Service Culture
- Service Strategy and Systems
- Leadership

Federal
Provincial
Municipal
Other Sectors

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websites, annual reports, and other communications material; and other materials, including those from the National Quality Institute and the Institute of Public Administration of Canada.

The good practices described in this publication were selected based on the following factors.

- **The Service Gap Model**. The selection of cases was guided primarily by the four elements of the model, which served as a heuristic tool for organizing the various practices undertaken by the public sector, not as a prescriptive one that would instruct organizations how they ought to improve service.

- **Geography.** The project aimed to provide a snapshot of citizen-centred service from across Canada, i.e., from a variety of provinces, territories, regions, cities, and towns.

- **Jurisdiction.** The selection was also based on level of government – municipal, regional, provincial, and federal – to provide a view of citizen-centred services within, between and among jurisdictions. In addition, cases were selected to illustrate citizen-centred service at the department and agency level, as well as those that were government-wide.

- **Organization Type.** Cases were chosen to reflect the many different types of organization that exist in the public service today – departments and agencies, Crown corporations, special operating agencies, service agencies, partnerships, non-profit corporations, and the like. Some of these organization types – particularly recent ones – were also studied as tools that can be used to close the service gap.

- **Business Line.** Cases were also selected from across all business lines – direct and indirect service to the public; transfers; regulation, inspection and enforcement; judicial and quasi-judicial; internal service to government; science and technology; and policy. Indeed, business line and organizational type emerged as important factors when considering service improvement initiatives.

- **Evidence of Good Practice.** While some organizations may report that they have undertaken initiatives to improve service, and have the intention of doing so, intervening factors sometimes impede their progress. These factors may include a change of organizational priorities; a change in financial, human resources or technical supports; and other day-to-day pressures. Therefore, this project focused on those practices that had empirical evidence of success. This evidence could include a consideration of whether the organization or the good practice were still in existence, measurements of progress in the initiative, awards achieved and the like.

Logistical factors also played a role, such as the availability of information or a contact person to provide details about the case. Cases did not have to fulfil all of the criteria listed above. If a case exemplified citizen-centred service, for example, that took precedence over ensuring that all provinces, jurisdictions, and organization types were represented.

These cases were based on a series of interviews with project leaders and managers. Additional documentation, such as annual reports, strategic plans, internal documents and communications materials, were also consulted when they were available.

Most of the interviews conducted and cases written were completed by Marie Blythe, Research Assistant, Canadian Centre for Management Development, under the guidance of Brian Marson, former Faculty Member, Canadian Centre for Management Development (now Senior Adviser, Service and Innovation, Treasury Board Secretariat of Canada). Five of the cases presented here were undertaken by researchers or practitioners in the field.

- *Human Resources Development Canada, Automated Kiosk Approach to Service Delivery* – Stephen Bent, Alternative Service Delivery, Treasury Board Secretariat of Canada.
- *ServiceOntario Kiosks* – Stephen Bent, Alternative Service Delivery, Treasury Board Secretariat of Canada.
- *Transforming Canada Post through Performance Measurement, 1981 to 1998 and Beyond* – Donald Campbell, Communications, Canada Post Corporation.
- *Changing Service Delivery at the Department of Justice: Reorganization and the Introduction of a Service Agreement System to Enhance Client Focus* – Peter Dimitroff, Planning and Research, Client Driven Services, Legal Operations, Department of Justice.
- *Human Resources Development Canada – Quebec Region: A Case Study in Citizen-Centred Service Delivery* – Alti Rodal, Principal Consultant, Consulting and Audit Canada.

An Overview of the Case Studies: Some Findings

The case studies in this document illustrate a variety of good practices in closing the service gap. While they are real initiatives being taken within the Canadian public sector, they are only a snapshot of the range of initiatives that organizations have engaged in to improve service. Nevertheless, each case offers some lessons for organizations interested in undertaking similar initiatives, insights into why and how initiatives succeeded, issues encountered along the way, and pitfalls to avoid.

In the next part of this introduction, we present some general lessons that can be learned from an examination of the model as a whole (Section 1), and some specific lessons that correspond to the four boxes of the Service Gap model (Sections 2-5). In the second part of this document, the case studies are presented under these headings:
- Citizens' Expectations of Government Service;
- Performance Measurement and Accountability;
- Tools for Closing the Service Gap; and
- Improving the Capacity of Public Sector to Deliver Citizen-Centred Service.

A Note on Terminology

Integral to improving service performance is an understanding of whom government organizations are serving.[1] While the broad question of citizenship has been the subject of vigorous debate and inquiry in recent years by academics, public managers, and the larger public, this section offers some general definitions of three types of *publics* that are referred to throughout this document: citizen, client, and stakeholder.[2]

In a broad sense, a *citizen* bears certain rights and duties as a member of a community (local, provincial, national): "[C]itizenship is not something isolated or purely individual. Citizenship derives from membership in a wider community of purpose, the democratic community to whose larger interest the public service is dedicated."[3] In the service experience, a citizen may not actually benefit directly from a service, but draws an indirect benefit, contributes to the service (e.g., via taxes), and thus has an interest in it.

A *client*, on the other hand, is not always a citizen, but is a direct recipient of a service.[4] A client can be internal or external. An internal client refers to a public sector employee or organization that receives the service directly from fellow government providers to facilitate the delivery of another service to their own clients. An external client is a member of the public who is a direct recipient of public services.[5]

The following example may help to clarify these definitions. A *citizen* may not collect employment insurance, but has an interest in how the system functions; the actual recipient of an employment insurance payment would be an *external client.* A regional human resource centre that depends on headquarters to distribute the employment insurance payments to its office would be an *internal client.*

As this example demonstrates, public sector employees serve many publics that have diverse and sometimes conflicting interests. Citizens have views and interests as indirect users, or simply as taxpayers. These interests may diverge from those of the immediate users of the service. As such, citizens may be seen as one of a number of *stakeholder* groups who receive an indirect social benefit of public service. In this case, a stakeholder is viewed as part of a group that may be affected by changes in service, even though the group itself is not a client.

1. Toward Citizen-Centred Service: Some Lessons from across the Model

The cases presented in this publication provide important insights into those areas of the model that they were selected to illustrate, but they also share some common themes on instituting citizen-centred service initiatives and sustaining them over the long term. Although this is neither a definitive nor exhaustive list of lessons, it is hoped that these observations will be useful to those making service improvements.

- **Knowledge about Clients and Business.** Knowing clearly who the clients are, and what services the organization provides, is fundamental to making successful service improvements. Rethinking these questions is a valuable exercise that allows organizations to identify all client groups and link them with specific services. Organizations with a diverse client base and multiple business lines may need to tailor the initiative to

accommodate all clients' needs and to reflect the full range of services offered. Organizations that work with a clear understanding of their clients and services are better able to focus on the task at hand.

- **Research.** Successful initiatives are based on research. The organization is well served by reading up on similar initiatives and by meeting with practitioners and experts in the field before starting.

- **Political Leadership.** Many of the initiatives studied here were developed and implemented from within organizations. Those that instituted initiatives championed by political leaders or governments found this support useful in bringing employees, and in some cases citizens and clients, on board. In most cases, political support was at arm's length, which enabled the organizations to articulate their own vision of the initiative, reflecting their own unique circumstances. How hands-off the support was varied from one initiative to another. In the case of Literacy New Brunswick Inc., the leadership provided by a newly appointed Minister of State for Literacy helped to raise the profile of literacy in New Brunswick and provided a focal point of support to the broader public. The City of Montreal case demonstrates that the campaign commitment of a newly elected government was key to bringing the *Accès Montréal* concept to life.

- **Leadership from within the Organization.** Leadership from senior executives is needed to provide support and give commitment to the initiative. Allocating sufficient resources to the initiative or becoming personally involved in the project are two ways of doing this. This commitment provides a strong signal to everyone that the initiative has value.

  Some organizations noted the importance of having champions at various levels of the organization. Champions help to build support among employees and also help to maintain momentum. Organizations further stressed the importance of a *constancy* in leadership. Sometimes a change in leadership, at either the political or administrative levels, meant there was a loss of support for the initiative.

- **Employee and Citizen or Client Input.** Employee and citizen or client feedback is another key to improving service. Initiatives that consider both groups have a greater chance of being successful. They lead to services that meet external expectations and, at the same time, are within the capacity of the organization to deliver. Surveys, consultations, focus groups, and citizen engagement are all ways of doing this.

- **Communicating the Initiative to Employees and Citizens or Clients.** Many organizations noted that communication is crucial to building support for the initiative among employees and citizens or clients. Workshops, seminars, meetings, consultations, public forums, and open houses are all useful. In communicating the initiative, leaders need to articulate its purpose and value (how service will be improved, how employees may benefit, etc.,) to both employees and citizens or clients.

  Progress and results should likewise be communicated throughout the initiative. This helps to maintain awareness and enlist support. This is particularly important to staff involved in implementing the improvements. Communicating results and proposed improvements to citizens and clients lets them know their input is valued.

- **Strategy.** A strategy or a plan that clearly defines the purpose of the initiative, its value, its goals – as well as the time lines for design, implementation, and evaluation – is also fundamental to success. Most of the problems typically encountered at the latter stages of the initiative can be avoided by spending time on these matters. Having a strategy helps to keep the initiative moving forward.

- **Team.** A team that is dedicated to the initiative on a full-time basis is required; a part-time commitment seldom seems to yield success. A full-time team helps keep the initiative at the top of the agenda, and separates it from daily pressures.

  There is no single correct way of creating a team. Some organizations built teams of employees from across the organization, and this helped the team develop a sense of ownership of the initiative. Other teams consisted of specialists from within the organization, including practitioners from human resources, communications and finance. Still others seconded outside staff to "come in and get the job done."

The experience of these organizations suggests that the kind of team required depends on the type of initiative undertaken. The organization might ask the following important questions:

- Is it a change that affects the organization as a whole, or simply one unit, area or division?
- Does the change require specific skills, or the expertise of practitioners in the field, such as survey methodologists, re-engineering technicians, and the like?
- Does the initiative require the objectivity of individuals outside the organization to ensure that it is developed and implemented fairly – balancing the needs of all stakeholders?

- **Resources.** Ensure that sufficient resources are allocated to the initiative (including financial and human resources, technical support, and time).

- **Training.** All initiatives reviewed here stressed the importance of staff training, including training for managers, in moving towards citizen-centred service. In this way, all members of the organization are knowledgeable about, and committed to, improving service.

- **Continuous Improvement, with Performance Measured over Time.** As noted earlier, improvements should be undertaken with citizen or client and employee feedback. Developing an improvement plan helps organizations:
  - focus on both client- and employee-identified priorities for improvement,
  - pinpoint the more challenging areas, and
  - assign responsibilities and time frames for updates and resolutions.

  Organizations should also communicate improvements to clients and employees, and evaluate the effectiveness of these improvements by measuring citizen or client and employee satisfaction on an ongoing basis.

  Some organizations noted the value of obtaining quick results by starting small, or in areas where it was easier to make progress. Initial, small successes helped to build momentum for the initiative and keep it going through more difficult phases of implementation.

- **One-Size Does Not Fit All.** Initiatives must be designed and implemented with due regard to the unique features of the organization, such as the organizational type and governance framework (i.e., department, Crown corporation, departmental corporation, etc.), business lines, client base, operational environment, and the like.

- **Glitz versus Simplicity.** Complex approaches can be expensive, time-consuming, and may require a high level of expertise. In many cases, simple approaches work just as well.

- **Resistance to Change.** Many organizations experienced resistance from within. In fact, these case studies suggest that resistance to change is the rule rather than the exception. Some employees expressed concerns about the initiative being the "flavour of the month," and were reluctant to commit to a project that would soon be abandoned. Others simply lacked a clear understanding of the initiative and thus were unwilling to participate. Still others regarded it as too costly in terms of time and money, and thus questioned its value. It is important to spend time at the beginning of the initiative developing buy-in and consensus. Demonstrating the results of the initiative (through performance measurement) also helps win support. But there may still be some who remain unconvinced.

- **Managing Divergent Interests.** Many organizations indicated that consensus was difficult to reach on some aspects of planning and implementation. While organizations can try to ensure that all those with a stake in the initiative have a voice, trade-offs and compromise are necessary.

- **Pace of Progress.** Progress may be slower than originally planned due to resistance and competing interests that may arise during the initiative. Organizations should plan for such eventualities. Support from senior management and buy-in from clients and stakeholders from the start can help prevent this.

2. Moving Toward Citizen-Centred Service: Learning About Citizens' and Clients' Expectations of Government Service

Asking citizens or clients to identify their expectations of service is an important first step in creating citizen-centred service. There are a variety of tools available to obtain this information and help close the gap between citizens' or clients' expectations of service and actual service received. These tools range from the precise, such as comment cards, surveys and questionnaires, to the less circumscribed, including focus groups, consultations, and citizen engagement exercises.

With this information, organizations are better equipped to, among others:
- respond to emerging citizen or client demands;
- provide feedback to front-line staff, managers and political leaders about program efficiency and effectiveness;
- allocate resources to meet service priorities;
- evaluate how well the organization is meeting its mandate; and
- strengthen the strategy formation and annual business planning processes.

This information can also guide organizations in selecting the appropriate service improvement tools (i.e., alternative service delivery, re-engineering, service standards, and the like) to close the service gap.

The choice of tool depends on the purpose of the exercise. For example, many organizations use client surveys to measure progress towards closing the service gap over time. Others employ surveys to gauge public attitudes on proposed changes in programs or policy direction. Focus groups and consultations can also be used for such purposes.

Consultation (and focus groups) is a more direct tool for obtaining citizen or client input. This promotes a two-way flow of information between the citizen or client and the organization. While consultation cannot provide an exact measure of citizen or client satisfaction, as surveys do, it does offer benefits. Consultation provides a venue for the organization to explain its business, to manage citizen or client expectations when they exceed the organization's limitations or mandate, to devise public policy solutions with direct feedback, and to build partnerships. Consultation can also provide a general picture of citizen or client satisfaction, expectations and needs.

While surveys are directed towards citizens and clients, focus groups and consultation include stakeholders as well. Engagement, on the other hand, tends to involve citizens rather than clients or stakeholders, and this tool is based on an open agenda involving "dialogue," leading toward a common ground. In the process, citizens listen to and learn from one another, and may change their perspectives, make trade-offs, and perhaps build a stronger foundation for public policy. As a more fluid process, citizen engagement varies from organization to organization, and from subject to subject, and may draw on a range of feedback tools.

Four cases presented here – the Vancouver International Airport Authority (YVR), British Columbia Parks (BC Parks), the Town of Oakville, and the City of Nanaimo – illustrate two tools used by public sector organizations to listen to citizens and clients: surveys (and comment cards), and citizen engagement. Each of these tools has been used either to promote continuous improvement or as a one-time effort to garner feedback.

BC Parks and YVR use a variety of tools, on a regular basis, to obtain information on satisfaction with service and to identify priorities for service improvement. Both institutions survey the attitudes and expectations of citizens as well as clients. While BC Parks undertakes householder and park visitor surveys, YVR conducts quarterly surveys of airport users and consults community members whenever it needs to obtain their views on specific issues. Results are used in the annual planning cycles of both organizations, as well as to make service improvements and to benchmark performance.

The Town of Oakville and the City of Nanaimo employed a one-time process of surveying (Oakville) or engaging (Nanaimo) citizens when fundamental change was taking place within their organizations. In the Oakville case, the Town sought to institute a quality-of-service initiative to improve the delivery of all town services. In doing so, it conducted a benchmark survey of citizens and employees to determine their satisfaction levels, the drivers of their satisfaction and their priorities for service improvement, and to establish external and internal benchmarks for service. The results were used to make planning and budgeting decisions and service improvements, and to establish benchmarks for future rounds of surveying.

The City of Nanaimo launched a community-wide, bottom-up planning process to develop an Official Community Plan. This process used a variety of mechanisms for engaging community members, such as planning symposiums, public forums, public meetings, open houses, action centres, speakers series, workbooks, surveys, and comment cards. This was the first time the City employed a participatory process, and it has been carried on throughout the implementation of the plan, as well as in other areas of community development.

Together, these organizations suggest the following general lessons in listening to clients and citizens to improve service.

- **Select Appropriate Feedback Tools.** Choose feedback tools with the goals and objectives of the listening or engagement exercise in mind, as well as the intended participants (e.g., the client – direct recipient or user of the service – citizen, constituent or taxpayer).

- **Use a Mix of Feedback Tools.** Use a range of tools to ensure a rich variety of citizen or client feedback. By using different measurement tools, organizations can offset the limitations of each approach. This strategy also produces multiple lines of evidence, which helps the organization come to more solid conclusions.

- **Develop an Improvement Plan and Monitor Progress.** Institute improvements based on citizen- or client-identified priorities. Developing an improvement plan helps organizations focus on priority areas, pinpoint the more challenging ones, and assign responsibilities and time frames for updates and resolutions. Organizations can evaluate the effectiveness of improvements by measuring citizen or client satisfaction on an ongoing basis.

- **Communicate Results.** Share the citizen or client feedback with staff throughout the organization. This helps to raise awareness about the improvement process and enlist support. This is particularly important for staff who will be involved in implementing the improvements. Letting citizens and clients know about results and proposed improvements demonstrates to them that their input is valued.

Organizations that use survey instruments suggest a specific list of lessons learned in survey design and use.

- **Note the Difference between Citizen and Client Surveys.** While client surveys ask questions about service at the operational level (such as how long it took to be served), citizen surveys assess issues that are indirectly related to service delivery (such as whether certain services should be provided by public or private organizations). Therefore, it is important to design separate measures for each kind of survey. Some of the comments about survey design that follow refer primarily to client surveys.

- **Enlist Expertise.** It is important for the organization to have someone formally trained in survey methodology, or to have access to this expertise. The accuracy of results, the conclusions and the decisions that are based on results can be strongly influenced by response rates, which survey methodologists are trained to address. Organizations may wish to consult the manager's guide to client surveys developed by the Citizen-Centred Service Network (*Client Satisfaction Surveys: A Manager's Guide* is available from CCMD).

- **Segment Client Base.** Organizations with a diverse client base should segment clients into groups to determine their unique service expectations, such as hours of operation, modes of service delivery, and so on.

- **Go Beyond Measuring Satisfaction Levels.** To ensure that all aspects of client service are considered, organizations should survey client expectations, perceptions of the service experience, satisfaction levels, including drivers of satisfaction or dissatisfaction, (courtesy, timeliness, accessibility, etc.), levels of importance, and priorities for service improvements. This comprehensive analysis helps organizations learn what components of service are not satisfactory to their clients, and to what degree. It also helps them determine the best course of action.

One method of identifying critical improvement areas is known as the Importance/Performance Grid, shown as Figure 2. Where importance and performance always match, no gap exists. When a service is rated high in terms of importance, but low in terms of performance, this indicates that service improvements are required. If a service is rated low in terms of importance, but high in terms of performance, this represents an opportunity for reallocating resources to services that clients deem more important.

- **Report Results, Develop an Improvement Plan Based on Results, and Monitor Progress over Time.** Following an analysis of the surveys, share the results with managers and staff, and use the data to make service improvements. In developing improvement plans, ensure that client-identified priorities are considered first; assign responsibilities and time frames for updates and resolutions (work teams can be formed to implement

FIGURE 2
PERCEIVED SERVICE IMPORTANCE VS. PERFORMANCE

High Importance-Low performance: best opportunity for improvement

Importance and Performance Matched

High Performance-Low Importance: no need to improve (consider reallocation of resources).

Importance

Performance
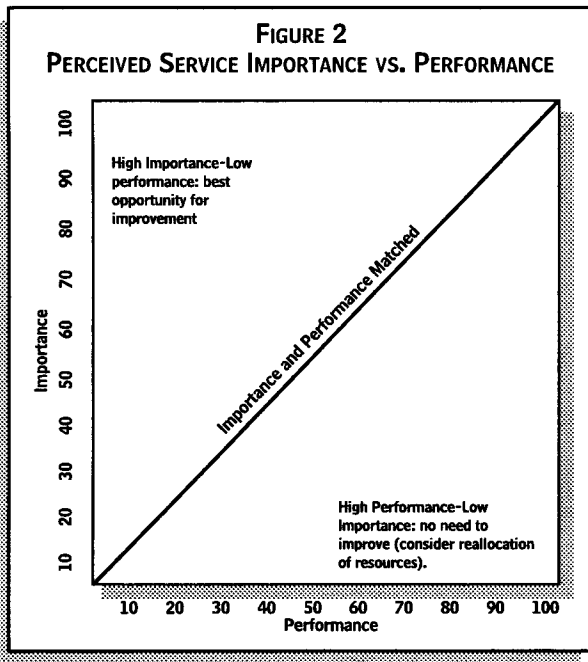
improvements in each area); and plan to manage unrealistic client expectations through a communications effort that clearly states the organization's limitations, or clarifies its mandate.

Communicate results to clients to let them know that their input is valued and that the organization is listening.

Evaluate service improvements by repeating the survey cycle after changes have been implemented, and survey clients regularly (quarterly or annually) thereafter. By comparing original measures with new information, organizations can track their progress in closing the service gap.

- **Design and Monitor the Survey with Input from the Users of the Information.** Design and monitor the instrument with input from the users of the information. This ensures that the survey information is meaningful. While it is important to ensure consistency of the survey instrument to benchmark performance over time, the purpose of the survey is to help the organization's staff deliver a service that meets clients' needs.

- **Use a Standard Instrument to Permit Measurement of Progress Over Time.** Organizations may wish to consult the *Common Measurements Tool* developed by the Citizen-Centred Service Network. (This is available from CCMD as part of the Citizen-Centred Service Network Series.)

- **Establish Credible and Useful Results.** Before making service improvements, organizations need to know that the survey has been conducted properly. Develop survey instruments that produce credible and reliable results, and present those results in a way that is easy to understand and that facilitates decision making.

While only one case studied here used the citizen engagement approach, some general lessons can be drawn from that experience.

- **Ensure Process Is Community-Based.** The citizen engagement process should be conceived in terms of communities (i.e., citizens), not client groups or stakeholders. This is not a process where specific sets of expectations or needs are identified, or where advocacy has a role. While these groups are not necessarily excluded, the traditional roles they play are less appropriate to this type of public forum.

- **Clearly Identify Purposes of the Process.** Explain the objectives of the exercise for both the organization and the public.

- **Clearly Identify Roles of Participants.** Organizations should think through the role of the public in this process; that is, what the organization expects from the public in terms of when and how people will be engaged. Organizations should further think through the roles to be played by officials (elected and appointed), how the process will be defined, and how the public's contribution will be used.

- **Institute a Flexible Process.** The citizen engagement process is an open one, where information is shared, values discussed, trade-offs and choices made, and a common ground identified. While objectives and time lines are important, this is a process of education and adaptation – of collaborative learning between and among community members and officials. Thus, build flexibility into the process.

- **Ensure Process Is Transparent.** Information about the nature of the engagement process should be communicated throughout the initiative. Conclusions should be communicated, along with information about why various choices were made.

- **Citizen Engagement Is a Productive Process.** Citizen engagement changes participants' views, unleashes an excitement that can mobilize groups and communities, and builds a stronger constituency of participants eager to make and support public policy decisions.

The organizations studied here demonstrate that citizen or client feedback is the foundation for continuous service improvement, and that obtaining it regularly and consistently – scientifically where possible – is the key to doing it well. Following the good practices noted above will help public sector organizations effectively close the service gap and continue to meet the expectations of citizens or clients over time.

3. Measuring Service Performance and Ensuring Accountability for Results

An integral component of citizen-centred service is measuring progress toward meeting service performance goals. Citizen-centred public sector organizations use performance measurement to gauge how well they are doing in decreasing or eliminating the gap between citizen or client expectations and the service provided. Measures of service performance drive improvement plans, translating strategy into action.

Key to implementing performance measurement in the organization is accountability – that is, encouraging managers and employees to buy into performance measurement by assuming responsibility for some part of the process. More and more, organizations are linking service performance plans to the strategic planning process, and the annual business planning cycle, setting out specific goals to be achieved within a prescribed time.

Two organizations featured in the case studies demonstrate good practices in measurement and accountability in service delivery: the Prince Edward Island Department of Agriculture and Forestry, and the Quebec Region of Human Resources Development Canada. These organizations are able to graph their service performance year over year, and measure improvements in both client and employee satisfaction. In addition, both measure several key indicators of service performance and link performance back to the goals laid out in their strategic plans. Two other organizations, Canada Post Corporation and BC Parks, also measure client and employee satisfaction on a regular basis. At Canada Post, as at the P.E.I. Department of Agriculture and Forestry, managers are held accountable for achieving specific service performance goals.

Together these organizations suggest the following good practices in measuring service performance and implementing accountability systems.

- **Establish Annual Targets.** Establish annual targets for service performance and improvement, and compare actual performance to these targets.

- **Measure the Service Gap.** Specifically measure whether the service gap, in terms of client satisfaction, is closing.

- **Enlist Staff in Performance Measurement.** Inform all staff of service performance targets and empower them to make improvements. Staff entrusted with, and expected to achieve, performance targets must clearly understand how success is defined and what their role is. Organizations should give employees the freedom and skills necessary to act.

- **Measure Staff Morale and Satisfaction and Set Improvement Targets.** Research suggests that employee satisfaction is linked to client satisfaction: if employees lack the tools required to perform their tasks, or suffer from low morale, for example, this is likely to affect the type of service citizens or clients receive. Thus, undertaking internal service improvements, based on employee-identified priorities (e.g., through surveys, focus groups, needs assessments, etc.,) is necessary to improve the service performance of the organization.

- **Communicate the Initiative to Citizens or Clients, and Stakeholders.** These groups have an important role in judging how well the organization has achieved its goals. Therefore organizations should openly share progress towards achieving results with employees, citizens or clients and stakeholders.

- **Clearly Assign Accountability for Results.** Establish accountability for service results within the organization's performance frameworks for senior managers.

- **Link Compensation, Rewards, and Recognition to Performance Measurement.** Doing so sends a clear message to the organization about what is important.

- **Ensure that Performance Measurement Systems are Positive, Not Punitive.** Effective performance measurement helps organizations identify what works and what does not.

This project found few public sector organizations that measure service performance and hold managers accountable for specific service outcomes. The organizations discussed in the case studies thus offer an important source of information and experience for those who wish to improve their service performance measurement systems.

4. Tools for Closing the Service Gap

These case studies examine a selection of the tools currently used by public sector organizations to enhance service.

- *New organizational forms* such as Special Operating Agencies, (the Passport Office and Manitoba Fleet Vehicles Agency), Service Agencies (the Canadian Food Inspection Agency), and partnerships with the private and voluntary sectors (the Province of Ontario's TERANET, and Literacy New Brunswick Inc.) provide a greater degree of autonomy to manage resources and improve service.

- *Technology* has been a major driver for service improvement in recent years and promises to be a powerful tool for enhancing citizen-centred service in the future. Electronic kiosk systems such as those at Human Resource Development Canada and ServiceOntario provide an expanding range of services to citizens and clients. Through HRDC's network of 2,900+ kiosks across the country, Canadians can access labour market information and the JobBank database, file employment insurance applications, and provide suggestions. Similarly, ServiceOntario kiosks provide Ontarians with equitable, one-stop access to government information and transactions throughout the province, in a convenient and cost-effective way. The City of Montreal's *Accès Montréal* gives residents access to municipal services through one-stop service centres located throughout the city, via its telephone information line, and through Internet and public access terminals. Internal technological improvements in information management have allowed organizations to offer citizens service from any location.

- *Other tools* that public sector organizations have used to improve service include the following:
  - *Service Standards* which at Veterans Affairs are negotiated between clients (what they expect) and employees (what they are able to deliver), and reviewed and updated regularly;
  - *Process Improvement* techniques, such as re-engineering, which was used by Canadian Forces Base Esquimalt to simplify its commercial materiel acquisition process for clients and employees, and to institute a just-in-time order and delivery system;
  - *Quality Management*, employed by Natural Resources Canada to help improve service performance throughout the organization;
  - *Benchmarking,* which enabled the Canadian Intellectual Property Office to improve on those aspects of the trademarks applications process that clients identified as needing improvement;
  - A flexible system of *Cost Recovery* implemented at Parks Canada to enhance its delivery capacity by shifting the responsibility for paying for personal services offered in the parks and sites to users, and freeing up tax-based appropriations for the protection of natural and cultural heritage and the creation of new parks; and
  - *Service Agreements* instituted by the Department of Justice, an internal service provider, to enhance the department's responsiveness to client priorities and needs, improve client satisfaction with service, and optimize resource use.

These cases suggest some general lessons that can help organizations select and use tools from the broad range of instruments that are available to government organizations that want to improve service, including the following:
- Choosing the correct organizational form depends in part on the type and purpose of service provided.
- More business-like public services, which generate revenues, may benefit when the organization adopts a more autonomous structure.
- Alternative Service Delivery arrangements can be an effective means of clarifying roles and responsibilities, improving service, reducing delivery costs, reducing overlap and duplication, and enhancing accountability.
- New structures should be complemented by citizen-centred management systems and corporate cultures to ensure that service improvements occur.
- Public-private partnerships can be powerful drivers for cost reduction and service improvement, as long as the public interest is protected.
- Technology is a two-edged sword in service delivery – to be effective, technological delivery must be designed in close consultation with the client.

- Service standards must reflect aspects of service that are important to clients and must relate to client expectations and what is possible for the organization to deliver, and performance must be monitored against standards to ensure continuous improvement.
- The re-engineering of service systems, if implemented in consultation with employees and clients, can have a powerful, positive effect on service performance and client satisfaction.
- Benchmarking is an important tool for measuring performance; it identifies areas of success in service delivery and other areas needing improvement.
- Cost recovery, while controversial, can be successfully implemented so long as employees and clients are consulted, fee arrangements are tailor-made rather than imposed on all services in a "one-size fits all manner," and there is a response mechanism in place to address miscalculated fees.
- Service Agreements are an important tool of accountability for internal government service providers and their clients.

These case studies suggest that organizations first need to clarify the service objective, and then select the tool or combination of tools that best fits the service gap issue. The tools themselves should not be the focus. Rather, closing the service gap, based on a thorough understanding of citizen or client priorities and expectations, must drive the selection.

5. Improving the Capacity of the Public Sector to Deliver Citizen-Centred Service

The cases studied here illustrate many approaches to improve the capacity of public sector organizations in closing the service gap. While some organizations chose to follow service quality or quality management approaches, others built their initiatives on high-performance models like the National Quality Institute Criteria. Still others showed that a change in the governance framework (e.g., SOAs, Crown corporations) enabled them to become more citizen- or client-centred.

The organizations studied here are of many types – SOAs, departments, Crown corporations, regulatory bodies, common service providers, direct and indirect service providers, and internal and external service providers. This suggests that, while the service gap can be closed, the means to accomplish this must be uniquely suited to each organization.

Among the case studies are five that document the strategies of organizations that have measurably improved their service to citizens and clients: HRDC Quebec, Peel Regional Police, Canada Post Corporation, Manitoba Fleet Vehicles, and the P.E.I. Department of Agriculture and Forestry. For example, the P.E.I. Department of Agriculture and Forestry improved its overall client satisfaction rate from 68 to 82 percent, and was able to target a 90 percent satisfaction rating by the year 2000. At the same time, the department improved employee morale and satisfaction levels from 70 to 81 percent over a three-year period.

HRDC Quebec worked hard to improve client and staff satisfaction over several years using a results-based approach to service improvement. Anchoring its work in a process of self-diagnosis using a Baldrige Award framework, the organization established a partnership with its union in the early 1990s to improve both client and staff satisfaction through a results-based process, as is outlined in Figure 3.

Today, by strengthening its leadership, empowering its employees, and acquiring a better understanding of client needs, HRDC-Quebec has measurably improved its service. And client satisfaction has become an integral part of the organization's strategic and business plans.

Manitoba Fleet Vehicles Agency (*FLEET*) is a Special Operating Agency that provides a centralized fleet management service to government organizations. *FLEET* emphasizes the importance of being flexible in financial and human resources when making service

FIGURE 3.
A RESULTS–BASED, CONTINUOUS
IMPROVEMENT STRATEGY

STEP ONE (IDENTIFY THE SERVICE GAP)
- Identify current levels of client satisfaction
- Identify client priorities for improvement

STEP TWO (PLAN GAP CLOSURE)
- Set quantitative improvement targets
- Establish an improvement plan based on client service improvement priorities

STEP THREE (IMPLEMENT GAP CLOSURE)
- Implement plan, monitor progress and ensure accountability for results
- Start again at step one

improvements that benefit both clients and employees. Peel Regional Police (PRP) transformed the culture of the regional police service by benchmarking its performance against National Quality Institute criteria. This organization took a three-pronged approach to citizen-centred service:

- garnering community and client feedback via surveys and consultations;
- recognizing the organizational characteristics and support systems essential for successful internal working relationships, as laid out in a *Statement of Organizational Character*; and
- obtaining a clear understanding of the work environment – the risks, challenges and opportunities that members of PRP face – via an annual environmental assessment of local demographic, crime, economic, and traffic trends.

Together these organizations offer the following lessons in improving the capacity of public sector organizations to close the service gap.

- **Ensure Leadership Is in Place for the Long Term.** Sustained leadership by senior executives is critical for the long-term success of a service-improvement initiative. Managers need to demonstrate their commitment to the initiative and share responsibility and accountability for improvements throughout the organization.

- **Focus on Continuous Improvement.** Organizations should focus on continuous improvement in service delivery, based on client and employee input and measurement. It is a long journey. Quick fixes seldom yield the desired outcomes.

- **Firmly Fix Improvements to a Results-Based Strategy.** A results-based strategy works effectively especially when action is focused on client priorities for service improvement, and progress is continuously measured and communicated.

- **Focus on Improving the Workplace.** A results-based focus should be complemented by a continuous improvement strategy for increasing staff satisfaction. This helps to achieve a supportive corporate culture. This might entail using teamwork approaches, educating and training staff with the information they need to succeed, empowering staff to make service improvements, and recognizing and rewarding good service.

Concluding Remarks

A major purpose of this report is to communicate good practices in citizen-centred service undertaken by Canadian public sector organizations, and to present some lessons, which public sector leaders and managers might use when undertaking similar initiatives. It is hoped that the good practices offered, and the lessons learned by the organizations studied, will serve as a useful guide for those interested in building citizen-centred organizations, and ultimately in improving public service at all levels of government.

Endnotes

[1] This discussion is based on Faye Schmidt with Teresa Strickland, June 1998 draft, *Client Satisfaction Surveying: Common Measurements Tool, An Operational Instrument for Public Sector Organizations.* (Ottawa: Citizen-Centred Service Network/Canadian Centre for Management Development).

[2] Some case studies focus on the *taxpayer* or *ratepayer*, or the *customer*. A more rigorous discussion of the various publics the public sector serves would note the distinction between the terms *taxpayer* and *citizen*, and *customer* and *client*. Because the publics are defined by the organizations studied here, and these organizations tend to equate them, no distinction is drawn.

[3] Canada, Privy Council Office/Canadian Centre for Management Development, 1996, *A Strong Foundation: Report of the Study Team on Public Service Values and Ethics.* (Ottawa). p. 38.

[4] Park sites, museums, and art galleries are examples of some public services where clients may not always be citizens. Clients might include visitors from outside the province or country.

[5] In recent years, cost recovery has become more prevalent in the public sector. In those organizations that have cost recovery schemes in place, external and internal clients are required to pay for some services. Thus, it is important to note that the distinction between the citizen and the client in terms of contribution to service (e.g., monetary) is becoming less clear-cut.

Good Practices in Citizen-Centred Service: Case Studies

Citizens' Views and Expectations

Citizens' Expectations of Government Service

- Citizen Engagement
- Citizen Involvement in Service Design
- Citizen Evaluation of Gov't Service
- Citizen Priorities for Improvement
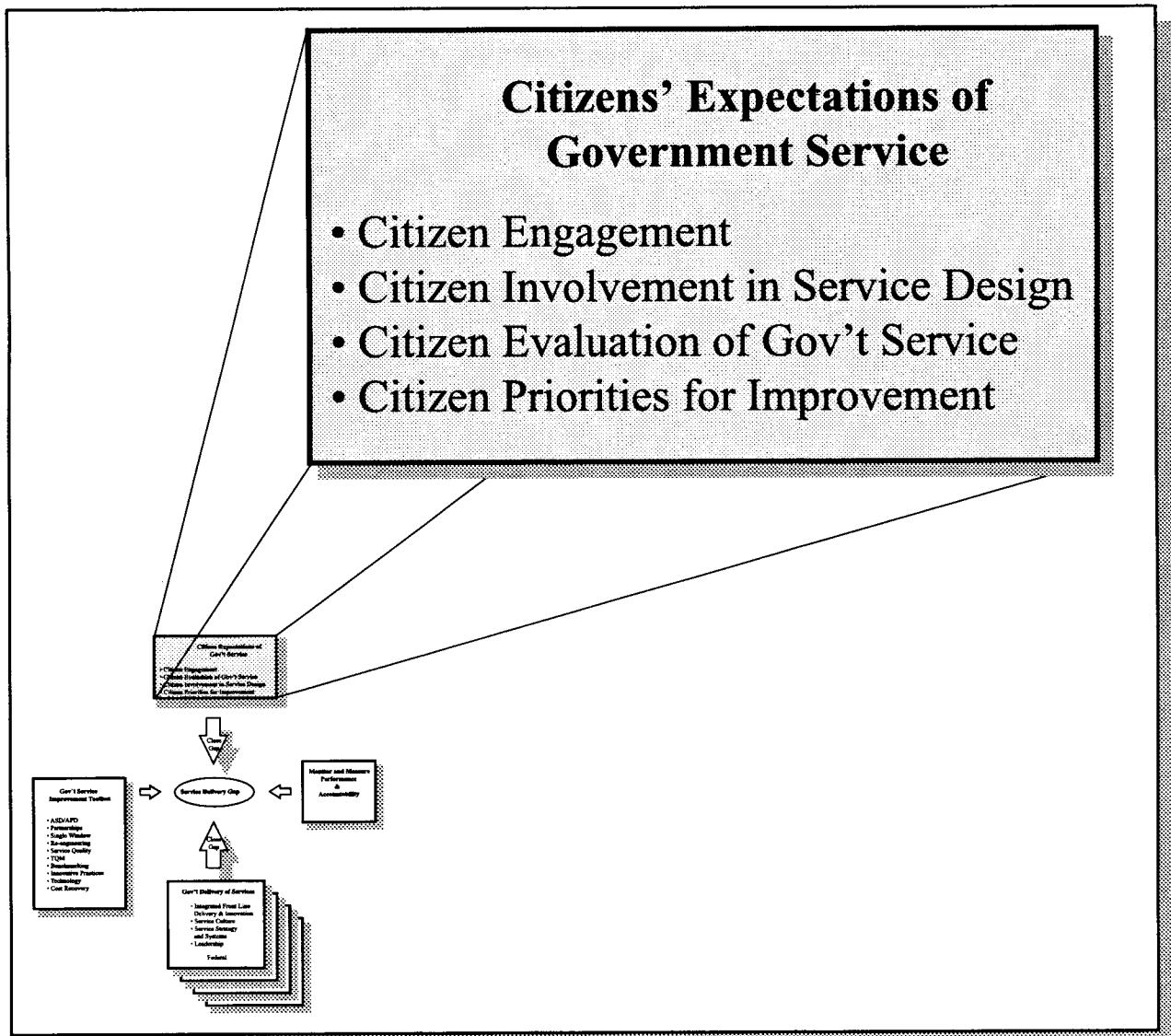
Monitoring Customer Satisfaction at the Vancouver International Airport Authority

Case Description

Overview

In 1992, Transport Canada transferred responsibility for operations of Vancouver International Airport to the community, under the control of the newly-created Vancouver International Airport Authority (YVR). The Authority soon developed a vision of itself for the future. By the year 2010, YVR would
- become a premier intercontinental and North American gateway by taking advantage of YVR's location on the Great Circles routes;
- become a major international domestic destination, capitalizing on the tourism appeal of BC; and
- be an intermodal distribution centre for the trans-shipment of freight by land, sea and air.[1]

The Authority initiated a program of capital improvements that, to date, has resulted in new terminal facilities, a control tower, a runway, a parkade, and retail shops.

In 1993, the Authority entered a parallel program of service improvement. One aspect of this initiative is YVR's Customer Satisfaction Tracking Program, the purpose of which is to:
- measure, monitor and benchmark core assessments of customer satisfaction;
- maintain a current passenger profile based on demographic and facility-usage characteristics; and
- identify and track customer responses to specific product, service and facility enhancements.[2]

The tool used to meet these objectives is a customer satisfaction survey. The principal client group of Vancouver International Airport, the passengers, are surveyed quarterly by an independent organization. Passengers – arriving, departing and connecting – are asked about their overall satisfaction with the services and facilities at the airport, and with specific services and facilities, such as customs and immigration, safety and security, parking, washrooms and telephones, and food outlets. Passengers are also asked to identify their priorities for improvement.

Vancouver International Strategic Services Ltd. (VISTAS), the marketing and strategic planning subsidiary of the Authority, is responsible for the survey – maintaining it, and analysing and reporting on the data.

Because the funding for this initiative was limited at first, the Authority concentrated its resources on tracking satisfaction levels of passengers. Since then, YVR has surveyed passengers on their reactions to service-oriented initiatives such as gate site concessions, or ground transportation needs, either through add-on components to the survey, or in separate surveys.

The survey is the primary tool for the various departments of the Authority and other service providers in the airport to benchmark their performance. They have an opportunity to suggest questions, which are formalized and designed by VISTAS to be included in the main survey instrument. Terminal operations, parking, ground transportation, finance, legal and corporate affairs, customs and immigration, and others place questions on the survey related to their functions. Although the survey contains general questions about tenant group functions, such as food and beverage outlets, the groups do not participate in the survey design. VISTAS intends to include them in future rounds of survey design.

The survey may change, depending on whether or not the information generated is deemed useful. With input from the users these changes are made annually. However, since consistency of the survey instrument is essential to benchmark customer satisfaction levels over time, the methodological approach is retained and similar data analyses are performed.

More about the Vancouver International Airport Authority

YVR's mission is to *"...serve our community by building a better airport for the 21st century and by providing superior airport services to our customers."*

Mandate, Roles and Responsibilities

- YVR is a community-based not-for-profit corporation, formed as a result of community action and public input into a joint federal/provincial task force. The primary objective of YVR is "to expand the contribution which Vancouver International Airport makes to local economic development, and to improve the cost-effectiveness and commercial orientation of the Airport."

- YVR is run by an independent, non-partisan Board of Directors whose members are drawn from the areas of finance, administration, law, engineering, organized labour, consumer advocacy, and air transportation, aviation and aerospace industries. It is the responsibility of the Directors to act in the best interests of the Authority.

- Board members are appointed by the cities of Richmond and Vancouver, the Greater Vancouver Regional District, professional and private sector organizations, and the community at large. Under restrictions set out by the Federal Government governing the Transfer of Federal Airports to Local Authorities, no elected officials or public servants are eligible for appointment.

- YVR is accountable to the community through its representative structure and appointment process.

- YVR is also accountable to Transport Canada through the lease agreement which requires that YVR pay the Government of Canada a base rent for the use of the airport, and a sliding scale of additional rent based on the revenue generated by the airport.

- YVR operations are guided by a well-researched four-year strategic plan, "Following the North Star," which lays out a series of specific objectives to be met by the year 1999. These immediate objectives form part YVR's set of broader objectives to be met by the year 2010. Customer Satisfaction surveys are part of the research behind the Strategic Plan.

- The Annual Report and audited financial statements are available to the public.

Legal and Financial Status

- YVR is incorporated under Part II of the *Canada Corporation Act*, as an independent body with the right to acquire and dispose of assets, enter into agreements, acquire debt and issue securities.

- As a not-for-profit entity, the Authority does not have equity shareholders nor does it provide any outside organization with an equity interest. YVR must apply all its earnings to operations and airport improvements.

Clients and Stakeholders

- The Authority has a broad range of clients and stakeholders.

- Passengers are the primary clients. Secondary clients include tenants of the terminal building, the airlines, and Canadian and American government agencies whose services include food, plant, animal, and drug inspection; customs and immigration.

- Representatives of the local community, community organizations, private sector organizations, professional associations, the tourism industry, and government agencies number among its stakeholders.

- Movement between the client and stakeholder groups is a reality that YVR contends with regularly. Clients sometimes become stakeholders in the process, depending on the issue at hand.

- YVR consults, both formally and informally, with organizations and community groups in a variety of forums throughout the year, including its seven Nominating Entities, the Environmental Monitoring Committee, the Noise Management Committee, and the general public at the Annual Public Meeting.

Sources: YVR, 1996, *Annual Report*; YVR, May 1995, *Strategic Plan Update 1995-1999 "Follow the North Star."*

Putting the Customer Satisfaction Tracking Program in Place

- *Obtain Top-Level Support.* VISTAS (formerly working as the Marketing and Strategic Planning Department of YVR) took the lead in putting the survey program in place with the support of YVR's President and CEO at the time.

- *Research Initiative.* In developing the survey, YVR drew on the expertise of a consultant working in the field, and conducted research on the types of customer surveys that airports in Canada and the United States had been using.

- *Get Buy-in.* To survey in the airport, YVR needed to obtain support from the stakeholders within the airport, such as the airlines, and Canadian and American government agencies – customs, immigration, and inspection. Buy-in was achieved by communicating that passenger satisfaction was a mandate that all stakeholder groups shared.

Issues Encountered

Main Issues Encountered

- *Balance the Various Information Needs of the Users of the Survey.* The questionnaire is somewhat long to meet all the needs of the users. Special surveys are sometimes conducted for users who require more detail than is offered in the general survey.

- *Ensure that the Flow of Business Is Not Disrupted.* YVR has to determine the number of surveys it can reasonably obtain from the passenger base without compromising business. This is an ongoing concern.

- *Obtain a Realistic Representation of the Passenger Base.* The survey is made available in the languages that the majority of YVR's passengers speak – English, Asian languages, and now French – to obtain a good representation. YVR still has difficulty surveying a large proportion of its business passenger base, as survey staff are currently not permitted in executive lounges, and may not intercept last-minute gate arrivals.

- *Demonstrate the Objectivity of the Survey Instrument and the Information Gathered.* While the survey is the primary vehicle for communicating passenger views to the departments of the Authority and other service providers, these users need to be assured that the survey has been conducted properly if they are to make facility adjustments.

Are these issues specific to the initiative? To the organization?

YVR indicated that these issues could broadly affect any service-type initiatives, and any type of organization with a segmented client base, stakeholders, and those that fit into both the client and stakeholder categories, such as hospitals, transportation and port facilities.

Lessons Learned

Critical Success Factors

- *Leadership.* The support of the President and CEO of YVR, who led the initiative from the start, was key.

- *Top-Level Support.* Senior management support, and their recognition of the need for a customer focus helped the survey program flourish and gain acceptance from employees and stakeholders in the airport.

- *Buy-In.* With a new vision of the airport, there was buy-in from everybody. People believed in the survey instrument, and in the need to make constant improvements based on customer knowledge.

Pitfalls

- *Inadequate Communication of the Initiative to Employees, Departments of the Authority, and Service Providers.* A communications strategy that highlights the purpose and value of the initiative is essential to garner support from all levels of the organization. The initiative needs to be communicated right from the start. A key component of the

Survey Methodology

A total of 2,738 full interviews with passengers of the Vancouver International Airport were completed in 1997 – approximately 680 interviews per quarter. Respondents are departing, connecting and arriving passengers, 18 years of age and over.

Design Approach

This two-part study design consists of in-person screening interviews to obtain essential baseline information and co-operation for the second portion of the survey, followed by a self-administered questionnaire.

Departing and connecting passengers are intercepted and briefly interviewed in departure lounges, where they then complete the self-administered portion of the survey prior to boarding the aircraft. An interviewer is available at this time to assist in the completion of the survey. Arriving passengers are briefly interviewed at the entrance to the baggage claim areas or by luggage carousels, with attempts to intercept and interview some of those without checked luggage as well. Arriving passengers are then asked to complete a questionnaire after leaving the airport and return it in an accompanying postage-paid envelope.

To elicit feedback from key passenger groups at the airport, questionnaires are available in English, Chinese, Korean and Japanese. French-language questionnaires were administered for the first time in the 1998 survey.

Sampling Plan

To ensure that the survey is representative of the total passenger base, interviews are conducted over a consecutive seven-day period each quarter, with proportionate samples drawn for domestic, transborder and international passengers.

A systematic random sample is drawn from all flight sectors departing from and arriving to YVR between the hours of 07:00 and 20:00 each day during the survey period.

Survey Period

On-site interviews are generally conducted at the mid-point of each quarter during one continuous seven-day period. Mail returns from arriving passengers are accepted up to a two-week period following the end of each on-site survey week.

Technical Details

For all customer satisfaction measures, passengers are asked to rate their level of satisfaction with a number of key variables that contribute to their experience at the airport. Satisfaction scores are assessed on a 5-point Likert scale, where:
- 1 = Very Dissatisfied
- 2 = Dissatisfied
- 3 = Neither Satisfied Nor Dissatisfied
- 4 = Satisfied
- 5 = Very Satisfied

A descriptive percentage distribution of ratings and a numeric average out of 5 are recorded for customer satisfaction.

Source: VISTAS, 1997, "YVR Customer Satisfaction Tracking Research Report."

strategy is a workshop, seminar, or training event to explain the initiative to staff, as well as such concepts as "customer service," and the role staff will play in the initiative.

Key Lessons

*   *Communication.* Get the message out to all parts of the organization. At one time, some departments had a high level of knowledge about the initiative while others did not. This can result in some departments having more input in the survey than others.

Can this initiative be implemented elsewhere?

This initiative can be implemented in any public sector organization, but it helps to have a customer focus, and a sense of who you are serving. Organizations may need to adapt the customer satisfaction tracking program to meet their needs, particularly those that have a diverse client base.

Evaluation – Results Achieved and How Measured

Evaluating Service at the Vancouver International Airport

The Customer Satisfaction Tracking Program is an evaluation program that reports on the measure and provides some indication to the various departments of the Authority, and other service providers in the airport, of what needs to be improved. Once improvements have been made, passenger groups are surveyed again.

Evaluating the Survey

The survey instrument is evaluated and modified periodically in an informal way. VISTAS maintains an ongoing dialogue with departments and service providers. Through meetings with individual managers VISTAS also receives feedback on what data are useful and what are not. Changes to the survey instrument are made annually.

Results Achieved

*   *Increased Client Satisfaction Levels.* YVR raised overall satisfaction levels from 68 percent in 1994 to 84 percent in 1997.

*   *Airport Improvements based on Client and Stakeholder Input.* Ongoing infrastructure improvements are made based on a consensus of passengers (obtained from the survey results) and stakeholders in the airport, and within the boundaries of the airport's capital plan. Improvements ranged from installing baby changing facilities in the washrooms to ensuring that the airport was barrier-free for people with disabilities.

Accountability for the Customer Satisfaction Tracking Program

As previously indicated, VISTAS is accountable for the survey. Survey results are reported to clients and stake-holders as quarterly documents, and the annual report is delivered in document form and oral presentation format to the senior and middle management groups. The annual results are reported more broadly to the public in the Authority's Annual Report.

Individual managers of the various departments are accountable for the results of the survey that pertain to their specific functions.

The President and CEO of VISTAS is ultimately accountable.

Next Steps

- Include tenant groups, such as the retail operators and the food and beverage operators, in the survey initiative.

- Get users thinking about the future and anticipate their needs.

- Catalogue the range of surveys carried out by all departments throughout YVR and bring them together under one measurement program.

- Formalize the feedback from users on the survey instrument.

Endnotes

[1] Vancouver International Strategic Services Ltd., "YVR Customer Satisfaction Tracking Research Report 1997," p. 1.

[2] "YVR Customer Satisfaction Tracking Research Report 1997," p. 1.

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Measuring Client Satisfaction: BC Parks

Case Description

Overview

Since 1985, BC Parks has had a comprehensive survey program in place to listen to its clients and staff. This program, comprising house-holder, visitor, and employee surveys, is intended to help BC Parks provide the best possible service it can to the public. BC Parks is one example of a public sector organization that is listening and respond-ing to clients' needs and expectations.

Between 1981 and 1984, there was a decline in the use of BC Parks at an average rate of approximately 6 percent per year. Since BC Parks has a large infrastructure – currently more than 11,500 campsites, 387 day-use areas, and nearly 120 boat launching areas – and is a major contributor to tourism in the province, the decline in park use was a matter of concern.

During this period, BC Parks increased its use of the private sector in providing services in the parks (e.g., garbage collection, cleaning washrooms, providing security services, etc.). Private sector Park Facility Operators took on the responsibility for park operations, with BC Parks field staff assuming more of a man-agerial role.

HIGHLIGHTS

- COMPREHENSIVE SURVEY PROGRAM, CONSISTING OF HOUSHEOLDER, CLIENT, AND EMPLOYEE SURVEYS

- IN PLACE FOR SOME TIME

- MONITORS, MEASURES, AND BECNHMARKS SER-VICE PERFORMANCE OVER TIME

- INSTITUTES A RANGE OF SERVICE IMPROVEMENTS BASED ON FEEDBACK, INCLUDING: A WASHROOM AND SHOWER PROGRAM IN THE PARKS, SECURITY SERVICE TRAINING, DAY-TO-DAY SERVICE IMPROVEMENTS IN INDIVIDUAL PARKS, AN EMPLOYEE NEWSLETTER AND RECOGNITION PROGRAM, AND BROAD POLICY AND PROGRAM CHANGES INCLUDING THE "PROTECTED AREA STRATEGY," AND ALTERNATIVE FUNDING ARRANGEMENTS

- OVER TIME, PROGRAM HAS SEEN AN INCREASE IN PARK ATTENDANCE

Inspired by the movement of public sector organizations towards a more customer-focused orientation (led by organizations like the BC Pavilion Corporation), the Assistant Deputy Minister of BC Parks encouraged the organi-zation to adopt a more customer-focused orientation, to try to reverse the trend in declining park attendance, and to ensure that quality service is maintained despite contracting out. An important part of this new approach was designing a set of tools to obtain feedback from BC Park users, BC residents, and employees of BC Parks. This sum-mary outlines the three programs and then focuses on one program, the Visitor Satisfaction Survey. This program illustrates the issues encountered and lessons learned in introducing a new way of doing business.

BC Parks' Survey Program

I) Visitor Satisfaction

Park visitors – those who use campgrounds, day-use areas, marine parks and wilderness and backcountry areas – are one category of BC Parks' clients. BC Parks has two tools for listening to visitors: a *Visitor Satisfaction Survey*, which is implemented with a random (scientific) sample of about 5,000 park visitors throughout the province, and a *Visitor Comment Card* which is usually provided in provincial parks that are not being surveyed in a given year.

The purpose of the V*isitor Satisfaction Survey* is to monitor the quality of service provided to the users. This tool allows staff to determine visitor satisfaction with services and the extent to which visitors' expectations are being met, and to identify visitors' priorities for improvement.

The survey contains three components that are asked each year – a visitor profile component, which provides a description of the current clientele (e.g., length of stay, residence, type of equipment used, and the like); a satisfac-tion level and a desired improvements component, which gives satisfaction ratings and verbatim comments about specific improvements. There is also a "key theme" component that yields information on initiatives such as expen-ditures by visitors, reasons for visiting a park, awareness of park promotions, evaluation of the telephone reserva-tion service, etc. The first two components are asked each year while the latter varies from year to year.

More about BC Parks

BC Parks' mission is "To protect representative and special natural places within the province's protected area system for world-class conservation, outdoor recreation, education and scientific study."

BC has the second largest parks system in Canada, after Canada's National Parks. As of March 1998, there were 650 Provincial Parks, Recreation Areas and Ecological Reserves in the province. BC Parks is responsible for administering about 8.7 percent of BC's land base while Parks Canada administers another 0.6 percent. Under the province's "Protected Area Strategy," the land base for parks and protected areas is targeted at 12 percent by the year 2000.

Mandate, Roles and Responsibilities

- BC Parks, a division of the BC Ministry of Environment, Lands and Parks, is responsible for the designation, management and conservation of a system of provincial parks, ecological reserves, recreation areas and protected areas throughout the province. These contain many of the best elements and special features of British Columbia's natural and cultural heritage.
- The authority for this is drawn from three pieces of legislation, the *Park Act* and the *Ecological Reserve Act*, and their associated regulations, policies and agreements. BC Parks is likewise responsible for regulations related to boating restrictions, commercial river rafting safety, and regional parks. BC Parks also manages the Environment Youth Team program.
- The Assistant Deputy Minister of BC Parks is responsible for managing the overall operations of BC Parks through four Branch Directors: District Operations; Parks and Ecological Reserves Planning; Parks and Ecological Reserves Management; and Parks Division Services. This includes the ongoing management and direction for all BC Parks programs, budget allocation and management, development of policy and legislative proposals, strategic initiatives, and responses to government direction and delivery of new programs.

Organizational Structure

- BC Parks is a small organization with an approved 1997/98 total of 373 full-time equivalents. Of the total staff employed, about 61 percent are permanent employees, 29 percent seasonal, and 10 percent auxiliary. Eighty-one percent are located in districts directly serving the public.
- Between the mid to late 1980s, BC Parks underwent a considerable downsizing. Since 1990, the operational delivery of all road-accessible, provincial park camping and day-use recreation opportunities has been provided under contract by private-sector operators. During 1995/96, BC Parks implemented a new organizational structure, which eliminated regional offices, and assigned additional staffing and functions to district offices. In 1997/98 further reorganization took place as a necessary budget measure, with four districts amalgamated into two. The current structure consists of a Victoria headquarters with 4 branch directors and 11 districts (some with satellite offices), managed by a District Manager.
- BC Parks prepares an annual operating plan that links its annual strategic direction and the assigned budget. The plan lays out and prioritizes the objectives and tasks that are reflected in the work plans produced by the section managers of each program. The annual operating plan provides a framework for implementing projects and monitoring results. It is linked to the Ministry strategic plan, and through various performance indicators it serves as a means of reporting accountability to the citizens and Government of BC.

Clients and Stakeholders

- The primary client group is BC Park users (BC residents and non-residents). The secondary client group consists of the citizens of BC – taxpayers who may or may not use the parks, but who appreciate and support their conservation significance.
- Stakeholders include the Minister and Government who have legislative accountability, employees, Treasury Board, Park Facility Operators, and First Nations (in respect of fiduciary responsibilities and as working partners under various agreements), and other conservation, environmental and local park stewardship groups.

Source: Ministry of Environment, Lands and Parks, April, 1998. *BC Parks 1998-2001 Business Plan and 1998/99 Operating Plan*; CCMD, April 1998, Interview with Brian Dyck, Survey Methodologist, BC Parks.

A survey package – of a letter from the District Manager, a questionnaire, a pencil and a postage-paid return envelope – is distributed to a random sample of park visitors every day throughout the season. The cover of the questionnaire contains the name of the park, and the District Manager's name and telephone number. Based on research, BC Parks has learned that a more personalized approach to the visitor survey tends to generate a higher response rate. Visitors selected for the survey have the option of returning the completed questionnaire in a drop-off box in the park or by mail.

The results generated from the *Visitor Satisfaction Survey* are presented in three formats:

- *Park Information Board.* A one-page summary of visitor survey results is posted in the parks to provide feedback to park users.

- *District Binder.* A report is produced for each park surveyed and sent to the district office. It contains statistical information (i.e., a one-page statistical summary that compares satisfaction scores for the park against a management standard, a satisfaction improvement chart that shows what is being done well and what needs improvement, and trends in visitor satisfaction); graphs of key statistics; and verbatim comments of park visitors. The verbatim comments provide insights into the satisfaction ratings. Taken together, this package of information helps staff identify areas needing improvement and is used to develop an action plan for managing the park.

- *Provincial Summary Report.* A summary report of the survey findings is produced and made available to the public.

At the provincial level, these results led to funding for a washroom and shower program in some provincial parks in the latter part of the 1980s. These results also led to the setting up of security service training programs. At the park level, these results have been used to provide positive feedback for a job well done and to identify specific services that need improvement.

As an immediate feedback tool, BC Parks uses *Comment Cards*, which are attached to drop-off boxes located in highly visible areas in every park. This tool provides park users with a convenient feedback mechanism to convey any concerns or commendations about a park. The cards contain open-ended questions that give visitors the opportunity to comment on park services in their own words. This tool has been particularly useful in parks where the *Visitor Satisfaction Survey* is not being conducted and in remote parks such as back-country areas and marine parks.

Comment cards are also helpful to park managers and staff, as visitors usually provide very specific comments about the services in the park (e.g., "the tap in the washroom is leaking," etc.). While the tool is not intended to provide a representative picture of what park visitors think about services, it helps staff become aware of any new situation that may occur and to take immediate action if required.

II) Feedback from BC Residents

BC Residents constitute another client group of BC Parks, and they are surveyed periodically via a *Householder Survey* to better understand their views on the management of the parks. BC Parks implemented two province-wide mail-in surveys, in 1989 and 1995.

The 1989 *Householder Survey* focused on the benefits of parks for residents of BC, their preferences for the kind of parklands that should be established, their preferences for specific types of facilities, and their priorities for the broad direction of BC Parks over the next five years. The results from the 1989 survey supported implementation of the

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Methodology

Questionnaire

The survey package (letter, questionnaire, etc.) is based on the "total design method" (Dillman, 1978). This method emphasizes the importance of using a personalized approach, paying attention to detail, and using a set of techniques that motivate people to respond and provide accurate information.

Sampling Procedure

Sampling is based on two stratification variables – district and attendance class – and on the advice of field staff. Parks are selected from across the province, and include both high- and low-use parks.

A survey package is distributed to a systematic sample of visitors (i.e., every ninth visitor group). A random method, called the "most recent birthday," is then used to select an adult respondent from within the group.

A goal of the sampling plan is to survey each park once every three years, and to receive a response rate of 60 percent or above, which ensures a relatively high level of accuracy of the information provided.

Source: Ministry of Environment, Lands and Parks, 1996, "BC Parks Visitor Satisfaction at Provincial Park Campgrounds & Day-Use (Picnic) Areas," p. 6.

"Protected Area Strategy" – a government-wide initiative to set aside 12 percent of BC's land base by the year 2000 – and led to the development of a Conservation Training School within BC Parks.

The 1995 survey sought to determine whether or not BC residents' views had changed since 1989, and to identify residents' views about funding options available to BC Parks to meet its funding challenge. While the size of the park system has more than doubled over the last two years and park visitation continues to grow, BC Parks, like other agencies, faces budget constraints.

The results of the 1995 survey identified public support for alternative funding options, and these were used in BC's Park Legacy Project, a public consultation process where the focus is on the future management of provincial parks.

III) Park Staff Feedback

BC Parks' commitment to its clients is matched by a commitment to building a quality working environment. In 1989, BC Parks developed a set of management principles to help define how it would undertake its business. At the same time, senior management made a commitment to survey staff periodically to determine how well these principles were being implemented and to identify what changes or improvements would be required. A consultant was hired to ensure confidentiality and encourage candid responses. The survey was conducted in 1989, 1990, 1993 and was proposed for the fall of 1998.

As with client feedback, staff survey results were communicated to all staff, and managers were expected to meet with staff to develop improvement plans. The results of this survey contributed to the development of a newsletter in BC Parks and a staff recognition program.

Taken together, these feedback mechanisms provide a model that demonstrates how measurement leads to action and continuous improvement. Since instituting the survey program, park attendance has increased steadily. While it is difficult to draw a direct relationship between the survey program and attendance levels – owing to factors such as changes in weather, forest fires, changes in the economy, etc. – the surveys have provided BC Parks with an important tool for listening and responding to the expectations and needs of citizens and clients.

Putting the Visitor Satisfaction Survey Initiative in Place

- *Support and Promotion by ADM.* The ADM of BC Parks (at the time) championed the survey initiative and enlisted the help of the Business Research and Evaluation unit in designing and implementing the surveys. This support continues today.

- *Design Instrument.* In 1985, following some research into public and private sector initiatives, and with employee input, Business, Research and Evaluation developed a series of questionnaires, patterned after the Comment Card programs in New Hampshire State Parks, and private sector campgrounds. Each questionnaire had different scales, different types of questions, and was of a different length.

- *Pilot Instrument.* The questionnaires were piloted in a few parks for one year to obtain a set of initial views and to get the survey underway. A "one-time snapshot" approach was used, where all park visitors were surveyed for a one-week period during the summer.

  The one-time snapshot has some shortcomings, however, as it opens the window for a very short time during the summer. Information is not available on visitors who use the parks before and after this period. These visitors may or may not have different expectations of service – such as families whose children are out of school between the months of July and September.

- *Refine Methodology.* Following this initial survey, BC Parks tested two other approaches – the "multiple snapshot," in which visitors were surveyed on random days, and the "daily snapshot," in which they were surveyed every day. BC Parks settled on the daily snapshot approach, which provides a more accurate reading overall of visitor satisfaction, rather than random day sampling which can colour the results if one day was particularly good or bad.

- *Continuous Improvement.* BC Parks' survey program has been in place for approximately 13 years. Business Research and Evaluation is always looking for ways to improve the instrument, and to ensure that the information generated is useful and credible. To that end, Business Research and Evaluation staff attend district meetings whenever necessary to discuss the survey with employees and managers.

Issues Encountered in the Visitor Satisfaction Survey

The main issue encountered by BC Parks was resistance to change. The customer-focused approach was new to Parks staff, and changed the terms of their work somewhat. Support from the ADM helped to overcome this resistance by some operational employees who believed the decline in visitor use was due to other factors – poor weather, forest fires, fire bans, and so on – and was not really a matter of concern. Others were concerned about the usefulness of the information gathered.

The involvement of employees in the survey design, its user friendliness, and the usefulness of the results generated further helped BC Parks to overcome these issues.

Lessons Learned in BC Parks' Survey Program

Critical Success Factors

* *Top-Level Management Support.* There was a strong executive commitment, both financially and in terms of encouragement, to establish a survey program. This commitment was based on the conviction that a more customer-focused orientation was required. Management was also convinced that the new approach should be based on a systematic and objective method of listening and responding to clients.

* *Involvement of Staff in Survey Process.* Before the survey program was instituted, employees were consulted about the objectives of the program and how it should be implemented. In the Visitor Satisfaction Survey, an effort was made to ease staff into adopting the tool and to give them a sense of ownership. As noted, the initial sampling plan was a one-time snapshot. As staff became more familiar with the survey, a daily snapshot sampling was used to obtain a more representative picture of visitor satisfaction throughout the season.

* *Establishing Credible and Useful Results.* BC Parks strives to develop survey instruments that produce credible results and to present those results in a way that is easy to understand and facilitates decision making. Developing an appropriate instrument was critical to the survey program as this affects what respondents are willing and able to do, and also what the organization can learn from the results.

In Hindsight

Since the *Visitor Satisfaction Survey* is usually conducted in about 50 parks across the province each year, cooperation from staff is important. At first, employees were made aware of the procedures through documents and on-site training. While this approach worked well, new approaches may be required as a result of budget limitations. At the time of writing, BC Parks was considering the development of a training video and a manual.

Key Lessons

* *Enlist Expertise in Survey Design and Implementation.* There are many pitfalls in designing and implementing a survey instrument. It is therefore important for management to have access to a person formally trained in survey methodology. Upon this expertise depends the accuracy of the results and management's ability to draw proper conclusions and make decisions.

Evaluation – Results Achieved and How Measured

Monitoring Service at BC Parks

BC Parks' Survey Program tells the division what needs to be improved. The Business Research and Evaluation Section usually prepares summary reports which contain graphs and tables of the key findings. Since it was first instituted, the survey program has led to the following results:

- *Attendance Levels.* The survey program coincided with an increase in attendance throughout the province, as is illustrated in Figure 4. This graph provides a picture of campground attendance at BC parks between 1975 and 1996.

- *External Service Improvements.* Service improvements (e.g., washroom/shower program, security service training programs) were introduced based on the results of the visitor surveys.

- *Internal Service Improvements.* Service improvements (e.g., the development and implementation of an employee newsletter and recognition program) were introduced based on the results of the employee surveys.

- *Public Support for Initiatives.* The householder survey results generated support for government-wide initiatives, such as the "Protected Area Strategy" and more recently the search for alternative funding options.

FIGURE 4
CAMPGROUND ATTENDANCE, BC PARKS, 1975-1996

Source: Business Research and Evaluation Section, BC Parks, 1996.
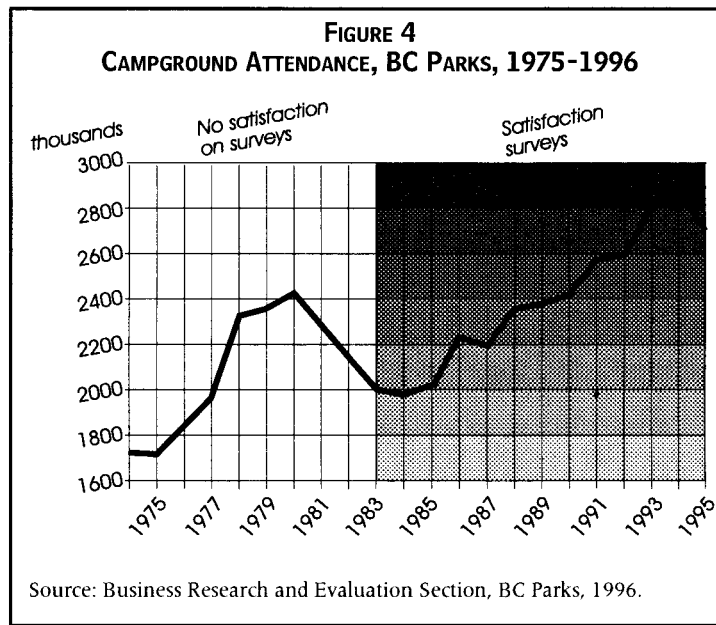
Monitoring the Visitor Satisfaction Survey Initiative

At the time of writing, this survey instrument was under review by Recreation Services. Phase I evaluated the survey against its objectives, with two key questions in mind:

- are the sampling procedures objective and scientific? (because the information is used at a political level, it needs to be trustworthy, based on objective and scientific sampling procedures); and
- is the survey useful to the department in decision making and planning?

Phase II evaluates the survey with respect to implementation – whether any improvements can be made in this regard. In evaluating survey implementation, two key questions will be asked:

- is the survey easy to implement?
- is the survey implemented in the most cost-effective way?

The evaluation was conducted with input from employees from across the organization. Phase I concluded that the satisfaction survey was fulfilling its objectives and would continue.

Accountability

The results of Phase I were reported to the Park Management Committee, made up of the Assistant Deputy Minister of BC Parks and the directors in Victoria. A decision on proceeding with Phase II depended upon the availability of resources.

The responsibility for carrying out the survey was a combined effort of the Recreation Services Division and the Business Research and Evaluation Division. Recreation Services was responsible for the overall direction and the final reporting of the results for the annual report. Business Research was responsible for implementing the survey – designing the questionnaire, developing sampling procedures and data entry, and presenting the results.

Next Steps

- *Complete Phase II of the Review.*

- *Review policy on frequency of surveying.* BC Parks has an administrative goal to survey each park every three years, which was initially driven by the practice of contracting out. The frequency of surveying is under review as survey results demonstrate that service levels have been maintained.

- *Look for ways to reduce implementation costs.* BC Parks will review ways of reducing surveying costs without undermining the credibility and usefulness of the results. One possibility is that scanning equipment can be used to reduce the cost of the data entry.

Sources Consulted

Interview with Brian Dyck, Survey Methodologist, Business Research and Evaluation Services, BC Parks. Interview conducted April 1998 by D. Marie Blythe, Research Assistant, Canadian Centre for Management Development.

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Ministry of Environment, Lands and Parks' website: www.env.gov.bc.ca.

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Benchmarking Service: Town of Oakville

Case Description

Overview

In 1992, the Town of Oakville, Ontario, undertook a government-wide quality of service initiative called *Focus Oakville*. The goal was "to revitalize the community's confidence in its municipal government by providing optimum service, with declining resources."[1]

Key to this initiative was a benchmark survey of ratepayers and town employees. Championed by the Deputy Town Manager, and led by the Town Clerk, the purpose was to:
- identify areas of service excellence and weakness;
- link employee and citizen perceptions of the town's performance;
- identify ratepayers' preferences and priorities for programs and services;
- identify disparities between service levels within the organization and departments; and
- establish external and internal benchmarks to measure service improvements.[2]

HIGHLIGHTS

- BENCHMARKING SURVEY UNDERTAKEN TO INSTITUTE A QUALITY SERVICE INITIATIVE
- LOOKED AT SERVICE FROM WITHIN AND WITHOUT, SURVEYING BOTH RATEPAYERS AND EMPLOYEES
- MEASURED SATISFACTION LEVELS (INCLUDING DRIVERS OF SATISFACTION), PERCEPTIONS AND EXPECTATIONS OF SERVICE, IMPORTANCE AND PRIORITIES FOR SERVICE IMPROVEMENT
- FEEDBACK USED TO FOCUS RESOURCES ON SERVICE PRIORITIES AND TO MAKE INTERNAL AND EXTERNAL SERVICE IMPROVEMENTS
- MEASURES USED TO ESTABLISH INTERNAL AND EXTERNAL BENCHMARKS

While the survey was broad in scope, it was limited by funding constraints and by the fact that telephone surveys must be completed within a short time frame. The team selected elements of the municipality's service that were deemed to be most important to ratepayers. Twenty-three programs and services were selected and rated according to ratepayer and employee satisfaction levels, including their perceptions of program and service importance, and their priorities for service improvement. In addition, overall satisfaction levels of ratepayers and employees with service were assessed according to three criteria: staff competence, speed of service, and staff courtesy. Employees were asked further questions with regard to "morale," an important benchmark for future surveys.

What Makes This Survey a Good Practice?

This survey is useful for four reasons.
- *External and Internal Service.* An accurate picture of service satisfaction levels can be drawn by looking at service from both the inside and the outside.

In terms of external service, the Town of Oakville measured the perceptions, satisfaction levels, and priorities for improvement of both ratepayers and Town employees. The information was used to measure the gap between employee and ratepayer perceptions of service performance; that is, how ratepayers rate the level of service they are receiving and, conversely, how employees rate the level of service they are delivering.

The Town learned that there was a strong correspondence between the perception of employees and ratepayers – both groups indicated a high level of satisfaction and similar views of areas of service importance. Areas of external service excellence, as identified by ratepayers and employees, included: fire emergency services, garbage collection, fire prevention services, public parks, recreation programs and community recreation centres. Employees and ratepayers likewise identified the following service areas requiring improvements – increased delivery of specific types of services like garbage collection and snow removal, more/better recreational facilities, road repair, and more/better transit service.[3]

Departments within the Town have used this information to develop Departmental Action Plans.

An equally important indicator of service satisfaction levels is an organization's internal performance; that is, are employees satisfied with the service they receive from other departments; do they have the tools they require to carry out their tasks; and are the procedures and policies in line with the tasks that employees are required to do?

As other recent research on surveys notes, "Poor quality internal services may undermine employee morale and engender an inharmonious work environment."[4]

As the survey results indicated, employees were "quite satisfied with the service they receive from other Town employees," particularly with "the level of courtesy they received from other staff and the level of competence of other staff." At the same time, employees identified areas where service could be improved, such as "increasing inter-departmental cooperation/communication, respect employees, treat employees equally, and increase training/education." As well, employees expressed an interest in becoming more involved in the decision-making process.[5]

In an effort to address these issues, the Town, in consultation with employees from all levels of the organization, began work on a human resource strategic plan, elements of which include training and development, skills forecasting, team building, coaching and facilitating, rewards and recognition systems, creating a flexible work environment, and so on.

Employees have become actively involved in the development and implementation of departmental action plans.

- *Importance/Performance Grid.* The results of the Focus Oakville survey were assessed according to an Importance/Performance Grid (see Figure 2, p. 8). As noted in the Introduction, this tool is used to identify priorities for service improvement. It surveys clients'/citizens' perceptions of service importance and performance, and graphs the findings on a grid.

  In addition, ratepayers and employees gave open-ended responses when it came to choosing priorities for service improvement, identifying in their own words precisely what they saw as critical.

  This approach helped to identify key areas of service and to focus resources accordingly.

- *Benchmarking Service Levels.* The ratings of Town service are important benchmarks for measuring service levels over time. The Town will compare current results with those of future surveys.

- *Action.* In the shorter term, the results are used by departments within the Town government to create their action plans and to assist the Town Council when it sets priorities during the budget process.

Putting the Survey Initiative in Place

The survey took approximately two years to plan and implement, as follows.

- *Council Approval.* Town of Oakville staff worked with the Town Council to secure approvals and funding.

- *Project Team.* A project team was struck to lead the initiative, comprising eight managers and one councillor. Four union representatives joined the team at a later date.

- *Compatibility Test.* The Town contracted psychologists to conduct basic compatibility tests of team members to identify which tasks members would be better suited to.

- *Developed Project Mandate.* Over the course of three sessions, the team worked to develop a mandate and objectives. The team returned to this mandate throughout the development stage and when the survey results were reviewed.

- *Research.* Over the next eight months, the team researched service quality, participated in visits to Canadian organizations conducting quality initiatives and consulted with experts from local and provincial government organizations, as well as private-sector organizations.

  Since team members were drawn from various departments across the Town government – from engineering, planning, administration, and the like – this research exercise enabled all members to broaden their understanding of service quality, and levelled the playing field for all to contribute to the initiative.

- *Survey Design.* A survey research and consulting group was contracted to carry out the survey and to analyse the survey results. This research group, with the help of the project team, also developed the survey instrument.

- *Communication of the Initiative.* The Town Manager wrote letters to all employees describing the survey initiative, its purpose and value, and asking them to complete the survey.

A random sample of ratepayers was contacted via telephone at the time of the survey to ask for their participation.

The benchmarking survey was not a highly visible initiative, however, as the Town wished to continue with business as usual until the results were compiled. At the same time, there was some uncertainty as to how the survey would be perceived, whether or not there would be wide participation, and the kinds of results that would be generated. The Town wished to ensure that it would be equipped to deal with any possible negative reactions that would occur.

- *Survey Analysis and Communication of Results.* The project team worked with the survey research group in compiling the results. Because the interpretation of data is not hard and fast, the team wanted to ensure that the survey analysis was reflective of the Town.

As survey results can sometimes be difficult to understand, they were made available to employees in a newsletter that summed up the key findings in short, easy-to-read articles.

Survey results for specific departments were also communicated to the managers of those departments, who, with their employees, used the results to develop the departmental action plans noted earlier. The department managers reported their action plans back to the project team, which then compiled a report to the Town Council.

The report was made available to the public. The survey results were communicated to the public via a media release, and copies of the survey results were also made available.

Issues Encountered

Main Issues Encountered

- *Resistance.* When the initiative was first considered, the champions encountered some resistance from Town Council. From the Council's perspective, the Town government had recently undergone a reorganization and a rehiring, and thus concluded that the organization was already equipped with fresh-thinking employees who could carry out service improvements. Thus a service quality program was seen as unnecessary.

In addition, the initiative was embraced only by some Town government employees, and was the subject of some negative reaction.

- *Managing Divergent Interests.* Agreement on what to include in the survey was sometimes difficult as team members from different backgrounds and with different interests often had differing views about what was relevant and what was not. Some members tried to control the process, chiefly in how the initiative would be undertaken, which overshadowed the project initially.

- *Survey Design.* The project team needed to balance the sometimes competing requirements of an objective survey question, and ensure that questions would yield the types of information that were required to move *Focus Oakville* forward.

How did these issues influence the development of the initiative?

While these issues were eventually worked out through compromise – for instance, the compatibility tests helped team members to better understand each other's perspectives – they did slow down the development of the initiative.

Are these issues specific to the initiative? To the organization?

These issues could broadly affect any type of initiative or organization – change is always difficult at the beginning – but the Town notes that, with time and effort, buy-in and consensus can be achieved.

Lessons Learned

Critical Success Factors

- *Leadership from the Senior Levels.* The Town stresses the importance of sustained leadership over time, particularly from senior level staff within the organization. Support from the Town Manager and Deputy Manager, as well as from the one Town Council member on the project team, lent credibility to the initiative. This helped achieve buy-in from other members of the organization and Council.

Pitfalls

- *Culture.* The culture of the organization was very change resistant and "siloed," something the service quality initiative itself was implemented, in part, to help overcome.

- *Keeping the Initiative at the Top of the Agenda.* The service quality initiative was undertaken at a time of financial pressure. Thus, priorities were constantly readjusted to meet the new needs of the day, week, or month. It was a struggle to keep the benchmark survey close to the top of the priority list.

In Hindsight

- *Achieving Buy-in.* In the initial stages, the Town could have spent more time on developing buy-in at all levels of the organization, and ensuring that the leadership was very prominent throughout.

Key Lessons

- *Leadership.* Sustained leadership from the senior levels is vital.

- *Culture.* The culture of the organization can make or break an initiative.

- *Communication.* Because the culture of the organization is so critical, communication is important. Communicate the initiative to key players – employees, managers, and the Town Council in this case – in an effort to win their support. Such an endeavour requires explaining the purpose of the initiative and its value to citizens and employees alike.

Can this initiative be implemented elsewhere?

Benchmarking surveys have been used widely by public and private sector organizations alike. Public sector organizations that use this tool include Human Resources Development Canada-Quebec Region, Prince Edward Island Department of Agriculture and Forestry, British Columbia Parks, and Peel Regional Police, to name only a few.

Evaluation – Results Achieved and How Measured

Evaluating the Survey Initiative

The survey instrument was not formally evaluated; however, discussions took place among its architects as to its usefulness and how it might be improved for future rounds of surveying.

Results Achieved

As noted above, the Town received high overall service level ratings from both ratepayers and employees. Ratepayers accorded an overall satisfaction level of 7.3, which is high, with some suggestions for improvements in specific areas. Employees' satisfaction levels with service (7.0) were closely aligned to those of the public, thus demonstrating little gap between the two. Finally, employees outlined concerns they had about their workplace, including the desire to have more input into decision making, and improved training opportunities. They noted they were generally proud to work for the Town of Oakville.

Since the survey was undertaken, the results have been used in a number of ways. Chief among these are as follows:

• *Budgeting.* The survey has been used as a budgeting tool to help Town Council set priorities in advance of the budget process.

• *Streamlining Service.* In 1997, the results of the survey were used in the Action '97 project, which was designed to help the Town deal with the downloading of services from the Ontario government. The survey results served as a useful tool for streamlining services and simplifying processes, ensuring the continuation of those that ratepayers identified as priorities.

• *Departmental Action Plans.* As noted earlier.

• *Human Resources Strategic Plan.* The results of the employee surveys identified the need for a comprehensive and integrated Human Resources Strategic Plan, which the Town later began. The Plan was expected to be completed by the year 2000.

Accountability

The Town management team, made up of departmental managers, is ultimately accountable for the results of the survey.

Next Steps

• *Continuous Improvement.* Departments are constantly looking for ways to improve service to clients, and to provide more cost-effective service to ratepayers.

• *Completion of Human Resources Strategic Plan.*

• *Conduct another Survey.* The Town has undergone some changes since the first survey was conducted – downloading, budget reductions, staff reductions and so forth – and thinks it is now time to conduct another survey.

Endnotes

[1] Town of Oakville, June 1998, "Presentation on Town of Oakville Benchmark Survey of Ratepayers and Employees," given by Michael Wood, Deputy Town Manager, Administrative Services, and Judith Muncaster, Town Clerk.

[2] Environics, October 24, 1994, *Town of Oakville: Focus Oakville, Benchmark Quality of Service Analysis*, p. 1.

[3] Environics, October 24, 1994, *Town of Oakville: Focus Oakville, Benchmark Quality of Service Analysis*, p. 2.

[4] Geoff Dinsdale and D. Brian Marson, Canadian Centre for Management Development, March 1999, *Citizen/Client Surveys: Dispelling Myths and Redrawing Maps*, p. 26.

[5] Environics, October 24, 1994, *Town of Oakville: Focus Oakville, Benchmark Quality of Service Analysis*, p. 2.

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Citizen Engagement: *Plan Nanaimo*

Case Description

Overview

In 1996, the City of Nanaimo, British Columbia, adopted *Plan Nanaimo*, a collaborative community-based Official Community Plan (OCP) to map out future directions for the city. The initiative was a collaboration between citizens, elected officials and city planners, prompted by the rapid growth of their city over the previous nine years and the desire of community members to be involved in key development decisions.

Led by the Mayor at the time, the Strategic Planning Department designed a process to garner input from citizens and then draft a planning document that could be supported by all. A community visioning exercise called *Imagine Nanaimo* was launched in 1991 as the first phase and *Plan Nanaimo* was launched in 1994 to implement this new vision.

Plan Nanaimo developed in four stages of community involvement that progressed from the general to the specific, building understanding and support in each stage. The outcome was a broad consensus on policy objectives and on future land-use designations.

Plan Nanaimo had been in place for two years at the time of this writing and was continuing to be implemented. The City was rewriting old by-laws or drafting new ones to reflect the OCP, a task that will take an estimated five years. In the shorter term, city planners concentrate on ensuring that new developments reflect the OCP, despite some inconsistency with current by-laws. City planners are also meeting with residents to design neighbourhood plans that reflect both their interests and those of the OCP.

While *Plan Nanaimo* illustrates how a community-based planning process can work, it also demonstrates the added benefits of citizen involvement in decision-making processes that traditionally have been closed to the public. These benefits include greater public understanding of community issues and the choices available to resolve them, greater public trust and moderated public cynicism, more political interest and commitment, a larger public constituency for action, and a broader basis for ongoing community involvement. In recognition of *Plan Nanaimo*'s success, the City of Nanaimo was a finalist in the 1997 Institute of Public Administration of Canada Awards, and received the 1997 Award of Excellence for outstanding achievement in the field of planning from the Planning Institute of British Columbia.

Putting Plan Nanaimo in Place

Plan Nanaimo resulted from a multi-phased planning process that was two years in the making. Plan Nanaimo has its roots, however, in *Imagine Nanaimo*, a community visioning exercise initiated by the mayor in 1991 which asked citizens,"What would you like Nanaimo to be in the future?" More than 4,600 residents of Nanaimo responded by becoming directly involved in *Imagine Nanaimo* while thousands of others were exposed to the process through educational activities as well as the media.[1]

Imagine Nanaimo was a community-based, bottom-up process designed by the City's Strategic Planning Department. A steering committee was struck comprising representatives of community groups representing business, development, neighbourhoods, environmentalists, cyclists, and the like, to facilitate the consultation process. The mechanisms for community involvement included the following:[2]
- *First Planning Symposium.* It was thought that the best way to ensure *Imagine Nanaimo* was a community-driven initiative was to involve a cross-section of Nanaimo residents to represent the community at a Planning Symposium. This was a day-long session that gave participants a chance to express their views on Nanaimo's strengths and weaknesses, as well as future threats and opportunities. They suggested speakers, contributed

ideas on the content of community surveys, and expressed their views on the goals and objectives of the initiative. This Symposium laid the groundwork for many activities over the next 12 months.

- *Action Centre.* An Action Centre was set up in downtown Nanaimo so that residents could access information on *Imagine Nanaimo.* Two satellite centres also operated at shopping malls during the first four months of the initiative. These centres received more than 1,000 visitors and developed resource materials that are now housed in a community college library.

- *Community Surveys. Imagine Nanaimo* conducted a number of community surveys (a random sample telephone survey, a self-administered survey, a group survey, a high school survey, and four elementary school focus groups) to learn, among other things, what residents liked and disliked about Nanaimo, what they felt would be the city's ideal size, and what they believed were the prospects for Nanaimo's future. In all, close to 2,000 residents participated in the survey process.

- *Speakers Series.* Concurrent with the Community Surveys, residents were invited to attend five Speakers Evenings. The goal of this series was to share with citizens the experiences of experts in urban planning from around the world. While the speakers came from varying backgrounds, their message was quite similar. They praised the natural beauty of Nanaimo, noted the value of the historic downtown area and waterfront, and supported the idea of strong neighbourhoods. More than 500 residents attended.

- *Neighbourhood Meetings.* The results of the Community Surveys, Speakers Series and other City studies, were compiled in a workbook entitled *Nanaimo's Future – Now You Decide* that was mailed to every household. The workbook asked residents to consider a variety of options and priorities for Nanaimo's future. Six neighbourhood meetings were held over a two-month period to discuss priorities and agree upon choices for the future. Residents selected more than 30 community priorities to guide city planning into the year 2012, reaching consensus on such controversial topics as growth, transportation and neighbourhoods.

- *Youth.* Youth comprise a large segment of the population, an important constituency when considering the future of Nanaimo. Young people were encouraged to participate in the community surveys. They also wrote essays and designed posters on the future of their city.

- *Consultation.* An information summary was developed by the Steering Committee in the fall of 1992. Among those responding to this report were federal, provincial, regional, and municipal governments, educational and business leaders, and other members of the community.

Plan Nanaimo's Five Goals

Plan Nanaimo is a blueprint to guide future development and servicing decisions in the City of Nanaimo. It consists of five goals that are supported by a specific set of land use objectives and policies that address the growth and development of urban and rural land, the natural environment, neighbourhoods, transportation infrastructure, and the economic, social, and cultural life of the City. The goals are:

✓ **Build complete, visible communities** – create town centres, neighbourhood villages and neighbourhoods that support a variety of lifestyle choices, offer a pleasant, convenient, urban environment, provide employment and other economic opportunities, and efficiently manage public infrastructure and resources.

✓ **Protect the environment** – identify and protect significant natural features, develop land in ways that respect ecosystems and adapt the way in which the people of Nanaimo live, work, travel and recreate to be more environmentally responsible.

✓ **Manage urban growth** – prevent the spread of residential and commercial development into the rural land areas and focus growth in urban areas.

✓ **Improve mobility and improve servicing efficiency** – create more opportunity for safe and convenient movement around the city by transit, cycle and on foot, maintain an effective road network while working to reduce reliance on the automobile over time, make more effective use of existing road, sewer, water, storm and other municipal services to control financial and environmental costs.

✓ **Ongoing planning and community involvement** – monitor and review, through public consultation, the effectiveness of the policies of the OCP and amendments to the plan in meeting stated goals and objectives, establish procedures whereby neighbourhoods can become actively involved in preparing neighbourhood land plans.

Source: City of Nanaimo, 1997, *Plan Nanaimo*, pp. 0-4.

- *Second Planning Symposium.* In December 1992, residents were invited to review the final report of the Steering Committee. Approximately 170 people attended. The document was then released in February 1993.

The vision that emerged was of a city with a strong, vibrant economy; a diverse social and cultural community where neighbourhoods were the building blocks of the city; a healthy, sustainable environment with reduced dependence on the automobile; and a city where change would be based on community participation.

In 1994, *Plan Nanaimo* was launched by City Council to implement this vision through a new OCP. A citizen-based Steering Committee was created, similar to that of *Imagine Nanaimo*, to implement the plan as a consultative public exercise. This took more than two years and proceeded in four stages:

- STAGE ONE asked the community the following question: "What issues do we have to address to become the kind of community *Imagine Nanaimo* said we wanted to be?" Background documents on the environment, land use, transportation, population and economy, city form and structure were prepared by working groups and discussed in open forums. Open houses on each of the topics outlined in the backgrounders were held in local community centres. Panel discussions were televised and residents were invited to mail in comments to the Steering Committee.

- STAGE TWO asked the community: "What growth management strategies do we want to use to address the issues of Stage One?" The *Workbook of Choices for Growth Management*, which asked residents to respond to this broad question in a number of ways, was distributed to all residents. It provided information on how to consider each of the scenarios – whether, for example, the choice would lead to an increase in taxation. The workbook was completed by 1,275 residents in school, workshop and home settings, and their preferences formed the basis of the next stage.

- STAGE THREE presented the Community with four land-use scenarios, which applied the preferred strategies in different ways, and asked: "Which scenario do you prefer?" Public forums and open houses were held. A questionnaire was distributed to residents, followed by random telephone interviews. More than 1,000 detailed responses were received, including 200 telephone interviews. These responses were evaluated, with similar responses received from both instruments.

- STAGE FOUR put all of the input of the first three stages together in a draft plan and asked the community: "Have we got it right?" Public forums, prepaid response cards, open houses, and meetings were held to discuss the draft with residents.

Among other things, a hotline was set up to field inquiries, and consultative events were publicized in the local media. At the same time, residents were updated regularly on the results of each stage of the initiative through newsletters that were sent to all households.

In 1996, *Plan Nanaimo* was formally adopted as an OCP under the *Municipal Act.* City staff took approximately one year to adapt to the Plan. Implementation of the OCP involved the following actions:

- *Advisory Committee.* In accordance with the Plan, an advisory committee of people representing a cross-section of interests was struck to manage the Plan. This committee oversees amendments to the OCP as well as Neighbourhood Plans, evaluating proposals and auditing progress in achieving goals and objectives. In a broader sense, the committee ensures that the interests of the community are understood, communicated and represented.

- *Employee Awareness.* Strategic Planning initiated workshops to familiarize employees with the Plan. During the first six months, for the first 15 minutes of every day, a resource person was available to meet with staff and answer questions.

- *Education.* A member of the Strategic Planning staff meets regularly with community members in a public information capacity (i.e., with residents who own property that has environmental importance for the whole community).

- *Neighbourhood Planning.* City staff develop neighbourhood plans in consultation with residents in each neighbourhood. The City has taken a number of innovative approaches to getting residents interested in their neighbourhoods. As an example, students were given questionnaires with which to interview their parents about city planning. While this tool helped to solicit feedback from neighbourhoods, it was also an important educational tool, teaching students and their parents about neighbourhood planning, and how that relates to the OCP.

New technology likewise enabled the City to produce large aerial photographs of neighbourhoods, where residents could clearly identify their homes, neighbours' homes, pathways, trees, and so on. In neighbourhood workshops, residents were invited to walk through their neighbourhood as depicted in the photograph. Using styrofoam blocks representing building forms (to scale), they could create the housing and green spaces that they would like to see in their community. City planners guided them through this exercise.

The City also conducts "kitchen table" meetings in those areas of the neighbourhoods where there has been little public input into the neighbourhood plan.

- *Policy Implementation.* Strategic Planning is currently reviewing policies governing city planning to ensure that they comply with the Plan, and developing new policies or revising the old ones. As mentioned earlier, this process will take approximately five years.

Strategic Planning also prepares structure plans for each of the growth centres. These plans identify how all of the elements (retail stores, employment opportunities, and open space and trails, for example) fit together to create a liveable environment that is also efficient to maintain.

- *Audit Framework.* An audit framework will be used to evaluate the progress of the OCP. It is intended that *Plan Nanaimo* will be evaluated every two years to measure progress.

Issues Encountered

The *Plan Nanaimo* process raised citizen expectations about involvement in decision making. Citizens became more interested, more aware and more involved in the goings-on in their community. While this is beneficial to both citizens, who now play a more direct role in the development of their community, and City Council, which has a better sense of citizen expectations, changing the way decisions are made has had a direct impact on a number of key areas in the city administration.

- *Changing Terms of Work for City Staff.* Greater public participation in the decision-making process increased the workload of City staff and changed work that employees do. With more public involvement – either through increased telephone calls to the City, or greater attendance at public hearings – more staff resources are now required to respond to citizen inquiries and to ensure that residents are working with the correct information.

- *Complexity of the Plan. Plan Nanaimo* is a collaborative, consensus-based community plan that sought to give community members a voice. The increase in public participation, and the diversity of the representatives, resulted in a complex document. City staff, City Council and the development community required more time to acquaint themselves with the document. This affected the development process in Nanaimo.

- *Changing the Way the City Conducts Business.* The Plan presents a wholly different way of city development. The five main goals are interlinked – one cannot be achieved without meeting the other four. Developments are supported or not, based upon their ability to achieve all five goals. This change in the way the City does business presents a challenge to both Council and the development community. Over time, with greater knowledge about what is in the OCP, and the expertise (i.e., as planners) of City staff to educate members of Council, the development community and residents, more opportunities can be seized.

At the same time, previous OCPs were regarded as broad guidelines for development, and were not necessarily meant to be strictly adhered to. *Plan Nanaimo*, with its broad constituency of the people and groups who helped to create it, is driving this new way of doing business. City Council has learned that it can say no to developers if their proposals do not meet the requirements of the OCP, and can do so while maintaining the support of the community for its decisions.

- *Rebuilding Bridges.* Because *Plan Nanaimo* represented a new way of doing business, the Strategic Planning Department, which was responsible for drafting the plan, had to be forceful to ensure that what had been agreed upon actually went into the document. The consensus-driven approach used by the city leads to a Plan that can be supported by everyone, even though everyone may not agree with all the details. However, this approach necessarily "burns bridges" with those members of the organization and the community who struggle with either the process or some of the goals and objectives. As such, part of implementation involves rebuilding bridges with staff, the development community, and City Council.

- *Disconnect between Policies and the Plan.* Many existing policies are inconsistent with the new plan, which presents a challenge to current development (i.e., should development be consistent with the requirements of the new plan or the policies currently in place?) As noted earlier, revising or developing new policies is time-consuming. The City has developed a work plan to ensure that priority areas are addressed first.

Lessons Learned

Critical Success Factors

- *A Multi-Skilled Leadership Team.* Instituting a different method of decision making required a strong leader who would support the initiative despite much resistance. For implementation purposes, however, a different kind of leader was required – a bridge-builder, one who could mend fences, be flexible without compromising everything, and be able to educate members of the organization about the content of the document and its importance. *Plan Nanaimo* was successful because it had both types of leaders.

- *Public Input from the Bottom Up.* Bottom-up consultation was critical to successfully developing and implementing *Plan Nanaimo.* As a community-based document, *Plan Nanaimo* was not just created by community members, but also defended by them. Throughout the legislative process, the document had a cadre of supporters willing to passionately defend its goals and objectives.

Pitfalls

- *An All-Encompassing Document.* As noted above, *Plan Nanaimo* is an all-encompassing, detailed document. It was difficult to avoid such an outcome because of the broad involvement of community members, often with diverse and sometimes conflicting interests.

Key Lessons

- *Multi-skilled Leadership Team.* Different leadership styles are required for different tasks. The experience of *Plan Nanaimo* is that a new way of doing business is bound to attract resistance and criticism, and as such requires a forceful leader; the task of implementation, on the other hand, requires a diplomatic one.

- *Bottom-Up Public Input.* An inclusive consultative exercise such as *Plan Nanaimo* may raise expectations that the community will participate in all decision making. The challenge then becomes one of either coping with this greater demand, or finding ways of managing expectations. At the same time, this exercise can produce citizens who are eager to participate, well-informed and willing to take responsibility for the outcome.

Can this be implemented elsewhere?

This method and process of public consultation can be implemented by any public sector organization. The key is to tailor the process to the unique needs of the organization and of the client groups who participate.

Evaluation

At the time of writing, Nanaimo was working on an audit framework. When it is completed, evaluation will proceed every two years.

Accountability

The Plan Nanaimo Advisory Committee is responsible for the results of the evaluation report, and for making recommendations to City Council. The results will also be available to City staff and community members.

Under the *Municipal Act,* City Council is ultimately accountable for the Plan and for the decisions it makes based on the Plan.

Next Steps

- *Continue to review policies governing land use in Nanaimo, and revise or draft new ones.*

- *Day-to-day interpretation of the Plan with regard to developments taking place on the ground.*

- *Measuring Progress via the Audit framework.*

Endnotes

[1] *Imagine Nanaimo* Steering Committee, February 8, 1993, *Focusing the Vision of Our Future, Imagine Nanaimo: Nanaimo's Community Goals and Strategies,* (Nanaimo), p. 5.

[2] This information is derived from *Imagine Nanaimo* Steering Committee, February 8, 1993, pp. 5-9.

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Performance Measurement and Accountability

Monitor and Measure Performance & Accountability
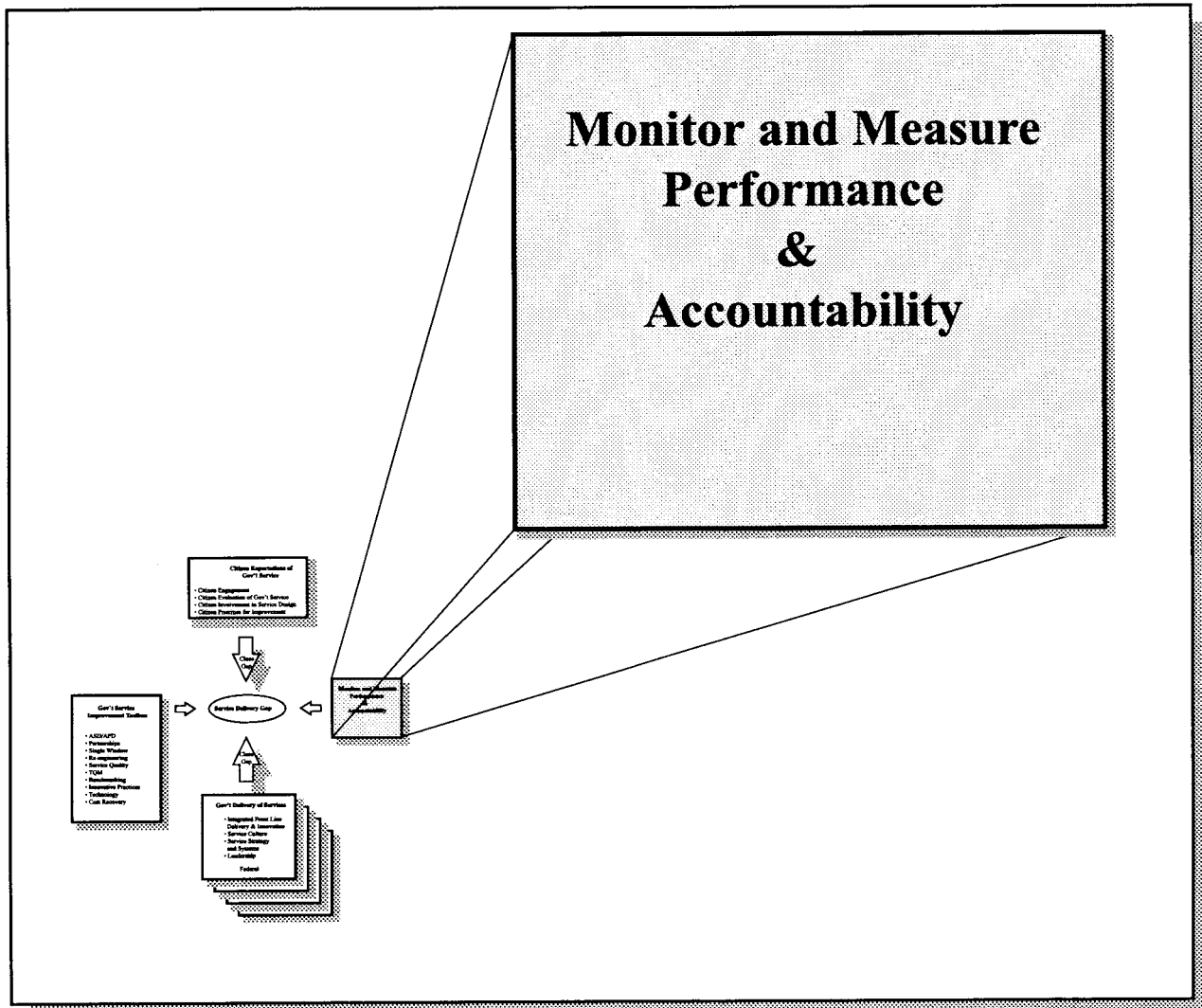
Measuring Performance: Prince Edward Island's Department of Agriculture and Foresty

Case Description

Overview

In 1995, the Prince Edward Island Department of Agriculture and Forestry (then the Department of Agriculture, Fisheries, and Forestry) implemented a results-based performance measurement framework that established a new standard of accountability for the department and its employees. Its purpose was to ensure that the goals outlined in the department's new strategic plan were met.

In 1993 the department, led by the Deputy Minister and supported by senior management, initiated a strategic planning process in response to government reorganization and the creation of a new department. To meet its mandate, this department, in consultation with employees and clients, set out a vision, mission statement and a number of values and principles to guide operations, as well as a set of more specific corporate goals to be achieved by the year 2000.

Chief among these corporate goals were:
- improved quality of services to clients;
- increased client satisfaction;
- increased public satisfaction;
- increased influence on client results in strategic and value-added opportunities, and results with other governments and agencies which affect the department's clients;
- improved quality of legislation and its enforcement; and
- improved staff morale.[1]

In tandem with these goals, a set of divisional and unit goals was established by the four divisions – Agriculture, Forestry, Planning and Development, and Finance and Income Support – and the various work units to be achieved by them.

The goals and the overall strategic plan are dynamic. That is, the plan is reviewed, revised, and updated annually to reflect client and employee input and to respond to changes in the external environment. Integral to this review is performance measurement. Attached to each goal is a standard to be achieved by the year 2000, a strategy for achieving it, and Role and Responsibility Statements for the Deputy Minister and the Directors to ensure accountability is maintained. Many staff also work from role and responsibility statements.

To employees, managers, and the department as a whole, this framework provides information about performance in each of the goal areas, as well as client- and employee-identified priorities for service improvement.

How is Performance Measured?

Surveys are the principal tool for measuring client satisfaction, service quality and staff morale. First conducted in 1994, these surveys are now conducted annually. The client survey gauges the level of client satisfaction in each of the department's responsibility areas, with 90 percent as the standard to be achieved by the year 2000.

The level of satisfaction among staff is also measured, with a similar standard being set. Results are measured on such variables as communications, workload, pay and benefits, and working environment.

The surveys are administered by an independent organization, but the survey instrument was developed in-house and the data is analysed by the department. The survey format and data analysis are consistently maintained to make it easier to benchmark results.

P.E.I. Department of Agriculture and Forestry

Mandate, Roles and Responsibilities

- The overall mandate of the department is "To contribute to economic and community development throughout Prince Edward Island by promoting the continued growth and operation of successful, sustainable farming and forestry businesses, and promoting quality in Island primary products." The department is comprised of four divisions – Agriculture, Forestry, Planning & Development, and Finance & Income Support – each with its own set of responsibilities. Agriculture is responsible for the delivery of agricultural programs and services for the department, including farm management, extension, production, disease control, soil conservation, laboratory services and quality improvement. Forestry is responsible for Crown land forest management, seedling production, forest education and information, advice to forest industries, forest fire control, forest inventory information and tree improvement programs.
- Services are delivered through district offices, and visits to farms and woodlots, through courses and workshops, and increasingly through the Internet.
- The Minister of Agriculture and Forestry is accountable to the Provincial Legislature for the department, while management of the department is the responsibility of the Deputy Minister and the Directors of the four divisions.

Mission

"The areas in which it is critical for the Department of Agriculture and Foresty to have acceptable results are:
- Quality of advice, assistance and information to clients in:
  - production management
  - product quality
  - business and financial management
  - environmentally sustainable management practices
  - processing, marketing and business opportunities
  - resource management and conflict resolution
  - occupational health and safety
  - industry leadership and organizational development
- Fairness, equitability and quality of department programs and services
- Client satisfaction
- Quality of monitoring of department results and client results
- Influence on decisions of other governments and agencies affecting department clients
- Cost effectiveness and the condition of the department's finances
- Impact on stability of primary resource sector income in response to market and environmental influences
- Impact of department programs and services on the quality of the environment and on the health and safety of people
- Quality of legislation and its enforcement
- State of crown lands and assets
- Staff morale
- Occupational health, safety and welfare of staff
- Public satisfaction with the Department
- Relationships with suppliers, contractors and other agencies

Each element of this mission statement is reflected in the Role and Responsibility Statements for the Deputy Minister and the Directors of the four Divisions."

Clients and Stakeholders

- Clients are the people whose livelihoods depend on the primary resources of agriculture and forestry. These include farmers, agricultural service businesses, sawmill operators, woodlot owners and forestry contractors, potential farmers and foresters, food processors, manufacturers of specialty forest products and other government groups requiring the expertise of the department.
- Citizens of P.E.I. are the shareholders and as such are consulted on how primary resources are managed.

Source: P.E.I. Department of Agriculture, Fisheries, and Forestry, June 1995, *Strategic Plan, 1995-2000.*

Modelled along the same lines, in 1998 Agriculture and Forestry surveyed satisfaction levels within the general public.

The "influence" measure – that is, the department's advocacy of its clients' point of view to governments and other agencies – is a work in progress. According to the department, influence is "currently acknowledged more through anecdotes and testimonials than by quantitative measures."[2]

The cost-effectiveness measure employs a budget-based formula – cost per satisfied client.

Using the Results

These measures are central to the strategic planning process. While a standard for each of the measures has been set to be obtained by the year 2000, the annual measures provide an indication of the department's progress toward achieving those goals. Improvement areas are identified and goals aligned accordingly.

The responsibilities for the goals, and the measures attached to them, work their way through the organization, from the corporate level to the individual unit level. Results are thus presented to individual divisions and work units where they are used in planning for the next year. Plans are evaluated in terms of results expected and achieved, and priorities for improvement are drawn from the gap between the two.

Putting the Performance Measurement Initiative in Place

Once the Strategic Plan had been completed and the goals outlined, the performance measurement system was developed and implemented over the course of one year. The process for putting the performance measurement system in place unfolded in the following way.

- *Make Resources Available.* With the encouragement of the Deputy Minister, and support from senior management, resources were made available to the initiative.

- *Assign Resource Person, Full Time to Lead the Initiative.* A full-time staff member was assigned to oversee the design and installation stages of the initiative. Part-time support was provided by a Monitoring Team, comprising four employees from across the department. Together, they worked across divisional lines with all employees. Once the system was in place, this became a part-time commitment.

- *Communicate Initiative.* As employees were involved extensively in the strategic planning exercise, they were kept informed of all areas of activity, and had access to a wide body of information on planning, human resources, measurement, and other aspects of the initiative. These efforts were maintained throughout the initiative.

- *Seek Advice.* The Staff Advisory Committee on Monitoring was set up to give common-sense advice on many issues, such as how to set up and implement a questionnaire.

- *Enlist Experts in the Field.* Since the department knew little about what was required in setting up a measurement system, it enlisted Statistics Canada to teach and train employees who assumed larger roles in the measurement initiative. Employees learned about the methodology of collecting data, conducting surveys, and so on.

Issues Encountered

Main Issues Encountered

- *Time-Consuming and Resource-Intensive Nature of the Initiative.* Because the initiative was time-consuming, some employees felt important resources were being drained away from their everyday tasks and priorities. After the initiative had been in place for three years, the annual planning cycle, including performance measurement, was less of an issue. Because a plan is now in place, employees are required only to revise and update it once a year as part of the annual planning cycle.

- *Resistance/Scepticism.* The department met with resistance from some employees who questioned the value of the exercise. As well, the department found that some employees used the results of the measurement framework to justify not doing certain things: "If I do this, it's going to affect my results." Resistance and scepticism are less prevalent today as, over time, employees have gained a better understanding of the initiative and its value.

- *Lack of Political Support for Initiative.* Few public sector organizations had undertaken such an initiative in P.E.I. The department suggests that, had there been a government-wide initiative such as the federal government's Quality Services, the planning process and measurement system would have been more readily accepted by employees and managers. In any case, there is now a sense of pride in the initiative as it gains recognition outside of P.E.I.

- *Inadequate Technical Supports.* The Monitoring Team struggled to find and use appropriate user-friendly software for data management and presentation.

How did these issues influence development of the initiative?

Because there was leadership and support from senior management, particularly the Deputy Minister, these issues did not impede the development of the initiative but simply slowed it down.

Are these issues specific to the initiative? To the organization?

These issues could broadly affect any type of initiative or organization.

Lessons Learned

Critical Success Factors

- *Assign a Full-time Resource Person to the Planning, Coordination and Installation of the Initiative.* As noted earlier, the Department assigned a program officer to this position to oversee all aspects of the implementation of the performance measurement system. It is open to question whether or not the initiative would have succeeded had it been undertaken on a part-time basis by employees left to fit the initiative into the rest of their responsibilities.

- *Draw on Expertise in Field and Learn from That.* As noted above, experts in the fields of strategic planning and performance measurement were contracted to train employees in developing a strategic plan and measurement framework. Teaching employees how to develop their own organizational plan and measurement instruments rather than hiring someone to do this for them was key to building support for the initiative.

Pitfalls

- *Changing the Mind-Set of Employees.* Some employees viewed the initiative as one that was complete once it was implemented. The initiative, however, is an integral part of the way that the department operates. If it is not presented as such in the beginning, then it could lead to problems later.

Key Lessons

- *Perseverance.* For the department, the initiative was time-consuming and lengthy, and at times it seemed as though the organization would never get "there."

Can this initiative be implemented elsewhere?

Other departments have looked at this system and adopted some aspects, but Agriculture and Forestry is still the only provincial department to use a dynamic results-based strategic plan. While this initiative can be implemented in any type of organization, its applicability is not limited to the departmental level. Governments and communities can use such a tool in organizing around priorities – "Where do we want to be?", "How will we know when we get there?"

Evaluation

Monitoring and Measuring the Performance Measurement Framework

Since its first year of operation, the departmental Monitoring Team has monitored the measurement system on a continuous basis; however, it has not yet conducted a formal review.

Results Achieved[3]

Since this initiative was installed, the department has seen improvements in its key result areas. These include:
- increases in overall client satisfaction, from 68 percent in 1995 to 82 percent in 1997;
- increases in client satisfaction with the quality of advice, assistance, and information the department provides, from 79 percent in 1996 to 86 percent in 1997;
- increases in client satisfaction with staff performance, from 88 percent in 1996 to 94 percent in 1997;
- a consistent level of cost effectiveness;
- improvements in staff morale, from 70 percent in 1994 to 81 percent in 1997; and
- improvements in influence, as measured through the client satisfaction survey – more than 80 percent of clients are satisfied with the performance of the department in promoting the Agri-food industry.

The results are displayed in graphs and mounted on the walls in various parts of the organization, and are available to employees on the departmental website, and in paper form.

Accountability

The Monitoring Team reports the results of the ongoing system evaluation and the actual performance results to the Director of Planning and Development, who is ultimately accountable for the results of the performance measurement initiative.

It needs to be noted, however, that the Director of Planning and Development is not responsible for the actual results of the measurement; Directors and employees are accountable for the performance of their own divisions and work units.

The Director reports these findings to the Senior Management Committee of the department at regular meetings. The Senior Management Committee is comprised of the Deputy Minister and the Directors of the divisions.

Next Steps

- *Help Other Departments Implement Similar Initiatives.* Agriculture and Forestry receives regular inquiries about its initiative from departments across the country, at various levels of government. The department gives presentations about the initiative as requested.

- *Ensure That the System is Suitably Installed to Withstand a Change of Leadership.* Since the initiative was championed by the Minister and Deputy Minister, and now that the department is under different ministerial direction, the question of the initiative's durability has been raised. The department indicates that it does have the momentum, but as a public sector organization and a small department in a small province, things can change quickly.

Endnotes

[1] These goals were based on research into the critical issues facing the department: financial, trade, technology, quality, and environmental concerns; and in conjunction with the broader Mission Statement. For further information refer to P.E.I. Department of Agriculture, Fisheries, and Forestry, 1995, *Strategic Plan 1995-2000.*

[2] P.E.I Department of Agriculture and Forestry, June 1997, *Strategic Plan Review 1995-2000*, Mid-term Review, Final Report, June 1997.

[3] P.E.I. Department of Agriculture and Forestry, 1997, *Internal Document*, "1997 Key Results."

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Tools for Closing the Service Gap

**Government Service
Improvement Toolbox**

- ASD/APD
- Partnerships
- Single Window
- Re-engineering
- Service Quality
- TQM
- Benchmarking
- Innovative Practices
- Technology
- Cost Recovery
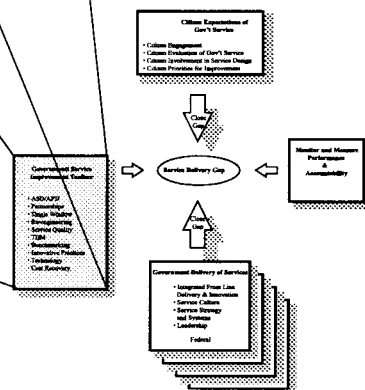
Automated Kiosk Approach to Service Delivery: Human Resources Development Canada

Case Description

Overview

Nineteen ninety-five was a turbulent year for Human Resources Development Canada (HRDC). Fiscal reductions called on HRDC to eliminate 5000 full-time equivalents. As a result, senior staff recognized the need to evaluate how services were delivered. Meetings between senior officials and elected representatives produced a Service Delivery Plan (SDP). This plan proposed the creation of a Service Delivery Network of front-line offices, kiosks, electronic on-line services and community partnerships to improve services to clients. A key component of this strategy was the use of electronic kiosks to deliver some of the services provided by HRDC.

HIGHLIGHTS

• KIOSK TECHNOLOGY TO ENHANCE SERVICE

• NETWORK OF 2900+ KIOSKS ACROSS CANADA

• EXTENSIVE RANGE OF SERVICES PROVIDED INCLUDING LABOUR MARKET INFORMATION, ELECTRONIC FILING OF EI APPLICATIONS, ACCESS TO JOBBANK DATABASE, AND AN ELECTRONIC SUGGESTION BOX

• SERVICE IMPROVEMENTS IN THE WORKS WITH A NEWLY DESIGNED KIOSK THAT USES THE INTERNET AND TOUCH SCREEN TECHNOLOGY

HRDC staff had already used kiosk technology prior to the SDP. JobBank kiosks had been in place since 1992 to automate the job search process. These kiosks alone allowed the department to reassign 200 employees and, at the same time, improve services to citizens.

The Human Resource kiosk, the second generation of automated kiosk, was rolled out in 1996 as part of the SDP. By April 1998, more than 2900 kiosks had been set up throughout the country. They permit citizens to file Employment Insurance applications electronically, to search for labour market information, to access the JobBank database, and to recommend changes via an electronic suggestion box. Data are transmitted to these kiosks through the HRDC frame relay network from a central information system located at headquarters in Ottawa.

The Information Management Subcommittee, an interdepartmental committee led by the Treasury Board Secretariat, established the goal that, by the year 2000, most citizen interactions with government would be done electronically. Subsequently, HRDC was mandated to examine electronic applications for transactional services provided by government. As a result, HRDC began to develop the third-generation kiosk. Under the banner Services Canada, this kiosk is quite distinct from the predecessors. The new kiosk uses the Internet as the link to the central computer via an Internet service provider. This provides a more flexible approach to kiosk installation since the kiosk need have access to only a standard telephone line.

The Services Canada kiosk also uses a modified Internet browser to deliver a range of services. Hence, many citizens will have used similar browsers with their personal computers. HRDC has established the standard that all citizens should be able to use a kiosk in the first encounter with no training. Unlike standard computers, touch screens at Services Canada kiosks will allow the user to control the pointer without a mouse.

The Services Canada kiosk provides an opportunity for other government departments that wish to expand access to their services. The Internet-based system makes it quite easy for other departments to use the infrastructure. HRDC has engaged departmental partners seeking to deliver their services through the kiosks.

HRDC must replace the remaining JobBank kiosk before the year 2000 and has launched an internal study that will recommend the best way to maintain or expand the current level of service. Some existing Human Resource kiosks will be upgraded at this time. HRDC is well aware that the target clientele for the Human Resource kiosk is different than that for Services Canada. HRDC will continue to provide some human resources-related services through the kiosks in Human Resource Centres. However, in areas that are open to a much larger group of clients, many services will be delivered through the Services Canada kiosks.

Issues Encountered

HRDC encountered the following issues in the development of kiosk services

- *To Build or Buy.* HRDC considered two main options for the procurement of the JobBank, Human Resource, and Services Canada kiosks. The kiosks could be purchased "out of box" from the private sector or designed and built within HRDC. An evaluation found that HRDC can design and build kiosks at a much lower price than the private sector.

- *Corporate Knowledge of Kiosk Procurement.* Kiosk technology had not been used by other federal government departments in the past. As a result, there is very little corporate knowledge of procurement-related issues, such as pricing and standards. HRDC continues to develop this corporate knowledge and is a federal government leader in this form of service delivery.

- *Organizational Mindset.* The information technology staff at HRDC had to become accustomed to designing applications for use by the general public instead of government employees. This aspect has had a significant influence on the design of the applications given that staff must anticipate a variety of challenges that new users might face when using the kiosks.

- *Around-the-Clock Access.* Proponents of improved service delivery see access to government services seven days a week, 24 hours a day as an important goal. Kiosk technology makes this possible. However, around-the-clock service is not cost-free. Staff must monitor systems constantly to ensure that they do not fail. Twenty-four hour service also creates challenges when the staff has to perform maintenance.

- *Security.* The third generation kiosks (Services Canada) use dial-up networking via the Internet to connect to the central information system. This approach presents a number of technical problems concerning the security of data transmitted over the Internet. HRDC has considered a number of solutions to this problem, such as data encryption and authentication.

- *Momentum.* It has been a challenge to encourage people to use the kiosks. The level of use in any one region generally depends on the degree to which the offices have promoted the kiosks. Notably, 90 percent of Nova Scotians applying for employment assistance do so through the automated kiosk. Conversely, only 30 percent of British Columbians file EI claims through the kiosk. HRDC staff have made the kiosks as user-friendly as possible. The standard is that persons should be able to use the kiosk on their first attempt without training. All regional offices must embrace and market the kiosk idea if it is to be a complete success.

- *Turf Protection.* The Services Canada kiosk technology will establish a flexible infrastructure that can be used by a range of departments to deliver transactional services to the public via a large network of government kiosks. HRDC has engaged other federal departments, urging them to make use of the Services Canada kiosk. Some departments may not be willing to participate because the system involves the delegation of responsibility for delivery to another department.

Lessons Learned

Critical Success Factors

- *Political Support.* Because kiosk technology would affect the public directly, it was necessary to secure Cabinet approval for the Service Delivery Network strategy. This endorsement was achieved and it ensured the stability of the project and encouraged buy-in within HRDC and, to a lesser extent, from other federal departments.

- *Departmental Support.* It is questionable whether the project could have been implemented without support from the entire department, particularly the regional offices of HRDC, given the number of kiosks that would be distributed and the impact they would have on service delivery. This support was forthcoming, despite very large organizational changes and staff reductions.

- *Appropriate Time Frame.* Unlike some other technology-based projects, HRDC staff were able to set reasonable time frames for the implementation of the human resource kiosks. The political endorsement of the Service

Delivery Network strategy provided stability to the project and allowed for enough time to ensure quality assurance and client engagement.

- *Feedback.* HRDC engaged a variety of groups at various stages of the development of the kiosks. These groups included clients, staff and specialists in kiosk technology. This provided invaluable information and resulted in a better product.

- *Quality Control.* Quality control is essential to any product. HRDC conducted a rigorous quality control program to ensure the software was sound. Staff throughout the department supported the quality control program even though it took time and some areas were desperately in need of the kiosks to alleviate service demands. This support, combined with the establishment of appropriate time frames, allowed HRDC to test the software before release.

- *Open Communication/Teamwork.* The existing kiosk network is designed to run on the HRDC wide area network. Each HRDC office is supported by a systems administrator. The ongoing collaboration between these administrators and HRDC headquarters was critical to the success of the initiative. The administrators communicate with each other and headquarters on an ongoing basis. Regular meetings are held to deal with issues and generate ideas.

Pitfalls

- *Private Sector Solutions Are Not Always Better.* When HRDC staff began researching kiosk technology they evaluated a number of private sector "out-of-box" solutions. Further research revealed that HRDC could design and build the kiosks internally for significantly less cost than the private sector. Internal production also provided HRDC with the ability to customize the product. It should not be assumed that the private sector is always the best avenue for purchasing specialized products. Other departments are beginning to recognize HRDC's expertise in kiosk and other electronic technologies.

In Hindsight

HRDC kiosks are in place in more than 300 locations across the country. Distribution to such a large number of locations requires constant communication between headquarters and regional staff. Unfortunately, a lack of communication created distribution problems during the roll-out of the Human Resource kiosks. Some locations were not capable of accepting the kiosks due to technical or staffing problems. As a result, there were needless delays. Headquarters built the kiosks faster than the regions could receive them. These problems could have been avoided with better planning and communication between the regions and headquarters, or through a more centralized approach to needs assessment and roll-out.

Evaluation

Staff at HRDC undertake several types of evaluation to gauge the effectiveness of the kiosk network:
- the frequency of use of the kiosks is monitored by headquarters on a location-by-location basis to evaluate demand and use-type;
- the Human Resource kiosks have a built-in Information Gathering System that allows users to communicate their satisfaction levels with the kiosks after each use;
- from time to time, client surveys are performed at each Human Resource Centre and satisfaction levels with the kiosks are measured through the survey instrument;
- national workshops are held with regional managers to obtain their feedback on the kiosks;
- focus groups are held with key stakeholders such as the mobility impaired to ensure that the kiosks are meeting the needs of all clients.

Accountability

Accountability for the various kiosk initiatives rests with HRDC and is based within the typical ministerial accountability structure.

Next Steps

The Services Canada initiative is the primary focus for HRDC in the area of automated services. However, HRDC is evaluating other possibilities for electronic service delivery such as other Internet-based and telephone-based services. An immediate goal for the department is to define a strategic direction for the electronic delivery of transaction-based government services. This will involve an examination of citizen priorities for service delivery and their readiness for electronic service delivery.

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ServiceOntario Kiosks

Introduction

The ServiceOntario kiosk initiative is a partnership between the Ontario Ministry of Transportation and IBM Canada to deliver a number of provincial government services (and some municipal services) in an electronic kiosk format. These kiosks provide an electronic single window that offers the public a range of transactional services throughout the province. ServiceOntario kiosks serve as a convenient, cost-effective vehicle that provides the public with equitable, one-stop access to government information and transactions.[1]

HIGHLIGHTS

- SINGLE-WINDOW ACCESS TO A RANGE OF GOVERNMENT SERVICES IN AN ELECTRONIC FORMAT
- KIOSKS ARE LOCATED IN HIGH VOLUME LOCATIONS, SUCH AS SHOPPING MALLS
- A PUBLIC-PRIVATE PARTNERSHIP BETWEEN IBM CANADA AND THE ONTARIO MINISTRY OF TRANSPORTATION

Background

The Ministry of Transportation began investigating automated service delivery with the belief that it could significantly improve service and reduce costs. The Ministry began investigating the feasibility of delivering transactional services in kiosks in1993. This involved the in-house design and development of a prototype that was eventually introduced into seven test sites across the province. The rationale was to learn more about delivering services through a kiosk and to illustrate the utility of such a concept. The Ministry learned a number of important lessons on user preference and the limitations of the kiosks during the pilot. For example:

- 80 percent of users who took part in the pilot preferred to use a touch screen, rather than a standard computer keyboard;
- it was found that most users did not want to file a signed copy of any transaction into a paper slot located in the kiosk and, since it would be difficult to incorporate a digitized signature capability into the system, the designers opted to use an authorization statement that had to be approved by the user to complete a transaction.

The pilot ran for two years, ending in the spring of 1995. Government approval for a full-scale launch was sought and received in the fall of 1995. The pilot kiosks were used for two years while the Request for Proposal and approval processes were completed and a vendor-designed kiosk was developed.

The Ontario-IBM Partnership

The Ministry of Transportation (MTO) set specific requirements in the RFP that was released in the fall of 1995. The successful candidate would be responsible for all aspects of the kiosk project including design, production, implementation and ongoing maintenance. IBM was chosen and was engaged for a six-year partnership beginning in early 1996. An interesting feature of the IBM-Ontario partnership is that IBM did not receive any financial support from MTO for design and development of the system. The corporation is compensated by charges levied for every transaction processed through a kiosk.

IBM has a number of responsibilities under the terms of the agreement, such as stocking and supplying the kiosks, servicing and maintaining the network and equipment, and providing hotline support for clients using the kiosks. Some of these responsibilities are met directly by IBM while others are provided by third parties as arranged by IBM. A number of service standards have also been established that IBM must meet, such as:

- respond to an inoperable kiosk within two hours;
- 97 percent of all kiosk must be working at any given time;
- mandatory site visits on a regular basis to inspect the equipment.

The agreement between IBM and MTO stipulates that IBM owns the kiosk hardware at the end of the agreement. However, MTO has the opportunity to purchase the equipment from IBM for one dollar at that time, if so desired. The agreement allows for technological change such as upgrades and modifications, if necessary. IBM has the right to utilize, market and sell elsewhere any software or hardware solutions designed for the initiative.

The ServiceOntario Kiosks

All services delivered through the ServiceOntario kiosk network are transactional. The transactions typically last three minutes or less and do not involve detailed information or browsing. Most involve MTO but services are also provided on behalf of the Ministries of Health and the Attorney General, and the cities of Toronto and Ottawa. Services include:

- vehicle validation tags;
- driver and vehicle abstracts;
- address changes for MTO and the Ministry of Health;
- used vehicle information packages;
- personalized plate ordering;
- fine payments to the Attorney General;
- parking fine payments for the cities of Toronto and Ottawa; and
- promotional and safety advertisements displayed when the kiosk is not in use.

The ServiceOntario system has been designed to interface with departmental legacy systems without modifications. Information is distributed from the kiosk network to the various departmental systems in much in the same way that data are transferred from departmental computer terminals situated in government offices. Each kiosk is connected to the IBM network via dedicated access lines and this network communicates with the various department legacy systems.

The kiosks utilize touch screen technology and are designed for easy use by first-time users. The kiosks are fully bilingual and accessible by people with handicaps. Users can make payments by credit card and it is expected that Interac services will be available. There are 61 kiosks in place across Ontario, most located in shopping malls. This enables users to access the kiosk whenever the malls are open, which expands accessibility beyond regular government office hours. Between 50,000 and 60,000 transactions are processed through the kiosk each month and approximately 60 percent of these are done outside regular business hours. It was projected that more than one million transactions, accounting for up to $60 million in gross revenues, will be achieved each year by 1999.[2]

The ServiceOntario initiative has provided other benefits to the public. Placing certain services, such as driver abstracts, on the kiosk platform has made them more visible and accessible to the public. Demand for these services is growing even though there was previously little demand.

Issues Encountered

The following issues were encountered during the development of the ServiceOntario kiosks:

- *Poor Marketing.* The ServiceOntario kiosk service shares many of the features of a retail initiative. Its success depends entirely on the amount of use it receives. As a result, it is crucial to market this type of initiative so that people know about the concept. MTO staff recognize that there should have been better marketing outside the traditional government avenues to encourage people to learn more about kiosks and to use them.

- *Failure to Anticipate Certain Needs.* Flexibility was built into certain components of the contractual arrangement in anticipation of possible future needs. For example, the agreement includes a clearly defined process for adding services to the kiosk platform to ensure that it is agreeable to both parties. However, there are certain aspects of the agreement that were not accorded the same level of flexibility because it was not deemed necessary at the time. Issues such as marketing could not be easily renegotiated because the terms of the agreement had already been set. It is important for initiative planners to anticipate possible future needs.

- *Government Legacy Systems.* Most government departments are still operating large, complex legacy computer systems. Those who combine these systems with new technologies must be cognizant of the need to accommodate older technology. The ServiceOntario kiosk system was designed to ensure that no major modifications to departmental legacy systems would be necessary.

- *Reluctance on the Part of Some Departments to Utilize the ServiceOntario Platform.* Some departments within the Ontario government are reluctant to place their transactional services on the kiosk platform because of the

initial design, development and implementation costs that are involved. Furthermore, some departments are still not sure where kiosk services fit within their overall service delivery strategy.

Lessons Learned

Critical Success Factors

The following factors have been critical to the success of the ServiceOntario kiosk initiative:

- *Recognizing That Kiosks Must Generate Revenue.* Some governments have unsuccessfully used kiosks solely as a means of making information accessible to the public. The difficulty with this approach is that it does not generate revenue to offset the development and infrastructure costs involved. This makes the kiosk option an expensive way to distribute information. Furthermore, providing information services through a kiosk encourages browsing by people who have no particular service need. This makes the service even more costly. The Internet provides a better approach than kiosks if the aim is solely to provide information.

- *Having Something in it for the Client.* To be successful, initiatives such as the ServiceOntario kiosks must improve the level of service citizens are getting. Simply replacing existing government offices with kiosks would not have worked. The ServiceOntario initiative significantly improves convenience to clients by increasing the number of points of access available and expanding the hours of operation. This has resulted in a customer satisfaction rating of 95 percent for the kiosk services.

- *Having a Solid Business Case.* The ServiceOntario project team put a lot of effort into formulating a concrete business case for kiosk services. This involved an extensive proof-of-concept or piloting phase to show that kiosks could be used successfully to improve service and that the public was receptive to the concept. Having solid evidence made it easier to obtain approval for implementation of the project.

- *Short Implementation Time Frame.* Once the contract was in place, IBM was given nine months to design and build a kiosk and network system. This short time frame was made possible through the partnership with IBM: the corporation was free to use its expertise to this end. Within government, a short implementation time frame helped to keep the initiative on the government agenda.

- *Senior Political and Administrative Support.* It was important to have support from senior political and administrative officials within government. This also contributed to keeping the initiative a government priority.

Pitfall

- *Make Sure Kiosks Are the Right Instrument.* Kiosks are not always the best solution. MTO management recognizes that the majority of transactional services will still require in-person service and that kiosks account for only 10 – 15 percent of all Ministry transactional services. However, the kiosk has worked well for certain types of transactional services and has improved the level of service received by clients.

In Hindsight

- *Market Your Initiative.* MTO staff define the ServiceOntario kiosk initiative as a government-based retail business. As such, it is important to let clients know that a new service is available. Because MTO did not make marketing part of the agreement with IBM, it has been difficult to substantially raise the visibility of the initiative. In hindsight, a marketing strategy should have been a major component of the partnership.

Key Lessons

- *Working with the Private Sector Can Improve Service.* The ServiceOntario kiosk initiative illustrates that government can work with the private sector to improve service. The MTO-IBM partnership is a mutually beneficial relationship that has been of little cost to the public. Clients are receiving better service and IBM has proven its abilities with kiosk technology, making the company and its services marketable to other governments.

Evaluation and Accountability

The Ministry of Transportation evaluates the performance of the kiosks in a number of ways.

- Users of the kiosks are asked to complete a voluntary satisfaction survey at the end of their transaction. On average, the kiosks receive a satisfaction rating of 95 percent even though most transactions involve taxes or fines. The October 1997 monthly survey provided these findings: 97 percent of respondents felt the kiosks save time; 95 percent would use the kiosk again; 95 percent found the kiosk easy to use; 94 percent felt the kiosks were placed in a convenient location; 94 percent found the kiosks *enjoyable* to use.[3]

- Performance of the kiosks is monitored on an ongoing basis by the Ministry. Ninety-seven percent of the kiosk must be operational at any given time and IBM (or their contractor) must respond to a failing kiosk within two hours.

- MTO and IBM meet at both the executive and working levels every month to discuss the performance of the system.

IBM handles most front-line customer queries and problems at the kiosks. However, complaints or issues raised by clients can be submitted to the Ministry. Although IBM is the service provider, MTO is ultimately accountable for the performance of the kiosks. The department communicates the performance of the kiosks to all ministries involved each month (i.e., Health, Attorney General, Consumer and Commercial Relations, Natural Resources and MTO).

Next Steps

MTO is looking for ways to add to the number of services delivered through the kiosks. Many users who have completed the electronic survey have indicated that they would like to see more services available through the kiosks. Some services that MTO is investigating include: writs and judgement certificates; JobBank information; tenant protection packages; campground and recreational bookings; and special-occasion permits. Furthermore, MTO is evaluating all service delivery options, such as a counter, telephone, Internet and kiosk services to maximize service delivery.

Endnotes

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Enhancing Service through the Use of Technology: *Accès Montréal*

Case Description

Overview

Accès Montréal (Réseau Accès Montréal) consists of 13 one-stop service centres located throughout the City of Montreal and a central telephone information line (*Accès Montréal Première Ligne*). It offers a broad range of services, including information on city services, programs and activities, consultation, and direct transactions with City Hall. Montrealers can learn about city-sponsored cultural activities, submit a licence application, dispose of an old armchair, pay parking tickets, or examine the agenda of the next city council meeting. These offices ensure a special link between the public and the municipal level of government by offering direct service in each neighbourhood, and service that meets the unique needs of citizens and clients, such as the business community.

HIGHLIGHTS

- PROVIDES MONTREALERS WITH ACCESS TO A NETWORK OF ONE-STOP SERVICE CENTRES LOCATED THROUGHOUT THE CITY, AND VIA ITS 24-HOUR SEVEN-DAY-A-WEEK TELEPHONE INFORMATION LINE
- INTERNAL TECHNOLOGICAL IMPROVEMENTS IN INFORMATION MANAGEMENT ENHANCE SERVICE, OFFERING CITIZENS READY SERVICE FROM ANY LOCATION
- SERVICE HAS BEEN ADAPTED TO MEET THE UNIQUE NEEDS OF CLIENTS
- LOOKING AT WAYS OF ENHANCING SERVICE VIA INTERNET USE AND PUBLIC ACCESS TERMINALS
- WON 1990 GOLD MEDAL IN IPAC'S INNOVATIVE MANAGEMENT COMPETITION, 1997 FINALIST IN IPAC AWARDS

Instituted in 1987, *Accès Montréal* is the result of a political commitment to "democratize" the City's administration and service delivery to better respond to the needs of a large and increasingly diversified clientele. Prior to the establishment of *Accès Montréal* offices, government information and services were available only at City Hall. Now *Accès Montréal* fields over one million inquiries per year and handles more than 100 activities. Over the years, activities have been deconcentrated and integrated into the network, in collaboration with some 20 municipal departments operating from more than 400 different sites. In 1992, when asked about this new service, 95 percent of recent users reported they were "satisfied" or "very satisfied" with the service they received.[1]

Since its inception, information technology has played an important role in the development of the Network. Staff in *Accès Montréal* offices work from computerized information management systems that provide access to departmental databases. These systems allow front-line staff to register and transmit citizen requests to the appropriate department. The *Accès Montréal* Division later developed and implemented a set of interlinked information management systems. GIDEC (Gestion informatisée des demandes de citoyens) enables staff at any location to register and transmit citizen inquiries instantly, and also follow them up. Through SHERLOCK, the corporate information database, employees can search the 800 subject files on city programs, activities and services. In addition, SHERLOCK includes a bulletin board with updates, new files and reports on emergencies, allowing users to be kept abreast of events.

Specific services are also made available to businesses. For instance, business people can consult databases on market valuations and tax assessments. This can be done at any service centre, or from offices via personal computer and modem, by using the CITÉ system (electronic consultation on taxation and evaluation). The *Accès Montréal* Division has planned to use the Internet and public access terminals to make service even more accessible.

Accès Montréal Première Ligne, a telephone information line, was implemented in 1990 in response to the growing volume of inquiries received by service centres since *Accès Montréal* opened its doors. It is intended to improve service for callers, and also reduce the time taken to process requests. An information line, 87-ACCÈS, was added later. This is an automated telephone service on line 24 hours a day, seven days a week, which allows citizens to access some 450 prerecorded messages on specific city-related subjects. It is intended that 87-ACCÈS would free the network of the most frequently asked questions and enable communications agents to focus on the more complicated requests.[2]

As an innovative service delivery mechanism that is well tested, *Accès Montréal* is a important source of study for other public sector organizations seeking to enhance service through the use of technology.

Putting Accès Montréal *in Place*

The *Accès Montréal* network was developed following the election in 1986 of a new municipal government. This government made a commitment to improve the accessibility of the City's administration to citizens. Five committees of city officials held consultations with citizens at the grassroots level and then developed proposals. Because the work of these committees was interrelated, and to ensure a more coordinated approach, the *Module des relations avec les citoyens et citoyennes* was struck in July 1987. The work of this unit led to the establishment of the first *Accès Montréal* offices the following November.[3]

More about Accès Montréal

Mission

✓ To provide citizens and local organizations, in each of its neighbourhoods and across its whole territory, first-line services: reception, information, and delivery of services.
✓ To support the municipal administration, city councillors, and city departments by providing evaluations; training; orientations; and guidance in accessibility, documentation, and client services.
✓ To provide a framework for managing citizen inquiries, requests, and comments, including the treatment of complaints and the implementation of suitable management tools.

Mandate

Accès Montréal provides citizens with a broad range of information and services in one place. It is intended to save citizens repeated trips to several different departments.

Services

The *Accès Montréal* Network opens the door to information for the full range of municipal services (such as housing, taxation, urban development, the environment, public works, culture and leisure), and serves as a contact point from which requests from citizens can be forwarded to municipal departments. In person or on the telephone (*première ligne*), the Network allows citizens to perform some transactions with the City such as the payment of fines and taxes, or requesting permits and licences. In addition, the Network is also a consultation service because it records feedback from citizens and shares it with committees of elected officials.

Service has been adapted to meet the unique needs of clients. Business people working in the real estate field can consult an information bank on valuation and municipal taxes at any *Accès Montréal* office, or through the CITÉ system carrying out searches from their office computers via a modem.

To promote accessibility, *Accès Montréal* offices are distributed throughout the City, on main roads in the various neighbourhoods. Each office is staffed by social communications officers. Computers allow the officers to communicate with databases of municipal services – 100 staff members at 13 different offices offer personalized services to citizens. A separate office handles telephone requests from citizens.

The information line, *première ligne*, which complements office service, also offers a 24-hour, seven-day-a-week automated telephone service, *87-ACCÈS*. This service provides more than 300 pre-recorded messages to answer the most frequently asked questions.

The City has an annual budget of roughly $1.8 billion and 11,000 employees.

Clients

Services are available to all citizens of Montreal, but in recognition of the different needs of their diverse clientele, some additional services are available to the business community.

The *Accès Montréal* network was a major undertaking that required a complete change in the management of information and operations. It was, in effect, a corporate reorganization. Increasing the number of points of service meant decentralizing many activities and ensuring an efficient communications system. Outlined below are the central elements of this reorganization.

- *Buy-In from City Staff and Managers.* The concept of one-stop service entails a sharing of responsibilities; in this case, across departmental lines. To break down barriers between departments, each with its own specialists, the City recruited employees from across the administration to staff the new *Accès Montréal* offices.

  Making information and services available at one-stop service centres throughout the City also required the co-operation of administrators from several departments who released information, granted access to citizen's files, and delegated portions of their operations to the *Accès Montréal* offices.

  New information management systems, such as GIDEC and SHERLOCK noted earlier, were implemented for the managers' work environment, in recognition of their ownership of managerial information. This helped create a more favourable climate for the installation, acceptance, and use of the new systems. While *Accès Montréal* staff can process requests and access departmental information via these databases, deadlines for the treatment of requests are negotiated with the unit responsible, and only this unit can close the file.

- *Reorganizing Information Management Systems.* While *Accès Montréal* had a system in place for managing citizen inquiries, it was cumbersome. It was a paper-based system that relied on the fax machine to transmit requests and responses between the service centres and the city departments. It was less efficient than the more technologically advanced systems, with the possibility of requests getting lost. As well, managing inquiries was unidirectional, the process within departments was not transparent, and the system did not provide citizens with progress reports on their inquiries.

  As a result, *Accès Montréal* searched for simpler and more efficient ways of performing this task, that were open, transparent and that would facilitate a two-way flow of information. GIDEC and SHERLOCK were developed in response to these needs.

- *Staff Training.* Prior to beginning work at *Accès Montréal*, each employee was required to undertake 10 weeks of training. Training consisted of two elements: in-depth sessions about the structure of the city government and its full range of activities; and client service and relations.[4]

  The concepts embodied in Total Quality Management, such as empowerment, influenced management's vision of the role to be played by *Accès Montréal* staff.[5]

- *Evaluation and Continuous Improvement.* Evaluation and continuous improvement are important features of the *Accès Montréal* initiative. *Accès Montréal* gathered citizen input through surveys and focus groups, and instituted service improvements. In addition, employee suggestions and analysis of citizens' comments led to regular adjustments in the work processes of municipal services.

Issues Encountered

Main Issues Encountered

- *Breaking Down Barriers between City Departments.* As with other initiatives that require cooperation among units that have traditionally worked independently, breaking down barriers presented a challenge. The City met this issue head-on by recruiting staff for the Network from all parts of the organization, providing training, and obtaining buy-in from city managers and administrators. However, the City reports that the culture of the organization is still somewhat resistant to the new way of delivering service, despite the passage of time.[6]

- *Opening Pandora's Box.* While the mission of *Accès Montréal* is to bring service closer to the citizen, greater accessibility has raised a range of important issues. In particular, how can the City provide greater accessibility while ensuring an effective, efficient, coherent, and quality service? The City learned to balance these issues as it broadened access to the citizen. GIDEC and SHERLOCK are important examples of how this was accomplished.

Lessons Learned

Critical Success Factors

- *Political Support.* The political will to make city service more accessible to Montrealers was key to bringing the *Accès Montréal* concept to life.

- *Convincing Employees That a Plethora of Information Can Be Accessed from One Person or Office.* The success of the initiative was contingent on the belief that diverse information can be accessed from a single point of service. The City was able to obtain employee support for the concept in two important ways: first, microcomputers allowed any *Accès Montréal* office employee to gain access to various system information; second, a support team ensured the validation and update each day of the information, which is then made available to employees of the *Accès Montréal* network.

- *Buy-in from City Managers and Administrators.* Cooperation from city managers and administrators, who agreed to circulate information and delegate some operations to *Accès Montréal* offices, was critical to the success of the initiative.

Pitfalls

- *Be Prepared to Make Continuous Improvement.* Citizen-centred service requires organizations to put the citizen at the centre of their concerns. Organizations need to be prepared to make the necessary modifications or improvement to ensure that service is in line with citizens' needs and expectations.

- *Be Careful Not to Eliminate Public Access to In-Person Service.* While new information technologies offer many advantages, they should be used as a tool to improve service, not to eliminate the in-person service that citizens require or would like to have.

Key Lessons

- *Put Citizen's Needs First.* As Pierre Niedlispacher has said about the *Accès Montréal* initiative, "an ongoing presence in the heart of Montreal neighbourhoods is essential to effective communication between the city and its citizens." Initiatives must consider the citizen at the grassroots level, to ensure that service is in line with citizen needs.[7]

- *Be Mindful of the Needs of Managers.* In developing client systems, it is important to also be mindful of the needs of managers. Respect for their rhythm of adaptation and recognition of their proprietary rights on management information will contribute to a favourable climate for the implementation, diffusion and use of the systems.

- *Unrelenting Support from Leaders.* Important changes in management methods and organizational culture require the unrelenting support of organizational leaders from the outset. Sceptics will be many and they will miss no opportunity to challenge the changes.

- *Share Expertise and Resources.* To ensure the success of major changes to the usual way of doing things, it is essential to share expertise as well as human, materiel and financial resources.

- *Continually Re-examine and Innovate.* In developing information technologies, the belief is that if an organization does not move forward it will move backward. The speed at which organizations change makes continual re-examination necessary and this stimulates innovative solutions that make it possible to remain competitive.

Can this initiative be implemented elsewhere?

Initiatives like *Accès Montréal* have been implemented elsewhere in Canada (BC Government Agents, Access Nova Scotia, Service New Brunswick) and in the world (Lyon with Lyon en direct and Marseilles).

Evaluation

Evaluating the Initiative

The *Accès Montréal* initiative has been assessed in the following ways:

- *Assessing Citizen Satisfaction.* In 1992, after five years in operation, the City of Montreal conducted a survey of 400 Montrealers who had recently used the city's public services, including those available through *Accès Montréal*. At the same time, citizen feedback was sought through a series of six focus groups, organized by a marketing firm, in different parts of the City. An internal survey was conducted in 1996. Customer satisfaction cards have also been available since 1996.

Results Achieved

Where previously City of Montreal departments functioned as self-contained administrative units, the *Accès Montréal* initiative resulted in an enhanced flow of corporate information between departments and greater accessibility of government information and services to the citizens of Montreal. The use of information technology, which continues to grow and change, has enhanced service. *Accès Montréal* has realized the following results:

- *Improved Accessibility.* In 1986, all services provided by *Accès Montréal* were available only at City Hall or Montreal's main administrative buildings. Now Montrealers can access these services from anywhere in the City, at any of the *Accès Montréal* offices, by telephone, and since 1998, via the Internet.

  Service continues to grow. In 1988, 100,000 people visited the offices. By 1995, more than 405,000 requests were processed (with an average of approximately 8,500 inquiries per week).[8]

  Where the telephone service offered previously led to public dissatisfaction, *première ligne* has lightened the telephone load of the most frequently requested municipal departments. It fields approximately 10,000 calls every week, or 2,000 calls a day.[9]

  Between 1987 and the end of 1995, more than 5.3 million Montrealers have addressed over 6.7 million inquiries to *Accès Montréal*.[10]

- *Citizen Satisfaction.* When asked about satisfaction with *Accès Montréal* service, 95 percent of Montrealers reported they were "satisfied" or "very satisfied." As reported in Seidle's research, the results of the focus groups indicated that the concept of *Accès Montréal* offices was "unanimously perceived" as a way of making the city administration more visible and more accessible to citizens in their own neighbourhoods. The quality of service was generally commended. However, there were comments that the high number of people visiting certain offices was causing delays in responding to inquiries. In addition, some participants said that the services of *Accès Montréal* offices, and even their existence, were not sufficiently known."[11]

- *Spin-off Benefits.* The introduction of new information management systems (GIDEC and SHERLOCK) benefits the citizen and the *Accès Montréal* employee by improving access and providing more efficient service. However, this system has also encouraged municipal departments to re-engineer work procedures, upgrade standards for the quality of services, and define deadlines for service delivery, all of which benefit the citizen.[12] As the system provides improved statistical reporting, municipal departments are better able to make realistic assessments of their delivery time, and are thus more confident in setting objectives for improving performance.

  In addition, GIDEC and SHERLOCK have facilitated the development of links with other organizations. *Stationnement Montréal*, a corporation managing parking spaces under the authority of Montreal's Chamber of Commerce, uses GIDEC and SHERLOCK for its activities. Similarly, the *Service des travaux publics et de l'environnement* used the *Accès Montréal* network to reach an agreement with eight community organizations to recycle furniture or other reusable items. Linked to GIDEC by modem, these organizations go to citizens' residences to collect items that are suitable for reuse by those in need.

- *Awards/Recognition for Improved Service.* In 1990, *Accès Montréal* won the Gold Medal in the Innovative Management competition of the Institute of Public Administration of Canada (IPAC), on the theme "service to the public." In 1997, *Accès Montréal* was awarded a finalist prize in the IPAC awards.

  The City of Montreal has hosted many national and international delegations interested in the *Accès Montréal* network.

Accountability

The Relations with Citizens Branch is responsible for *Accès Montréal* and prepares annual internal evaluations, which are submitted to the Secretary General of the City.

Next Steps

- *Evolution of the SHERLOCK-GIDEC Systems. Accès Montréal* will continue to direct the SHERLOCK-GIDEC systems towards simpler and more user-friendly modes of access.

- *Internet and Public Link. Accès Montréal* will use the City of Montreal's Internet site to enable citizens to search the SHERLOCK databank. In preparation for this, some 450 summaries of activities and departments were written. Internet users will also be able to address any questions left unanswered in previous stages of inquiry to a virtual *Accès Montréal* office via GIDEC. *Accès Montréal* plans to make the contents of the audio clips in *87-ACCÈS*, the automated telephone service, available on the World Wide Web.

- *Electronic Commerce.* Electronic commerce may lead to a portfolio of applications available at electronic kiosks.

- *Training on GIDEC and SHERLOCK.* The City has developed a continuous training program for employees who use these systems, in tandem with a strategy to help employees think as employees of the City of Montreal rather than of their separate departments.

Endnotes

[1] City of Montreal, April 10, 1997, "Presentation of the Project of the City of Montreal, GIDEC and SHERLOCK: An Organizational and Technological Turning Point," (Montreal), pp. 2-3.

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[6] Seidle, 1995, p. 124.

[7] Pierre Niedlispacher, 1991, "*Accès Montréal*: Customer-Driven Municipal Services" in *The Well-Performing Government Organization*, Edited by James McDavid and Brian Marson, (Institute of Public Administration of Canada), p. 65.

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[11] Seidle, 1995, p. 123.

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Accès Montréal Website: www.ville.montreal.qc.ca/ram

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Teranet: A Strategic Alliance between Public and Private Sector Organizations in Ontario

Case Description

Overview

In 1987, the Government of Ontario announced a plan to implement the Province of Ontario Land Registration and Information System (POLARIS), an innovative way of recording and storing land registration information. Until that time, Ontario's land registry systems remained virtually unchanged, dating back to the *Registry Act* of 1795 and the *Land Title Act* of 1885. POLARIS is an automated system that replaced the previous labour-intensive recording systems, which required the storage and retrieval of paper-based documents.

But the implementation of POLARIS, which would involve automating the paper records for four million separate parcels of land, was estimated "to cost in excess of $70 million and require more than 100 staff over a 15-year period."[1]

A strategic alliance was struck between the Government of Ontario, and Teramira Holdings, a consortium of private-sector investors and technology firms as a solution to this costly and time-consuming endeavour. In 1991, Teranet Land Information Services Inc. was created with a mandate to:

- automate and enhance the land registry system developed by the Province of Ontario, POLARIS – an eight-year program that includes the creation of a computerized title index, standardized under a land titles legal framework, and the development of a digital property map base of all privately held parcels in Ontario;
- develop a fully networked information utility to manage the land registration databases and other information, including a remote-access gateway; and
- market its expertise, systems, applications, and information within Canada and around the world.[2]

HIGHLIGHTS

- UNIQUE ARRANGEMENT BETWEEN PUBLIC AND PRIVATE SECTORS TO DELIVER TRADITIONAL GOVERNMENT SERVICE
- ELECTRONIC AND REMOTE ACCESS TO ONTARIO'S LAND REGISTRY SYSTEM
- PARTNERS SHARE RESPONSIBILITIES, FINANCIAL CONTRIBUTIONS, RISKS AND RETURNS; PARTNERS CONTRIBUTE TECHNICAL, HUMAN, FINANCIAL RESOURCES
- TERANET MANAGES LAND REGISTRY WHILE GOVERNMENT CONTINUES TO OWN DATABASES, SET FEES, AND PROVIDE LAND REGISTRATION SERVICES THROUGH ITS OFFICES
- THE GOVERNMENT, THE PUBLIC AND INDUSTRY BENEFIT FROM IMPROVED SERVICE, COST SAVINGS, INCREASED REVENUES, ACCELERATED IMPLEMENTATION OF POLARIS, INDUSTRIAL DEVELOPMENT BENEFITS OF EMPLOYMENT AND SKILLS DEVELOPMENT, AND STABILIZATION OF THE INDUSTRY

How the Strategic Alliance Works

The strategic alliance approach was a conceptual leap for both the government and industry. For government, more familiar with regulatory and social service activities, the alliance represented an unfamiliar foray into the world of free enterprise. For industry, the alliance concept was a significant turn from the pure contractual or service delivery relationship they were used to having with a government client.
     – Art Daniels and Brian Scrivens, 1997, "Taking Strategic Alliances to the World: Ontario's Teranet."

The partnership agreement between the Ontario government, represented by the Ministry of Consumer and Commercial Relations (MCCR), and the Teramira consortium, gives Teranet a 10-year licence to manage the land registration databases and provide automated access services for a fee.

Teranet provides value-added services, including remote access and registration and customized information products based on the registry system and other databases. All new products and services must be approved by the government partner, but Teranet is free to market the services within Canada and abroad.[3]

The Government of Ontario continues to own the databases and provide land registration services through its network of Land Registry offices. Fees for registration and searching continued to be set by the government.[4]

The corporation is managed by a board of directors with the equal representation of both partners, including two appointees.

Teranet is a unique arrangement in which each partner contributes its own set of skills, experience, and resources, and in return reaps benefits not attainable in separate approaches.

The government shareholder gives the company stability and accountability, and provides the POLARIS system and expertise, along with an equity investment. Government benefits from a reduction in project and internal operating costs, increased revenues, accelerated implementation of an enhanced POLARIS system, and province-wide industrial development benefits – employment and skills development.[5]

Private sector participation through Teramira provides Teranet with business skills, a marketing network, and equity. The benefits to Teramira include a financial return, long-term contracts that stabilize a traditionally cyclical industry, the transfer of government expertise, and the opportunity to participate in international markets on the strengths of the Ontario experience.[6]

What does Teranet mean for the client?

In the future, remote search and registration services will mean that lawyers will have no need to travel to a land registry office to search and register documents. Real estate brokers and appraisers will have a wealth of accurate, timely information at their fingertips. The digital property map will be the basis for a broad range of planning, routing, administration and facilities management applications.
        – Art Daniels and Brian Scrivens, 1997, "Taking Strategic Alliances to the World: Ontario's Teranet."

Putting the Initiative in Place[7]

The partnership was created in discussions and negotiations that date back to 1987.

* *Concept.* In 1988, following MCCR's receipt of several unsolicited proposals from private firms to take part in the digitizing of the information, a joint government and private sector committee was created to investigate the appropriate role of the private sector in the implementation of POLARIS.

  At this time, the Ontario Premier's Council published a report that signalled a shift away from government's traditional role as lender and "grant giver" to industry to a new role as "partner."

  Bolstered by the work of the Premier's Council, and following much study of more familiar concepts such as Crown corporation, privatization, and contracting out, the committee proposed a strategic alliance between government and industry. This arrangement was viewed as the best method of fully capitalizing on the potential of the technology and the expertise embodied in POLARIS, as well as the skills, experience and resources possessed by the two partners.

* *Tender.* Having settled on the concept, the government initiated an open, competitive process to select the private sector partner. A request for proposal was released to 21 firms on December 7, 1988.

  Two acceptable proposals were received, submitted by consortia representing most of the firms invited to respond. The proposals underwent detailed evaluations by internal and external teams of evaluators, who concluded that neither proposal adequately addressed government's mandatory requirements. Both, however, created enough interest to continue to work toward a partnership by a process of negotiation rather than proposal selection.

* *Negotiation Process Set Up.* In support of the negotiation process, a government negotiating team, the Strategic Alliance Office, was assembled in January 1990. The negotiations that followed focused on obtaining a letter of intent from each consortium setting out the alliance arrangement that they were willing to offer. The two negotiation streams proceeded independently. At no time was one consortium played off the other.

- *Partner Selected.* The Teramira consortium most clearly demonstrated the commitment to partnership sought by the government negotiators. The public and private sector partners worked out the details of a legal agreement and a financial model.

  The kinds of issues that were resolved in the deal included:
  - organization size and structure;
  - the functions of internal Teranet staff and those contracted to consortium members;
  - subcontracting policy and rights of preferred subcontractors;
  - the nature of job offers to the former POLARIS implementation staff from government;
  - the use of joint ventures with municipal governments for POLARIS implementation work;
  - the marketing mandate of Teranet;
  - the relationship between, and the mandates of, the Board and management of the company.

- *Final Deal Approved.* The deal required provincial Cabinet approval. An election was called leading to a new government which approved the deal, despite concern about how the strategic alliance concept, with its heightened role for industry in a traditional government activity, would be perceived. The model fit well with the new government's thrust toward finding creative solutions to delivering government services at lower cost.

- *Agreement Signed.* The master agreement was signed at a news conference on February 15, 1991. Teranet Land Information Services Inc. was incorporated in May 1991. Several months of business planning and a variety of start-up activities preceded the formal transfer of POLARIS implementation from the government to Teranet.

Issues Encountered[8]

Main Issues Encountered

- *Balancing the Divergent Interests of the Project Participants and Interested Parties, and Maintaining a Common Vision of the Alliance.* Each partner plays two or more roles in the partnership which must be kept in check. For its part, the Government of Ontario acts as regulator, shareholder, advocate, and client. The government continues to function as a regulator, represented by MCCR, which oversees the legislation and operation of the land registration system. As shareholder, the province owns 50 percent of Teranet, nominates half of the members of the Board of Directors, and receives 50 percent of the dividends. As advocate, MCCR is committed to using its best efforts to assist Teranet in obtaining additional work from other

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More about Teranet

Mandate, Roles and Responsibilities

The mandate of Teranet Land Information Services Inc. is to:
- automate and enhance POLARIS;
- develop an information utility to manage the databases, and a remote-access gateway; and
- market its expertise, products and services in Canada and internationally.

The corporation is co-owned by the Province of Ontario and Teramira Holdings Inc., and managed by a Board of ten Directors, four each from the government and Teramira, along with two appointees.

Teranet's partnership aspect is reflected by equal representation on the Board, an equal sharing of profits and equal equity contributions. Both partners contribute technical, human and financial resources to Teranet.

Clients and Stakeholders
- Clients include the users of the system: lawyers, engineers, urban planners, land appraisers, real estate brokers, financial and insurance institutions, and governments (municipal, provincial, federal, foreign jursidictions).
- Stakeholders include the partners.
- The private sector partner, Teramira, is comprised of two groups:
  - a group of investors who provided financing for the initial bid and also to allow it to meet equity commitments to Teranet; and
  - consortium members that collectively provide a pool of technical resources to Teranet and have a preferred subcontractor relationship with the company. These firms include EDS Canada (database management), SHL Systemhouse (system design), KPMG (management consulting), Integraph (graphics hardware and software), and Landata International Services (data automation).
- The public sector partner as represented by the Ministry of Consumer and Commercial Relations.

government ministries. And finally, the government is Teranet's number-one client, automating the province's land registration system on its behalf.

The private sector partner, Teramira, balances its two roles as shareholder and preferred subcontractor. Like the government shareholder, Teramira is made up of investors, owns 50 percent of Teranet, nominates half of the members of the Board of Directors, and receives 50 percent of the dividends. As subcontractor, Teramira has a stake in winning long-term contracts to perform essential functions for Teranet.

The public likewise has an interest in Teranet: as taxpayers, in seeing that the costs of the project do not exceed the long-term benefits; as citizens, in assuring that the public interest is protected; and as clients, in receiving the same or a better level of service than was offered previously.

- *Making Arrangements for POLARIS Employees.* A concern was raised about the POLARIS employees who had been directly involved in POLARIS implementation and strategic alliance negotiations, and who would now be directly affected by the POLARIS divestment. The government thus enshrined a set of principles to ensure that POLARIS employees were treated fairly. These included offers of employment from Teranet; compensation that left no one worse off; and the government committed to finding new positions for employees choosing not to accept employment with Teranet.

- *Obtaining Internal Government Approval of the Project.* Teranet was the first public-private sector partnership arrangement to be negotiated by the Government of Ontario. As such, the central agencies proceeded cautiously with the negotiated arrangements that were brought forward for approval.

- *Assuring Clients of the Accuracy of Automation.* Teranet needed to assure its clients that the paper abstract records were accurately automated. In the early stages of POLARIS implementation, some users who received a copy of the POLARIS print-out would ask to see the original paper abstract book to verify the accuracy of the automated record. Teranet must continue to address this concern.

- *Dealing with Fee Increases.* Historically, fee increases for searching the records and registering documents met with resistance. But with some planning, users of the manual system were able to extract significant discounts; for instance, users were able to take an abstract book over the counter and search any number of properties in the book for the one fee. Under POLARIS, however, every property accessed triggers a fee.

Lessons Learned[9]

- *Conscript Champions.* The Teranet strategic alliance was a long-term proposition requiring the enduring commitment of a few champions.

On the government side, generating the political will took patience and perseverance. The development and approval process involved three separate and distinct Ontario governments; each change in government resulted in extensive briefings of the elected representatives and their political staff. The approvals processes within government were complex and draining.

The private sector faced the equally difficult proposition of holding a consortium together.

- *Define the Vision.* A common understanding of organizational issues must be reached to move forward on the more technical questions. Essential questions that need to be answered include: "What business are we in?" "What kind of company are we?" "Who are our clients?" The lesson is, establish a set of objectives and outline them in a mission and mandate statement.

- *Obtain Closure on Contentious Issues.* Contentious issues require thorough discussion and proper resolution. Do not defer issues to a later date, or try to resolve them through loose contract language that is ineffective at providing operational direction. Instead, sign off on issues one at a time, and maintain an iron-clad paper trail.

- *Obtain a Financial Commitment.* Financial contributions, with the promise of future dividends, establish the partnership as the focus, and help to forge a common understanding of the organization.

Can this initiative be implemented elsewhere?

Initiatives like Teranet can be implemented in many types of organizations, but will be of particular interest to those seeking to implement large-scale, multi-participant projects.

Evaluation

Monitoring Teranet

In accordance with its mandate, Teranet is responsible for meeting established targets in each of the three areas:
- automating the system;
- developing the information utility; and
- marketing its products and services in Canada and worldwide.

Each year, a team at MCCR evaluates the progress of Teranet in meeting each of these targets.

Results Achieved

- *Automating the System.* Teranet continues to meet its annual production targets, and to date has automated information on over two million parcels of land.

- *Developing the Information Utility.* Teranet has provided electronic and remote access to Ontario's land registry. Since 1991, Teranet has diversified its product and service line to include not only POLARIS, but also, digital parcel mapping; additional Ontario government databases; and Teranet, the gateway that puts remote users in touch with this information.

  Clients of Teranet – federal, provincial or municipal governments, utilities (public and private), financial institutions, the legal community, and the real estate industry – have used and are currently using Teranet products and services in a variety of ways. Teranet's website highlights ways in which clients are using its products.[10] Among these are the following.

  ✓ Union Gas Ltd. of Ontario, which provides energy delivery and related services to approximately 740,000 residential, commercial and industrial customers in southwestern Ontario, is implementing an Automated Mapping and Facilities Management system. This project will provide Union Gas personnel with a comprehensive database that shows the location and characteristics of all their pipeline information.

  Union Gas has used Teranet's Parcel Mapping Database extensively to reference the location of pipeline assets, and to illustrate the spatial location of these assets with respect to its customer base.

  ✓ The Regional Municipality of Ottawa-Carleton, Ontario is developing a Geographic Information System (GIS) to manage, analyse and distribute land-related information throughout the region. This system will provide regional departments with access to a range of information that will facilitate rapid decision making and response to client queries.

  The Region is using Teranet's Property Map database to illustrate and locate the extent of property ownership in the region.

- *Marketing Its Products and Services in Canada and Worldwide.* Teranet has developed markets for its products and services in Canada and abroad, with projects being undertaken in the Czech Republic, Puerto Rico, Jamaica, Mexico, and Korea.

  In marketing its products and services, Teranet has adopted the Service Quality approach which is currently being implemented across the Ontario public service.

- *Job Creation.* As of August, 1997, Teranet has directly and indirectly created an estimated 1,883 jobs in Ontario.

Accountability

- *As a Private Sector Corporation.* Teranet is accountable to its shareholders through its board of directors.

- *As a Corporation under Contract to the Government of Ontario.* The Deputy Minister, MCCR, is responsible for ensuring that the automation of the province's land registration records is performed in accordance with Teranet's contractual obligations. This responsibility has been delegated to the Assistant Deputy Minister of the Registration Division.

- *As an Entity That Is Partly Owned by the Government of Ontario.* The ADM of the Registration Division is also responsible for managing the relationship between government and Teranet.

Next Steps

MCCR and Teranet continue to focus on automating the province's land registration system, creating new products and services, and marketing them in Canada and world-wide.

Endnotes

[1] Arthur Daniels and Brian Scrivens, 1997, "Taking Strategic Alliances to the World: Ontario's Teranet," in *Sharing Governance in Canada.* Edited by IPAC/KPMG. Toronto: IPAC/KPMG, p. 237.

[2] Daniels and Scrivens, 1997, p. 236.

[3] Ralph Deans, 1996, "POLARIS Strategic Alliance and Ontario Land Registration" in *Deputy Minister Task Force on Service Delivery Models, Vol. 2. Towards Citizen-Centred Service Case Studies.* Ottawa: CCMD/PCO, p. 142.

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[5] Daniels and Scrivens, 1997, p. 239.

[6] Daniels and Scrivens, 1997, pp. 239-240.

[7] This section is derived from Daniels and Scrivens, 1997, pp. 237-239.

[8] This section is derived from Daniels and Scrivens, 1997, pp. 241-243.

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[10] For further information refer to Teranet's website: www.teranet.on.ca.

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Literacy New Brunswick Inc.: Partnership as a Solution to Literacy Training in the Province of New Brunswick

Case Description

Overview

Census data from 1986 indicated that illiteracy in New Brunswick stood at 24 percent, and in some regions of the province as high as 42 percent.

In 1991 the Government of New Brunswick established Literacy New Brunswick Inc., a non-profit organization to eliminate illiteracy by bringing learning to the people through a partnership between government, communities, and the voluntary and private sectors.

Literacy New Brunswick was the result of a concerted effort to find solutions to the province's literacy problem. Previously, only a few hundred adults received literacy training each year through one-on-one tutoring, classes run by volunteer groups and basic upgrading in traditional community college classes. Drop-out rates from traditional classes were about 50 percent. Training was inaccessible to many residents of the province, particularly those living in rural areas. Training for native peoples, youth, the unemployed and the disabled was sporadic. At the same time, the value of even this limited amount of training was questioned due to the absence of a recognized standard method of measuring educational attainment.

A unique solution was required to meet the needs of a diversely and sparsely populated province, and one where financial resources were limited. A new literacy program was established, known as the Community Academic Services Program (CASP), based on the participation of the private, voluntary and community sectors, along with the Government of New Brunswick. All sectors help support the program financially and also assist in its delivery.

The CASP model is client-driven and client-paced. As a community-based model, programs are delivered wherever there is an identified need, and are offered in the communities where the learners live, rather than where the educational institutions are located. Today, CASPs are found throughout the province in church basements, one-room school houses, community halls and service clubs. The learning environment is more conducive to the learner's needs. Each CASP provides 600 hours of English, French or bilingual literacy training for a group of 20 students, at times convenient to their work and family lives. The program is designed to offer grade levels 1 to 9 (basic and intermediate academic upgrading). All students are pre- and post-tested, not only to measure progress and success rates but also to ensure certification and portability of the learning acquired.

This new model is based on a three-way partnership between Literacy New Brunswick Inc., the Department of Advanced Education and Labour (including the New Brunswick Community College), and volunteer community committees.

Literacy New Brunswick works at arm's length from the government to coordinate program funding. It raises funds from the public and private sectors and provides partial grants to approved community programs. Literacy New Brunswick also markets and promotes literacy programming, and maintains enthusiasm and momentum among the hundreds of individuals who form the CASP infrastructure through organized partnership recognition events.

HIGHLIGHTS

- PARTNERSHIP BETWEEN GOVERNMENT, THE PRIVATE SECTOR, THE VOLUNTARY SECTOR, AND COMMUNITIES TO DELIVER LITERACY PROGRAMS

- CREATED A NEW DELIVERY MODEL, SPAWNED MANY PARTNERSHIPS, LED TO REDUCTIONS IN ILLITERACY RATE, AND CREATED EMPLOYMENT

- WON MANY AWARDS AND RECOGNITIONS INCLUDING: 1995 BRONZE AWARD FROM IPAC, 1995 GOVERNOR GENERAL'S FLIGHT FOR FREEDOM AWARD, 1995 UNESCO INTERNATIONAL LITERACY PRIZE, 1994-95 CONFERENCE BOARD OF CANADA NATIONAL AWARD FOR EXCELLENCE (IN PARTNERSHIPS), 1997 NB DEPT. OF ADVANCED EDUCATION AND LABOUR EXCELLENCE AWARD

Each community project has a budget of $16,752. Of this, Literacy New Brunswick Inc. raises $13,752 from government and private sector sources. The community provides the remaining $3,000.

The government, through the Department of Advanced Education and Labour, sets the educational standards for, and provides curriculum and testing services to CASPs, oversees program operations, and also provides administrative support.

A literacy coordinator at each of the nine campuses of the New Brunswick Community College serves as the first point of contact for communities wishing to set up a local training program. The coordinators advise and encourage volunteer committees and assess learners' needs. They help communities design programs, obtain materials, and hire and train facilitators.

The community identifies local literacy needs. Community committees made up of local volunteers take charge of the CASP, finding rent-free accommodations and materials, raising the local share of the program cost, employing a local instructor and administering the program. Instructors are either unemployed or under-employed, with a variety of educational and cultural backgrounds, and educational credentials. While many CASP instructors have a provincial teacher certification, it is not required.

At its inception, the goal for Literacy New Brunswick had been to "blanket the province with literacy" by the year 1995. The initial goal of 100 CASPs in four years was surpassed in nine months. Today, seven years later, Literacy New Brunswick has funded more than 1,000 CASPs in approximately 132 communities. Learners have achieved a 77 percent success rate in writing standardized tests developed and administered by the N.B. Department of Advanced Education and Labour. On average, learners are progressing from basic to intermediate levels in 33 weeks. Drop-out rates have decreased from 50 to 7 percent.

Nearly 1,000 literacy partner-companies from across Canada, including foundations, service groups and individual benefactors, have made contributions to CASP. Almost 1,000 volunteers are associated with the 164 community groups delivering this initiative. As a result, more

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More about Literacy New Brunswick Inc.

Mission

To marshall the full resources of New Brunswick to eliminate illiteracy by bringing learning to the people through partnerships with communities and the voluntary and private sectors.

Mandate, Roles and Responsibilities

Literacy New Brunswick is a non-governmental organization with a board of directors that is made up of private sector representatives from business, labour and community stakeholders.

Literacy NB oversees the operation and funding of CASPs; accounts for all revenue received in the form of grants, donations and so on; manages its expenditure budget; and measures results. It produces periodic reports outlining its activities and containing its audited financial statement.

Values
- Literacy – Everyone who wants to learn to read and write should be able to do so free of charge.
- Empowerment – Provide opportunities for individuals to take charge of areas affecting their education while respecting their needs, potential and choices.
- Initiative – Continually question and seek better ways of doing things.
- Partnerships – Recognize, appreciate, include and build on the contributions of our partners.
- Innovation – Try new ideas and learn from mistakes.
- A Learner-Oriented Perspective – Programs designed and provided in accordance with learner needs.
- Accessibility – Provide literacy programs in the familiar surroundings of the learner's community.
- Efficiency – Ensure programs are delivered with a minimum of red-tape, delays, paperwork, are not duplicative or redundant, and are provided in a cost-effective manner.

Partners

1000+ companies, foundations, individuals, communities, volunteers, service and literacy groups.

Clients and Stakeholders
- Clients – The learners.
- Stakeholders – Educators, politicians, service groups, volunteers, communities, interest groups and other levels of government.

Source: Website: www.gov.nb.ca/ael/literacy/

than 30 percent of the initiative is financed from sources outside of the New Brunswick government. The program has expanded into the workplace – employees now take literacy training at their places of work. In the wider community, reading is encouraged among preschoolers and youth with the use of reading games and contests.

New Brunswick's literacy initiative has been recognized nationally and internationally. CASP has received many awards, including the 1995 Institute of Public Administration of Canada Bronze Award for Innovative Management; the 1995 Governor General's Flight for Freedom Award for innovation, leadership and organizational excellence; a 1995 UNESCO International Literacy Prize in recognition of its outstanding work in promoting literacy; a 1994-1995 Conference Board of Canada National Award for Excellence in Business-Education Partnerships; and, more recently, the 1997 N.B. Department of Advanced Education and Labour Excellence Award.

How the Literacy Initiative Was Put in Place

A mix of events propelled literacy onto the government's agenda. Among them were the efforts of literacy groups at the grass-roots level. The 1986 Census reported high rates of illiteracy in the province, and the 1990 International Year of Literacy sparked the establishment of the Premier's Advisory Council on Literacy. The Council set up a framework for action, outlining the roles that would be played by government, communities and the private sector.

In 1991, a Minister of State for Literacy, the first in Canada, was appointed by the Premier. An important part of the minister's mandate is to raise the profile of literacy and provide leadership to the province's literacy programs and promote their work.

A merger of the departments of Labour and Advanced Education and Training also took place. The new department helped create the new literacy program. A team of three staff members was assigned to oversee the relationship between the new Ministry for Literacy and the staff in community colleges.

Literacy New Brunswick Inc. was established shortly thereafter to coordinate funding. The organization had to focus its efforts first on attracting learners to the literacy classes. The organization launched a major public relations and awareness campaign. Community volunteers posted notices in corner stores and church bulletins, and talked about the initiative with neighbours and friends.

The organization also held community events to celebrate and commemorate literacy achievements, such as the opening of classes in regions, or milestone ceremonies commemorating, for example, the 100th CASP. The government established an Alpha Awards program, in which the Minister of State for Literacy presents an award to learners, facilitators, volunteers, community service organizations, and corporate sponsors. These events are attended by the Premier, town and provincial government dignitaries, and the media.

Issues Encountered

Main Issues Encountered[1]

- *Inertia and Resistance.* Quickly re-engineering a program as important as literacy training does not happen without resistance or difficulties. This initiative required key players – government, and the voluntary and private sectors – to change the way they conduct business. They had to move from being deliverers or donors to being partners in funding and delivery. Communities that had traditionally relied on the government to deliver programs were now being asked to become partners too.

  At the same time, community members needed assurance that all residents would receive the same level of service. There were fears that New Brunswick would return to life as it was before the "Equal Opportunity Premier," Louis Robichaud, who ensured that all residents of New Brunswick received the same level of service.

- *Concerns about Quality of Instruction.* Those involved in providing literacy training within government and in non-government organizations doubted that the quality of training provided by the CASP model would be acceptable. The wage rate paid to CASP facilitators, which is well below that paid to instructors in the community college system, together with the employment of facilitators who did not have formal teaching credentials, caused concern. It was felt that the program would not be able to attract and retain capable instructors, and that the

quality of instruction would decline. Focusing on the increased numbers of training opportunities that this low-cost model provides, and allowing the model to demonstrate its results, has lessened concerns.

- *Concerns That Work of Voluntary Sector Would Be Diminished.* Voluntary literacy groups were concerned that their valuable work as one-on-one tutors would no longer be fully appreciated or needed, and they were initially reluctant to become involved with CASP committees. The rising popularity of literacy training increased the number of referrals and lessened these concerns. As more and more communities established CASPs, literacy volunteers have joined CASP committees.

- *Concerns about New Roles Partnership Members Would Play.* The partnership approach to funding and delivery was new to both the private sector and the voluntary sector. Early support for literacy training and a partnership funding approach provided by a Literacy New Brunswick director (who was also CEO of a major company) helped to draw support from the business sector.

  Successful fund-raising efforts with major companies and organizations, and public recognition of their contributions, created the momentum for private sector support. This support is easier to maintain now that the initiative has been successful.

  Fund-raising was, likewise, new to many CASP communities. And in small communities with few or no local businesses, many CASPs experienced difficulty in raising the community share of funding. Initially, Literacy New Brunswick helped bridge the gap until communities were able to develop ways of raising funds suited to their circumstances. Assistance by Literacy New Brunswick has declined from an average of $2,300 per CASP to $573.

  The role of employer and program deliverer was new to volunteer CASP committees, but with professional support from literacy coordinators, their skill and expertise has increased. Professional development sessions help volunteers improve the service they provide and help to maintain their motivation and commitment to the literacy partnership.

- *Balancing Service with Realities of the Budget.* Literacy New Brunswick faces the challenge of balancing its limited resources for providing services and its mandate to "blanket the province with literacy." Increased fund-raising helped in this respect.

Are these issues specific to the initiative?

These issues could affect any initiative or organization, particularly if they require large shifts in the culture and attitude of the organization towards program delivery, funding, and similar structural changes.

Lessons Learned

Critical Success Factors

- *Buy-in from the Communities and the Private Sector* was essential, particularly for raising needed funds.

- *Commitment and Championship from the Premier and the Minister of State for Literacy,* who carried the literacy initiative on a daily basis, helped to obtain buy-in from literacy partners and raise the profile of the initiative locally, nationally, and internationally.

- *The CASP Initiative Was Able to Maintain Its Focus* on adult education. While other types of skills development are important, the heart of the initiative is literacy. To focus elsewhere would have diminished the importance of literacy and produced a program that was much more expensive to deliver.

- *Thinking like the Client* helped Literacy New Brunswick focus on working for the client, rather than undertaking initiatives because they were administratively easier.

Pitfalls

Literacy New Brunswick notes that while there were no major pitfalls, the road was nonetheless bumpy. Tenacity in the face of many questions raised by the literacy partners was required to carry on. Early successes helped to build support for the initiative.

In Hindsight

With the benefit of hindsight, Literacy New Brunswick reports that it would allow more time to obtain support from those who remained unconvinced.

Key Lessons

- *Fewer Controls and Rules* yield a richer program.

- *Packaging and Marketing* help to achieve buy-in.

- *Trust in People.* Let go of control, institute general guidelines, and let the partners manage the process.

- *Start with Small Successes and Build.* Start in places where it is possible make quick gains and then use them to build momentum.

- *Keep it Simple.* An initiative does not require a lot of bells and whistles. The CASP model demonstrates that simplicity works.

- *Managing Expectations.* The New Brunswick literacy initiative is a lesson in managing expectations. Based on the notion that communities are required to find the basic resources for setting up a CASP – like tables and chairs – this model lowered the expectations of New Brunswick residents who used to rely heavily on the government. Now residents are critical of government departments that provide more than what is absolutely essential.

- *Recruit Political Champions from across the Spectrum.* Literacy New Brunswick notes that it is important to transcend political affiliation to maintain support for the initiative. A change in government can mean a loss of support. Literacy New Brunswick thus invites MLAs from all parties to its social events, and provides them all with information and regular updates.

- *Multiplying the Outcome.* Literacy New Brunswick notes the number of spin-off partnerships, initiatives, social events, and fund-raising campaigns that have taken place as a result of the initial partnership.

Evaluation and Accountability[2]

In June 1997, a private organization was contracted by Literacy New Brunswick to evaluate the literacy initiative, to provide information on client, community and administrator satisfaction levels, and also to recommend service improvements based on this feedback.

The results were shared with the Office of the Minister of State for Literacy, the Department of Advanced Education and Labour, and Literacy New Brunswick.

As Literacy New Brunswick works in partnership with the Minister of State for Literacy and the Department of Advanced Education and Labour, discussion of the results and improvements that may follow will be carried out among the three organizations.

Literacy New Brunswick, however, notes the following key results in both management improvements and learner outcomes:

A New Delivery Model

- A cross-integration of government departments has facilitated the decision making around literacy program delivery.

- Staff diversification allows different types of expertise to address systemic problems associated with literacy program delivery.

- The community-based literacy program has meant a new role for government, moving from a being a service provider to being a training developer and standard bearer.

- Funding is no longer the sole responsibility of government. In 1997-1998, government contributed approximately 24 percent of the total CASP. Financial partnerships with the private sector, communities, foundations and benefactors meant that everyone had a stake in making the program work, and allowing more training to be provided.

- A move outside of the traditional institution-based model resulted in a reduction in the cost of literacy training per student from $6.35 per hour to as low as $1.22 per hour, depending on the mix of students at the basic (grade 1 to 6), and intermediate (grade 7 to 9) levels.

- Literacy NB's partnership with government has resulted in a seamless learning continuum from community to college-level training. CASP graduates can move into the community college system to complete their adult high school diplomas. Some have gone on to pursue further education.

Partnerships

Business, industry, community groups, and other levels of government have taken ownership of the illiteracy problem. More than 1,000 literacy partners (companies, service groups, foundations and individual benefactors) have made financial and other types of contributions to Literacy New Brunswick, including the following:

- Canada Post developed the "Reading Game," a program to introduce the joy of reading to 72,000 elementary school children. This program is now being offered to other provinces;

- Superior Propane instituted a continent-wide literacy fundraiser in communities where it does business;

- The New Brunswick Optometrists Association, with partners Ocean Optical and Viva Canada, initiated "Vision New Brunswick" to provide a number of literacy learners with free eye examinations and glasses; and

- The Canadian Bankers Association took numeracy as a corporate cause, commencing in 1994 with a pilot project in New Brunswick.

Literacy New Brunswick has expanded its efforts to include the workplace. With funding from the Canada/New Brunswick Cooperation Agreement on Entrepreneurship and Human Resource Development, Literacy New Brunswick introduced the "Learning in the Workplace Initiative" in 1993. This initiative assisted 28 businesses and unions to establish 72 literacy projects with 1,380 workers.

New Culture and Attitude

- The province has shown that, despite its small size and limited resources, much can be accomplished with a little ingenuity.

- The private sector has come to realize that its involvement with upgrading is crucial to the economic well-being of the province and country.

- Communities are experiencing a renewed sense of community fellowship and optimism through their involvement with the program.

- This new community-based non-traditional learning program has helped to take illiteracy out of the closet and discard long-held negative beliefs. Contrary to the stigma previously attached to illiteracy, learners now openly talk about their experiences. Literacy New Brunswick attributes this partly to good will and positive feedback, and to the contributions of business people, politicians, government staff, the local community, as well as media coverage, and the marketing efforts of Literacy New Brunswick.

Newly Educated Population

• The program allows learners to progress through the curriculum at their own pace and to say when they are ready for testing. This had a measurable effect on learner motivation and success rates. On average, learners are progressing from basic to intermediate levels in 33 weeks. At the same time, the CASP model has helped to address "Fear of Testing" by incorporating that subject into the curriculum. Now the majority of learners voluntarily participate and succeed in 80 percent of tests written.

• In moving from a conventional training model to a community-based one the number of training opportunities has dramatically increased. Native peoples, youth, seniors, the employed and the unemployed, ex-offenders, the deaf and hard of hearing, and the disabled have all benefited from these efforts. Displaced seasonal workers under the Atlantic Groundfish Strategy (TAGS) and the Federal Government's Enhanced Employment Initiative have also used the CASP model.

• Literacy student drop-out rates have decreased from 50 to 7 percent.

• New Brunswick's illiteracy rate dropped almost 5 percent between census years, down from 23.9 percent in 1986 to 19.5 percent in 1991, and 16.5 percent in 1996, which is attributable to these and other literacy efforts.

Employment

Almost 1,100 jobs lasting up to 40 weeks each have been created throughout New Brunswick.

Next Steps

At the time of writing, Literacy New Brunswick intended to focus on illiteracy prevention, using a variety of initiatives, contests, and social events, including the following:

• In cooperation with the IODE, a coalition of francophone organizations and public health workers, and with financial support from the Lieutenant-Governor, Literacy New Brunswick will bring its "Born to Read" project to all parts of the province. Born to Read encourages parents to read to their children at an early age, creating a "pro-reading, learning-friendly" home environment. "Little red bags," containing books for pre-schoolers, and a handbook on literacy for parents, are widely distributed – about 4,500 bags in 1998-1999.

• In January 1998, Literacy New Brunswick, in cooperation with its hockey farm team, the Fredericton Canadians, SuperValu/SuperStores, and the Department of Education launched "Read'n Score," encouraging children to read.

Endnotes

[1] This section is derived from: CCMD, April 1998, Interview with Maryanne Bourgeois, Executive Director, Advocacy Services Branch, Department of Education and Labour; and David Ferguson, 1997, "Literacy in Your Own Backyard: The Challenge in New Brunswick" in *Alternative Service Delivery: Sharing Governance in Canada*, IPAC/KPMG, pp. 203-204.

[2] In addition to the interview, this section is derived from: David Ferguson, 1997, "Literacy in Your Own Backyard: The Challenge in New Brunswick" in *Alternative Service Delivery: Sharing Governance in Canada*, IPAC/KPMG, pp. 202-204; Humphrey Sheehan, 1995, "New Brunswick's Investment in Human Resource Development: The Road to Self-Sufficiency" in *Public Sector Management*, Vol. 6, #4, pp. 15-16; New Brunswick, Department of Advanced Education and Labour, 1995, "Making Diversity Work: New Brunswick's Community Academic Services Program, Submission to the 1995 IPAC Awards for Innovative Management."

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Veterans Affairs' Service Standards

Case Description

Overview

Published service standards are at the core of client-centred service at Veterans Affairs. In June 1998, Veterans Affairs published and distributed its second edition of service standards entitled *At Your Service*.

In 1995, under the leadership of the Deputy Minister and senior management, and encouraged by an initiative of the Treasury Board of Canada Secretariat (TBS) to have federal departments and agencies build service standards into their organizations, Veterans Affairs set out to implement its first department-wide service standards.

Developed in consultation with employees, clients, and stakeholders, Veterans Affairs' service standards consist of service commitments by Portfolio for the Veterans Affairs program and the Veterans Affairs Review and Appeal Board program. Veterans Affairs also has a set of general standards that are applicable to all services.

Quality service is based on the principles of courtesy, promptness, caring, and fairness. General service standards are based on:
- hours of service;
- quality – large print for correspondence;
- waiting times – routine telephone inquiries, and those requiring further investigation; voice-mail messages; correspondence; and office visits with or without an appointment;
- language of choice – service in either official language;
- confidentiality;
- turnaround times – monthly payments; and
- complaints – what to do if the client is not satisfied with the service.

Service standards for specific program areas include turnaround time commitments (e.g., for arranging medical examinations), types of benefits offered (e.g., health), eligibility for income support and disability pensions.

The most recent edition of service standards also includes a commitment to inform clients of the impacts of new decisions; for instance, how changes in income support may affect other benefits.

Putting the Service Standards Initiative in Place

- *Obtain Top Level Support.* The service standards initiative was championed by the Deputy Minister of Veterans Affairs and led by senior management. TBS provided additional support and guidance.

- *Communicate Initiative to Organization.* The initiative was communicated to all employees via internal correspondence, briefings, consultations, and the Service Standards *Question and Answer Guide.* Veterans Affairs communicated to its clients through the various veteran associations and groups, and its field offices.

- *Assemble a Working Group.* Once the initiative was announced, a Service Standards Working Group made up of employees from across the department was assembled to draft a set of service standards for the organization. Employees from each of the service lines developed standards for their respective lines. Teams of employees with expertise in specific areas worked together as required.

- *Garner Input from Members of the Organization.* Consultations were held with senior and middle managers, employees from the national office, and front-line employees. An essential move was to obtain feedback that was fully representative of the various programs and functions.

More about the Veterans Affairs Portfolio

Veterans Affairs' mission is "To provide veterans, qualified civilians and their families with the benefits and services to which they are entitled; to promote their well-being and self-sufficiency as participating members of their communities; and to keep the memory of their achievements and sacrifices alive for all Canadians."

Mandate, Roles and Responsibilities

- The Veterans Affairs Portfolio was created in 1944 to recognize the contribution made by veterans, certain civilians and their families in Canada's war and peacekeeping efforts. Its overall role, in cooperation with other federal government departments, provincial governments and the private sector, is to lead the development, coordination and administration of federal policies and programs that provide veterans, qualified civilians and their dependants with financial, material, and physical support.
- The Portfolio comprises the Department of Veterans Affairs Canada (VAC) and the Veterans Review and Appeal Board (VRAB).
- It is a large organization, with approximately four thousand employees, and an annual budget of $1.9 billion.
- The mandate of VAC is to meet the needs of Canadians who served their country during wartime and peacekeeping and to honour those who gave their lives. The authority for the Portfolio Program is contained in the *Department of Veterans Affairs Act*, 15 other Acts of Parliament, and 30 published regulations and Orders-in-Council. The Minister of Veterans Affairs is responsible to Parliament for Veterans Affairs Canada.
- The VRAB is an independent, quasi-judicial agency established by Parliament in 1995 to replace the former Veterans Appeal Board and the former Canadian Pension Commission. The mandate of the VRAB is to determine, and deal with, all applications for review and all appeals that may be made to the Board under the *Pension Act*, the *War Veterans Allowance Act* or other Acts of Parliament. Matters related to those applications and appeals are authorized under the *Veterans Review and Appeal Board Act*. The Chair of the VRAB reports to Parliament through the Minister of Veterans Affairs.
- Management of the Portfolio is a coordinated effort through the Offices of the Deputy Minister of Veterans Affairs and the Chair of the Veterans Review and Appeal Board, who collaborate on issues having Portfolio-wide impact.

Programs

Veterans Affairs delivers two programs: the Veterans Affairs Program, and the Veterans Review and Appeal Board Program.

- The Veterans Affairs Program provides support for the economic, social, mental and physical well-being of veterans, their dependants and other eligible persons and operates under the direction of VAC. It consists of two business lines: Benefits and Services (services include Pensions and Allowances, Pensions Advocacy, Health Care, and Commemoration), and Corporate Administration. Benefits and services are delivered through a decentralized organization consisting of a Head Office located in Charlottetown, the National Capital Office in Ottawa, and a network of regional and field offices across Canada. The Department also operates a hospital in Ste.-Anne-de-Bellevue, Quebec.
- The Veterans Review and Appeal Board Program operates under the direction of the VRAB and consists of one business line. This business line is closely linked to VAC Program's Pensions and Allowances and Pensions Advocacy service lines, and renders decisions in reviews and appeals of disability pension cases and of final appeals of War Veterans Allowance decisions. VRAB services are delivered through a Head Office in Charlottetown, although hearings are held across the country.

Clients and Stakeholders

- Clients include those who served Canada during wartime and peacekeeping duties, as well as their families, and other qualified civilians. These clients consist of four groups: Veteran clients (disability pensioners, War Veterans Allowance/Civilian War Allowance (WVA/CWA) recipients, WVA/CWA Near Recipients, Canada Service Veterans, Overseas Service Only Veterans in long-term care beds, Merchant Navy veterans, Allied Veterans and civilians in receipt of departmental benefits); Non-Veteran clients (Regular Force clients and widow/ers of war veterans and Regular Force clients); Customers who seek the Portfolio's assistance in obtaining general information; and Internal clients.
- Stakeholders include Veterans' associations, representatives of peacetime Canadian Forces members, employees, unions, and suppliers of health care (hospitals, pharmacies, provincial health ministries, private sector partners, etc.).

Source: www.vac-acc.gc.ca

- *Solicit Client and Stakeholder Feedback.* Focus groups were set up across the country to gather input from Veterans Affairs' diverse client base – veteran clients; non-veteran clients such as regular force members, widows and widowers of veterans and regular force clients; as well as veterans' associations, such as the Royal Canadian Legion and the War Amps of Canada. Through the focus groups, the department learned that clients wanted departmental commitments to a standard of service that were written out in a document.

  Veterans Affairs also receives regular feedback from clients and veterans' associations through ongoing informal discussions.

- *Draft Service Standards.* A comprehensive set of service standards was drafted and circulated throughout the organization for further input. Service standards, based on employee, management, and client feedback were then published and are updated to reflect changes in client needs.

Issues Encountered

Main Issues Encountered

- *Building a Consensus around Service Standards.* To build a consensus acceptable to the interests of managers, employees and clients was a challenging and time-consuming endeavour. Employees ultimately benefit from improved service or a satisfied client, but the connection is not always direct. While employees in a service centre may see the benefit of service standards at first hand, employees at head office may not. Employees need assurance that the initiative is well-founded. Buy-in from employees and support from key managers in the organization are essential. It was important to repeatedly demonstrate the results of the client focus groups to employees and management alike.

- *Communicating the Meaning of the Initiative.* Not all employees had a clear idea of the meaning of service standards. Some mistook service standards for other types of standards or other types of quality initiatives, such as ISO 9000 or Total Quality Management (TQM). Veterans Affairs took care to explain that service standards were a set of long-term objectives that the organization as a whole was working toward, not work quotas or targets that individual employees were required to meet. Senior managers spoke to this issue as required. The *Question and Answer Guide* also explained the objective and value of the exercise.

A Look at Veterans Affairs' Approach to Service Improvement

Having successfully developed a set of standards to guide service in 1996, Veterans Affairs then adopted a department-wide Quality Services Strategy. Developed in response to the Quality Services Initiative launched by TBS in 1995, the framework document, *Quest for Quality*, outlines the elements Veterans Affairs deems essential to quality service. In addition to client-based service standards, these elements include the following:

- *Maintain a Client Focus*, through feedback mechanisms such as surveys and client complaints, and through service improvements based on client-identified priorities.
- *Provide Leadership*, to support the quality service initiative.
- *Implement Strategic Initiatives*, particularly the Pension Reform Project, completed in 1997, designed to streamline the process for disability pension applications and appeals and reduce turnaround times. In addition, the Benefits Redesign Project seeks to develop and implement an integrated Client Service Delivery Network (CSDN) to support the delivery of benefits and services. This project is part of the department's move away from program-based delivery to a client-focused system.
- *Support Employee Involvement and Teamwork* through training initiatives, working groups, and consultations between management and unions.
- *Develop a Continuous Learning Environment* for employees by team building, service, and problem-solving.
- *Create a Recognition and Reward System* that encourages and honours individuals and teams for their contribution to the organization.
- *Forge Partnerships*, such as shared-service agreements, strategic alliances and other arrangements.
- *Use Fact-based Management*, through performance measurements.
- *Use Benchmarking, Best Practices and Continuous Improvement*, to learn from others and apply these lessons.
- *Communicate*, to explain and demonstrate the importance of the Quality Service Program to clients, employees, suppliers, veterans organizations, public sector unions, central agencies and the general public.

How did these issues influence the development of the initiative?

While the initiative has been completed and service standards have been in place for some time, these issues slowed down both the planning and implementation phases of the initiative. But the revision process ran more smoothly. Veterans Affairs attributes this to the fact that there is now a solid foundation of client and employee involvement in service standards.

Are these issues specific to the initiative? To the organization?

These issues are not necessarily specific to the service standards initiative, nor to Veterans Affairs; they could broadly affect any type of initiative or public sector organization.

Lessons Learned

Critical Success Factors

- *Leadership and Support from Senior Management.* Senior management saw that a client focus was important, and thus ensured that employees had the tools to work towards this. Veterans Affairs notes that, without this leadership and support, the initiative could not have succeeded.

- *Service Culture.* Implementing the service standards initiative was made easier by the strong service focus already in place at Veterans Affairs. Unlike federal government organizations that have more centralized structures, or those that perform regulatory functions, Veterans Affairs is more like a network of centres and district offices that deliver services directly to the public.

- *Communication.* Veterans Affairs indicated that communication – communicating the goals of the initiative and its value – was critical in obtaining support from employees and middle management, both of whom were key players in the initiative.

Pitfalls

- *Understanding What is Meant by Service Standards.* Veterans Affairs suggests that organizations too readily equate service standards with turnaround times, which is only part of what service standards is about. Organizations need to consider the qualitative dimensions of service too.

In Hindsight

- *Better Communication with Front-Line Employees.* Veterans Affairs would make more frequent site visits to district offices and service centres to provide support and to monitor the progress of the service standards initiative.

- *More Frequent Revision of the Service Standards.* The Department's current time frame for revision is three years. Veterans Affairs would like to make revision a continuous process, reflecting changes in client needs.

Key Lessons

- *Build a Consensus around Service Standards.* Obtain support from all members of the organization, senior and middle management, headquarters and front-line employees, as well as from the clients. Veterans Affairs found that such an approach was key to building a consensus.

- *Beware of Trendy Initiatives.* Quick-fix solutions may not work. Veterans Affairs has found that improvements are best realized over time. Through periodic, iterative reviews of service objectives, each revision or cycle is an improvement upon the previous one.

Can this initiative be implemented elsewhere?

Service Standards have already been implemented in other public sector organizations at all levels of government; notably, Canada Post, the Passport Office, Correctional Services Canada, Agriculture and Agri-Food Canada, and Statistics Canada, to name only a few. The approach may vary from department to department, depending on the type of organization (i.e., centralized reporting structures versus team-based employee empowerment), and the type of service offered (i.e., regulatory versus direct or indirect service to public). Such initiatives may be more easily implemented in organizations that have a solid service culture.

Evaluation

Monitoring the Service Standards Initiative

Veterans Affairs has a comprehensive measurement system in place to monitor its service standards. Three main instruments are used:

*   *Client Satisfaction Survey.* In 1997 Veterans Affairs conducted a client satisfaction survey that measured client satisfaction in tandem with Veterans Affairs meeting the service commitments outlined in the standards. Qualitative and quantitative dimensions of service were measured; for instance, client satisfaction with turnaround times, and client satisfaction with ease of understanding of correspondence. The results of the survey were used in the service standards revision process, and to improve other aspects of service in the organization. Veterans Affairs plans to conduct a Client Satisfaction Survey every second year.

*   *Self-assessment.* In 1996 a self-assessment questionnaire was distributed to front-line managers to benchmark service standards performance in those areas where it made sense to do so. Another self-assessment was planned as this report was being written in 1998.

*   *Information Tracking System.* An information tracking system is in place at National Headquarters. This system provides quantitative data, for instance, on whether turnaround times have been met for disability pension applications and appeals. Turnaround time is measured at various check points in the process, which allows Veterans Affairs to determine whether turnaround time objectives are being met.

Veterans Affairs has a system in place to regularly monitor whether clients are being served in their language of choice. The Human Resources Division makes calls to the service centres and district offices to determine if they are meeting the requirements for service in both official languages.

The results of these various measurements are used to improve service delivery throughout the organization. The results are reported to the senior managers responsible for each of the business lines – Corporate Administration, and Benefits and Services. Results are also shared with the service line managers – pensions and allowances, pensions advocacy, health care, and commemoration.

In addition, some results of the survey and consultations are reported publicly to the various veterans associations and groups, and to central agencies on an as-needed basis.

Results Achieved to Date

The results of the client survey reported high satisfaction levels with overall service (90 percent). Few expressed any degree of dissatisfaction (8 percent).

Veterans Affairs has also achieved performance targets for improving disability pension turnaround times. Processing times have been reduced by two-thirds over the last three years. The revised service standards will build on the success achieved in the disability pension process.

Accountability

Accountability for the results of the evaluations ultimately rests with the service line managers.

There are three places where accountability for the Service Standards initiative rests: at the functional management level, at the service delivery management level, and where these two accountabilities join – the Assistant Deputy Minister.

Next Steps

- *Evaluation.* In the fall of 1998, Veterans Affairs planned to follow up on the implementation of its new standards, conduct a self-assessment, and review the results.

- *Service Standards Management Process.* Veterans Affairs planned to implement a management process that would facilitate the ongoing development and approval of new standards and revisions to existing standards.

- *Service Standards for Corporate Services.* Veterans Affairs plans to develop and implement a comprehensive set of service standards for corporate service providers (e.g., Human Resources, Finance, Information Technology, Management Services) within the Portfolio.

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Re-engineering Base Supply: Canadian Forces Base Esquimalt, B.C.

Case Description

Overview

In 1994 Base Supply at CFB Esquimalt, B.C. re-engineered its local procurement process to better meet its clients' commercial materiel requirements at the lowest cost to the Department of National Defence (DND).

Two events urged Base Supply toward action. At that time, units were given responsibility to handle their own budgets for supplies and received acquisition cards to resolve the base's frequent budget shortfalls before fiscal year end. With new authority to manage their own supply needs, Base Supply saw that its clients might do business elsewhere. However, while the clients had some autonomy in making local purchases, they did not necessarily have the expertise to do so – which Base Supply did have.

DND's 1994 *White Paper* raised the question of Alternative Service Delivery and introduced the prospect of private sector competition for services traditionally delivered by the public sector. This prompted Base Supply to question whether its business was functioning efficiently and effectively.

Led by the Supply Officer, Base Supply set out to make its service more attractive to the client – "fast, friendly, efficient, and economical."[1]

Base Supply adopted a "value streams" approach. That is, acquisition was viewed as "an end-to-end collection of activities,"[2] designed to meet the goals of customers rather than of Base Supply managers.

The re-engineering process was conducted from this viewpoint and consisted of four parts:
- *Process Simplification.* The acquisition process was re-engineered from top to bottom. The number of steps taken to order goods and services and have them delivered was reduced from 125 to 17.

- *Software Redesign.* A new internal software program for tracking and monitoring transactions was developed.

- *Human Resource Needs Assessment.* New competencies were identified, new job descriptions written, and employees recruited for new positions.

- *Employee Training and Education.* The "value streams" approach concerns empowerment and teamwork, where employees work together on what used to be many jobs to execute the entire value stream with minimal supervision. Employees were trained in this new philosophy as well as in the concept of kaizen – "everybody improves everything all the time."[3]

Putting the Re-engineering Process in Place

Development

- *Clearly Define Purpose of Initiative.* The Base Supply Officer drafted a Charter, which set out the objectives of the re-engineering exercise, timelines, and staff involvement.

- *Communicate Initiative to Organization.* The objective and the value of the re-engineering initiative were communicated to Base Supply and the Base as a whole, including clients and suppliers, via client focus groups, speaking engagements, and formal correspondence. Throughout the initiative, staff were kept up-to-date through weekly newsletters, the Base Commanding Officer's *Communiqué*, town hall meetings and, on an "as-needed" basis, by

the re-engineering team leader. In addition, the Base Supply Officer and re-engineering team members made on-site visits to client and base supply locations.

- *Conscript Help.* Since Base Supply knew little about re-engineering, it drew on the expertise of a facilitator from the newly established Defence 2000 Office, located at the Department of National Defence Headquarters in Ottawa. This facilitator guided the process from start to finish, providing advice and support.

- *Learn about Initiative.* Base Supply undertook research on re-engineering. The organization read key books in the field, particularly *Re-engineering the Corporation* (1993) by Michael Hammer and James Champy, watched videos on re-engineering in the industry sector, and participated in site visits of best practices in industry.

- *Make Resources Available.* With the support of the Base Supply Officer, any needed resources were made available to put the initiative in place.

- *Assemble a Team.* A team was assembled of staff from all parts of Base Supply who knew the acquisition process. A team leader was appointed. A human resources facilitator and a software designer, both from the base, were integral components of the team.

- *Map Out Current Process.* The team mapped out the acquisition process, learning that the process involved approximately 120 steps and took several days for the customer to receive his or her goods.

- *Map Out New Process Building in Hard Constraints.* The team identified Treasury Board regulations and requirements of the *Financial Administration Act* and set about to redesign the acquisition process. Base Supply learned that many of the reasons for certain practices were based on departmental or internal procedures, developed over the years, but no longer necessary.

- *Solicit Client Input.* During the re-engineering process, clients were asked for feedback on proposed changes and for their priorities for the new system.

- *Consider Technological Requirements.* Software had to be developed to manage the new acquisition process. The existing computer system was mandated by Headquarters to report all transactions. However, this system was developed for the old process and caused frequent slow-downs when the new process came on line.

Implementation

- *Plan Implementation Phase.* Once the acquisition process had been redesigned, staff were seconded for up to five months to plan the implementation. This group, including members of the re-engineering team and the human resources facilitator, assessed the new competency requirements, wrote up new job descriptions, recruited staff for the positions, and established a training program. Besides logistical training, employees were trained in teamwork, process ownership and customer service.

More about CFB Esquimalt Base Supply

Mandate

- CFB Esquimalt Base Supply is responsible for satisfying the materiel requirements of the base and assigned integral and lodger units. The responsibility includes the management of a large inventory of supplies, and the administration of more than 495 customer accounts.

Accountability

- The Base Supply Officer is responsible for ensuring that the mandate of Base Supply is fulfilled.
- The Base Commander is ultimately responsible for ensuring that the mandate of the base is carried out. The base Commander exercises administrative control over the personnel and units assigned to other commanding officers. He is responsible for the provision of support services to the base, of which supply is one. He is also the landlord for CFB Esquimalt's land and buildings.

Clients and Stakeholders

- Base Supply has several clients, the major ones being the West Coast Fleet, which consists of major war vessels; minor harbour tugs; and minor war vessels. The largest client in volume is the base shipyard which maintains all the fleets. Clients also include the various units and individual staff on the base.
- Stakeholders include base employees, clients, and suppliers.

Training was part of the start-up and Base Supply set up a library of videos on customer service techniques for service representatives.

- *Pilot Initiative.* The new process was piloted for four months with staff who had been trained on the new process, and some clients.

- *Evaluate Pilot.* The re-engineering team monitored the progress of the pilot project over the four-month period. New software allowed the team to monitor the actual process. The team surveyed clients, held focus groups and spoke with clients individually to determine their satisfaction with the new process. They also sought feedback from employees on teamwork, ownership, and customer focus.

- *New Process Implemented.* Full implementation of the system took place over the next nine months.

Once the decision was made to implement the new process and the positions that would be affected were iden-tified, the team leader met with employees individually. Those who remained were trained, and the two that left were employed elsewhere on the base.

The remaining clients were brought into the new process.

Once the new process was fully operational, it was turned back to the individual managers of the units involved.

Issues Encountered

Base Supply encountered resistance to change for two key reasons:
- *The Culture of the Organization.* Some staff were uncomfortable with the re-engineering process because it appeared to disregard the rules and procedures they had become familiar with over the years. This reluctance was natural, and to deal with it, the Base Supply Officer and members of the re-engineering team opened lines of communication with staff to discuss the change process and the reasons for the initiative.

- *The Culture of the Work Force.* The new process brought with it a new way of thinking about the job. Employees would now work as teams, carrying out the acquisition process from start to finish. Initially, personnel recruited to carry out the pilot project were very keen, and success followed from that. In the follow-up phases, however, maintaining the initial enthusiasm was a challenge. In some cases, staff members recruited into the process were unsure whether their new working style was an improvement. Once again, communication and education efforts helped to overcome this resistance. A great deal of effort went into communicating the new client focus and the teamwork aspects, upon which the initiative depended.

How did these issues influence the development of the initiative?

While the initiative has been completed and in place for three years, the culture of the organization is still an issue. Without continuous support for the new culture at all levels of the organization, there is a tendency to return to the old ways rather than to continue to make improvements.

Are these issues specific to the initiative? To the organization?

These issues could affect any type of initiative or organization, but organizations with command and control structures that undertake initiatives requiring a change in culture may meet more resistance than others.

Lessons Learned

Critical Success Factors

- *Strong, Committed Leadership.* Base Supply had a forward-looking leader who challenged the status quo, but who also took the time necessary to explain the importance of the re-engineering process.

- *Full-time Staff.* Base Supply had a staff whose full-time job was the development and implementation of the ini-tiative.

- *Staff with Specific Competencies.* Staff with leadership, human resource, and software design skills were seconded from across the organization to help carry out the initiative.

- *Time.* The re-engineering team took the time needed to carry out the initiative, but at the same time maintained the momentum for change.

Pitfalls

- *Organizational Culture.* As noted above, the culture of the organization and its work force was an impediment to the re-engineering exercise. It is imperative for organizations interested in undertaking similar initiatives to know their culture, to anticipate potential problems, and meet them head on through communication strategies and training sessions.

In Hindsight

Because organizational culture was the biggest issue, Base Supply would devote more time to this. The reasons for the change, its value, and what it will mean for employees need to be communicated many times over. Meetings, follow-up facilitation, and training sessions are some ways of doing this.

Key Lessons

- *Garner Support from the Top.*

- *Dedicate a Full-time Staff with the Necessary Competencies to the Initiative.*

- *Involve Employees and Clients from the Start.* Employee and client involvement serve as important sources of support. Client involvement saves on costly changes after the fact.

- *Take the Time Required to Do the Job Right.*

Can this initiative be implemented elsewhere?

While there was initial resistance to the re-engineering process from local staff and staff at National Headquarters, this initiative has become the model for many Canadian Forces bases. Since 1995, when the initiative was completed, Base Supply has had visitors from every Canadian Forces Base in the country, and from DND Headquarters, to learn about the exercise. In addition, Headquarters has adopted elements of the locally developed software to improve the national system.

Evaluation

Monitoring and Measuring the Re-engineered Acquisition Process

The re-engineering team monitored the progress of the pilot project over a four-month period, which included monitoring the data through the new system, as well as client and employee feedback mechanisms.

Since the process was implemented, it has been monitored quarterly using similar methods. While the re-engineering team continued to monitor the process for the initial nine months, responsibility was then turned over to the manager of the acquisition process as part of his or her duties.

Base Supply has embraced concepts of process ownership and empowerment. Employees are likewise responsible for monitoring the process, making improvements where necessary, and obtaining feedback from clients.

Results Achieved

- *Simplified Acquisition Process.* Base Supply reduced the number of process steps.

- *Improved Customer Service.* Customers are receiving a broader range of services, quicker service, and better information.

- *No Employee Job Loss.*

- *Achieved Savings in Unnecessary Warehousing Costs* – facility, equipment, and personnel costs. Savings total at least $5 million.

- *Multi-Skilled Staff.* Where staff used to be specialists performing one function, they now perform a range of functions throughout the acquisition process. In addition, employees are given more training and exposure to other ways of doing business.

Accountability

The re-engineering team reported the results of the pilot project to the Base Supply Officer who was ultimately accountable for the results of the exercise. The Base Supply Officer communicated the success of the pilot locally to all units by letter. The Base Commander reported the results to DND Headquarters.

The manager of the acquisition process, who oversees purchasing, is responsible for acquisition and makes regular updates to the Base Supply Officer.

Next Steps

Two key projects developed out of this exercise.
- *Warehouse Consolidation.* As a result of the re-engineering, Base Supply no longer needs to hold commercial materiel in inventory and has adopted a just-in-time delivery method. Base Supply reviewed what was held in inventory, why it was held, and made a decision to hold only those goods that were necessary.

- *Re-engineered Process for Centrally-Managed Materiel.* The acquisition of local commercial materiel was expanded to include goods and services managed by National Headquarters – normally not available locally. Now customer service representatives manage all customer service requests.

Endnotes

[1] Base Supply, CFB Esquimalt, January 1996, Internal Document, "Re-engineering Process at Base Supply Esquimalt."

[2] "Organize Around Value Streams" excerpted in Base Supply internal document.

[3] "Organize Around Value Streams."

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Cost Recovery at Parks Canada

Case Description

Overview

In 1994, Parks Canada introduced a formal system of cost recovery into Canada's national parks. This new policy, based on fees for personal services, has enhanced the agency's ability to fulfill its mandate. Under the policy, the obligation of paying for these services is shifted from taxpayers to users. This frees up tax-based appropriations so that they can be used for the protection of natural and cultural heritage, and the creation of new parks and sites. At present, 25 percent of Parks Canada's revenue is generated through fees for service, the rest from tax-based appropriations.

Fees for services are not new to Parks Canada. The first set of fees was introduced in the late 1880s with the opening of Rocky Mountain Hot Springs to the public. Ten years later, park fees were introduced for camping, and an entry fee per vehicle was introduced in 1911. By this time, the basic elements of the fee system were in place for Canada's national parks. Since then, other fees have been introduced to provide a source of financing as new personal services were developed. Fees for entry to national historic sites were introduced in 1969 and canal lockage fees were first applied in the 1970s. Fees are also charged for a large number of services provided in relation to Parks Canada's role as a property and community manager.

However, these fees were not set or reviewed in a systematic way. Fee reviews took place periodically, with the last major one in 1994. Parks Canada learned that most fees were approximately 10 years out of date.

At the same time, Parks Canada was undergoing major organizational change – which pre-dated Program Review I by approximately two months – in an effort to address the financial pressures it was then facing. The focus of the organization shifted to one of accountability, in terms of both management and resources. Individual managers were to become more accountable for the performance of their units, and Parks Canada as a whole was to use its funds through the application of government-wide policies, including the Treasury Board's *External User Charge Policy*. The introduction of the discipline of fees focused managers on ensuring that reasonable fees were in place, and that their expenditure levels were appropriate.

With the support of the federal government and the Minister of Canadian Heritage, and under the leadership of senior management, Parks Canada introduced a new fee policy.

Recognizing that national parks and historic sites are important symbols of Canada's cultural distinctiveness and natural diversity, Parks Canada instituted an inclusive fee-setting process. Canadians and client and stakeholder groups – principally park users, Aboriginal groups, conservationists, tour and travel operators, and local communities – would participate in decision making concerning fees.

Parks Canada's cost-recovery scheme is not a national system of fees, but rather a national set of principles with the flexibility for fees to vary from park to park, site to site and in accordance with the types of services offered, the needs of clients, and the "mood" of the public.

Parks Canada's Fee Policy[1]

The principle underlying Parks Canada's fee policy is that individuals who derive a personal benefit from services offered at national parks and historic sites should pay for the benefit they receive. Services that benefit Canadians as a whole, and not individuals or specific groups, are financed through tax dollars. This second category

More about Parks Canada

Parks Canada vision: "Building our future together – strengthening a shared sense of Canadian identity which respects the diversity of the land and the people."

Mandate

- Parks Canada's purpose is "to fulfill national and international responsibilities in mandated areas of heritage recognition and conservation; and to commemorate, protect and present, both directly and indirectly, places that are significant examples of Canada's cultural and natural heritage in ways that encourage public understanding, appreciation and enjoyment of this heritage, while ensuring long-term ecological and commemorative integrity."
- Parks Canada has 38 national parks, three national marine conservation areas, and 792 national historic sites, of which 131, including the canals, are directly administered by the Agency. There are a further 60 national historic sites for which agreements have been made with their owners to help in their conservation. Parks Canada is also responsible for ensuring the protection of heritage railway stations, owned or controlled by federally regulated railway companies, and it administers the Federal Heritage Buildings Policy. It coordinates the federal-provincial program for Canada's heritage rivers. It also contributes its expertise in a number of international forums.
- Parks Canada has about 6,000 employees, a budget of $348 million, and is custodian of an asset base valued in excess of $6 billion, some of which represents irreplaceable heritage properties. South of the 60th parallel it is the largest federal landowner.

Structure and Accountability

- In 1998 the Secretary of State (Parks), on behalf of the Minister of Canadian Heritage, introduced legislation to establish the Canadian Parks Agency as a departmental corporation. Like two other new Service Agencies – the Canadian Food Inspection Agency and Canada Customs and Revenue – Parks Canada will have new human resource and financial authorities, and greater flexibility to be more entrepreneurial in its operations.
- Parks Canada is headed by the Secretary of State for Parks, who supports the Minister for Canadian Heritage. The Assistant Deputy Minister of Parks Canada administers the Parks Canada Program, and is accountable for the integrity of the program and for compliance of sectoral administration with general management policies. Two regional representatives are responsible for its implementation in the regions. The ADM reports to the Deputy Minister of Canadian Heritage. The accountability structure will change somewhat with the implementation of the Canadian Parks Agency.
- The principal operational level for Parks Canada is in the field. There are 33 field organizations headed by field unit superintendents, who are also the superintendents of a park or site. The basic activities of protecting the ecosystems and cultural heritage, as well meeting and serving visitors, is carried out at the national parks and historic sites.
- Headquarters concentrates largely on management and administrative functions in support of the field and the Minister, Parliament and the central agencies. Headquarters also develops specific products for visitors, such as general information and interpretive material.

Clients and Stakeholders

- Clients include visitors to the park and sites – local and regional residents, interregional or long-haul travellers from across Canada, and travellers from Europe, Asia, and the United States – and commercial tour operators.
- Stakeholders include national associations representing the tourism industry, national and international commercial tour operators, small tour operators, Aboriginal groups, environmentalists, naturalists, business operators adjacent to parks and sites, individual users, and the general public.

Source: Parks Canada, 1995, *National Business Plan 1995/1996 – 1999/2000*, Ottawa; Canadian Heritage; Canadian Heritage, 1998, *Canadian Heritage 1998-1999 Estimates, A Report on Plans and Priorities*, Ottawa; website: www.parkscanada.pch.gc.ca

of services includes: establishing and protecting heritage places; creating outreach programs for non-visiting audiences such as youth, and on-site information sessions for school and tour group leaders.

Prices are not set to deny access to, and use of, parks and sites by Canadians generally. The decision as to what services to charge for is based on the distinction between "public good" and "personal benefit." If an evaluation of the service indicates that society as a whole benefits, then the cost of that service will be financed through tax dollars. If the benefit is primarily to individuals or specific groups, then the cost will be financed through fees. If the evaluation determines that there is a benefit both to society as a whole and to individuals or specific groups, then the costs of providing the service will be financed through a combination of fees and taxes.

Parks Canada developed a decision-making framework to assist managers in defining the service, determining the best method of delivery, considering cost control measures, identifying whether the service is provided primarily for the public good or for the personal benefit of individuals or specific groups, and how to pay for it. The framework helps Parks Canada operate more efficiently by ensuring that only appropriate costs are recovered through fees and that services are provided only where there is a market demand.

> Parks Canada has more than 3,500 fees in effect, including the following:
> - *Entry* – per person entry, and parking in lieu of entry
> - *Lockage* – historic canals, locks and swing bridges
> - *Camping* – unserviced to full-service sites
> - *Heritage Presentation* – guided walks, audio-tape tours, step-on motor coach tours, theatre programs, junior naturalist programs, learning vacations, and customized school education programs and outreach and extension programs
> - *Recreation* – docking, swimming pools, golfing, cross-country skiing and fishing
> - *Real Property* – land rental, building and facility rental, rights-of-way, business concessions and staff housing
>
> Source: Parks Canada, "Parks Canada's Cost Recovery Plan," Internal Document.

Revenues generated from fees are retained by individual parks and sites to form part of their overall operating budget. Fees provide a stable source of funding and are used to finance service improvements when it can be demonstrated that clients are willing to pay for such enhancements.

Fee-Setting Authorities[2]

Parks Canada administers two types of fees: those set by regulation and those set by the Minister. This balances the need for Parliamentary oversight with the need to see that fees are set in a timely fashion, and are responsive to user needs and market pricing. In cases where clients can purchase those services only from Parks Canada – for example, municipal services in national park communities where Parks Canada is the sole provider of these services – the fees are set in regulation. Fees for all other services, such as entry, camping, and guided tours – where clients have a choice of service provider – are set under the Minister's authority.

Putting a Cost Recovery Scheme in Place

- *National Survey Conducted.* In 1993, before instituting a system of cost recovery, Parks Canada conducted a nation-wide survey to determine whether there was public support for fees. The survey results indicated Canadians supported fees at a reasonable cost, and were willing to pay the fees so long as the revenues went back into national park operations rather than into general government revenues.

- *Working Team Assembled.* A national working team made up of employees from across the organization was struck to lead the initiative. This team set the directions and time lines for final recommendations for approval. The national working team conducted initial market comparability studies based on their understanding of the services offered at the local sites, and made some initial recommendations to guide the process. The team concluded that Parks Canada was able to increase its revenues from $35 million to $70 million by the year 2000. This was approved by the ADM of Parks Canada.

- *Process Put in Place.* The team designed the process, which included public consultations and a report of final recommendations that would be sent to the Minister for approval.

- *Consultations Held.* The consultations were held at the local site level. More than 24,000 Canadians were consulted – including employees; clients, such as members of the tourism industry, and individual park users; and stakeholders, mainly local communities, the broader public, and environmental and conservationist organizations. The consultations, including meetings, surveys, personal interviews and direct mailings, confirmed the results of the 1993 national survey – while Canadians were neutral to negative about fee increases, they accepted the concept of cost recovery and fees so long as they were fair and affordable; and that the revenues would go back to support Parks Canada operations. In addition, they wanted these operations to be efficient, and that cost reduction measures also be part of any strategy to increase financial performance of the program.

Other issues included: changing fees from per-vehicle to per-person charges at

> Parks Canada has established four categories of cost recovery for services. The level of cost recovery is based on the degree to which a service is either a public good benefiting all Canadians, a personal good benefiting only people actually receiving the service, or a service that has elements of both.
>
> - *Personal Use.* A nominal fee is charged for entry to a park or site. This covers a portion of the cost of providing basic safety, information, orientation and visitor services such as garbage receptacles, picnic tables, washrooms.
> - *Partial Cost Recovery.* Services such as trails, beaches, boat lockages, and cross-country ski trails provide a mix of public and personal benefit. A portion of the costs of providing these services is recovered through fees.
> - *Full Cost Recovery.* Services such as camping, golfing, and mooring are of personal benefit and are fully cost recovered through fees.
> - *Cost Recovery Plus.* Rights and privileges such as the use of Parks Canada images, logos, products and realty and concession agreements are priced to recover a fair return to the Crown and to reflect market prices.
>
> Source: Parks Canada, 1995, *National Business Plan, 1995-96 – 1999-2000*, p. 47.

national parks, the possible impact of fees on tourism and local economies, the need for a regional or national pass, and requests for consultations on an ongoing basis.

In response, Parks Canada modified some of its fee proposals and the implementation of personal-use fees in some parks. The agency is also committed to continue streamlining its operations. To mitigate the impact of fee changes on communities and local economies, heritage tourism marketing strategies were refined, better packaging of fees produced and implementation schedules adjusted.[3]

- *Final Recommendations Made.* The national working team made final recommendations based on the feedback from the consultations and sent a report to the Minister for approval. The Minister then made a public announcement about the new fees.

Fees are now reviewed annually, in a manner that is consistent with the 1994 process. There are three key stages: a national survey, public consultation, and ministerial approval.
- *National Survey.* In the spring, Parks Canada administers a national survey to measure the satisfaction levels of park users about various issues, including the fees.

- *Public Consultation.* Before any fee is set, whether by regulation or by the Minister, national park users and others affected by service offers are consulted on the changes. Consultations take place primarily at the local level, as individual parks and sites have unique market conditions that must be considered. Through these consultations, Parks Canada seeks agreement from clients, employees, and the broader public on what services to provide, at what level, and at what price.

Before consulting with the public, proposed fee changes are approved by the Minister, which provides a mandate and appropriate parameters with which local managers can consult. Consultations include open houses, campfire discussions, information packages with mail-back coupons, meetings with travel trade operators and other stakeholder groups, discussions with local Chambers of Commerce and community town hall meetings.

If there is significant opposition to a proposed fee, Parks Canada will not implement it until all issues have been addressed.

Recommendations for fee changes are made on these two inputs, in accordance with proposed costs.

- *Approval, Notification and Publication of Fees.* In the fall, following consultations, two sets of fees are brought to the Minister for approval – general personal fees and fees for commercial tour operators. The Minister is made aware that the resulting fees are consistent with the previously approved consultation mandate and that all issues have been addressed, or, if a resulting fee is different from what was originally envisioned, the Minister's approval is sought.

  In introducing or making adjustments to existing fees, Parks Canada ensures that the public is aware of proposed changes. For example, during the 1994 fee consultations, Parks Canada made a commitment to the commercial tour industry to provide an 18-month advance notice of any future fee changes applicable to the industry. Parks Canada now develops publications that provide comprehensive listings of commercial group entry fees to be implemented after two years. These are released annually at the National Tourism Association Trade Show and to individual operators.

Issues Encountered

Main Issues Encountered

- *Governance Issues within the Town Sites.* Parks Canada plans to remove subsidies in place in town sites – they will then operate on a standard municipal budget structure. This change required extensive consultation on a variety of issues related to governance, such as rent recapitalization.

- *Balancing Need to Be Responsive to Local Communities and Fair to Other Canadians.* Parks Canada needed to respond to the general feeling among local communities that the park is more "theirs" than the rest of Canada's because they reside there. Not only are residents frequent users of the parks, but they also attract visitors to the park – family, friends, and tourists passing through the town. Thus, these communities felt they should have some benefits. At the same time, the national parks belong to all Canadians. To manage this situation, Parks Canada introduced "early bird" discounts that are available to all Canadians, but that are used primarily by local residents because they live close to the park.

- *Judging the "Market" for Fees.* Parks Canada understands bigger sites better than smaller ones, and can thus judge an appropriate fee structure in those sites. The smaller ones, such as historic sites, are very price sensitive and thus more difficult to set. Parks Canada has introduced a response mechanism to make quick changes when fees are miscalculated.

- *Communicating the Meaning of "Fees."* Introduction of the fee initiative was greeted sceptically by environmental and conservationist organizations, which questioned the meaning of the business-oriented terminology. Parks Canada needed to respond to the concern of these groups with what they saw as a growing commercial tendency in the management of the parks. Parks Canada has included these groups in consultations, met with them frequently, held individual briefings, and demonstrated its leadership in the reduction of commercial pressure in parks such as Banff.

- *Coping with Change in Parks Canada.* When the fee initiative was put in place, Parks Canada was undergoing organizational change and program reductions. For employees, the fee initiative represented another layer of work. All of these changes occurring at once made it difficult for employees to cope.

Are these issues specific to this initiative? To the organization?

These issues could broadly affect any initiative and any type of public sector organization instituting a change, particularly one that might be controversial.

Lessons Learned

Critical Success Factors

Parks Canada notes that fees can be controversial, and attributes its success to the following factors.

- *General Support to Introduce Fees.* Support from the Government of Canada and the Minister of Canadian Heritage was fundamental. It was also important to receive support from the general public and clients of the parks, secured in nation-wide public surveys and consultations.

- *Leadership at the Senior Management Level.* The national working team provided leadership throughout the planning and implementation stages of the initiative.

- *Consultation.* Consultation that is responsive to clients was integral to the success of this initiative.
- *Flexibility.* Parks Canada also attributes its success to an ability to respond quickly to client and stakeholder concerns, e.g, when the fee level has been miscalculated.

- *Timing.* Parks Canada was able to institute the changes partly because they occurred prior to Program Review.

- *Setting Fees in Line with Public Thinking.* Parks Canada ensured that it instituted fees that were in line with public thinking. Consultations, surveys, and a rapid response mechanism helped in this vital regard.

Pitfalls

Parks Canada did not experience any major pitfalls. If the approach is consultative and flexible, Parks Canada suggests, pitfalls can be avoided.

Key Lessons

- *Understanding Client "Mood."* Before starting, have a reasonable understanding of how the client feels about the issues under review.

- *Response Mechanism.* Ensure that there is a response mechanism to answer the concerns of clients and stakeholders.

- *Consultation.* Meaningful and responsive consultation is important.

- *Timing.* Ask, "Is this the right time to be implementing this kind of change?" For Parks Canada, the changes in fees were made at a time when public thinking supported them, i.e., there was support for deficit reduction, downsizing, and so on. Today, this thinking has changed somewhat. Parks Canada notes that it may not have launched its initiative at this time.

Evaluation

Evaluating the Fee Initiative

Parks Canada has three key ways in which it evaluates the fee initiative. Chief among them is an annual independent evaluation whose purpose is to:

- obtain an assurance that the overall intent of the principles is applied consistently across Canada; and
- ensure that fees are appropriately applied vis-à-vis market sensitivity in each of the sites, and to make corrections quickly.

This evaluation has been conducted three times to date. The results are reported to senior management, and are used in annual ministerial reviews of pricing, as well as in the *State of Parks Report*, Parks Canada's biannual report to Parliament.

In addition, field unit superintendents undertake evaluations of the services for which fees are charged. This is done through client surveys that identify changes in market demand, opportunities for service improvements, the appropriateness of fees, and the level of visitor satisfaction.

Parks Canada also administers an annual standard national survey at each park and site across the country to obtain feedback on client satisfaction levels.

Accountability

Parks Canada publishes annually in the Canada Gazette all fees set under the Minister's authority. This keeps the broader public and Parliamentarians up to date on Parks Canada's fee program. Similarly, the *State of the Parks Report* discusses fees and the results of public surveys.

As a new Service Agency, Parks Canada will include information on its revenue program in its new corporate plan. Its annual report will likewise review performance against the goals set out in the corporate plan. Both the corporate plan and the annual report are tabled in Parliament.

While field unit superintendents and other managers are accountable for the results of the initiative within their respective units, the Assistant Deputy Minister of Parks Canada is ultimately accountable for the results of the cost-recovery scheme.

Next Steps

- *Monitor Final Reduction Levels of Program Review I and II.* For Parks Canada, the 1998-1999 fiscal year was the first year of operation at the reduced levels called for in Program Review I and II. Parks Canada continues to monitor operations closely.

- *Service Agency.* Parks Canada is in the process of becoming a Service Agency. Having developed and implemented a new human resource framework, the new agency has begun work on its financial structure and program direction.

Endnotes

[1] Parks Canada, "Parks Canada's Cost Recovery Plan," Internal Document, p. 2.

[2] Parks Canada, "Parks Canada's Cost Recovery Plan," Internal Document, p. 2.

[3] Parks Canada, 1995, *National Business Plan, 1995-1996 – 1999-2000*, p. 48.

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International Benchmarking at the Trade-marks Branch of the Canadian Intellectual Property Office

Case Description

Overview

In late 1995, the Trade-marks Branch of the Canadian Intellectual Property Office (CIPO) undertook a benchmarking exercise with the Patent Office in the United Kingdom. The initiative focused on two processes involved in the prosecution of trade-mark applications – the "formalities" process and the advertising process.[1] The two offices determined and compared application volumes, processing times, output quality, technology environments, human resources, and costs. The initiative led to actual improvements in both the formalities and the advertising processes, and encouraged employees to constantly search for ways of improving these and other aspects of service.

Benchmarking forms part of a larger initiative in the Trade-marks Branch, called the Client Services Program, which aims to constantly improve client service. While employees felt they were already providing good service, there was a different perception within the trade-mark agent community, the primary client group.

In general, agents felt the level of service was quite low and less than they expected, especially with regard to the time taken to process trade-mark transactions, the quality of the examination, the integrity of the trade-mark database, and errors in other outputs.[2]

Led by the Director at the time, and championed by leaders at various levels of the organization, the Trade-marks Branch set out to change this perception by improving service "in many small but important ways."[3] Chief among these were:
- garnering client and employee input through consultation and surveys;
- establishing levels of service that clients could expect to receive and employees could be expected to deliver, via the development of service standards;
- measuring performance and publishing performance results against service standards in the *Trade-marks Journal*, the standard publication for trade-mark offices internationally; and
- benchmarking performance to identify best practices for service delivery.

In step with the progress the Trade-marks Branch had made toward client-centred service, in 1996 CIPO adopted the Client Services Program.

The Importance of Benchmarking for the Trade-marks Branch

Benchmarking had been an ongoing initiative in the Trade-marks Branch, but informally. In the past, the Branch compared its performance to other intellectual property offices in the United States, Britain, and Australia via annual reports. When it compared these reports, the Branch saw significant differences between its processes and those of other countries. For example, the UK Patent Office took seven working days, on average, to formalize a patent while it took CIPO 24 days.

HIGHLIGHTS

- BENCHMARKING EXERCISE IDENTIFIED AREAS OF SUCCESS IN SERVICE DELIVERY, AND THOSE NEEDING IMPROVEMENT
- COMPARED APPLICATION VOLUMES, PROCESSING TIMES, OUTPUT QUALITY, TECHNOLOGY ENVIRONMENTS, HUMAN RESOURCES AND COSTS
- PROVIDES UNDERSTANDING OF PROCESS FROM START TO FINISH
- PROCESS ANALYSIS IDENTIFIES POSSIBLE IMPROVEMENTS
- REDUCED PROCESSING TIMES
- PROMOTED CONTINUOUS IMPROVEMENT BY EMPLOYEES
- IMPROVED CLIENT SATISFACTION LEVELS
- RECOGNIZED BY THE NATIONAL PERFORMANCE REVIEW FOR BEST PRACTICES IN CLIENT-CENTRED SERVICE

With a contingent of dissatisfied clients, it was important then for the Branch to understand the facts behind the numbers – such as, how the processes compared and what other countries did that resulted in better performance: do the other offices have more staff, a smaller application volume, a different approach to information technology?

The Trade-marks Branch then launched a more formal approach to benchmarking, with the UK Patent Office as its partner, to:
- improve performance by learning from other organizations;
- build international relationships with other intellectual property offices and be able to exchange ideas on intellectual property;

More about the Canadian Intellectual Property Office

In 1993, CIPO was established by the Treasury Board of Canada Secretariat as a Special Operating Agency (SOA) within Industry Canada. CIPO's Mission is "To accelerate Canada's economic development by:
- fostering the use of intellectual property systems and the exploitation of intellectual property information;
- encouraging invention, innovation and creativity in Canada;
- administering the intellectual property systems in Canada (patents, trade-marks, copyrights, industrial designs and integrated circuit topographies);
- promoting Canada's international intellectual property interests."

Mandate and Roles
- CIPO is responsible for administering Canada's framework laws governing intellectual property, particularly, patents, trade-marks, copyrights, industrial designs, and integrated circuit topographies.
- CIPO performs two core functions: conferring ownership or recognition of intellectual property rights in exchange for public disclosure of the ideas and processes behind that property; and ensuring that the information about these innovations reaches firms and individuals who can benefit from it.

Accountability

The CEO of CIPO reports to the DM and the Minister of Industry Canada through the ADM of the Operations Sector, Industry Canada. The Operations Sector contributes to the department's objective of assisting Canadian businesses to become more competitive in the changing global economy. As such, the Operations Sector administers a wide range of marketplace services legislation, including laws related to intellectual property, bankruptcy, corporations, and legal metrology.

Structure
- CIPO is structured as, and reports as, a self-financing SOA. In return for achieving performance targets in the delivery of intellectual property services, CIPO enjoys certain flexibilities in management and administration.
- Program delivery is financed by a revolving fund based entirely on client fees.

Clients and Stakeholders
- Clients of CIPO fall into two categories: intellectual property agents and trade-mark agents who deal with the Office on behalf of their clients; and individuals who file directly on their own behalf. In the Patent, Trade-mark and Industrial Design Branches, almost all applications are filed through agents, but in the Copyright Branch almost all applications are filed directly by individual clients.
- The broader public is a stakeholder. The public interest is served in two ways:
  - by granting intellectual property rights, which effectively are a monopoly on the use of the name or the manufacture and sale of a device which is patented in Canada, CIPO is giving the business community the opportunity to build an image around the product or service. In doing so, it is intended that the public is not misled by this product or service name; and
  - through the dissemination and the accessibility to information on intellectual property.

Source: CIPO-OPIC. 1997. *Putting Client Service into Action: Measuring Our Success, Annual Report 1996-97.*

- develop a sense of competitiveness world-wide in a monopoly business nationally (CIPO aimed to establish a sense of competitiveness among employees, that they were out-performing another trade-mark office, in an essentially uncompetitive business);
- develop a sense of process ownership among staff (CIPO sought to cultivate a sense of pride among staff through the exercise, a feeling that they were in control of the process, and that they could make changes to improve it); and
- obtain third-party validation that the organization was client- and service-centred.

Putting the Benchmarking Initiative in Place

- *Choose Benchmarking Partners.* Following the informal benchmarking exercise that it had undertaken on its own, the Trade-marks Branch then contacted countries with similar processes in place – the U.S., UK, Sweden and Australia. While the U.S. declined, Sweden and Australia expressed an interest in participating; the UK, however, was the only country that agreed to be part of the exercise. Sweden and Australia participated as observers.

- *Design Benchmarking Process.* Canada and the UK agreed on the elements of the process to be analysed – the advertising and formalities processes – the methodology, and the approach to documentation. Employees working on the advertising process and the formalities process developed a standard template for documenting each process.

- *Establish a Time Frame.* CIPO and the UK Patent Office established a deadline of six months.

- *Conduct Internal Process Analysis and Documentation.* Employees from each office conducted an analysis of their own processes first and then documented the results.

- *Exchange Data and Compare Results.* The two offices exchanged information and compared these results: application volumes, processing times, output quality, technology environments, human resources and costs.

  In the case of the formalities process, the UK had fewer staff (seven, compared to 11 in Canada), more applications (40,000 compared to 30,000 in Canada), and the process took fewer days (seven compared to 24 in Canada). These disparities flowed from the fact that the UK filed applications under a simpler system called a "class system," and that the applications were indexed in a simpler way.

  In the case of the advertising process, Canada took eight to nine weeks, including three weeks for translation, for the trade-mark application to appear in the weekly journal, whereas the UK took 12 weeks.

- *Make Process Improvements.* The Trade-marks Branch continues to work on making improvements to the formalities and advertising processes based on what it learned through the benchmarking exercise. To date, the Trade-marks Branch has reduced processing times in the formalities process from 24 to 6 days. Processing times for the advertising process have been reduced from 45 to 24 days. At the same time, client satisfaction levels have increased from 68 percent in 1994 to 84 percent, as of April 1997. These impressive results are at least partly attributable to improvements in the two process areas.[4]

Issues Encountered

Main Issues Encountered

- *Commitment.* The Trade-marks Branch is a production shop; applications have to be processed quickly and accurately. Giving employees the time to do the process analysis was difficult.

- *Time.* The benchmarking exercise was not a dedicated effort by either Canada or the UK so it took much longer than anticipated – 15 months in total. Staffing changes and day-to-day pressures impeded progress.

- *The Meaning of Benchmarking.* Benchmarking is defined in different ways. The two offices did not establish beforehand precisely what they meant to do. Initially, employees in both offices had some difficulty understanding the objective of the exercise.

- *Methodology.* The methodology was agreed upon by both offices, but a change of staffing in the UK brought with it changes in the initiative. These changes made precise comparisons between the two offices difficult.

Were these issues specific to this initiative? To the organization?

These issues are not specific to the initiative or the organization; they could broadly affect any type of initiative or public sector body.

Lessons Learned

Critical Success Factors

- *Senior Management Support.* Senior management sponsorship was essential to the success of the initiative, particularly in demonstrating to employees and managers the value of the exercise.

- *Few Players.* Having only two main players and a few observers simplified the process.

- *A Small and Dedicated Team.* A small team of employees who are dedicated to the initiative provided the continuity that is required in such an exercise.

- *Similar Type of Organization.* The Trade-marks Branch chose a partner that delivers similar services, with similar processes, making for easier comparisons.

- *Simple, Discrete Processes.* The two offices agreed on simple, discrete processes which facilitated the benchmarking exercise, particularly in terms of comparison.

Pitfalls

- *Benchmarking with Partners That Are Not in Close Proximity.* To understand the information that is being exchanged, organizations need to meet face-to-face to have discussions and exchange ideas. The distance between the two offices was an impediment to the process.

In Hindsight

- *Choose Partners in Close Proximity.*

- *Maintain Agreed-Upon Terms*, which include established deadlines and methodology.

- *Use a Standard Benchmarking Approach.* CIPO indicated that it should have used the standard templates and terminology that are becoming accepted in the benchmarking "community."

Key Lessons

- *Keep Time Frames Short.* Short time frames mean early results, which keep the momentum going. In addition, organizations change quickly – in terms of staff, priorities, ways of doing business, and so on. Being able to conduct timely research is key to the success of the initiative.

- *Avoid Delays Due to Process Band-aids.* Once the organization conducts an analysis of its own process, which is the first step of the benchmarking exercise, there is a temptation to make improvements based on this information. To do so simply prolongs the initiative and impedes the ability to properly benchmark performance.

- *Process Analysis Identifies Possible Improvements.* The Trade-marks Branch learned that, while benchmarking is a valuable exercise, organizations can learn much from simply mapping out their processes and trying to find ways of improving them.

- *Information Technology Can Change the Landscape.* Information Technology changes at a rapid pace. It must be factored into the development of time frames around initiatives, especially initiatives undertaken by organizations in which information technology is a mainstay.

- *Legislation May Limit Adoption or Adaptation.* The Trade-marks Branch learned that what may be feasible for one Office may be limited by legislation in another.

- *Benchmarking Helps Build Working Relationships with Similar Organizations.*

- *Benchmarking Requires More Time and Effort than Expected.* While it is important for organizations to set deadlines for completing the exercise, it is not until the process analysis stage that organizations truly learn what is required to perform the tasks they do. Thus, organizations may need to adapt time frames to accommodate all the necessary parts of the process, which may have been overlooked initially.

- *Benchmarking Is a Worthwhile Exercise.* It builds staff morale and develops a sense of competition.

Can this initiative be implemented elsewhere?

The Trade-marks Branch indicated that a benchmarking exercise can be implemented in any type of organization. Interested organizations should, however, start with processes that are relatively simple.

Evaluation

Monitoring the Benchmarking Exercise

The Trade-marks Branch held internal discussions about the success of the benchmarking exercise. Staff discussed the length of time it took, the partners involved, the type of processes benchmarked, and how each of these might change in future rounds of benchmarking.

Results Achieved

The Trade-marks Branch has achieved most of what it set out to accomplish in the benchmarking exercise.
- *A Good Working Relationship with Staff in the UK Patent Office.*

- *Improved Staff Morale, and a Sense of Empowerment & Process Ownership.*

- *Third-Party Validation from Clients.* Even as it was conducting the benchmarking exercise, the Trade-marks Branch took part in a study of "best practices" conducted by the Washington-based National Performance Review, a task force headed by the Vice President of the United States. After an on-site visit coordinated by Treasury Board of Canada Secretariat, the NPR recognized the Trade-marks Branch for seven best practices.[5]

- *Improved Processing Times and Higher Client Satisfaction Levels.*

- *Set a Benchmark through Published Service Standards.* The Branch learned that, in setting service standards for the trade-marks operation, in measuring performance results against service standards, and in publishing these results, they set a benchmark.

- *Review of Wares- and Services-Based Filing versus Class-Based Filing.* Through the formalities process, the Branch learned that it took its employees longer to process an application than UK employees because of the filing system. The UK works from a Class-Based Filing system while Canada works from a system of filing detailed lists of wares and services – a system required by legislation. This helped to launch a re-evaluation of the filing system.

- *Search for New Ways to Improve Process.* As a result of the benchmarking exercise, employees now have a better understanding now of work done before and after their contribution. This helped break down "corporate silos." For example, the Trade-marks Branch now works closely with the Translation Bureau to reduce the time it takes to translate applications into the other official language.

- *Introduce Quality Improvement Measures.* The benchmarking exercise also encouraged the Branch to institute a series of quality improvement measures, such as sending out a proof of the application to the applicant and asking for client verification, and instituting a client rate of return measure.

Accountability

The Director of the Trade-marks Branch is accountable for the benchmarking exercise.

Next Steps

- *Process Re-engineering.* The Trade-marks Branch plans to undertake a process re-engineering exercise.

- *Benchmark Other Processes.* Following that exercise, the Branch may look for further benchmarking opportunities with similar organizations, or with similar processes in different organizations.

- *Publish Performance Results and Monitor Performance of Other Intellectual Property Offices.* CIPO monitors the performance of other intellectual property offices around the world to get a sense of how Canada compares. Quality intellectual property products and services, delivered in a timely fashion and at a reasonable price, can help attract investment to Canada. CIPO continues to regularly publish its performance results.

Endnotes

[1] Applications for trade-marks go through a number of steps before a trade-mark is granted. The "formalities" step is first, which determines whether or not the trade-mark application is complete and correct. The application is then examined, and if registerable in accordance with the *Trade-marks Act*, it is advertised in a journal where it is open to public scrutiny. During a three-month period after advertising, the public can oppose the registration of the mark. Opponents to the trade-mark application must go through an opposition process where evidence is filed and the Chairperson of the Opposition Board renders a judgement as to its registerability. A registered trade-mark gives the holder exclusive rights to use that mark in association with the products and services named in the application. The holder of the trade-mark, however, is responsible for policing the market.

[2] Brian Andrew, January 5, 1998. "Case Study: Service Quality Improvement through a Client Service Program, Trade-marks Branch of the Canadian Intellectual Property Office (CIPO)." Internal Document, pp. 1-2.

[3] Brian Andrew, January 5, 1998, p. 2.

[4] Brian Andrew, January 5, 1998. Annex B – Service Level Improvements.

[5] Canadian Intellectual Property Office, 1997, *Putting Client Service into Action: Measuring our Success, Annual Report 1996-97*. Ottawa: Minister of Public Works and Government Services Canada, p. 7.

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Changing Service Delivery at the Department of Justice: Reorganization and the Introduction of a Service Agreement System to Enhance Client Focus

Case Description

Overview

One of the primary business lines of the Department of Justice (DOJ) is government client services – that is, advisory, litigation, and legislative legal services to the departments and agencies of the Government of Canada. This case study describes the efforts within DOJ to:

- increase the department's responsiveness to client priorities and needs;
- optimize the use of DOJ and client resources; and
- ensure the level of client satisfaction is continually increased with respect to the quality, nature, cost and level of services provided.

HIGHLIGHTS

- SERVICE AGREEMENTS ARE AN IMPORTANT TOOL OF ACCOUNTABILITY FOR GOVERNMENT SERVICE PROVIDERS AND THEIR CLIENTS

- SERVICE AGREEMENTS ARE USED BY THE DEPARTMENT OF JUSTICE TO:
  - IMPROVE RESPONSIVENESS TO CLIENT PRIORITIES AND NEEDS
  - MANAGE CLIENT EXPECTATIONS AND OPTIMIZE RESOURCE USE AND
  - IMPROVE CLIENT SATISFACTION

This case study is unique within this collection. DOJ is essentially a common service provider.[1] The public is served, but it is served in the sense that the provision of high-quality and cost-effective legal services to federal departments in turn enhances their capacity to better serve Canadians. The main focus is therefore not citizen-centred, but client-focused.

The 1990s were not comfortable years for the Department of Justice. Within its role as provider of legal services to the Government of Canada, Justice faced many challenges. This has led to significant changes within Justice, though not with respect to the type and quality of legal services delivered. Justice continues to provide its client departments and agencies with advisory services, and services in the areas of criminal prosecutions, civil litigation, legislative and regulatory drafting and contract drafting, and does so with a high degree of professionalism. However, in facing the challenges of the last decade, Justice has embarked upon two major exercises:

- a reorganization, to alter how the department organizes itself for service delivery; and
- the introduction of the Client Driven Services Agreements, a system of service agreements with its individual client departments and agencies, to alter how it provides these services. This two-pronged approach to enhancing client orientation is the focus of this paper.

Issues Encountered

Main Issues Encountered

- *Client Demands.* In 1994, the Canadian Centre for Management Development (CCMD) carried out a series of focus groups with Justice clients across the country. In its report on these consultations, CCMD concluded that clients "universally praised the excellent legal work done by Justice and noted individual efforts that reflected extremely well on the Department."[2] However, clients also offered the following observations concerning the delivery of services.
- *Service Standards.* Justice lacked service standards, particularly with respect to the issue of timeliness.

- *Demand by Clients for Greater Control.* Justice was perceived as being reluctant to allow clients to participate in the choice of Justice lawyer for specific work or cases, or in the evaluation of lawyers providing services.

Clients also felt Justice could improve its management of Crown legal agents (i.e., non-Justice lawyers appointed and supervised by the department for specific casework), particularly as agent costs were borne by clients.

- *Joint Prioritization of Work.* Clients felt Justice should work more closely with them to help them prioritize their legal service needs and to ensure that legal services are provided accordingly.

- *Stability in Assignment of Counsel.* Clients were frustrated by frequent changes of counsel, and poor communication of these changes.

- *Information about Outcomes of Litigation.* Clients noted that, at times, Justice provided insufficient follow-up and review of completed cases.

- *Fiscal Restraint and the Need for Measurement Systems.* Over time, clients' demands for service have grown, exceeding Justice's ability to respond fully and effectively. To fill the gap, Justice asked clients to bear an increasingly large portion of the costs for legal services, by paying for legal agents and by providing temporary resources to access Justice services. But with deepening resource reductions, clients themselves began to concentrate their shrinking resources on their own program objectives.

  Fiscal restraints made it important for clients to know how their funds were being used. However, Justice did not have the tools or the means to account to clients for how it used these borrowed funds, and was unable to produce basic information about workload, costs or performance. In a report on Justice's ability to manage resources, the Office of the Auditor General (OAG) noted that Justice did not have a corporate plan, or equivalent plans at the sector level,[3] and lacked basic management information on workload, costs and performance.[4] The OAG report stated that "unless there are significant changes in the way the Department manages its activities, we believe its capacity to do what Parliament has mandated it to do – to promote the legal interests of the Crown – will be undermined."[5]

Justice's Response: Structural and Process Changes

The reorganization of the department was one of the first tangible initiative to meet these challenges. Taking effect September 30, 1995, departmental reorganization was conceived by senior departmental officials as a way to "eliminate or reduce systemic barriers to (provide) more efficient, flexible and responsive service. Our goal is integrated, strategic delivery of all our legal services to clients."[6]

With this goal in mind, Justice created the Legal Operations Sector (LOS) and the portfolio system. Together these have removed sectoral barriers to achieving a satisfactory level of accountability to clients. The new Sector now incorporates most groups or units dedicated to service delivery, including regional offices, the legal service units in client departments, and other functions such as criminal law, specialized legal advisory services, and litigation services. The portfolio system is significant in that it underlines Justice's commitment to put clients first. The portfolio system included the creation of six client portfolios, including three single-client portfolios for high-volume clients, and three multi-client portfolios grouping clients according to their main business line: central agency, business and regulatory. The sector's management board is made up of the Sector Head, portfolio heads, four senior regional directors, and the heads of specialized advisory services and functional groups.

Positive Impacts of Structural Change

- *Enhanced Client Orientation:* Consolidation within one sector of most of the client services has meant that services are delivered in an integrated way. Clients have access, in HQ or in the regions, to dedicated points of contact to which they can turn for all service issues.

- *Enhanced Coordination and Planning Functions within the Sector:* The previous structure was designed along functional lines and this made coordination and planning between Justice and its clients a complex affair. Consolidation of a majority of the legal service functions within LOS permits a much greater degree of joint planning.

- *Stronger Accountability Regime within Justice and an Enhanced Ability to Measure the Effectiveness of Core Activities:* With the creation of LOS, and the subsequent subdivision of the Sector along portfolio lines, Justice has created a much clearer picture of where and how current resources are utilized and where additional resources may be required.

Justice reorganization occurred at the same time as the development of the Client Driven Service (CDS) Initiative. CDS is Justice's primary vehicle for delivering high-quality and cost-effective services to client departments and agencies, and is designed to promote a strengthened accountability framework, based on a notion of shared accountability between Justice and clients in the legal service delivery process. This renewed partnership arrangement is defined by the CDS Agreement, which is a joint management framework negotiated between the Legal Service Unit and its client department. These agreements are used to formalize the implementation of many recent initiatives to enhance legal service delivery by Justice. CDS agreements are designed to include commitments pertaining to:
- providing clients with reliable information regarding resource utilization and workload undertaken to meet the demand for service;
- joint planning and prioritization processes;
- use of dispute resolution as an alternative to litigation;
- review of the costs of legal agents and consideration of alternatives;
- implementation of service standards which ideally have been determined jointly with the clients according to their priorities and concerns; and
- provision for joint performance monitoring and assessment processes.

Lessons Learned

When the CDS Initiative (including the CDS Agreement system) was introduced in 1995, results were not immediate. Negotiations and agreements were not undertaken with all clients, regional service delivery was not always taken into account in the negotiation process, agreements contained commitments which were not followed, and perhaps most significantly, the initiative did not reach its full potential as either a planning tool or a reporting framework.

To encourage full implementation, senior management allocated resources directly to portfolios rather than to operational entities, and based this allocation on existing utilization profiles, by portfolio. As of 1996-97, responsibility centres receive no resources for work projected for a particular client if the prerequisite planning and reporting documents were not submitted to the portfolio manager. This step has enabled the department to maintain its accountability commitments to clients and to better plan its own resource allocation and utilization.

Three years into the initiative, CDS Agreements are now signed with more than 85 percent of clients. However, the number of agreements signed to date is less important than the content of these agreements or how they are used by clients and Justice management. The process has been, and continues to be, a learning experience for managers intent on constantly improving the initiative.

Key Lessons

- *Ensure Managers Understand Changes Fully.* A review of agreements carried out by the CDS Secretariat in 1997 indicated that many of these documents were missing certain elements, such as joint Justice-client planning and review structures, indications of regional service needs, or tailored service standards. While it was important to include these elements in CDS agreements, it was even more critical that managers understand their significance, and be ready to include them because they are important, not only because they are part of a model agreement.

- *Clarify Roles.* Because CDS Agreements are joint planning frameworks for services in which both Justice and clients have a role to play, managers should consider discussing and specifying with their clients what the latter's role will be in the service delivery process and how they will be held accountable for this contribution.

- *Ensure Clients Understand Changes.* Interviews at the regional level with client senior managers suggest that the level of awareness among clients about the CDS initiative and the agreements with Justice is low. If clients are unaware of the initiative and its goals, it is impossible to expect any behavioural change on their part. A

communication and marketing strategy is therefore crucial to ensure the client's fuller participation in the service-delivery process.

- *Include Everyone in Consultations.* Initial rounds of agreements were very Ottawa-centred. DLSU managers responsible for the negotiation process would rarely include regional client priorities or projected resource requirements to meet those needs. In 1996, one portfolio head sought to remedy this situation by organizing a workshop on ideal processes for CDS negotiations and brought together all Justice parties involved in negotiating agreements. This initiative was a success and it may be beneficial to reproduce this type of workshop for other portfolios.

- *A Crisis Is a Strong Impetus for Change.* For Justice, the crisis was its ability to access funds for service delivery and to account for resource utilization. To address this crisis, Justice undertook structural and procedural changes and, as a result, attitudinal changes and levels of awareness regarding managerial accountability and responsibilities are slowly changing.

Next Steps

Cultural change, as it relates to quality service delivery, is an urgent issue, and clients can be expected to put pressure on Justice to look at this issue more closely. In particular, clients are:
- increasingly interested in getting value for the money they spend on legal services;
- aware of what they can expect from Justice lawyers, in part because of the development of service standards within the CDS Initiative; and
- will be offered a choice of legal service provider under the proposed Legal Services Policy Framework. After comparing Justice to private sector alternatives, clients will be able to choose the "competition" if Justice fails to meet their expectations.

Justice has worked hard to position itself for success in a changing environment. Has it achieved its goals? Not yet. However, it has made substantial progress in many areas. It has undertaken important structural and procedural changes, and these have laid the basis for deeper cultural changes within the department. As part of this transition, Justice recognizes the part to be played by its senior management in leading change and in taking responsibility for changing practices. It has begun to identify the critical role to be played by middle managers in promoting greater awareness and focus on service objectives among staff. Drawing on lessons learned, and making the most of the performance information it can collect at this time, Justice is poised to succeed in this initiative in a way that was not possible before.

Endnotes

[1] Under the *Department of Justice Act*, Justice has three principal roles: a service agency role and a policy-making role.

[2] CCMD, as cited in *Setting an Agenda for Excellence*, DOJ, 1994, p. 26, item 1.

[3] Office of the Auditor General of Canada, *Report of the Auditor General of Canada*, 1993, paragraph 17.90.

[4] Ibid., paragraph 17.91.

[5] Ibid., paragraph 17.3.

[6] DOJ, *Departmental Day Fact Sheet*, 1996, p. 20.

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Building a Service Agency: The Canadian Food Inspection Agency

Case Description

Overview

On March 20, 1997, the Canadian Food Inspection Agency (CFIA), a single federal food inspection body, was established to consolidate all federally mandated food, plant, and animal inspection and quarantine services formerly provided by the Departments of Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, Health Canada, and Industry Canada.

This new agency provides all federal inspection services related to food safety, economic fraud, trade-related requirements, and animal and plant health programs. The creation of CFIA reinforces the division of federal powers between the Minister of Agriculture and Agri-Food and the Minister of Health. The Minister of Agriculture and Agri-Food, though CFIA, retains responsibility for establishing animal and plant health standards and providing supporting inspection activities. And while CFIA conducts all federal food inspection activities, the Minister of Health is responsible for establishing policies and standards relating to the safety and nutritional quality of food sold in Canada. In addition, Health Canada is responsible for a systematic and independent examination of the food safety components of the Agency`s food inspection program, to verify its compliance with Canadian health and safety standards.[1]

The creation of the Agency forms part of the Government of Canada's initiative of "getting government right." The 1996 budget announced the Agency as one of the three alternative service-delivery agencies that would have "greater autonomy to provide their services in ways that are more responsive to the needs of their clients and that are more cost effective" – Parks Canada and Canada Customs and Revenue being the other two. As such, CFIA is a "hybrid" of public- and private-sector type organizations. For accountability purposes, the Agency carries out its significant regulatory function in much the same way as a government department. But with greater financial and human resource flexibility than that traditionally accorded government departments, the Agency carries out its service activities in a manner similar to a corporation, with projected annual revenues exceeding $43 million.

What are the Benefits of CFIA?[2]

- *Clarity of Roles and Responsibilities.* The Minister of Agriculture and Agri-Food retains responsibility for establishing health standards related to animal and plant health, while the Minister of Health is responsible for establishing policies and standards related to food safety. The delivery of all food, animal and plant inspection and quarantine services are consolidated into, and carried out by, the Agency.

  This arrangement allows for a more integrated approach to the safety of the food supply than would be the case for an agency that focused solely on food inspection. It likewise enhances the important food safety and accountability functions previously performed by four separate departments.

  In addition, by retaining health and safety standard setting with the traditional departmental structure, while moving the inspection function to a more "elbow's length" body, CFIA can take advantage of the flexibilities accorded to it (i.e., financial and human resource) that permit it to be more entrepreneurial in its operations.

- *Improved Service Delivery.* This new agency provides seamless delivery of food, animal, and plant inspection and quarantine services to citizens and clients, nationally and internationally. Citizens and clients are now able to address their questions and concerns to a single federal contact rather than four separate departments. For

example, importers of different types of food products can now deal with one federal organization for issues related to import inspection.

Financial and human resource flexibilities further enable CFIA to be more responsive to the changing needs of its clients, and to institute more flexible service arrangements.

- *Reduction in Overlap and Duplication.* By replacing the inspection functions of four departments, CFIA resolves a long-standing "horizontality" problem. Significant streamlining and other efficiency gains have been realized in areas such as enforcement, risk management, laboratory services, informatics systems, and communications. Estimates of $44 million in savings will be realized in 1998-1999. Other efficiency gains will be made by simplifying regional structures, and consolidating duplicate facilities or those located close together.

- *Improved Federal/Provincial Harmonization, Cooperation.* A single federal focus combined with new legal powers to facilitate federal-provincial collaboration has contributed to a more integrated and flexible approach to standards and inspection. The existing federal-provincial harmonization initiative, the Canadian Food Inspection System, has been strengthened by a more focused federal participation. Addressing federal-provincial-municipal gaps through the development of "national codes," for example, will significantly enhance food safety and promote international trade.

- *Enhanced Accountability and Reporting to Parliament.* To balance the increased flexibility and new responsibilities of CFIA, the enabling legislation calls for enhanced accountability and reporting to Parliament. A detailed corporate business plan was tabled in Parliament, setting out the Agency's objectives and performance targets. CFIA's first corporate business plan was tabled May 28, 1998.

The Agency is also required to produce an Annual Report that documents its performance with respect to the Business Plan. The report will also include an assessment by the Auditor General on the fairness and reliability of this performance information.

The legislation further requires the Minister of Health to conduct an assessment of the Agency's food safety activities, a report of which is made available to the public.

Background

- More effective delivery of federal food, animal and plant inspection services dates back to the 1970s. Each of the four departments participated in separate studies at different times over the past 25 years or more. The organizational status quo was maintained because of difficulties inherent in shifting ministerial powers, in mixing health issues with trade, and concerns about client reaction.

- In 1985, the Nielsen Task Force Report formed the basis of a government decision which reaffirmed the primacy of Health Canada for food safety and charged that department with food safety coordination and accountability. The Interdepartmental Committee on Food Regulation (ICFR) was formed to achieve the required coordination and to implement various Memoranda of Understanding that would outline the responsibilities of the departments involved.

- In 1992, assistant deputy ministers from each of the departments together reviewed the possibility of formalizing a cooperative arrangement among the departments – the ICFR. The 1994 Program Review likewise echoed the need for a more formal integrated system.

- The 1994 Report of the Auditor General reviewed the system for efficiency and effectiveness, and raised further questions about coordination among federal departments and whether the system was operating on an at-risk basis.

- The 1995 federal budget highlighted the need to resolve the issue by directing the federal departments involved in food inspection to:

  ... work co-operatively on measures, including possible changes in organizational structure, to improve the effectiveness and cost efficiency of the federal component of the Canadian food inspection system ....

- Enhanced intergovernmental cooperation has also been the focus of the federal-provincial-territorial Canadian Food Inspection System (CFIS). This group developed a *Blueprint* that proposed a re-engineered CFIS based on a scientific assessment of health risks, responsive consumer information, efficient use of resources, complementary and/or joint legislation and regulations, and the rationalization of services.

Source: OFIS, July 1995, *The Federal Food Inspection System – Organization Options, Discussion Paper*; CCMD, April 1998, Interview with Ronald Doering and Peter Brackenridge, CFIA.

More about the Canadian Food Inspection Agency

CFIA Mission: "Safe food, market access, consumer protection."

Mandate, Roles and Responsibilities

- CFIA was created to "... enhance the effectiveness and efficiency of federal inspection and related services for food and animal and plant health."
- The Agency is a legislated, independent body led by a President, reporting directly to the Minister of Agriculture and Agri-Food. The Minister is supported as the head of the Agency by the Secretary of State (Agriculture and Agri-Food and Fisheries and Oceans).
- A ministerial advisory board, appointed by the Minister, advises the Minister on Agency issues in order to enhance service and accountability to the public.
- CFIA carries out a range of regulatory responsibilities and is charged with the administration, and/or enforcement of 13 Federal Acts.
- The Agency has an annual budget of approximately $315 M, of which 15 percent is cost-recovered. The Agency brings together more than 4,200 employees formerly of the four federal departments, in some 600 locations across Canada, and 22 laboratories and research facilities.

Financial Flexibilities

- CFIA enjoys departmental corporation status under the *Financial Administration Act*, and has the power to set fees through a streamlined fee-setting process, and to raise and retain revenues.
- CFIA has the flexibility to identify its own common service providers in areas such as legal services, procurement, asset disposal, and property management. This option allows the Agency to determine the most efficient means for managing resources and assets, and to encourage competition among service providers.
- CFIA has been granted a form of multi-year flexibility through a simplified vote structure.
- The Agency also has the authority to implement systems using Generally-Accepted Accounting Principles.

Human Resource Flexibilities

- CFIA is a separate employer, fully responsible and accountable for its human resource management, including staffing, and the negotiation of collective agreements with bargaining agents. After a one-year transition period (effective April 1, 1998), the Agency, while remaining under the *Public Service Staff Relations Act*, no longer falls under the *Public Service Employment Act*. CFIA employees remain federal public servants.
- To ensure that staffing is non-partisan and based on merit, the Agency has set out a charter to protect core public service values, which forms part of the Corporate Business Plan which is tabled in Parliament.

> **CFIA VALUES**
>
> ✓ WORKPLACE AND PEOPLE VALUES: PROFESSIONALISM, RESPECT, COMMITMENT AND A POSITIVE OUTLOOK
>
> ✓ EMPLOYMENT VALUES: MERIT, EMPLOYMENT EQUITY, MOBILITY AND PERFORMANCE RECOGNITION
>
> ✓ LEADERSHIP AND MANAGEMENT VALUES: OPENNESS, INTEGRITY, TRUST AND TEAMWORK

Clients and Stakeholders

- Clients include consumers, producers and harvesters, processors, importers and exporters, distributors, and wholesalers and retailers of food products in Canada, as well as producers, importers/exporters of agricultural inputs and of animals and plants, including forestry, which are subject to diseases and pests of quarantine significance.
- Stakeholders include industry and consumer groups, the provinces, the central agencies, employees, the unions, international governments, and the general public.

Source: Ronald Doering, Nov. 25, 1996, *Alternative Service Delivery: The Case of the Canadian Food Inspection Agency*, Presentation to the Department of Justice, ASD Workshop, Ottawa; CCMD, April 1998, Interview with Ronald Doering and Peter Brackenridge, CFIA.

Putting the Initiative in Place

- *Political and Senior Management Support.* The CFIA initiative received high-level support from various areas of the federal government. The 1995 and 1996 federal budgets signalled the government's support for a more integrated approach to food inspection. The CFIA initiative was likewise supported by the Clerk of the Privy Council, and the ministers and deputy ministers of the departments involved.

- *The Establishment of the Office of Food Inspection Systems (OFIS).* In May 1995, OFIS was established to examine organizational options for the federal component of Canada's food inspection system, along with the affected departments, industry, the provinces, and other stakeholders. OFIS was comprised of an assistant deputy minister, independent of the affected departments, who was appointed to lead the initiative, as well as representatives from each of the departments involved. The deputy ministers of these departments were briefed regularly on the status of the initiative.

- *Consultations.* In July 1995, the OFIS drafted a Discussion Paper[3] that outlined four possible options and provided the focus for stakeholder consultations across Canada. The options included:
  - strengthening the role of the Interdepartmental Committee on Food Regulation (ICFR);
  - reallocating responsibilities for policy development, inspection and verification;
  - creating a "Department of Food Safety"; or
  - creating a single food inspection agency by a legislative process.

  The OFIS met with headquarters and regional staff from the affected departments, unions, clients of the respective departments, industry, associations, the provinces and citizens more broadly to explain the options and to garner input. The OFIS also encouraged written submissions.

  Based on feedback from these consultations, the Government of Canada opted for the creation of a single federal food inspection agency. The decision to create the agency was announced in the 1996 federal budget.

- *Implementation.* The consolidation of federal food inspection and quarantine services was a two-step process, which took approximately one year before the Agency was fully operational. The OFIS, working with the parent departments, formed implementation teams to address all aspects of the transition, including human resource issues, financial arrangements, regulatory authorities and responsibilities, and communications. A team leader was assigned to lead each of the four issue areas, with representatives from the departments on each team.

  To maintain the momentum of the initiative, the first stages of implementation focused on the realignment of resources between Agriculture and Agri-Food Canada and Health Canada. In June 1996, some Agriculture and Agri-Food employees were transferred to Health Canada to begin the consolidation of food safety policy, standard-setting, risk assessment, analytical testing research, and audit activities. At the same time, some employees from Health Canada were transferred to Agriculture and Agri-Food as the first step toward bringing inspection and quarantine staff together.

  In the final stage, inspection personnel out of Agriculture and Agri-Food Canada (including former Health Canada employees) and Fisheries and Oceans joined together to create the new agency.

  Staff in the OFIS worked on drafting legislation that would govern the new Agency. Bill C-60, an Act to Create the Canadian Food Inspection Agency, was introduced into Parliament in September 1996. It received Royal Assent on March 20, 1997.

  By early 1997, CFIA was fully operational. The Office of Food Inspection Systems closed officially March 31, 1997, while CFIA opened its doors April 1, 1997. This was an important step symbolically, as the OFIS was an "outside" group. The corporate planning process, the first stage of which was the development of a corporate business plan, would now be conducted by the Agency itself.

Issues Encountered

Main Issues Encountered

- *One Size Fits All versus Tailor-made Solutions.* A fundamental issue encountered by the OFIS was to implement the best possible solution, based on research and consultation, regardless of current trends. While the arm's-length bodies instituted in New Zealand and the United Kingdom offered solutions that were appropriate for some government functions – and to some extent the Agency followed these models – they offered only partial answers for a regulatory body charged with public safety as its core responsibility. The OFIS had the challenge of finding an appropriate balance between independence and flexibility on the one hand, and ministerial responsibility for public safety on the other. The result was a hybrid of public and private sector models. For purposes of accountability, the Agency was like a department, but in terms of modus operandi, it was more like a corporation.

- *Balancing Regulatory Functions with Service Functions.* Like other public sector organizations, CFIA must strive to balance the various interests of its diverse client base. This classic problem is seen clearly in organizations where regulation is at the core of their service. While CFIA performs inspection and quarantine services in the interests of the safety of the Canadian public, it has to balance this regulatory function with the service needs of its specific clients, such as beef processing plants. To provide a more client-centred service, the agency has to ensure that it delivers service that is in accordance with guidelines and procedures, and that is timely and efficient.

  At the same time, however, what is considered "good" service is a difficult question for clients to answer when regulation is a core service function. The beef processing plant that is closed down by CFIA may not consider this to be "good" service. However, the Canadian public may. On the other hand, the Canadian citizen who attempts to bring a ham through customs at the airport may consider it "bad" service if he or she is caught, but the broader Canadian public probably would not.

- *Human Resource Framework.* The Public Service Commission (PSC) had some concerns about the Agency moving out of the *Public Service Employment Act*, which enshrines a code of work ethics and values governing the Public Service of Canada, to become a separate employer, and the implications this would have for the other service agencies to follow. To preserve these work ethics and values, CFIA set out a Charter of core public service values as part of its corporate business plan, which is tabled in Parliament.

- *Financial System.* To provide better financial information to Parliament and the Canadian public, CFIA will be moving out of the traditional bookkeeping practices in the public service to the accounting practices used by private sector organizations. The details of this new system are being worked out with Treasury Board Secretariat of Canada (TBS). The new accounting practices are set out in CFIA legislation.

- *Financial Costs Associated with Bringing Distinct Organizations Together.* CFIA worked with TBS to identify the financial costs in moving to Agency status – which ranged from the basics of the Human Resource framework, to signage – and to secure the short-term funding the Agency required to achieve its objectives.

Are these issues specific to the initiative? To the organization?

While these issues could broadly affect any type of initiative or any public sector organization, the human resource and accountability frameworks are considerations that are most relevant to the broader public sector, and have important implications for those pursuing ASD arrangements.

Lessons Learned

Critical Success Factors

- *Political and Senior Management Support.* Support from the Government of Canada, the ministers of the affected departments, and senior management – which was provided through the Clerk of the Privy Council and the deputy ministers – was essential. While the more effective delivery of federal food, animal and plant inspection services has been a subject of interest for some time, it was the confluence of government and senior management support that propelled it onto, and through, the agenda.

- *Communication and Consultation with Employees, Clients and Stakeholders.* CFIA was a ground-breaking initiative, and a fearsome prospect for some clients and employees who viewed it as privatization. Long-term clients worried that the relationships they had cultivated with the departments over the years would be lost. As such, the OFIS ensured that employees, clients, and stakeholders understood the meaning and value of the initiative, and that the same players would be involved. During the planning and implementation phases of the initiative, bottom-up, decentralized consultations were held to solicit feedback from employees, clients, stakeholders, and the broader public. Any new developments were regularly communicated.

  While senior management support was prominent throughout the initiative, the OFIS was free to define the process as required.

- *Full-time Team Assigned to Initiative.* As the first agency of its kind, the creation of CFIA was an extraordinary undertaking. The OFIS, with a full-time staff dedicated to see the Agency through all aspects of the planning and implementation, was critical.

- *Independence of the OFIS.* CFIA attributes some of its success to the fact that the initiative was led by the OFIS, an independent, non-partisan body.

- *Well-Defined Objectives.* CFIA suggests that OFIS was able to move ahead as quickly and as purposefully as it did because it had a set of clearly-defined objectives, handed down by the Deputy Minister of Agriculture and Agri-Food following the 1995 federal budget announcement. The objectives were twofold: first, to analyse options for the federal component of the food inspection system and garner feedback from clients and stakeholders; and second, to implement the government's decision.

- *Clear Understanding of Business of the Organization.* Because the departments had a strong base of knowledge about their business, OFIS was able to focus its attention on the organizational changes that were required.

- *Timing.* The Agency option was consistent with the objectives of the Government of Canada. This consistency facilitated a relatively smooth planning and implementation process.

Pitfalls

- *Political Aspects of the Process.* The Agency, and the former OFIS, suggest that it is important to recognize that a process such as this is necessarily a political one. The passing of legislation goes through a number of stages in Parliament, and having an action plan in place will help the organization prepare for this lengthy and sometimes complicated process. Nevertheless, there are always some aspects of this unpredictable process that organizations cannot prepare for. Patience is needed.

- *Communicating with the Central Agencies.* OFIS was conscientious about involving the PSC in the decisions concerning the move out of the *Public Service Employment Act* through the traditional channels of communication, such as meetings with the various groups, but some miscommunication among the different parties did still occur. Members of the Agency suggest that communication and understanding the various positions of those involved needs to be an ongoing process.

Key Lessons

- *Support of Key Players Is Essential.* CFIA notes that an undertaking as large as this cannot be done through the force and will of one person alone. Support of the Government, senior management, as well as key stakeholders such as the provinces, consumer and industry groups, and employees was essential.

- *A Full-Time Commitment Is Required.* An initiative such as this cannot be done "off the side of the desk." It is a full-time commitment that requires a full-time leader and staff. This may require seconding outside staff to come in and get the job done.

Can this initiative be implemented elsewhere?

This initiative can be implemented elsewhere, as the Parks Canada and proposed Canada Customs and Revenue agencies demonstrate. Nevertheless, CFIA cautions that the process of putting a service agency in place needs to be tailored to the particular organization, business line, and the time available for planning and implementation.

Evaluation

Evaluating the Initiative

CFIA has been in operation for over just one year. There are three key ways in which the organization is currently being assessed.

- *Annual Report.* An Annual Report which reviews the Agency's performance with respect to its corporate business plan was completed September 30, 1998.

- *Report of the Auditor General.* In tandem with the Annual Report, the Auditor General will assess the fairness and reliability of the information that the Agency provides in its Annual Report. This information was completed September 30, 1998, and was incorporated into the Annual Report.

- *Report of the Minister of Health.* The Minister of Health will assess the effectiveness of the Agency's food safety function, a report of which will be made available to the public.

In addition, the President of CFIA has requested that the Auditor General conduct a study of the creation of the Agency to determine what worked, and what could have been done differently. This report was completed in the fall of 1998.

Results Achieved

At the time of writing, the above noted evaluations had not yet been conducted. But CFIA noted the following results achieved through a preliminary review of the Agency's first year of operation.[4]

- *Clarified Roles and Responsibilities.* The consolidation of all federal food, plant and animal inspection and quarantine activities has enabled the Agency to take a more comprehensive approach to service delivery, across all commodities and throughout the whole food chain. The new agency is now better able to deal with zoonotic diseases such as *salmonella enteritidis* in poultry, where veterinarians in the Animal Plant Health program detect and quarantine infected flocks and work with the Food Inspection program to ensure that the organism does not spread through the poultry systems. Having the Animal Health program within CFIA has helped to manage *trichinosis* in swine, and *bovine tuberculosis.* Detection, quarantine and compensation programs have virtually eliminated this condition in Canadian cattle.

- *Reduced Overlap and Duplication.* A total of $44 million in streamlining and other efficiency gains have been realized by the creation of the Agency, in areas such as enforcement, informatics, communications and overhead.

- *Improved Service Delivery.* With the creation of the Agency, clients now have a single point of contact. CFIA has undertaken a number of initiatives to improve service further. For example, with Revenue Canada, CFIA has established three import service centres in Quebec, Ontario and British Columbia with extended hours of service. Improved service is important, and so is compliance.

- *Improved Federal-Provincial Harmonization, Cooperation.* The Agency is entering into agreements with the provinces in an effort to harmonize standards and service. For example, in December 1997, CFIA entered into a comprehensive agreement with Alberta to develop an integrated approach to food safety and inspection in that province. A similar agreement was signed with Ontario in May 1998; and a comprehensive memorandum of understanding was signed with Quebec in September 1998.

Accountability

While CFIA represents a new organizational form in the Canadian public sector, it retains the principle of ministerial accountability found in the Westminster model of governance. The Minister of Agriculture and Agri-Food is ultimately accountable to Parliament for the overall direction of the Agency. Nevertheless, as a new institutional form with a set of flexible arrangements and powers, accountability does not stop at the ministerial level. The President of CFIA, who has supervision over and direction of agency work and staff, reports directly to the Minister. The Agency's Corporate Business Plan and Annual Report are the principal tools of accountability.[5]

Next Steps

- *Program Evaluation.* At the time of writing, CFIA was reviewing its management systems and programs to find more efficient and effective modes of delivery. For example, the Agency is exploring the use of technology for pre-clearance through customs. This is an ongoing exercise.

- *Review of Laboratories.* CFIA was also reviewing its laboratories to determine how many are required to carry out services, and the most appropriate location for them.

- *Developing Human Resource Policies and Procedures.* A fundamental challenge facing CFIA is the Universal Classification System used by federal public sector departments. Because the Agency is staffed by employees from different departments working together doing similar tasks, but with different pay structures and education requirements, the existing classification system is not easily applied. The Agency plans to develop a modified UCS that would resolve some of these anomalies.

- *Working with the Provinces.* While the Agency was a creation at the federal level, food inspection is an area of shared jurisdiction with the provinces. The Agency is working with the provinces to harmonize standards.

- *Taking a More Seamless Approach.* In her fifth report to the Prime Minister, the former Clerk of the Privy Council identified CFIA as a model of innovative public service management. CFIA is presently exploring ways of providing better delivery of service to citizens and clients.

- *Streamlining Regional Structure.* When the four departments were brought together into a single agency, each had its own regional structure. CFIA is exploring options for more "centralized" operations in its various locations across Canada to realize greater efficiencies.

- *Modernizing and Consolidating Legislation.* While the integration of federal food inspection and quarantine activities into a single federal agency was an important first step, the next step is to undertake a comprehensive legislative review and invite comments and suggestions from stakeholders about the scope of legislative changes. Through a modernization and consolidation of legislation, the Agency can better ensure that its legislation is current, coherent, rational, and user friendly. This will allow for responsive and flexible administration, and serve as a basis for harmonized federal and provincial legal authorities in areas such as food safety standards, transportation of food, and labelling in the future.[6]

Endnotes

[1] Canadian Food Inspection Agency, 1998, *Corporate Business Plan 1997-2000.* (Ottawa), p. 6.

[2] This section is based on Ronald Doering, November 25, 1996, *Alternative Service Delivery: The Case of the Canadian Food Inspection Agency (CFIA).* Presentation to Department of Justice, Alternative Service Delivery (ASD) Workshop.

[3] For further information about the discussion paper, refer to: Office of Food Inspection Systems, July 1995, *The Federal Food Inspection System – Organizational Options, Discussion Paper* (Ottawa: Minister of Supply and Services).

[4] Ronald Doering. September 1998. "Reforming Canada's Food Inspection System: The Case of the Canadian Food Inspection Agency (CFIA)" in the *Journal of the Association of Food and Drug Officials,* Vol. 62 No. 3, pp. 29-43.

[5] Tom Beaver, May 5, 1997, *Accountability of Alternative Service Delivery Organizations: The Case of the Canadian Food Inspection Agency.* Prepared for a presentation to the 17th Annual Conference of the Canadian Evaluation Society, Alternative Service Delivery Models and the New Accountability Workshop, Ottawa, p. 7.

[6] *Corporate Business Plan 1997-2000,* p. 17.

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Introducing Flexibility into Operations: The Passport Office, a Special Operating Agency of the Department of Foreign Affairs and International Trade

Case Description

Overview

The Passport Office is one of the first five Special Operating Agencies (SOAs) announced by the Government of Canada in 1989. The objective was threefold: to enhance the integrity of secure travel documents, to realize efficiencies and to introduce a higher degree of accountability into government, while improving service delivery.

The SOA initiative is similar to agencies created in other parts of the world as part of public sector reforms. The Passport Office moved cautiously toward this status, a key difference between those agencies implemented in Canada and those in the UK and New Zealand. The experience in Holland, which also instituted similar changes, reinforced the decision to take an incremental approach. The new Dutch agencies had some difficulty defining precisely the boundaries of their authorities, and the relationships to their parent departments.

An agency of the Department of Foreign Affairs and International Trade (DFAIT), the Passport Office is primarily responsible for issuing, revoking, withholding, recovery and use of Canadian passports. As a former bureau, the Passport Office already operated somewhat autonomously, but with SOA status this autonomy was enhanced. It conferred on the Agency greater management flexibility – finance and human resources being the key ones – that was matched by a new set of accountabilities.

Like other SOAs, the Passport Office is accountable for a service that is both cost-effective and client-centred. Through its annual reports, the Passport Office reports on its performance each year, as set out in the Corporate Plan, Strategic Plan and annual Business Plan. This reporting cycle, now used by other organizations in the public sector, was a hallmark of the SOA initiative.

The Passport Office operates under a revolving fund where all expenses are met through fee revenue. As such, the service is supported by the passport applicant rather than the taxpayer. The Agency, therefore, must ensure that it generates enough revenues to meet its expenditures. The revolving fund has enabled the Office to institute a more effective cost accounting system, which is based on the accrual accounting method used by private sector organizations.

While financial planning is critical to a self-funding organization, so too is client-centred service. The Passport Office has embraced a Quality Services approach with an emphasis on continuous improvement. The Office notes the following elements as key:

* *Service Standards.* The Passport Office has in place a set of 18 service commitments that include price, hours of service, turnaround time, waiting time, number of trips to the Office, and the like. Passport Office service standards also take into the consideration the qualitative dimensions of service, such as accessibility for the blind and deaf, language, courtesy, security of the document, protection of personal information, competence of the

examiners, and others, including a complaints mechanism. These service standards are under review and are revised in accordance with client feedback.

- *Client Feedback Mechanisms.* Since 1995, the Passport Office has conducted regular client satisfaction surveys of recent passport applicants across Canada. Results are used to make service improvements and to fine-tune service standards. Service improvements include a project with Canada Post enabling citizens to drop off and pick up passport applications at postal outlets, with similar pilot projects for co-agency service delivery under study. Using co-agents in rural areas or the territories is anticipated, subject to a stringent filtering of options against developed service delivery criteria.

- *Benchmarking Performance.* The Passport Office benchmarks its performance against five other passport offices internationally to compare and measure the efficiency of its operations and the quality of its service.

- *Valuing Employees.* The Passport Office sees its employees as integral to its service. Staff are empowered to resolve complex issues and to accommodate client requests, with training provided in information technology, client service, and other skills that employees require to perform their tasks. Employees receive feedback on their performance, and are rewarded and recognized for outstanding performance. The 1996-1997 Annual Report listed the names of 40 employees, honouring them for their contributions to the organization.

As an SOA, the Passport Office is unique in that it must balance these sometimes conflicting requirements – cost-effectiveness, client-centred service, and a people focus, while ensuring the security and integrity of its travel documents. The Passport Office must offer a service that is affordable and responsive to the needs of the travelling public, but also ensure the protection of both the traveller and Canadians more broadly. Official travel documents have many security features and trademarks, and strict procedures are followed to ensure the authenticity of the passport and the eligibility of the applicant. In the 1998 Office of the Auditor General Report (Chapter 13), the Passport Office's security features and processes were held up as a model.

The SOA initiative forms part of the process of federal public service reform, with its roots in the Glassco Commission, the Increased Ministerial Accountability and Authority (IMAA) initiative, and Public Service 2000. The 1989 announcement was part of the then government's Federal Expenditure Reductions and Management Improvements Initiative. The SOA initiative likewise forms part of the larger trend at the international level to encourage a more management-based approach to public administration – where managers are held to account more for the results they achieve (i.e. efficiency & effectiveness and responsiveness) and less for compliance with rules and procedures.

Source: J. David Wright, October 1995, *Special Operating Agencies: Autonomy, Accountability and Performance Measurement* from the Management Practices Series, No. 11. Ottawa: Canadian Centre for Management Development and Consulting and Audit Canada, pp. vii-viii.

Background

On December 15, 1989, the Government of Canada announced the creation of the first five Special Operating Agencies (SOAs), the number of which has since grown to include some 15* at the federal level. Efforts by the federal government have been duplicated at the provincial level.

SOAs are operational organizations that have a degree of autonomy within existing departmental structures, but that remain accountable to the deputy minister. Operating under a business plan and management framework, which sets out the results and service levels expected, each SOA negotiates certain financial, personnel, and administrative flexibilities from its parent department and from the Treasury Board. The aim is to give greater flexibility and scope to employees and managers in their operation roles and to encourage innovation and high performance in the delivery of services.

SOAs have functioned as a testing-ground for change, pioneering such innovations as Single Operating Budgets, Person-Year Decontrol, and Business Plans. They have substantial experience with developments that are now affecting other areas of the public service.

From Ole Ingstrup and Ralph Heintzman, "A Word from CCMD" in J. David Wright, October 1995, *Special Operating Agencies, Autonomy, Accountability and Performance Measurement*, From the Management Practices Series, No. 11, Ottawa: Canadian Centre for Management Development and Consulting and Audit Canada.

* This has since grown to some 19.

About the Organization

The Passport Office's Mission is: "...to facilitate travel of Canadians throughout the world by providing internationally respected travel documents and services." The Passport Office "also work[s] in alliance with other government agencies to provide secure identification documents and services."

Mandate and Role

The Passport Office is charged with issuing, revoking, withholding, recovering and the use of official Canadian travel documents.

The Office provides services direct to Canadians; travel services to officials and elected representatives travelling on behalf of the Government of Canada, or provincial and territorial governments; and procedural guidance to missions abroad.

The Agency also develops Canadian passport policy, and responds to international requests for advice on matters of passport security. The Passport Office may develop new products and services to improve the Agency's service to the public; for example, it plays a leadership role in promoting the international use of machine-readable passports and other developments in passport technology to facilitate and ensure the security of international travel.

Organization and Accountability

The Passport Office, a Special Operating Agency of the Department of Foreign Affairs and International Trade (DFAIT), is headed by a Chief Executive Officer (CEO) who is responsible for the day-to-day management of the Agency, providing long-term strategic direction, ensuring that the Agency meets agreed-upon objectives and performance targets, and reporting on actual vs. target performance.

The CEO is formally accountable to the Deputy Minister (DM) of Foreign Affairs. The DM is responsible for ensuring that the overall objectives of the passport activity are achieved in an effective and efficient manner, while the Minister of Foreign Affairs is accountable to Parliament for all of the Agency's activities.

An Advisory Board is available to provide the Agency with strategic advice and to review and recommend for approval by the CEO and DM Agency corporate documents. The Board consists of seven members and a Secretary. Members, drawn from across the public service, including other SOAs, and the private sector (particularly the travel industry), are appointed by DFAIT on the recommendation of the CEO. At present this Board has been suspended pending new corporate governance reviews of the Agency.

The senior management decision-making body, the Executive Committee, is chaired by the CEO and consists of all directors of the Passport Office, and the Secretariat.

Structure

The Passport Office consists of a central administration and four regional operations (Western, Ontario, Eastern and Central).

The Passport Office finances its operations entirely from revenues generated by the fees received for travel documents and other services. The fee structure which reflects the costs and market value of the travel documents, is recommended by TBS and approved by the Governor in Council.

The Office operates under a revolving fund, which may accumulate surpluses or deficits against its authority account, and is authorized to carry surplus revenue to offset future shortfalls. The Office operates financial control and management accounting systems that enable management to review regularly the Agency's performance against agreed targets.

The CEO is responsible for the day-to-day management of Passport Office personnel and has authority to make changes in the organization in pursuit of the Agency's overall aim and objectives. Employees of the Passport Office are employees of DFAIT. The Agency's designation as an SOA does not affect the status of Passport Office employees as public servants, nor their membership to the union. They remain subject to existing terms and conditions of employment.

Reporting Framework

The CEO is required to submit to the DM for approval a three-year Strategic Plan, an annual Business Plan, and an Annual Report.

Clients and Stakeholders

Primary clients include members of the Canadian public applying for travel documents, new Canadians applying for a secure document, and government organizations. In addition, the Agency offers services to, among others, government officials and the travel industry.

Stakeholders include the broad public, as its members have an interest in the security of the document; central agencies in ensuring that mandatory policies and procedures are complied with; organizations and individuals involved with ASD arrangements, like TBS, other SOAs, research organizations like the universities and CCMD; the parent department; other departments with like interests, such as Citizenship and Immigration, and the Solicitor General; and other passport offices across the globe.

Source: Passport Office, May 20, 1994, *Framework Document.* Updated by PPT Secretariat, September 1998.

Secure inspections and review procedures are an integral part of service delivery, and any service improvements must be considered within the context of security requirements. The Passport Office undertakes regular Research and Development, and is currently piloting card technology – a machine-readable, wallet-size passport – and security measures to test the effectiveness of the card. The Office likewise participates in national and international forums, working closely with the provinces and other passport, law enforcement and security agencies either at home or abroad, to address issues of travel document fraud, security standards, new technology standards, and the like.

The Passport Office can be considered one of the more innovative SOAs in place in Canada, but with eight years' experience this Agency also demonstrates that the arrangement can work, and can likewise serve as an important model for making service improvements.

Putting the Passport Office SOA Initiative in Place

The SOA initiative, led by the Treasury Board, was mandated by the Government of Canada as a way of improving the delivery and cost-efficiency of public sector services. Organizations that could be readily identified as discrete operational units, rather than those whose main business line was policy development, were thought to be better able to benefit from this new arrangement.

The initiative, intended to be incremental and experimental, enabled these organizations to negotiate agreements with their parent departments and the Treasury Board that were unique to their particular function and environment. The Government of Canada chose not to articulate a vision of the SOA approach, but instead allowed it to "evolve in response to the individual circumstances of each Agency."[1]

The negotiations that took place were high level, with little or no involvement of employees and clients. The Passport Office highlights the following key elements of its planning and implementation process, which spanned approximately five years. This Agency continues to introduce improvements into its operations, a necessary and integral part of developing new institutional structures.

- *Accountability Agreement.* An Accountability Agreement, which forms the basis of the Framework Document, was negotiated with the Deputy Minister of DFAIT and the Treasury Board. The Accountability Agreement specifies the Agency's new set of authorities, which includes finance, human resources, administration, and security (which is specific to the type of service the Passport Office delivers – an authority that would not necessarily be granted to other agencies unless required).[2]

- *Framework Document.* As an SOA, the Passport Office is required to produce a Framework Document, which is the organization's Charter. The Charter sets out the general principles of responsibility and accountability: these include its public sector mandate and role; its mission, vision and values; its organizational and accountability framework; the Agency's relationships with its parent department and other organizations; its performance evaluation criteria; and the authorities delegated to the Chief Executive Officer.

  The first Framework Document was produced in 1990, with a review of the document taking place every three to four years, as required by the Charter. The Framework Document is reviewed by the Deputy Minister of Foreign Affairs upon the recommendation of the Chief Executive Officer and the Advisory Board of the Passport Office.

- *Corporate Plan, Strategic Plan, Business Plan and Annual Report.* The Corporate Plan sets out the mission, vision, environmental scanning, roles, responsibilities, principles and values, and critical issues of the organization. It also details the monitoring, evaluation, resource allocation, and budgeting systems.

  The Strategic Plan enunciates the four strategic imperatives that guide the organization over a four-year period and forms the basis for the development of the annual Business Plan. The Strategic Plan is developed in conjunction with the Corporate Plan and through a planning process that is open to all with a stake in the Agency, including employees, clients, the general public and other stakeholders.

  The annual Business Plan identifies the operating objectives of the Passport Office for each fiscal year, the activities to be undertaken to meet those objectives, and the resources required.

The Annual Report includes performance indicators, measurement of the extent to which the objectives laid out in the Business Plan have been met, and financial statements.

The Business Plan and Annual Reports are put together by the Corporate Secretariat Policy and Planning.

- *Quality Services Initiative.* As noted above, the Passport Office has implemented a Quality Services initiative, the cornerstone of which is continuous improvement. The National Quality Institute criteria serve as a guide.

- *Corporate Secretariat Policy and Planning.* A recent innovation in the Passport Office is a Corporate Secretariat that, in addition to the planning role, performs all of the Agency's policy and audit functions. This Secretariat also plays a negotiating and data exchange role with other similar government organizations in Canada, as well as the provinces. The Secretariat was an innovation of the present CEO who saw a need for an independent body within the organization that could support all operations and functions without encroaching on their mandates. The Secretariat was implemented gradually over three years, earning its acceptance from the executive team it supported. Other SOAs are considering implementing similar innovations.

> The National Quality Institute criteria include:
> - ✓ *Leadership* – those who have primary responsibility for the organization and accountability for its performance
> - ✓ *Citizen and Client Focus* – focus on client and citizen-centred service to achieve client and citizen satisfaction
> - ✓ *Planning* – link between planning and strategic direction or intent, and measurement of progress
> - ✓ *People Focus* – human resources development to meet goals, and organizational efforts to support and foster an environment for employees to meet potential
> - ✓ *Supplier and Partner Focus* – external relationships with other organizations and strategic alliances that are critical to meeting strategic objectives
> - ✓ *Organizational Performance* – the outcomes from the overall efforts for quality improvement and their impact on organizational accomplishments
>
> Source: National Quality Institute. 1997. "Canadian Quality Criteria for the Public Sector."

Issues Encountered

The process of becoming an SOA was nearly seamless; however, one main issue the Passport Office did encounter was the following:

- *Understanding Its New Role As an SOA.* As an SOA, the Passport Office was distinct from being another branch or division of the department, with new flexibilities in place. While SOA status meant that the Passport Office had more control over its destiny and the opportunity to develop a greater sense of cohesion among its members, it was still accountable to the parent department and the central agencies. Striking a balance between its two identities was tricky.

A related issue was communicating what these new roles and responsibilities meant to those employees who work daily with the Passport Office – finance and human resources at DFAIT and the program analysts at TBS. The challenge was to explain that, as a result of its SOA status, the Passport Office had a different reporting relationship, autonomy in effect. However, there were no ready-made rules and regulations to point to for support, as these were constantly being negotiated throughout the initiative between the new Agency and the parent department.

Lessons Learned

Critical Success Factors

- *Senior Level Support.* Since the SOA operates within a departmental accountability framework, support from the Deputy Minister was critical to initiating the process. Likewise, continued support throughout the process from the DM and the CEO was key to ensuring its success.

- *Stable Leadership.* The Passport Office identified a continuity in leadership at the SOA, departmental, and central agency (TBS) levels as key to the success of the initiative. In the critical stages of the SOA initiative – planning

and implementation – the Passport Office experienced little turnover in senior management at any of these organizations, which were all key players in the decision making. The Passport Office underwent a change in CEO only once, with the previous CEO leading the organization for five years.

Of equal importance was the support for the initiative that continued throughout a change in management at the senior levels.

Pitfalls

- *Balancing Information Needs of the Central Agencies.* While the Passport Office worked with the Treasury Board to negotiate the terms of the new arrangement, it had to ensure that this information was getting to the program analysts at Treasury Board who did not work directly with the Passport Office, but who played an important role in the initiative.

In Hindsight

- *Clearer Understanding of the Initiative.* The Passport Office indicated that it would conduct a series of information sessions and meetings with key players – particularly senior management from the Department and Treasury Board – to gain a greater understanding of exactly what the new status would mean for the Government of Canada, the Treasury Board, the Department, and the Passport Office. Once a clear understanding was reached, it would be communicated to all employees.

- *Classification of CEO.* There was little consistency in the level of leadership appointed to head up the first set of SOAs when they came on line. The CEOs were at different executive management levels – ADM or DG. The Passport Office suggests that the CEO level is comparable to the ADM level, and should be classified as such to facilitate negotiations with the parent department and the central agencies. The move from bureau to agency, with a new set of financial and human resource flexibilities, entails a new set of responsibilities and greater accountability, as well as a new set of unwritten rules and regulations to develop. The classification system should take this into consideration.

- *More Flexible Classification System for SOAs.* The Agency suggests that the current classification system requires some flexibility to take into consideration the seasonal and part-time nature of passport work, which is affected more than some public sector organizations by the ebb and flow of consumer demand.

Key Lessons

- *Communication.* In its infancy, the Agency experienced difficulty in communicating with some divisions and employees of DFAIT and the central agencies. Because the Agency was in the development stage, where few rules and regulations had been set, key divisions such as finance and human resources did not know how to deal with the requirements of a new, autonomous agency status. The Passport Office indicates that regular and open communication with employees, unions, central agencies, and clients is needed to keep all stakeholders informed of the changes taking place, and to facilitate implementation.

- *Championing the SOA Initiative.* The Passport Office expressed the need for a champion of the SOA concept, per-haps a senior public servant with a staff, not only to ensure that implementation is both consistent and purpose-ful, but also to support the initiative. This support would be both visible – to elected members, and other public servants and organizations, and the broader public – and centralized, serving as a focal point for networking and information exchanges among SOAs.

- *Making Business Cases.* The Passport Office suggests that public sector organizations should learn how to argue a case for proposed changes – to lay out the rationale, the outcomes, the impacts, and the implications for employees, and regulations and policies. Such a case should be in the public domain (e.g., a research journal) to encourage debate. Public sector organizations should engage in such exercises to ensure that, when changes are instituted, the reasons are clear and the proposed changes feasible.

Can this initiative be implemented elsewhere?

The SOA initiative has already been implemented in other organizations at the federal and provincial levels. Successful SOAs at the federal level include Canadian Grain Commission, CORCAN (Corrections Canada), Canadian Conservation Institute, Canadian Intellectual Property Office, Indian Oil and Gas, and Canadian Heritage Information. More recent SOAs at the federal level have been instituted at Measurement Canada, Technology Partnerships Canada, the Superintendent of Bankruptcy, and Occupational and Environmental Services.[3] The SOA concept has taken root in the province of Manitoba, with most SOAs implemented in common service areas, including Manitoba Fleet Vehicles Agency (the case summary of which appears in this document), Mail Management, Materials Distribution and others.

Since its inception, the SOA concept has broadened its scope. As this list suggests, there is a diversity of function and form in the SOAs: some are government common service providers, others are regulatory bodies; some compete either directly or indirectly with the private sector, whereas some do not compete at all; some serve the public directly, others indirectly; and some are funded through tax-based appropriations and as such are not concerned with revenue generation, while others generate revenues through fees for service.

Evaluation

Evaluating the SOA initiative

The Passport Office has three key mechanisms for measuring its performance.

- *Five- to Eight-Year Evaluation of the SOA Initiative.* The CEO is responsible for ensuring that the security of travel documents and the effectiveness of services provided by the Office are evaluated every five to eight years. The Agency's performance is evaluated based on its ability to produce secure travel documents with the highest regard for cost-effectiveness and the maximum possible level of service. The annual Business Plan is the definitive document against which performance is measured. Following the evaluation, the Passport Office is subject to audit by the Office of the Auditor General of Canada.[4]

- *Internal Audit.* As this audit takes place every few years, the Office has put in place an internal audit plan to provide management with an independent assessment of the quality of the Passport Office's internal controls and business processes. As noted above, a Secretariat has recently been established to perform this task in conjunction with the Inspector General of DFAIT and Consulting and Audit Canada. These results are reported to the Inspector General of DFAIT and the Executive Committee of the Passport Office. All results are made available, except for those that affect the security of the operations.

- *Annual Report.* The Passport Office also measures its performance against the goals stated in the Business Plan, the results of which are presented in the Annual Report. Performance is measured in terms of efficiency – key indicators include volume, productivity, revenue and expenditures. The Agency highlights five elements of its service that contribute to its success: security, quality of services, cost effectiveness, interdepartmental and intergovernmental cooperation, and acknowledging the importance of its employees.[5] The performance of these elements is also measured.

In addition, the Passport Office conducts regular client surveys to determine client satisfaction levels and priorities for improvement, and benchmarks its performance against other passport offices around the world to analyse the efficiency of its operations and the quality of its service.

The Office has also instituted an executive decision recording process, a recent innovation at the Passport Office and a process that is new to many government organizations. Corporate decisions made during executive meetings are recorded and put into a binder that is distributed to DFAIT, TBS, and the Public Policy Forum (PPF). The binder is a permanent public record that is available at cost to anyone interested in the decisions the Agency makes, its rationale, the impacts, accountability, and timelines for implementation of decisions, and so on.

Results Achieved

While the Evaluation of the SOA Initiative is yet to be undertaken, the following results can be noted based on observing the Agency in action over the past eight years, and on its annual reports:[6]

- *Stronger Organizational Focus on Integrity and Security of Travel Documents.* The implementation of a Vision, and Mission and Values statements helped focus the organization on its primary purpose.

- *A More Strategic Perspective on Operations.* The process of developing a Charter, a Strategic Plan and annual Business Plans enabled the Passport Office to focus on its role, who its clients are, and how best to serve them. The Passport Office is exploring other means of service delivery via new technology (i.e., machine-readable passports), and partnerships (i.e., with Canada Post, the banks, the municipalities and the Territories to increase accessibility), among others.

- *Improved Internal Communication and More Staff Involvement in Operational Decisions.* Employees play a fundamental role in operational decisions, from the strategic planning process noted above to the more recent organizational restructuring.

- *Greater Attention to Client Needs and Quality of Service.* Like other SOAs, the Passport Office has taken steps to improve service, such as the identification of its clients, and the implementation of a Quality Services Initiative, where service standards and client feedback mechanisms, such as surveys, are important elements.

- *Greater Attention to Employee Needs.* Improvements the Agency has undertaken include new technology enhancements, including data capturing and retrieval; personnel training; and re-engineering of applicant processes.

- *More Attention to Revenue Generation and Financial Performance and a Greater Awareness of Costs.* The CEO of the Passport Office is required to report personally on financial performance, and as such financial performance has been a primary focus. The implementation of accrual accounting, a new financial reporting system and activity-based costing, which provides a more accurate picture of costs, has facilitated the Agency's ability to make financial decisions.

Accountability

The SOA, led by the CEO, is principally accountable to the parent department – in this case, the DM of Foreign Affairs – and the central agencies. Apart from the CEO's regular reports to and meetings with the DM and the central agencies, the SOA has other more formal accountability mechanisms.

The Charter noted above is the key instrument of direct accountability to the central agencies. To the extent that they have granted an SOA specific flexibilities under the Charter, central agencies will require assurance that the SOA has exercised those flexibilities in a responsible and effective manner, with due regard for public values and policy requirements. Currently, the estimates process and the Annual Reports are the main vehicles for providing this assurance. In addition to the Charter, the primary instruments of accountability to the DM are the Business Plans and Annual Reports.

Annual Reports are public documents tabled in Parliament, and thus available to members of the public.

Next Steps

- *Re-evaluate Authorities Governing the Passport Office.* The Passport Office plans to undertake a review its Framework Document with the Deputy Minister of DFAIT and the CEO of the Passport Office, an exercise that is conducted every three to four years.

- *Financial System.* The Agency is implementing a financial system that will enhance the understanding and reliability of financial reporting.

Endnotes

[1] J. David Wright, October 1995, *Special Operating Agencies: Autonomy, Accountability and Performance Measurement*, from the Management Practices Series, No. 11, Ottawa: Canadian Centre for Management Development and Consulting and Audit Canada, p. viii.

[2] It is important to note that while authorities are formally negotiated and set out in the Charter, there is an informal side to the actual day-to-day operations of the Agency which, as David Wright suggests in his study of Special Operating Agencies, depends on the "willingness of the host department in general and the DM in particular, to maintain an arm's-length relationship with the Agency." Factors that might influence this involvement include: "the extent to which the Agency's operations have to be co-ordinated with those of other parts of the department; the political sensitivity of the Agency's work; the amount of confidence that the DM places in the Agency and its head; the general level of acceptance within the department that the Agency should be managed differently from other departmental units; and the personal preferences (for policy versus operational work, for example) and management style (interventionist versus laissez-faire) of the DM." Refer to: J. David Wright, October 1995, *Special Operating Agencies: Autonomy, Accountability and Performance Measurement*, from the Management Practices Series, No. 11, Ottawa: Canadian Centre for Management Development and Consulting and Audit Canada, pp. 11-14.

[3] Peter Harder, Secretary of the Treasury Board. April 17, 1997. Speech given to the Institute of Public Administration of Canada.

[4] Passport Office, May 20, 1994, *Framework Document*, Ottawa, p. 8.

[5] Passport Office, 1997, *AR96-97 in Motion: The Passport Office – Taking Every Necessary Step Toward Success*. Ottawa, p. 11.

[6] These "categories" of success are derived from: J. David Wright and Graeme Waymark, August 1995, *Special Operating Agencies: Overview of the Special Operating Agency Initiative*, from the Management Practices Series, No. 10, Ottawa: Canadian Centre for Management Development and Consulting and Audit Canada, pp. 9-13.

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Quality Management at Natural Resources Canada

Case Description

Overview

Since its inception in 1993, Natural Resources Canada (NRCan) has had a quality initiative in place, the purpose of which is to help the department become "the best managed organization in the Government of Canada" – "the most client responsive," and "the most cost effective."[1] In 1995, NRCan implemented a two-year quality action plan, entitled *NRCan Excellence Road Map 1995-1997*, to guide the department into the summer of 1997. The program included 15 initiatives grouped under three broad themes: "Integrating Excellence," "Managing Change," and "Measurement." With these items completed or underway, NRCan updated and extended this plan to the year 2000 (re-entitled *Quality 2000*).

NRCan's Quality Initiative builds on the achievements of its two predecessor departments, Energy, Mines and Resources (EMR), and Forestry Canada (FC), both of which had quality initiatives in place since late 1989 and 1991 respectively. When EMR and FC merged in the summer of 1993, the quality initiatives in each of these departments were amalgamated and formed the basis of the quality initiative at the new NRCan.

NRCan retained the core elements of the two previous initiatives – a focus on achieving client and employee satisfaction, and continuously making process improvements – and the basic infrastructure for putting the initiative in place. As a set of quality concepts, this approach allowed for flexibility at the implementation stage. However, it did not encourage a consistent deployment, or the same vision of quality, across the whole organization. More recently, NRCan developed a more comprehensive approach to quality that consolidated these individual elements into a single departmental model. This new model is based on the Treasury Board of Canada Secretariat's *Quality Services Initiative* framework, which NRCan helped to develop, and which it further adapted to suit its needs.

NRCan's approach to quality is two-tiered: although the department has a model to guide the corporate level, each of NRCan's five sectors undertakes individual initiatives that reflect their unique needs. While each sector adheres to the core principles of NRCan's approach to quality management, it is flexible enough that the sectors, which deliver a broad range of services to a diversity of clients, may develop action plans that respond to the elements of quality most relevant to them. Successful initiatives that are piloted at the sector level are sometimes adopted at the corporate level. Earth Sciences Sector (ESS) is one sector that has moved forward on a number of quality initiatives that have provided an example to other areas of the organization.

The NRCan Quality Initiative

NRCan has undertaken a number of actions, including:
- initiatives to improve leadership capacity (in the determination of training needs, for example);
- developing a set of departmental Operating Principles;
- planning initiatives, including the development of a management accountability framework that incorporates quality management principles and concepts;
- initiatives to demonstrate that NRCan values its employees, such as employee feedback mechanisms including surveys, focus groups, and an upward feedback program, that gather input from NRCan employees about specific initiatives (such as designing sector-level action plans on Quality), or are used as tools for regular feedback on the working environment; an Employee Rewards and Recognition System; the promotion and

use of alternate work arrangements such as job sharing and telework; and the development of a "revitalization strategy" to help employees deal with changes that have taken place and will continue to do so;

- process management initiatives, such as the development of a strategy to better utilize NRCan's specially-trained meeting and retreat facilitators;
- initiatives that work on developing NRCan's external relationships, including its participation in the Interdepartmental Quality Network initiated by the Treasury Board of Canada Secretariat; and the sharing of best practices; and
- initiatives that focus on developing measurement tools and methods for evaluating action plans.

As a two-tiered strategy, many quality initiatives are undertaken at the sectoral level, where it makes most sense to do so. These include:

- client surveys – NRCan is assessing whether it is possible to conduct a departmental client survey, given that it has a broad range of clients (totalling some 5,000) and services; and
- self-assessments – some divisions and units have undertaken self-assessments using management frameworks similar to the Canada Awards for Excellence (CAE) Quality Criteria. NRCan's longer term objective is to undertake a departmental self-assessment using the experience at the sectoral level as a guide.

NRCan's quality initiative is championed at the departmental level by the Deputy Minister and at the sectoral level by the assistant deputy ministers who head the sectors. It is further bolstered by a solid quality infrastructure. To help facilitate the departmental presence in excellence, an Excellence Office was established, led by a departmental coordinator and staffed by two employees provided by the deputy minister's office. The Excellence Office is seen

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More about NRCan

NRCan is a federal government department that specializes in the areas of energy, minerals and metals, forests, and earth sciences. It brings a national and international perspective, as well as scientific and policy expertise, to bear on natural resources issues of importance to Canada.

Mandate, Roles and Responsibilities

NRCan performs four main services for Canadians:

- Develops leading-edge science and technology to provide ideas, knowledge and technologies. This helps Canada use its resources wisely, reduce costs, protect the environment and create new products and services.
- Builds and maintains a national knowledge infrastructure on Canada's land and resources so Canadians can easily access the latest economic, environmental and scientific information.
- Ensures that federal policies and regulations on issues such as the environment, trade, the economy, land, and science and technology enhance the natural resources sector's contribution to the economy, as well as protect the environment and the health and safety of Canadians.
- Promotes the nation's international interests, which helps Canada meet its commitments related to natural resources, and keeps access open to global markets for Canadian products, services and technology.

NRCan is led by the Minister who reports directly to Parliament and is managed by the Deputy Minister reporting to the Minister. NRCan is comprised of five sectors – Earth Sciences, Canadian Forest Services, Minerals and Metals, Energy, Corporate Services, and Direction and Coordination – each led by an Assistant Deputy Minister. NRC employs about 4,144 FTEs, and has a budget of approximately $523 million.

Clients and Stakeholders

Principal clients and stakeholders are the natural resource industries – energy, forestry and mining – and spin-off industries. NRCan also serves the Canadian geomatics industry, which includes mapping and remote sensing. Other government departments, at all levels, are also major clients. NRCan activities further benefit the civil engineering industry, the financial industry, public utilities, the transportation sector, Aboriginal groups, and the general public.

Source: Natural Resources Canada, 1997, *Performance Report for the Period ending March 31, 1997*. Ottawa: Public Works and Government Services Canada.

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as a manifestation of deputy minister commitment: it advises the Deputy Minister on excellence leadership; unifies the excellence effort across the department; provides service to the sectors, supporting and encouraging the sector level excellence coordinators; and provides representation of NRCan to external agencies. The quality initiative is also assisted in that one of the ADMs is named the "Excellence Champion," who provides leadership and commitment to the initiative, and sponsors presentations to the ADM-level Departmental Management Committee (DMC).

Each of the five sectors has its own quality office headed by a quality coordinator who works on the day-to-day implementation of the initiative.

The coordinators collectively form the Departmental Excellence Coordinating Committee which ensures, through information sharing and specific activities, the realization of quality initiatives in the department.

While NRCan notes that it has made some progress, it is not uniform. This is due, in part, to two major reorganizations that NRCan had undergone: the amalgamation of EMR and FC in 1993, and that which was necessitated by Program Review I a year later.

Putting the Quality Initiative in Place[2]

The Quality Initiative at NRCan is nine years in the making, and has been shaped by the amalgamation of its predecessor departments, Program Review, and initiatives that had taken root at the sector and unit levels of the organization. The key elements of the process of adopting a Quality Initiative at NRCan are as follows.

- *Quality at Energy, Mines and Resources.* The quality initiative in EMR, "Excellence EMR," was launched in November 1991, following the department's mission statement exercise. The "Mission Process" was a grassroots initiative, involving

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A Look at Quality in Earth Sciences

Earth Sciences is one sector that has made significant progress under the leadership of its ADM, who led a similar initiative in the Canada Centre for Mineral and Energy Technology (CANMET) in the early 1990s. CANMET's quality initiative, which was based on the principles of Total Quality Management, won the 1994 Ottawa Valley Quality Council Quality Certificate of Merit Award.

> EARTH SCIENCES (ESS) IS ONE OF THE FIVE SECTORS THAT COMPRISE NRCAN. ESS PROVIDES GEOSCIENCE AND GEOMATICS INFORMATION TO SUPPORT PUBLIC POLICY DECISIONS. THIS SECTOR ALSO PROVIDES SUPPORT FOR POLAR SCIENCE, AS WELL AS EXPERTISE AND TECHNOLOGY TO HELP CLIENTS EXPLOIT DOMESTIC AND FOREIGN MARKETS. ESS COMPRISES THREE PRINCIPAL ORGANIZATIONS ENGAGED IN THE STUDY OF EARTH SCIENCES AND RELATED TECHNOLOGY – POLAR CONTINENTAL SHELF PROJECT, GEOLOGICAL SURVEY OF CANADA, AND GEOMATICS CANADA.

In ESS, quality is integrated into the management system. The ESS Management Framework, while aligned with the departmental framework, is tailored to the unique needs of the sector. It incorporates elements from the Canada Awards for Excellence Quality Criteria, the Malcolm Baldrige Quality Criteria, the Xerox Business Model and the Science and Technology Management Framework.

The framework is a balance of:
- ✓ *leadership*, with a Corporate Vision and Strategic Plan providing direction and communicating long-term goals, and adherence on the part of managers to a set of management principles;
- ✓ *client focus*, with client involvement in the design of programs and activities, and client feedback;
- ✓ *process improvement* where work processes balance client needs, efficiency, and cost-effectiveness;
- ✓ *Human Resources*, where employees are valued, empowered, have necessary tools, and receive support and coaching;
- ✓ *supplier focus*, where external relationships are recognized as important to ESS business; and
- ✓ *results*, where performance is measured against stated goals. Action plans are devised and reviewed in accordance with stated time lines, and improvement plans are created to take follow-up action. Performance is measured in a number of ways, including client satisfaction, employee motivation and satisfaction, central agency satisfaction, and financial management. Tools include surveys, upward feedback, self-assessments, etc.

> AS ADM DR. MARC DENIS EVERELL NOTES, "ONE OF THE SELLING POINTS OF THE FRAMEWORK IS THAT IT ALLOWS MANAGERS TO SEE EVERYTHING AT ONCE AND SELECT PRIORITIES. YOU CAN'T DO EVERYTHING AT THE SAME TIME. IT HELPS MANAGERS PRIORITIZE WHAT THEY CAN DO."

With a broad range of employees – from researchers and scientists to executives, clerical and technical staff – products and services, and clients, ESS demonstrates that quality can be instituted in many organization types.

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employees from across the organization and championed by the department's Deputy Minister, which enabled EMR to crystallize its mission, goals and values. This exercise identified various disconnects within the organization, and helped employees to think through the department's purpose: who its clients were, what services it delivered, and how the department treats its employees.

The mission exercise opened the door to quality. The strategy adopted by EMR was a fully customized, sector-based approach allowing each of the sectors to focus on elements of quality that were most relevant. While coordination existed at the departmental level through a departmental quality office and the establishment of a departmental committee, sectors were encouraged to develop their own action plans that responded to their unique needs.

- *Quality at Forestry Canada.* The quality initiative at FC focused on organizational renewal and development. The vehicle driving the change process was the Executive Leadership Development Program (ELDP). The purpose of ELDP was to develop a pool of competent and highly motivated leaders who could adapt to a continually changing organizational environment. The specific mandate of the program was to provide participants with leadership training and with opportunities to apply management principles, enhance their leadership qualities, and work closely with senior management in undertaking activities that would contribute to organizational excellence.

Groups of participants undertook a number of exercises between 1989 and 1992. These exercises included:
  - completion of a survey of the organizational climate within FC, the results of which were used as the basis for making improvements throughout the organization;
  - the development of a departmental mission, a leader and managers' profile, and implementation of a rewards and recognition program;
  - the development and implementation of action plans which feed into the department's strategic plan, and the communication of the strategic plan to all employees and clients, along with the development of regional strategic plans in line with the national one; and
  - the identification of who FC's clients were and how to make service improvements for them.

Senior management within FC supported these efforts to achieve organizational excellence. The ELDP was conceived by senior management, sponsored by the Senior Management Committee and managed at the ADM level. In addition, the annual general meetings of all senior managers in the organization were reconstructed as shareholder meetings where management, accountable to its employees, reviewed and reported to all employees on progress made in operational programming and organizational management.

- *NRCan Quality Initiative Takes Root and Departmental Management Framework Developed.* Following the amalgamation of EMR and FC in 1993, NRCan adopted the quality initiatives of these two departments, leaving them relatively intact. NRCan quality would be guided by general principles that addressed the issues of client satisfaction, employee satisfaction, and process improvement. A set of Departmental Operating Principles was developed based on the EMR Mission statement.

In 1995, the *Excellence Road Map* was implemented as a departmental action plan for making progress in 15 specific areas. The *Road Map* was developed through a consultative process involving sector and branch coordinators, senior management, stakeholders and employees.

While progress had been made, the department felt more could be achieved if a coherent vision of quality were developed. Quality models such as the Canada Awards for Excellence (CAE) Criteria and the Malcolm Baldrige Quality Criteria have been implemented in public and private sector organizations. At the same time, NRCan has become more familiar with a number of tools that can be employed to focus, develop and implement quality improvement plans, such as self-assessment.

Based on feedback from NRCan employees across the organization (through feedback sessions at the sector level, and employee surveys), the Excellence Coordinating Committee outlined the core elements of a quality program required to guide NRCan into the year 2000. Many of the elements were consistent with those of the TBS quality framework, itself based on the CAE Quality Criteria. With support from the Departmental Management Committee, NRCan adopted the new Quality Management model in March 1998.

The NRCan Quality Model

NRCan's quality model is holistic, consisting of seven interlinked elements, the outputs of which are also important inputs for each other: i.e., leadership, planning, client and stakeholder focus, people focus, process management, supplier focus, and organizational performance. The model is based largely on the Canada Awards for Excellence criteria used by the National Quality Institute (NQI) and the NQI/TBS framework developed by the Treasury Board Secretariat with the assistance of NQI and various federal government departments. It also builds on the experience gained with the ESS management model.

Each of these elements serves as the basis on which the organization can identify specific actions that need to be taken to move closer to and maintain a quality focus, to develop an accountability framework for achieving specific outcomes, and to identify the outcomes to be achieved.

Issues Encountered

NRCan identifies five key challenges, including:

- *The Absence of a Common Understanding of What Is Meant by "Quality."* While NRCan's quality initiative was guided by a general set of quality principles that allowed for flexibility at the sector level, this created some problems for NRCan employees in interpreting these principles. The new Quality Management model lays the groundwork for a common understanding of the quality approach to management.

- *The Integration of Quality Concepts, Principles and Practices.* Integration into the day-to-day operation of the department has been a difficulty, in part due to the absence of a common understanding of the concept. NRCan works at this challenge through training and education efforts for employees, and the recent development of an internal website for staff information.

- *Deployment of Quality Concepts, Principles and Practices in All Aspects of the Organization.* While there are pockets of success in the department, there are still some areas of the organization that have difficulty with the quality concept. Education and training efforts will help to overcome this challenge.

- *Measuring Results.* Since its inception, the quality initiative at NRCan lacked a set of performance indicators to help measure progress across the department. NRCan is working on an index of indicators based on the type of performance measurement sectors and divisions have engaged in to date. Following this, NRCan will work on developing the tools required to carry out measurement.

- *Scepticism and Lack of Commitment within the Organization.* NRCan notes that its quality initiative has been met with some resistance by employees who question the purpose and value of the initiative, and others who express a lack of will to participate. Some are not convinced that it will enhance their work life, while others regard it as too costly to undertake, either financially or in terms of time.

The NRCan Quality Management Model

- *Leadership* – Focuses on those who have responsibility and accountability for NRCan's performance, and those involved in strategic planning. Good leadership is founded on ethics and values that are reflected in NRCan Operating Principles.
- *Client and Stakeholder Focus* – How product and service delivery relates to achieving client and stakeholder satisfaction.
- *Planning* – An extension of the strategic directions, goals, priorities and business line direction at a more detailed level; focuses on the link between planning and reporting.
- *People Focus* – Achieving Excellence through the management and development of NRCan human resources.
- *Process Management* – How work is organized to support NRCan's strategic direction, i.e., process necessary to manage the delivery of programs, such as R and D, policy and regulatory development, economic and statistical analysis, and the like.
- *Supplier and Partner Focus* – NRCan's external relationships with other organizations, institutions and alliances that are critical to meeting NRCan goals and objectives.
- *Organizational Performance* – Examines whether or not intended results are being achieved within allocated resources and considers the need for corrective action.

Source: NRCan. Feb. 1998. "Draft, Natural Resources Canada Management Model."

There is always the risk of an initiative such as this one being considered a "flavour of the month." Some employees are reluctant to participate because they are afraid that once they make a commitment to the initiative, it may be disbanded the next day, week, or month.

NRCan notes that demonstrating the results of the initiative (through performance measurement) to its employees would go a long way toward winning their support.

Lessons Learned

Critical Success Factors

- *Leadership.* NRCan and Earth Sciences indicate that it is not simply a question of commitment to the initiative, but rather active involvement in it. Leaders (e.g., initiative leaders, coordinators, and members of senior management) need to demonstrate, on a day-to-day basis, that the initiative has value. A willingness to dedicate resources, to become involved personally, and to be accountable are some ways of doing this. The support of the Deputy Minister through a commitment of financial resources, the establishment of the Departmental Excellence Office, and the leadership of the Departmental Excellence Coordinator, sector quality coordinators, and sector and division heads are important ways in which this commitment has been, and continues to be, articulated at NRCan.

- *Buy-in from Senior Management.* Earth Sciences notes that an initiative such as this requires the buy-in of senior management, whose terms of work would be directly impacted; for instance, a change in management methods may mean more rigorous planning, more targets, more accountability, and the like.

Pitfalls

- *Change in Leadership.* NRCan has had three deputy ministers and many different ADMs since the quality initiative was put in place, each with different degrees of commitment to it. NRCan notes that this type of initiative is long term, and involves changing the culture of the organization. As such, consistency in executive leadership is necessary.

- *Not Measuring Results.* NRCan did not measure its progress enough to be able to demonstrate to its employees and clients that the initiative was and is a worthwhile endeavour (i.e., that it has made employees' jobs easier, increased employee and client satisfaction, or improved client service).

In Hindsight

NRCan suggests that, in hindsight, it would have a comprehensive model in place earlier on, and would ensure that it was understood by all. More specifically, NRCan would undertake a communications strategy with more comprehensive training and more frequent measurement to demonstrate the practical ways in which the quality initiative is improving life at NRCan.

Key Lessons

- *Ensure That a Model Employees at All Levels of the Organization Can Understand Is in Place.* NRCan's minimal model, while flexible, was easily misinterpreted by employees, and inconsistently applied across the organization.

- *Demonstrate to Employees That the Initiative Will Have an Impact on and Improve Their Work Life.* It will make jobs more rewarding, improve relations with clients, improve work processes, and so on. Measuring progress and communicating results is most important.

Can this initiative be implemented elsewhere?

This type of initiative has been implemented in many organizations at all levels of government, in different ways, and to varying degrees. NRCan notes that, while it is applicable to many types of organizations, it may need to be adapted to the particular circumstances of the organization, including the business line, client base, and the time available for planning and implementation.

Evaluation[3]

NRCan is developing a plan to evaluate its quality initiative. NRCan notes its progress in accomplishing the actions laid out in its first action plan, *Excellence Road Map, 1995-1997*, including:

- the development and implementation of Departmental Operating Principles (which are closely aligned to the quality principles published by the National Quality Institute), and a Mission and Values Statement;
- the development of a departmental quality management framework and the introduction of the concepts of the Canada Awards for Excellence Quality Criteria
- four ISO 9000 registrations and one ISO Guide 25 registration, with other laboratories and divisions in the registration process;
- the development of a departmental awards and recognition framework firmly grounded in quality principles to recognize achievement, teamwork and innovation;
- the publication of service standards for the Earth Sciences Sector;
- three cycles of upward feedback;
- an enhanced client focus by many branches and divisions as evidenced by the implementation of periodic client surveys and focus groups;
- the streamlining of many departmental processes through the work of process improvement teams;
- the running of a department-wide employee survey about quality awareness;
- maximizing the effectiveness of meetings, retreats, planning sessions and conferences through the use of in-house facilitators;
- the use of innovative management techniques such as self-directed work teams and participative decision-making (fax-back forms for the DM's "Update" publication, DM dialogues, upward feedback);
- open house best practice exchanges;
- enhanced leadership in quality on the federal stage (including participation in Interdepartmental Quality Network, Assistant Deputy Minister Advisory Committee on Service and Innovation, and the like);
- the introduction of self-assessments, where performance is assessed against a management framework. The Mapping Services Branch, Earth Sciences Sector has undertaken two thus far, as has two branches of the Forestry sector; and
- the establishment of an NRCan Excellence website.

Accountability

The Quality Initiative is the fifth business line in NRCan's Business Plan. It forms part of NRCan's reporting to Treasury Board and Parliament through the annual fall *Departmental Performance Report*, and a *Report on Plans and Priorities* (both formerly *Part III of the Estimates*). In this regard, the Minister, the Deputy Minister, Assistant Deputy Ministers and the Department as a whole are held to account.

The Departmental Excellence Coordinator is responsible for results of actions laid out in the departmental action plan (*Excellence Road Map 1995-97* and now *Quality 2000*), while each of the sector quality coordinators is responsible for quality initiatives at the sectoral level. The Departmental Excellence Coordinator reports progress made in the action plan to the Departmental Management Committee (DMC), while sector coordinators report on activities in the sector-based action plans to their sectors. The DMC as a whole, and as individual sector heads, is responsible for ensuring that the momentum is maintained, and results achieved and measured.

At the same time, within the sectors, employees are responsible for the specific actions to which they are assigned, as laid out in their sector-level action and improvement plans. Heads of individual units report results to the sector Senior Management Teams.

Next Steps

NRCan is committed to helping Canada become the world's smartest developer and user of natural resources. In doing so, NRCan must demonstrate leadership and performance. The NRCan Excellence program is an important part of the strategy. NRCan will maintain its quality focus, ensuring, on the one hand, that it builds on past successes, and on the other, that it responds to the priorities of the wider government quality initiative, such as enhanced levels of client satisfaction.

In the shorter term, NRCan work on quality has included the following:

- *Evaluating the NRCan Quality Initiative.* NRCan was working on a plan to evaluate the success or progress of the initiative.

- *Implementing the NRCan Quality Management Model.* NRCan intended to put an emphasis on providing education and communication to facilitate management and staff understanding of the model, and in applying the criteria.

- *Continuing to Develop and Implement Sector-level Service Standards.* Once service standards have been put in place in each of the sectors, NRCan will decide whether service standards can be applied at the departmental level.

- *Developing a Set of Quality Tools.* These included the running of pilot "self-assessments" in some parts of the organization.

- *Encouraging Sectors and Branches.* Some are ready to apply in the year 2000 Canada Awards for Excellence competition.

- *Developing Client Satisfaction Measures.* As noted earlier, many sectors and divisions within the department already undertake client surveys. The challenge for the department is to develop a set of measures, perhaps a client satisfaction index, to be able to compare client satisfaction levels across the organization. The feasibility of developing a department-wide client satisfaction survey was to be studied.

- *Undertaking another Employee Satisfaction Survey.* As research demonstrates, there is a correlation between employee and client satisfaction levels. NRCan planned to undertake an employee satisfaction survey every three years.

Endnotes

[1] Natural Resources Canada, May 10, 1995, Internal Document. *NRCan Excellence Road Map 1995-1997 – The Journey Continues.*

[2] This section is derived from: Natural Resources Canada, 1997, *Quality 2000 – NRCan's Quality Initiative in the Year 2000*; CCMD, April 1998, Interview with Peter McLean, Departmental Excellence Coordinator, NRCan; NRCan website: www.NRCan.gc.ca

[3] This section is derived from: Natural Resources Canada, 1997, Internal Document, "Major Accomplishments, Fiscal Year 1996-1997"; and Natural Resources Canada, 1997, *Quality 2000 – NRCan's Quality Initiative in the Year 2000.*

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The Capacity of the Public Sector to Deliver Citizen-Centred Service
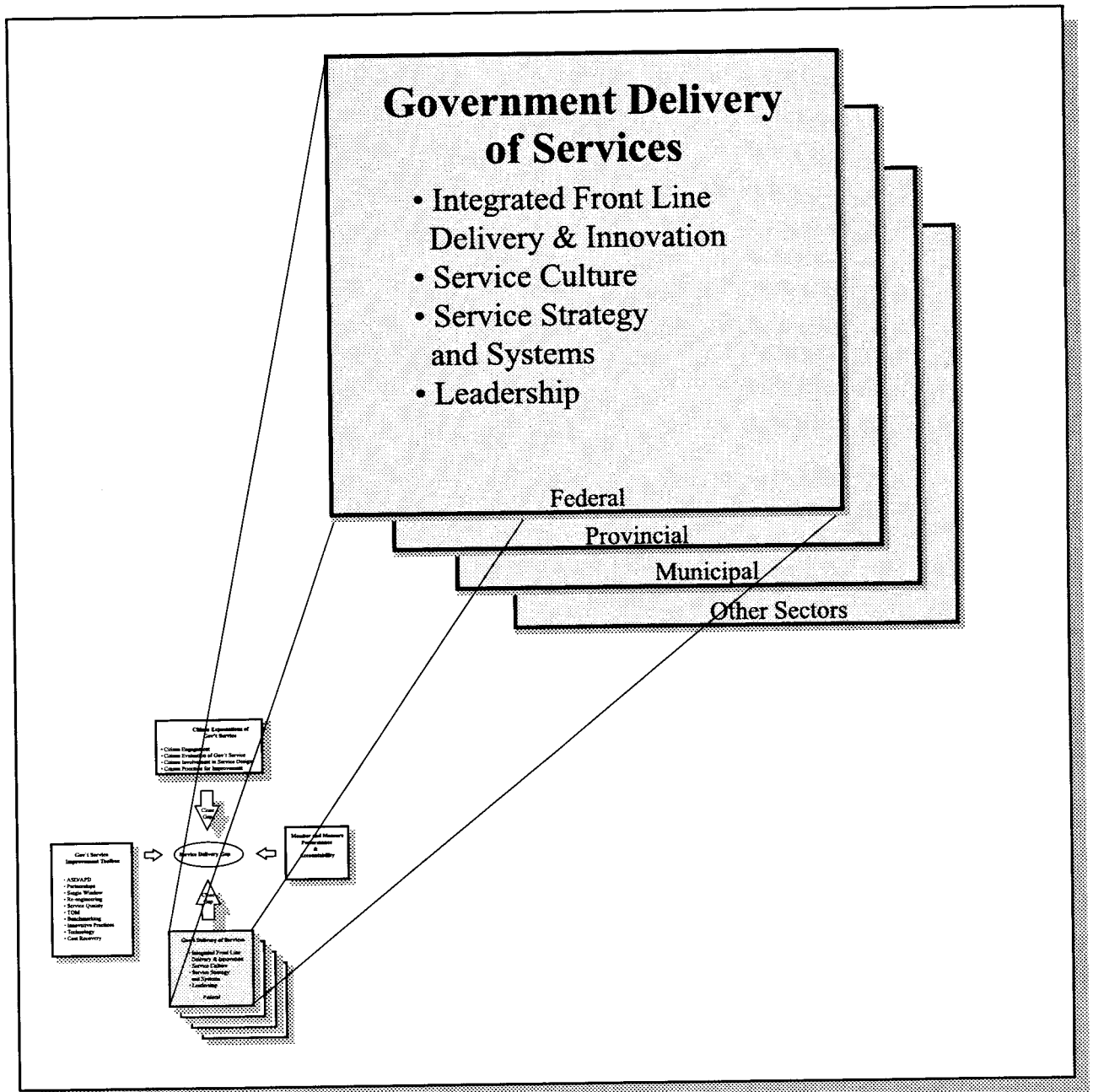
HRDC-Quebec Region: Citizen-Centred Service Delivery

Case Description

Overview

Human Resources Development Canada was created in the course of a government restructuring initiative that began in 1993. The aim was to consolidate labour and social programs and services, which had previously been the responsibility of several government organizations.

Policy Context, Mandate, Business Lines and Programs

The organization, mandate and programs of the new department were under review following social security reform consultations in 1994, and policy changes announced in the February 1995 budget. In the two years following formal establishment of the department in June 1995, a new Employment Insurance program was introduced, several cost-sharing agreements with the provinces and territories were concluded, and a new Service Delivery Network, based on new information technologies, was launched. In brief, this was a period of major restructuring, change and adjustment for the department and its clientele.

HRDC's labour market and social security programs target more than 11 million people each year in a delivery network that spans the country. Its services, which include both direct services and regulatory services, fall into five broad areas: Employment Services; Unemployment Insurance; Labour Programs (administering federal labour laws and policies); Income Security; and Social Development and Education (involving the transfer of federal funds to the provinces for social assistance and post-secondary education).

Clients and Stakeholders

HRDC's direct clients include those seeking employment, employers and the employed; people between jobs needing income security; low-income citizens, seniors and people with disabilities; local businesses, communities and entire industrial sectors. Stakeholders include other levels of government; the private sector (from several perspectives); the voluntary and non-profit sectors; educational and training institutions; and taxpayers generally.

Accountabilities

The ADM of HRDC-Quebec Region is accountable to the Deputy Minister of HRDC, who is accountable to Parliament, which is in turn accountable (in principle) to Canadian citizens. Several recent developments – government-wide, in the department and in the Quebec Region – should have the effect of strengthening accountability to Parliament, as well as to clients and stakeholders.

History

Several phases may be identified in the effort to improve the quality of service at HRDC-Quebec Region.
- **Awareness** (1984 to 1992): In the mid-1980s, Gaétan Lussier, then Deputy Minister, Employment and Immigration Canada (EIC), announced a new management philosophy that focused on clients and set new standards for quality service. This was at a time when the service delivery system was challenged by the arrival of large numbers of refugees and a constant stream of immigrants, visitors, workers and foreign students. This resulted in long queues, hours of waiting and a general dissatisfaction with traditional approaches. When André

Gladu was appointed Director General Quebec Immigration Region, in 1986, one of his first priorities was to review service delivery. Measures were taken during this period to improve service, in Immigration as well as in Employment and Insurance, simplifying access to services, streamlining formalities, cutting down on paperwork and thus reducing waiting times. In 1987-88, Mr. Gladu met employees every month and encouraged them to consider several aspects of the service provided – in particular, the welcome clients received from officials and how applications were handled. It was noted that, for immigrants in particular, the department emphasized control rather than efficiency. An example was the requirement for immigrants to fill out very long forms even though the information was used only minimally.

In 1991, at the time of a general strike in the federal public service, the quality-of-service issue was widely discussed by the unions. At the end of the strike, Trefflé Lacombe, then Executive Director, EIC-Quebec, met with union delegates and invited them to participate as partners in the Quality Service campaign. The Canada Employment and Immigration Union (CEIU) agreed, making quality of life at work its priority.

- **Assessment** (1993 and ongoing): Building on these initiatives, the continuous improvement approach to client service was given a boost-start following an organizational diagnosis conducted in February 1993 by EIC-Quebec in conjunction with the union. The diagnosis followed the Malcolm Baldrige Quality Award (MBQA) framework for identifying strengths and areas requiring improvement. Several other self-diagnostic exercises were conducted in subsequent years, using assessment tools based on the MBQA, but better adapted to reflect the public sector and the HRDC-Quebec context.

- **Strategy and Vision** (Fall 1993 and ongoing): The aim of the continuous improvement process was to integrate quality service principles and methods into an overall cohesive strategy that would be integrated into management processes and systems. In order to situate the quality improvement process within an effective strategy, a vision of service quality was defined in the following words: "Within three years, HRDC-Quebec Region, with the participation of the Union, will become an organization that satisfies its clients by strengthening its leadership, empowering its employees and acquiring a better understanding of its clients."

- **Implementation** (since 1993 and ongoing) has involved results-oriented action, in line with the service quality vision, including a better understanding of clients through surveys and employees' knowledge; managerial leadership to give the process meaning and direction; empowering employees; and a focus on measuring client satisfaction and promoting quality of life in the workplace.

- **Continuous Improvement** (ongoing): As stated in the strategic directions for 1994-1997, the goal is to continually adjust and revise practices in line with feedback from clients and employees. The regional office wants not only to meet but anticipate and surpass clients' needs and expectations by improving speed of service, reducing costs, and developing and delivering new products and services.

After 10 years, HRDC-Quebec Region continues to improve service quality, and it has persisted in these efforts despite major upheavals due to budget reductions, radical restructuring, decentralization, departures, legislative changes, the introduction of new technologies and outside pressures. The service improvement program has made the words "Quality Service" and "clients" rallying points for the entire organization – managers, employees and union delegates, working in regional or local offices, in Employment, Insurance, Labour or Income Security programs.

Planning and Implementation of Service Quality Improvement

Role of Leadership

Mr. Gladu acted as the change champion, providing ongoing leadership over a ten-year period. The very high priority he attached to client- or citizen-centred service delivery was well-aligned with department-wide service-quality efforts launched by Deputy Minister Gaétan Lussier. This helped set guidelines, priorities and activities across the organization. In more recent years, this process was bolstered by the three-year government-wide Quality Services Initiative approved by Cabinet in June 1995, designed to improve the quality of services provided to Canadians and their levels of satisfaction.

Involvement of Employees, Different Levels of the Organization and the Unions

It was clear to EIC-Quebec management that it was critical that Quality Service become everyone's business, that it was not the job of one individual, a small group or a committee but "a constant concern of all managers and all employees."[1] The words "client" and "service" became part of the organization's vocabulary. Meetings were held between employees from various branches and levels of the organization to discuss priorities to improve services and meet client expectations. Annual conferences on Quality Service brought together regional managers, network and local office representatives and CEIU delegates. It was noted that the broad involvement of employees would require consulting with the unions on major issues affecting employees, sharing with them relevant information, and creating an internal communications system. Among the tools used to involve employees were surveys of employee satisfaction, finding out their perceptions, expectations and priorities. The strategic planning exercise carried out in December 1996 included consultation with clients conducted by Human Resources Canada Centres (HRCCs) personnel, as well as an internal consultation with some 350 employees.

Involvement of Clients and Stakeholders

Since 1987, Mr. Gladu has conducted client surveys and meetings with interest groups, and has sought their input on how to improve services. For example, in the late 1980s, focus groups showed that the organization's emphasis on improving waiting rooms, reducing service time and providing photocopying facilities did not reflect clients' highest priorities. Of greater importance to them was that they be treated with dignity and respect. As a result, attention turned to the behaviour and attitudes of front-line employees, to corrective action and training programs to give employees a better appreciation of cultural diversity, values, and the experiences of immigrant and refugee groups.

Surveys of clients, citizens and employees are features in organizational diagnoses and self-evaluation exercises. Two corporate diagnoses of the organization, in 1993 and 1996, and the strategic planning exercises that followed them, were based on an assessment of client satisfaction, needs and expectations.

Integrating Service Improvement into the Business Planning Process, and Ensuring Adequate Support in Resources, Systems, and Incentives

In the mid-1980s, some $8 million was invested in training programs for front-line employees to improve various features of their contact with clients. However, it was only after a comprehensive diagnosis of the organization undertaken in February 1993 – along MBQA guidelines – that measures were taken to integrate the service-improvement strategy into the overall strategic planning process of the organization. The use of self-diagnostic tools has helped to integrate client- and citizen-based service improvement efforts into the strategic and business planning process. For example, the strategy for 1994-1997 stipulated that the continuous improvement approach be integrated into the planning and accountability process. Tools such as satisfaction surveys of external clients and employees were developed to support employees working directly with the public.

The strategy for 1997-1998 features measures to improve service quality. For example, priority actions for delivering the Employment Insurance program included a provision to treat EI requests promptly, efficiently and with precision. The strategic planning exercise for 1998-1999 sets out management and program orientations that bear directly on client- and citizen-centred service delivery. The intent is that these orientations will guide business planning at HRCCs, regional centres for operations, regional appeals centres, and the Conseil régional de direction.

Measurement of Performance and Accountability

Frameworks for Comprehensive Evaluation of Performance and Self-evaluation

The Malcolm Baldrige Quality Award framework (MBQA) and the QUALImètre

In 1990-1991, senior management did not have a system to determine what and how to measure improvements in service quality. It was decided to use the MBQA application to identify both strong points and areas needing improvement. This was done with the assistance of an external consultant to give credibility to the exercise. As a result, an organizational diagnosis was carried out in February 1993, together with the unions. Participants included

some 50 managers, all directors of HRCCs in Quebec, and regional directors. The MBQA diagnosis found that the following areas needed immediate attention:
- management leadership in developing strategies relating to service quality improvement;
- improving the quality of life at work, in part through empowerment; and
- better knowledge of client and citizen needs and expectations.

These findings were fed into the 1994-1997 Strategy for HRDC-Quebec.

As the MBQA framework – with its categories, sub-elements and point system – was designed for the private sector (specifically manufacturing), it was regarded as not suitable in some important respects and not user-friendly enough for the public sector and HRDC-Quebec Region in particular. As a result, in 1994-1995, the five HRDC offices of the Abitibi network adopted the QUALImètre approach for assessing organizational performance, an approach developed by the Mouvement québécois de la qualité (MQQ) on the basis of the MBQA framework but adapted to better respond to the mandate, functions and values of the public sector and the Quebec context.

The innovative feature of the QUALImètre is its three-phased approach, which gives organizations the option of making a self-evaluation or summary evaluation, with input from external experts, or a more detailed evaluation involving external reviewers if the organization wants to apply for accreditation. The value of the self-evaluation option – the choice of HRDC-Quebec Region – is that it is geared to instigating a system of continuous improvement through progressive, systematic evaluation of key aspects of management, which shape service quality. Self-evaluation begins with a prepared guide that helps an organization analyse all aspects of its management, identify areas needing improvement, formulate strategic objectives on the basis of observed facts, and develop an action plan to improve the situation. QUALImètre was publicized at a 1994 CCMD Expo Innovations event and inspired the President of the Treasury Board to recommend that it be made known across the federal public service.[2]

As noted earlier, this approach was used by HRDC-Quebec for a second corporate self-diagnosis conducted in December 1996, again in collaboration with the unions. The findings of that diagnosis helped identify the strategic orientations for the following year, thus feeding into a process of continuous improvement in service delivery. In 1997, the self-evaluation tool was further customized for HRDC – introducing changes to some of the terminology and the questions asked, including such issues as official languages, management of cultural diversity, training, recognition and incentives, security and training for information technologies, and partnering.

Self-evaluation was seen as an "innovative, flexible and economic response to constantly evolving organizational needs." It permits managers and work teams to regularly examine the different activities that contribute to achieving effectiveness, efficiency and quality of services. The main purpose of using it at HRDC was to support continuous improvement in service quality by stimulating "an analytical culture conducive to the development of personnel and their empowerment, as they take charge of the exercise, provided with an assessment framework."[3] It was made clear that it does not duplicate, nor is it intended to replace, internal audit and evaluation exercises. Audit and evaluation have a different purpose, which is to keep senior management informed and to fulfill obligations relating to Treasury Board policies and parliamentary requirements.

Role of Leadership and Involvement of Employees in Service Evaluation

HRDC-Quebec management launched the self-evaluation exercises, mobilized and engaged all employees in developing a plan of action. Much importance was attached in the QUALImètre approach to engaging all relevant players (both internal and external) who participate in the work of the organization. This includes employees who are the ones who obtain key information relating to service delivery on a daily basis. Their participation permits a more complete gathering of information, yields a host of practical suggestions for improvement, and creates a greater likelihood that suggestions will be implemented.[4]

The QUALImètre Evaluation Process

The QUALImètre approach, which evaluates an organization's management in relation to service quality results, highlights 12 success criteria, grouped around three fundamental principles of service quality – satisfying clients' needs at the lowest cost, mobilizing all key players, and creating a continuous improvement process.[5]
- Success criteria supporting the principle of satisfying clients' needs at the lowest cost include allowing clients to determine what constitutes quality, conforming to clients' needs and expectations; and ensuring rapid response to expectations.

- To mobilize employees, management must empower employees and attach importance to such things as quality of life at work; the development of internal and external partnerships (e.g., with unions, suppliers, clients, and educational institutions); and respecting the organization's responsibilities to the public and its own corporate citizenship values.

- The criteria for success include a visible commitment to the project from senior management; a continuous effort to improve operations, products and services against measurable indicators; integrating the notions of prevention and early corrective action to help avoid loss of time and extra costs; gathering concrete, factual data and conducting an analysis to evaluate service quality and to support decision making; and maintaining a long-term vision.

The QUALImètre's questionnaire applies these principles and criteria to the seven management areas addressed in its evaluation grid. These are based on the seven MBQA management areas:
- leadership,
- information and analysis,
- strategic planning,
- management and development of human resources,
- management of processes,
- management of results, and
- client focus and satisfaction.

Together, these three principles, 12 success criteria and seven management areas constitute an integrated and coherent framework for evaluating the management of an organization in relation to service quality.[6] The QUALImètre questionnaire is designed to emphasize concrete facts and shared observations among people from all levels of the organization, not merely individual perceptions of a few senior managers. The prepared questionnaire thus elicits, as far as is possible, an unbiased sample of experience in attaining service quality, and it provides a basis for assessing the relevance of approaches developed by the organization.

While the evaluation is expressed in terms of points for each of the categories, the main purpose is to nurture a continuous improvement by identifying actions and activities that lead to service improvement. As noted earlier, the formulation of objectives on the basis of organizational diagnosis has become the cornerstone of the strategic planning process at HRDC-Quebec Region. Strategic orientations and regional priorities are expressed as precise objectives and help to inspire the business plans of HRCCs, regional operational centres and the regional directorate.

In summary, the self-diagnosis exercise permits the organization to review its activities overall, to identify results desirable for the organization, to set in motion a continuous improvement cycle, and to integrate and align its strategies according to factual, relevant and reliable analysis. This sophisticated and comprehensive approach to measuring service quality and planning has led to an "appreciation of quality as not only a smile and good will on the part of front-line employees, but good management for consistent good results."[7]

A collaborative effort was put in place between the Mouvement québécois de la qualité, the National Quality Institute and Treasury Board Secretariat to jointly develop an improved and more generic quality assessment tool for the public sector. This work would draw from the most recent MBQA framework, and integrate it into training programs for francophone federal public servants.[8]

Role of Surveys of Clients and Citizens in Measuring Performance and Evaluating Service

Systematic evaluation of client satisfaction with, expectations of, and priorities for the services provided is an integral part of the self-assessment and strategic planning exercises at HRDC-Quebec Region. One area that needed improvement, as identified in the 1993 organizational diagnosis, was better knowledge of client and citizen needs and expectations. This became one of three top priorities for the 1994-1997 strategy, which set out several specific objectives, including:
- that a survey, analysis, action plan and follow-up of user satisfaction be carried out at the regional level to determine the expectations and needs of users and non-users of services which are or could be provided; and
- that another regional survey of client expectations be conducted to support the development of strategies to provide single-window-type renewed services in info-centres.

Similarly, a key strategic orientation in the December 1996 planning exercise was to provide a quality, results-oriented service, based on knowledge of client needs and expectations. The exemplary practice at HRDC-Quebec region is that areas identified for improvement on the basis of feedback from clients are then integrated as concrete objectives in strategic planning for the subsequent period.

Tools and Changes Introduced to Close the Service Delivery Gap

Changes to Governance Framework – Policy Context, Mandate, Accountability

The purpose of the restructuring that gave rise to HRDC in 1995 was to consolidate labour market and social programs and services. It was anticipated that this consolidation would result in more integrated delivery of these two sets of related programs and services, improve access to services, and provide a continuum of services from the perspective of clients.

Accountability content and relationships

Provisions for reporting and accountability were part of the service improvement strategy drawn up in response to the 1993 corporate diagnosis of HRDC-Quebec Region. The response of the Regional Strategic Planning Directorate included a commitment to deliver a consolidated report setting out objectives, service standards and survey results, as well as a consolidated annual report on the quality approach to be attached to the HRDC-Quebec Region's annual report. Follow-up reporting on the action plan was to be done on a quarterly basis by the Regional Executive Committee (REC) and a Baldrige-type corporate self-diagnosis was to be carried out every two to three years. Since 1996, the aim has been to conduct these self-evaluations annually.

A noteworthy feature of the QUALImètre self-evaluation exercise is that it tends to distribute accountability in the organization. This is because it emphasizes the responsibility and accountability of all involved in service delivery, and evaluates performance as a collective effort in a non-threatening manner. The approach also activates lower levels of accountability, as districts that undertake their own self-evaluation (e.g., the Abitibi network of offices) become distinct accountability entities, measuring and reporting on their performance. At the same time, self-evaluation permits managers to focus on improvements in areas of greatest relevance to them. This legitimizes some asymmetry in accountability by allowing for variations in those situations that do not permit the attainment of a national standard, or that reflect differing client needs and expectations.[9]

In addition, several developments in the department and in the Quebec Region have the effect of strengthening accountability to clients and stakeholders more directly, as well as accountability to Parliament. In 1997, HRDC participated in a government-wide initiative to improve results measurement and accountability in the federal government. In line with this initiative, HRDC delivered a Departmental Performance Report to Parliament on a pilot basis, thereby making the department's commitments more accessible to parliamentarians and the public.[10] Also, one of the key strategic orientations for HRDC-Quebec Region – "empowerment" of employees – has direct implications for accountability relationships because it means that a measure of authority and accountability is delegated to employees. Such a shift was envisioned for the new Service Delivery Network (SDN) launched in 1995, which calls for accountability and authority to be vested at the local office level. One tool developed in 1997 for HRDC-Quebec to support such an "empowered" field delivery network was a set of service standards, to be posted in HRDC service centres across the region. These service standards strengthen accountability by expressing and publicizing the commitment of HRDC-Quebec Region employees to offer courteous and high-quality service, and to deliver specified and measurable levels of service in specific program areas.

External Leverage, Support and Synergy

Partnering is a key feature of HRDC's new Service Delivery Network (SDN). The aim of SDN is to overhaul service delivery through a flexible and decentralized network that combines offices, kiosks, single-window arrangements, supported by electronic on-line services and community-based partnerships. With the implementation of SDN, HRDC service delivery offices may be involved in "partnering" in a variety of ways. They may negotiate collaborative service delivery arrangements with other parties – such as provincial and territorial governments, municipal governments, community organizations, non-governmental organizations and the private sector. They may

co-locate with other service partners in the community or be part of an umbrella agency that offers a unique range of services to clients, some of which are HRDC services or products.

Three partnering-related principles have been proposed to guide decisions on what types of arrangements to initiate under the SDN initiative:
- providing an "integrated continuum of service" – to address a package of service needs of a client;
- providing seamless front-line delivery, or one-stop shopping (which is how integrated service delivery is seen from the clients' perspective), which would address the problems of overlap and duplication among different government organizations and other service providers; and
- involving the community.[11]

The criteria for implementing an SDN option (as set out in an internal HRDC concept paper on "Community Partnerships as part of Service Delivery Network Coordination") include accessibility to service; quality of service; and a "what makes sense in the community" approach – which may mean partnering with municipal offices, provincial ministry offices, local libraries, community futures offices, the Aboriginal Management Board, or chambers of commerce.

Partnering is mentioned in connection with a number of actions related to the strategic orientations for HRDC-Quebec Region for 1997-1998. Examples of these actions are new federal-provincial cost-sharing programs and other federal-Quebec arrangements, including the intergovernmental and interdepartmental service quality network. Partnering is also called for in specific program areas, such as youth initiatives. The success of these initiatives depends on government working with partners to integrate young people into the labour force. Another example is the strategic orientation for social security programs (including the Old Age Pension and the Canada Pension Plan) which recommends, as a priority action, collaborating with regional directorates to develop an integrated approach among all key players in interventions for service delivery.

Partnering is also featured prominently in the strategic orientations and priorities for HRDC-Quebec Region for 1998-1999 – integrating youth in the labour market by involving communities; cooperating in the Atlantic Groundfish Strategy, which involves provinces, communities and local stakeholders; shared-cost programs; and social security programs, which could benefit from collaboration with other federal and provincial organizations and seniors associations. One consideration must be the impact of partnering on service quality. For example, with respect to shared-cost programs, there is particular emphasis on ensuring that submissions, claims, requests for refunds and financial settlements are dealt with rapidly and effectively, even though different government jurisdictions are involved.

Operational Improvements

The introduction of new information technologies at HRDC-Quebec Region offices has paved the way for eliminating many procedures and needless controls, simplified processes, and reduced waiting time, paperwork and operating costs.

Internally, the physical work environment has been transformed as employees have access to computers and electronic mail. For example, mobile agents from the Labour Branch who are on the road have access to their databases from their cars or temporary sites.

Externally, the new Service Delivery Network relies heavily on information technology. Despite the closure of many HRDC offices, these technologies have permitted the department to increase the number of locations from which service is available, and the hours of access to services. For some straightforward services the department provides 24-hour access seven days a week. While this new approach offers clear advantages in reducing costs while maintaining or improving access and service quality, it requires adjustment on the part of both the client and employees.

HRDC-Quebec actively participates in national initiatives such as the JobBank, which has outlets in shopping malls and other easily accessible locations, and the Electronic Labour Exchange on the Internet. This allows unemployed workers to offer their services on an electronic database, and employers to consult the database at any time, free of charge. The Region is also participating in the Appli-System pilot project, which allows claimants to enter data on an Employment Insurance application electronically, with provision for checking by an official.

In addition to its participation in national HRDC initiatives, the Region has launched some of its own projects, such as the "clientele assistance agent," who directs clients in most local offices and facilitates access to available services. The "first come, first served" computer system identifies the reason for clients' visits and then helps distribute the workload among employees and directs clients to those best suited to address their needs.

People Changes

As noted earlier, leadership has been a critical element in launching service quality improvement at HRDC-Quebec Region. Another critical element has been empowerment of employees, the delegation of decision making to those who are closest to the client. This change maximizes and develops the skills of all personnel. "Quality of life at work," or a work environment that enhances the individual employee and his or her relationship with colleagues can be expected from such empowerment. This is of particular interest to union participants in the quality initiative. The 1994-1997 strategy's action plan also stressed the setting up of self-managed teams and teamwork, along with support and incentives for the development of people in the organization. A range of concrete strategic objectives and actions relating to people was identified in December 1996, including:

- integrated planning and management of human resources based on competencies and performance measures;
- coaching and promoting the interdependence of teams;
- introducing measures to enrich the organization's cultural diversity so that it reflects the diversity of the population served; and
- developing a code of ethics for relations with clients and sensitizing all managers and employees to this code of ethics.

Communications, Internal and External

Internal communications

In the late 1980s and early 1990s, managers and employees participated in workshops that focused on the importance of improving internal communications and getting various units and functions to work together more collaboratively. There was an emphasis on internal clients and suppliers. Later, internal communications systems became a key support in efforts to improve service. The statement of orientations in the 1996 strategic plan was distributed, with an introduction by Mr. Gladu, through the organization's newsletter, *INFO-Express.* Other strategic orientations were later disseminated via the departmental Intranet site.

Organizational Dialogue

In July 1997, the Director General of Operations for Montreal invited directors of HRCCs, regional operations and appeal centres to identify representatives from all levels of the organization, including the unions, who would participate in an "organizational dialogue." The aim was to bring together about 40 people, representing various functions and programs, in several sessions of open discussion about their vision for the future of the organization. As a starting point, they took the themes developed in departmental reports on the future of HRDC and the new Service Delivery Network. The intent was to permit a full exchange and expression of ideas. It was carried out in four sessions over a one-month period in 1997, followed by a two-day retreat to synthesize the various exchanges into a document highlighting the operational aspects of a vision for the organization. The participants were selected on the basis of three criteria: that they be able to attend all sessions; that they be willing and able to express their points of view; and that they carefully review all the documentation prepared for the dialogue.[12] The exercise was deemed a success in terms of internal communications and engagement of employees in formulating a meaningful service quality vision for the organization.

Service Standards

Service standards were developed in 1997 and posted in HRDC service centres throughout the region. These standards expressed the commitment of personnel to offer courteous, quality service, and to deliver measurable levels of service in key program areas. For example, with respect to Employment Insurance, the commitment was to meet with the client within 30 minutes following registration at the reception desk; to forewarn the client if the

waiting time is expected to be longer; and to provide first payment within 28 days following cessation of employment, if the client is entitled to it and if the required documents have been submitted. Similarly, measurable commitments are expressed in service standards for Old Age Security and the Canada Pension Plan, with waiting time down to 10 minutes following registration and a maximum of one hour if the client does not have an appointment. In the area of Labour within federal jurisdiction, there is a commitment to intervene within 24 hours in the case of a fatal accident or refusal to work in a dangerous situation; and to designate a government official to deal with a complaint about unjust dismissal within two workdays following receipt of the complaint.

Lessons Learned

Critical Success Factors and Potential Pitfalls in Implementing a Service Quality Improvement Process[13]

- *Respect Citizens' Expectations.* Government no longer has a monopoly. Citizens expect better public services for their taxes; they are more aware of the notion of "quality," and want integrated, efficient and easily accessible services. In today's climate, quality-related problems cannot be ignored even in the public sector – one serious incident can lead to inquiries and create a scandal.

- *Mobilize All Interested Parties around a Common Goal or Mission.* Front-line employees, in particular, are crucial to improving services. Without the support and participation of the unions from the start, the process is in danger of failing. HRDC-Quebec Region was able to get managers, employees and unions to work together in spite of a major strike and downsizing. This was accomplished by identifying common goals and a mission focused on service, not by reinforcing controls.

- *Integrate the Service Quality Initiative into the Management Process.* It is essential that managers make the quality service process their own and become responsible and accountable for it, and that it be integrated into the organization's planning, monitoring and evaluation processes.

- *Pay Attention to Middle Management.* As front-line employees play a more central role and participate in decision making, senior management tends to appeal to them directly, thus by-passing middle managers, who thereby lose their traditional power base and prestige. It is important to win this group's support so that they do not block service improvement efforts.

- *Pace the Change.* Implementing a Service Quality program cannot be accomplished in haste, nor so slowly that momentum is lost. HRDC-Quebec has been able to progress at a speed that is acceptable to management, employees and unions. This means that various work units do not necessarily all have to support the initiative at the same time, advance at the same pace or follow the same course.

- *Instilling a "Quality Improvement Process" is a Long-term, Demanding Effort.* Quality improvement can be difficult to implement because values are at issue. It may take time for people to appreciate what service quality means and for management to gain their support. When managers have already adopted another approach to improve service, they may find it difficult to switch to such a comprehensive approach. As well, they may be disillusioned as a result of other service quality efforts that were not appropriate or that were weakly applied.

- *Recognize that Service Improvement is a Process.* There are certain stages to go through which cannot be skipped.

- *Recognize that Restructuring Puts an Organization to the Test.* Office closures, staff reductions and program transfers are trying for managers, employees and unions – challenging people's confidence, sense of belonging and commitment. A service quality improvement program must take these stresses into consideration.

- *Once Launched, Do Not Take the Process for Granted.* The long-term efforts of building a climate of trust and implementing a service quality program can be lost in an hour. To sustain the process, stability and continuity at the management level is essential and can be facilitated by maintaining the focus on service to clients.

- *Replicability.* The tools for organizational diagnosis used at HRDC-Quebec Region can be (and have been) adapted for use by very different types of organizations in both the private and public sectors.

Next Steps

In the view of HRDC-Quebec Region's senior management, the organization must continue to invest in the quality service process or risk losing what it has gained.

New information technologies make it imperative for the organization to adapt to being more transparent and open to the world.

Anticipated new requirements – such as a new ISO standard for the public sector, the need to reduce public service costs or to work with partners – will likely push the organization to adopt new models.

Endnotes

[1] Presentation by André Gladu to Treasury Board of Canada, Interdepartmental Quality Network, April 3, 1997, p. 6.

[2] Interview with Jean-Guy Legendre, Mouvement québécois de la qualité.

[3] Introduction to Guide d'autoévaluation, Région du Québec, September 1997.

[4] *QUALImètre: Guide d'autodiagnostic, à DRHC-Québec*, 1996, p. 3.

[5] Based on description in *QUALImètre: Guide d'autodiagnostic*, 1996, pp. 6-9.

[6] With some variation, this framework is in line with the National Quality Institute framework adapted by Treasury Board Secretariat, which uses the following seven categories: the role of leadership; planning for continuous improvement; measuring and managing client and stakeholder expectations; engaging and developing employees and measuring their satisfaction; focusing on the role of suppliers and partners; managing and measuring organizational processes; and evaluating overall performance and results. See *Achieving Citizen/Client Focused Service Delivery: A Framework for Effective Public Service Organizations* (Public Works and Government Services Canada, 1997), p. iii.

[7] Interview with Jacques Bouchard, Innovation and Quality Services Division, Treasury Board Secretariat, formerly HRDC, Regional Coordinator, Quality Services, March 27, 1998.

[8] Interview with Jean-Guy Legendre.

[9] Interview with Jean-Guy Legendre.

[10] HRDC's report may be accessed on the Internet through the TBS website: http://www.tbs-sct.gc.ca/tb/irpp/irppe.html.

[11] Internal HRDC document, "Service Delivery Network Coordination," p. 3.

[12] This mode of internal communication in an organization was inspired by the writings of David Bohm (*Dialogue: A Proposal*, 1989, Ojai Foundation, California) who perceived it as a means for rediscovering a sense of the collective and reexamining individual and collective assumptions, feelings and beliefs; and Peter Senge (*The Fifth Discipline*) who saw dialogue as a means for people to uncover incoherencies in their thinking and for improving collective thinking. In this respect "dialogue" is perceived not as debate or negotiation, nor is it intended to solve problems, resolve conflicts, or necessarily lead to a consensus. Rather it is a return to fundamentals through collective conversation. (HRDC-Quebec Region document distributed for the 1997 dialogue.)

[13] These lessons learned are drawn largely from a presentation by Mr. Gladu to Treasury Board of Canada, Interdepartmental Quality Network, April 3, 1997, and from interviews with Jacques Bouchard, Jean-Guy Legendre and Andrée Themens.

Sources Consulted

Sources for this case study include interviews conducted in March-April 1998 with the contact persons listed above, and documents on HRDC (as referenced) and on HRDC-Quebec Region, in particular, the following:

"Continuous Improvement Approach to Client Strategy for 1994-1997," HRDC-Quebec Region (Strategic Planning Directorate, Human Resources Directorate, Public Affairs Directorate), February 14, 1994.

Le QUALImètre: Guide d'autodiagnostic à DRHC-Québec, 1996.

Guide d'Autoévaluation: Direction de l'information et de la planification stratégiques, Région du Québec, September 1997.

Presentation by André Gladu on HRDC-Quebec Region to Treasury Board of Canada, Interdepartmental Quality Network, April 3, 1997.

HRDC-Quebec Region newsletters, *INFO-Actualités* and *INFO-Express*, in particular, *INFO-Express*, 20 December 1996 and February 1998.

Memorandum, *Réflexion sur l'avenir de DRHC-Région du Québec*, from *Directrice générale des opérations Montréal to Directeurs/directrices CRHC, CROP et CAR*, and *directeurs et directrices régionaux*, July 21, 1997.

DRHC-Québec document, 97 normes (Service Standards).

DRHC-Québec workshop document. "Dialogue," 1997.

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Transforming Canada Post through Performance Measurement: 1981 to 1998 and Beyond

Introduction

Canada Post Corporation ("the Corporation") is a federal Crown corporation, incorporated by the Government of Canada in 1981. Its predecessor, the Post Office, was a federal department of state.

Between 1981 and 1997, the Corporation transformed itself from a debt-ridden department of state to a dynamic, customer-focused, profitable business. It did so by increasing mail volumes 64 percent, points of delivery 31 percent, pieces of mail processed per hour 66 percent and revenue per employee 137 percent. As a direct result of these improvements, the Corporation earned a profit of $112 million in 1996-1997. This compares with a loss of $487 million sustained in 1980-1981, the year of its inception.

HIGHLIGHTS

- PERFORMANCE MEASUREMENT PROGRAM IS THREE-PRONGED CONSISTING OF SERVICE PERFORMANCE, CLIENT SATISFACTION, AND EMPLOYEE SATISFACTION
- MONITORS DELIVERY OF PERFORMANCE AGAINST SERVICE STANDARDS
- REGULARLY MEASURES CLIENT AND EMPLOYEE SATISFACTION
- PUBLISHES RESULTS OF MEASUREMENT
- BASES SERVICE IMPROVEMENTS ON CLIENT AND EMPLOYEE FEEDBACK

The Corporation achieved this transformation by:
- monitoring delivery performance against service standards;
- measuring customer and employee satisfaction; and
- using these data to drive changes in everything from operations, to collection and delivery, sales strategy, product development, and customer service.

The critical factors to which the Corporation attributes its success include:
- having the support of management;
- having champions;
- matching competencies to needs;
- being at the appropriate stage of corporate evolution (i.e., having the products, services, and financial stability) to support measurement initiatives;
- raising the profile of the initiative by linking management compensation to success; and
- communicating results in a simple, straightforward, and timely manner.

Background

At its inception in 1981, the Corporation inherited a $6 billion deficit, had no financial management structure, no books, chaotic operations, lack of credibility and no intrinsic framework or discipline within which to manage its affairs as a separate entity.

Until 1987, the Corporation worked to bring its operations and finances under control by improving productivity (mail processed per hour) and reducing the deficit. Bringing its basic housekeeping matters under control helped the Corporation move forward at a faster pace, allowing it to fulfil its mandate and become a customer-focused business enterprise.[1]

Performance Measurement Today

Since 1997, Don Dickie, Director, Corporate Measurement and Analysis, has been responsible for performance measurement and analysis in all three measurement programs – service performance, customer satisfaction, and employee satisfaction. All three indices are measured by a third-party surveyor through tests, telephone interviews and mail-out questionnaires that the Corporation designs.

The Corporation developed service performance standards with input from customers and with reference to operational capability and geography. The Corporation measures service performance standards continuously using representative sampling techniques. The variables include:

- sample size or number of test mailings;
- addressing style (handwritten or typed);
- envelope size;
- method of payment (metered or stamped);
- method of posting (street letter box or retail postal outlet);
- correct addressing;
- point of entry;
- delivery destination; and
- residential or business recipient.

Service performance is measured in three geographical categories:

- same urban centre,[2]
- same province;[3] and
- between provinces.[4]

Beginning in fiscal year 1997-1998, service performance was measured in rural areas.

The Corporation measures on an ongoing basis and publishes monthly survey results through internal corporate channels. An annual public service performance report for lettermail is also prepared by an external auditing firm.

In soliciting feedback from customers and employees, the Corporation is conscious that not all respondents can comment on all matters. Given the nature of a particular respondent's relationship with, or role within, the Corporation, that respondent will be able to offer comment only on those matters within his or her knowledge and experience. The Corporation takes this into account and crafts questions to tap the specific knowledge of each group.

After collecting and analysing data, the Corporation makes customer satisfaction reports available within one week of each quarter end.

In the case of large corporate customers, the surveyor records comments verbatim and forwards these at the end of each week to the sales representative. The sales rep is then responsible for contacting the customer within one week of receiving the verbatim feedback to deal, one on one, with the customer's concerns.

The Corporation makes employee satisfaction reports available within one week of each year end.

It is precisely this process of survey and analysis, linked to customer service and product development, that led, for example, to the solution-oriented customer focus in an ongoing Product Simplification Project (PSP).

Corporate distribution customers (those in need of courier and courier-like services) began voicing concerns that the Corporation's products and services were too complicated, too difficult to understand and in many cases, not what they needed.

After a survey and analysis, the Corporation launched one element of PSP in March 1998, featuring an improved Xpresspost: a simplified, faster, guaranteed service that is significantly less expensive than the fully featured courier service that a large segment of the market does not require.

Further, all toll-free customer service numbers were consolidated. Customers may now call one nationwide number and receive a service for all products and services.

Other significant changes include those introduced recently to rural collection and delivery. By establishing local area hubs in rural areas, the Corporation is responding to rural customer demand for faster, more efficient service.

During the '97 labour disruption, the Corporation adapted mechanisms to meet the circumstances. Reps met one-on-one with the Corporation's largest customers, maintaining with each ready contact to keep them abreast of developments.

During the disruption, customer satisfaction scores remained stable.

The Balanced Scorecard

Although not apparent in the early stages of performance measurement, it became clear that all programs required the same competencies to manage and interpret the various data.

Since consolidation of the three programs under Corporate Measurement and Analysis in 1997, the Corporation now believes that customer and employee satisfaction programs can be integrated to leverage the relationships between the various audiences as stakeholders of the Corporation.

This comprehensive approach, whereby the views of all stakeholders are integrated to create a global picture of all the pertinent issues and indices, has been called the "balanced scorecard." The balanced scorecard approach will permit the collection of data on a far broader range of issues, such as the Corporation's reputation for honesty and its civic and social responsibility.

The Corporation has many stakeholders: customers; employees; unions; its shareholder, the governing political party; Treasury Board; Privy Council; its suppliers; even competitors, who are stakeholders because they exert political leverage on the Corporation's shareholder and competitive pressure in the marketplace.

The objective is to find a common denominator (e.g., customer segment) that would integrate the variety of measurement needs presented by the stakeholders. This would be done in a way that maximizes the efficiency of the measurement instrument and casts greater light on the relationships between the various data sets.

As an example, consider the results for a typical customer. Customer satisfaction can be assessed in all its aspects: reliability of service, quality of products, reputation for honesty and openness. Employee satisfaction – for example, of the sales force or counter staff serving that customer – as well as employee opinion on the same issues that were raised in the customer survey, can also be fully assessed. The results can then be related to revenue. Areas of dissonance between the satisfaction levels of employee, customer, and other stakeholders may then be identified.

Ultimately, the assessment of all factors taken together in this manner will indicate where an investment should be made to produce a maximum benefit for the Corporation.

How the Corporation Got to Where It Is Today

Between 1987 and 1993, when the measurement program began, performance measurement included only service performance. The objective of measuring service performance was and remains maintenance and improvement of productivity and reliability of service.

When service performance was first measured in 1987-1998, the Corporation met published delivery standards with a frequency of 87 percent. By 1990, it consistently achieved those standards 96-98 percent of the time.

By the time the Corporation had reached that high degree of reliability of service it was confident that customers would be on-side. But market trends, demographics and technological developments indicated that letter-mail was declining as a source of revenue, while bigger, large-volume mailers, and customers with shipping and distribution (parcel/courier/document) needs, had to be courted. To do so, the Corporation had to ensure that, whatever those customers' needs, a reliable, helpful, solution-oriented relationship be created and maintained.

Canada Post Corporation began to focus on the customer.

As large corporate customers have come to play an expanding role in the Corporation's future, the impetus behind developing new marketing strategies has grown. To implement these strategies, the Corporation entered the competitive sector where customers must be won and retained. Thus the Corporation began to monitor customer satisfaction.

From the start, a third party was retained to measure customer satisfaction. By late 1996, the customer satisfaction index was improving. Since then, the Corporation has pushed the index up 11 percent.

By 1995, given the importance of employee satisfaction to service performance and service performance to customer satisfaction, it was evident that employee satisfaction, apart from its intrinsic value, would have to be a component in any comprehensive survey of customer satisfaction.

Management support and the appointment of champions, whose responsibility it is to keep customers happy, were both instrumental in the success of the customer satisfaction program. These champions are Area Vice-Presidents, who are accountable for customer satisfaction initiatives. Because the Corporation has made the champions individually and collectively answerable for measurement results, it has transformed them into catalysts for change, development and improvement.

The Corporation's integration of employee and customer satisfaction measurements with service performance measurement has encouraged a link with management performance assessment and incentive pay generally.

Revenue: the Measure of Success

The Corporation judges the success of the measurement program by referring it to revenue growth. The overall objective of measurement is to give the Corporation the ability to make strategic decisions that will help to grow the company.

There are other indirect indicators of success: feedback from senior managers and from the users of the measurement reports. This feedback indicates whether the reports are being well understood, and whether the users can employ them to make changes.

The Director, Corporate Measurement and Analysis, who is responsible for measurement and for ensuring that the information gets to the right person, receives the feedback. He or she reports to the Management Executive Committee every quarter on customer satisfaction; semi-annually on employee satisfaction; and every month on service performance.

Conclusion

The Corporation does not doubt that its success in transforming itself from shaky government department to a viable business is directly related to its development and use of performance measurement.

Performance measurement, linked to revenue growth and acting as a gauge for management remuneration, underlies the Corporation's success in moving forward quickly in responding to customer needs and adapting to market trends.

Had it to start over, the Corporation would have launched all three measurement programs together rather than phasing them in over a period of years.

The Corporation has identified several pitfalls to be avoided:
- failure to communicate clearly;
- communicating too little, too late;
- misinterpreting results; and
- failure to identify and defer to those who deal closely with the customers, the systems and the processes.

Endnotes

1 In establishing Canada Post in 1981, the *Canada Post Corporation Act* provided that, in exchange for the continuance of its exclusive privilege on the carriage of letters weighing less than 50 grams, the government gave it a threefold mandate: to provide universal postal service to all Canadians at a uniform price, on a financially self-sustaining basis, according to a standard of service that meets the needs of Canadians. This mandate remains fundamentally unchanged today.

2 Urban centres are defined as major urban centres. There are 21 major urban centres: St. John's, Halifax, Charlottetown, Saint John, Quebec City, Sherbrooke, Montreal Metro (including Laval and Longueuil), Toronto Metro (Mississauga to Ajax), Oshawa, London, Hamilton, St. Catharines, Burlington, Kitchener, Windsor, Sudbury, Ottawa-Hull, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Kelowna, Vancouver, Victoria.

3 Between major urban centres within the province.

4 Between major urban centres in respective provinces.

Sources Consulted

Interview with Donald A. Dickie, Ph.D., Director, Corporate Measurement & Analysis, Canada Post Corporation and Michèle Langlois, Director, Alternate Service Delivery, Canada Post Corporation, April 17, 1998. Conducted by D. Marie Blythe, Research Assistant, Canadian Centre for Management Development.

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Transforming the Culture of the Organization: Manitoba Fleet Vehicles Agency

Case Description

Overview

In 1992, Manitoba Fleet Vehicles Agency (*FLEET*) became the first provincial Special Operating Agency (SOA) in Manitoba and Canada. Since then, 15 others have been put in place in the province, using *FLEET*'s experience as a blueprint for success.

Until 1992, the organization was a branch of the Department of Government Services, providing a centralized fleet management service to provincial government organizations. Before it became an SOA, questions had been raised about the efficiency of the organization's operations and the satisfaction level of its clients.

The organization was incurring penalty costs for not replacing its vehicles at their optimum economic age. A shortfall in vehicle and replacement capital contributed to costly operations. The organization had antiquated computer information systems. Employee frustration, client dissatisfaction, and management's inability to resolve the problems drove the organization to find better ways of delivering service.

HIGHLIGHTS

- *FLEET* IS AN SOA PROVIDING SERVICE TO ALL LEVELS OF GOVERNMENT
- DELIVERY IS MORE SEAMLESS THAN CAN BE PROVIDED BY SEPARATE PROVIDERS FOR EACH LEVEL OF GOVERNMENT
- ORGANIZATION IS SERVICE-, NOT CONTROL-FOCUSED: CONDUCTS EMPLOYEE NEEDS ASSESSMENT; PROMOTES EMPLOYEE INVOLVEMENT; CONDUCTS CLIENT SURVEYS
- ACHIEVES ECONOMIES OF SCALE SERVING ALL LEVELS OF GOVERNMENT AND PROVIDES CHEAPER SERVICE AS A RESULT
- WORKS ON A COST-RECOVERY BASIS AND SUCCESSFULLY COMPETES WITH PRIVATE SECTOR
- UNDERTAKES COMPREHENSIVE BUSINESS PLANNING AND FINANCIAL REPORTING
- ACHIEVED NET EARNINGS OF APPROXIMATELY $8 MILLION OVER FIVE YEARS.

With greater flexibility, particularly in the areas of finance and human resources, *FLEET* was transformed into a productive, profitable, and service-oriented organization. Operations are based on business and service quality principles, resulting in revenues that cover all costs and generate excess capital.

Operating outside the Consolidated Fund, through Special Operating Agencies Financing Authority (SOAFA), *FLEET* is able to make major capital investments, such as vehicle replacement purchases, in a timely and economical manner, using retained earnings or borrowing through the SOAFA. This enables the organization to make decisions based on sound business and return-on-investment rationales.[1]

The organization's pricing, now based on the Full Costing principle – employee benefits, occupancy costs, central agency support, interest on borrowing, vehicle depreciation, and the like – more accurately reflects the costs required to maintain operations.

Employees are valued for their contributions to the organization, and are encouraged to assume more responsibility. *FLEET* conducts an annual Needs Assessment to determine what improvements are required in the work environment. Employees work in teams to resolve organizational problems, such as employee morale, to recognize employee achievements, and to pursue continuous improvements.

Clients are consulted regularly through surveys that deal with vehicle and option preferences, satisfaction with service, and priorities for improvement.[2] The organization holds annual appreciation events for clients, and keeps them updated on the latest *FLEET* news via newsletters and presentations.

In addition, the organization has introduced a computerized *FLEET* Management Information System (FMIS) to provide clients and staff with contemporary techniques for evaluating fleet and operator efficiency. FMIS captures all statistics on vehicle distance, fuel consumption, repairs and maintenance history, and analyses this information for use by both clients and staff. Customized bills and reports allow the organization to meet clients' individual accounting and coding needs.

Likewise, Agency vehicles are supplied with a *FLEET* credit card to track vehicle expenses. The Agency monitors, approves, and pays for vehicle repairs at private facilities.

The organization has achieved economies of scale and expanded its market to include all public sector organizations in Manitoba, including municipal and federal ones. This arrangement provides for a less costly and more seamless delivery of service than what was previously offered by separate government service providers.

As a government agency that recently started to compete with the private sector – an option that was available following a formal review of the first three years of operation – *FLEET* benchmarks its performance with private sector organizations in Manitoba to ensure that it is offering comparable or better products and services, and rates.

FLEET has greater management flexibility than before and assumes more direct responsibility for results. The accountability framework features business plans, which are multi-year strategic plans, with specific budget-year targets and financial projections, updated annually, reviewed by its advisory board and approved by Treasury Board. The Agency's annual report analyses operating results against targets and projections, contains audited financial statements. The report is presented to the Minister for tabling in the Legislature.[3]

Putting the Initiative in Place

With the support of the Minister of Government Services and senior management, the current Chief Operating Officer (COO) of *FLEET*, the former manager of the *FLEET* Vehicles Division, set out to research the SOA option. The Queen's Printer was likewise interested in the SOA option. Both organizations worked together on the initiative. For *FLEET*, the initiative unfolded in the following way.

* *Draft a Case for the Initiative. FLEET* researched SOA initiatives at the federal level and drafted a case based on their experience, but adapted to the needs of *FLEET*. The case, drafted with input from the department and the central agencies, contained a charter outlining the mandate, the flexibilities needed, and the markets to explore, a three-year business plan, and an implementation strategy. The case also contained a recommendation to review the initiative after three years of operation to determine its effectiveness (i.e., benefits to the government and the organization), to study the feasibility of becoming an optional rather than a mandatory service provider, and to draw lessons for future SOA initiatives. This plan was subsequently approved by Treasury Board.

Following Treasury Board approval, the Charter was released publicly, as is now required of all SOAs.

Background

A number of factors caused *FLEET* to look for alternative ways of delivering service.

* In the late 1980s, *FLEET* undertook two major reviews of its operations. The first concluded that the organization was incurring penalty costs because it was not replacing vehicles at their economically optimum age. The second review, sponsored by the Canadian Comprehensive Auditing Foundation (CCAF), revealed that *FLEET* was not operating as cost-effectively as it could due to vehicle replacement capital shortfalls. For instance, vehicle depreciation values were not accounted for, nor did the organization receive revenues generated from auctioning off old vehicles – these revenues went into the government's general revenues. The CCAF recommended that *FLEET* explore other funding options.

* *FLEET* was also viewed as a control type function, not a service one, a view that permeated the government and the public service. This contributed to an atmosphere of inadequate solutions (i.e., government proposals to reduce fuel consumption) and poor service, with little incentive for *FLEET* employees to provide good service, thus servicing the vehicle when it was convenient for staff, not the client.

* In addition, employee frustration and client dissatisfaction were building – *FLEET* mechanics in having to repair old vehicles that should be replaced; administrative staff in having to work with an antiquated computer system; managers in not having the flexibility in operations; and clients in having to use old vehicles in constant need of repair, and in having limited choice in the types of vehicles and options they required.

* The organization likewise, felt the pressure from large private sector service providers *knocking at government's door.*

Sources: Dennis Ducharme, 1995, "Manitoba Fleet Vehicles, Testing the Special Operating Agency Concept;" April 1998, Interview with Dennis Ducharme, conducted by CCMD.

More about FLEET

Mandate and Roles

- Manitoba Fleet Vehicles Agency (*FLEET*), an Agency of the Government Services Department, supplies complete vehicle management services to public sector organizations throughout the Province of Manitoba.

Programs

- *FLEET* offers four services: full service fleet leases including fuel, general maintenance and a number of management services; fleet management services (with no lease); vehicle leases (with no associated services – dry lease); and short-term rental services. *FLEET* also provides clients with a *FLEET* credit card for tracking vehicle expenses, and a customized billing service.
- The fleet consists of 2,300+ vehicles including trucks, vans, sedans, operating in over 600 locations throughout the province. *FLEET* also services buses, all-terrain vehicles and snow machines. Where economical, *FLEET* locates pools of vehicles near the work location of its major users.
- *FLEET*'s 40+ employees provide complete vehicle maintenance and fleet administration support to clients from a central Winnipeg administration office and full service garage. The two-thirds of the fleet not serviced from Winnipeg are serviced by the Agency's private sector contacts throughout the province, with *FLEET* ensuring equal service levels to all clients.

Structure and Accountabilities

- As a Special Operating Agency, *FLEET* retained the policy framework found in a line department of government but adopted the operating framework of a private sector organization. Operations are managed by a Chief Operating Officer (COO) who is held accountable for achieving the Agency's key performance targets, and reports to the Assistant Deputy Minister of Government Services.
- *FLEET* has a volunteer Advisory Board, chaired by the Deputy Minister and represented by clients, employees, and stakeholders. The Board advises on the Agency's strategic directions, changes to its mandate, services, structure, finances and management practices.
- *FLEET* operations are guided by an Operating Charter, a public document which outlines the terms, conditions and frameworks under which the Agency operates by agreement with the Minister and Treasury Board. It also refers to Delegations and Exemptions from government administrative practices, conferred by the Minister and Treasury Board to increase management flexibility and responsiveness.
- A management agreement, signed by the Financing Authority, Minister and COO, elaborates on the financial framework and accountability requirements pursuant to the Charter.
- *FLEET* operates outside the Consolidated Fund, through Special Operating Agencies Financing Authority (SOAFA) which can hold and acquire assets and can finance *FLEET* through repayable loans and working capital advances. This framework enables *FLEET* to operate in a more business-like manner and to present its statements in accordance with generally accepted accounting principles (i.e. accrual accounting).
- *FLEET* prepares an annual Business Plan detailing its strategic focus, financial forecasts and plans, short- and long-term goals and objectives and performance targets.
- *FLEET*'s Annual Report serves as the principal document of accountability. It analyses operating results compared to targets and projections, contains audited financial statements, and is presented to the Minister for tabling in the Legislature.

Clients and Stakeholders

- The primary client is the provincial government; however, the Agency has expanded its mandate to offer complete management services to the broader Manitoba public sector.
- Stakeholders include Manitoba tax payers, the Minister and Deputy Minister of Government Services, politicians, particularly those in Cabinet, Treasury Board, client departments, employees, and suppliers.

Source: *FLEET* website: www.fva.gov.mb.ca; Paul Thomas and John Wilkins, 1997, "Special Operating Agencies: A Culture Change in the Manitoba Government"; Dennis Ducharme, 1995, "Manitoba Fleet Vehicles, Testing the Special Operating Agency Concept"; CCMD, April 1998, Interview with Dennis Ducharme.

- *Communicate Initiative to Employees and Clients.* While employees and clients were not directly involved in the proposal, once SOA status was conferred they were made aware of the initiative, its objective and value, and how the changes would affect them.

- *Establish an Advisory Board. FLEET* established an advisory board to advise on strategic directions and objectives, performance measurement, business practices, marketing strategies, and management and financial reporting requirements. The Board is chaired by the Deputy Minister of Government Services and includes clients, employees, and government and private sector representatives.

  With the key components in place – a Charter, an advisory board, a business plan, and flexibilities in finance and human resources – the organization worked on the operational elements, including an integrated financial management system, an improved system of client and employee relations, and a performance measurement framework.

- *Financial Management.* As noted earlier, a business plan was developed to guide operations from year to year.

- *Client Service Plan. FLEET* hired a marketing consultant with experience in client relations programs to develop a client service plan.

- *Employee Relations Improvements. FLEET* contracted the Staff Development Branch within the Civil Service Commission to conduct an employee needs assessment to learn what the employees felt they needed to achieve personal success, and what the organization needed to be successful. Among its findings, the needs assessment concluded that morale had to be improved. A team was set up to address this issue. A peer recognition team was also set up to find ways of allowing workers to recognize each other's achievements.

  Other teams have been set up to drive various initiatives, such as continuous improvement and performance measurement.

Issues Encountered

Main Issues Encountered

- *Establishing What a Charter and Business Plan Are.* These were new concepts to the organization. Much time was spent determining what they meant and what they involved. As noted earlier, the federal SOA experience was an important source of information. The business plan required more work. Because public sector departments operate on the cash-accounting method, developing a business plan – requiring the organization to base projections on historical financial records, which the Agency did not have – was difficult. The Agency hired consultants to review all past financial records in order to write a business plan.

- *Valuing the Assets.* In turning *FLEET* into an SOA, the government was turning over operations to the Agency. A valuation of the organization's assets was required.

- *Researching Administrative and Regulatory Frameworks Governing Operations. FLEET* undertook a major research initiative to determine what government policies and regulations (e.g., those concerning human resources, financial accounting, etc.,) the Agency should seek an exemption from, and the authorities that should and should not be delegated to the Agency.

- *Establishing Time Frames.* The Agency needed to establish precisely how long it would take to implement the initiative. This involved negotiations with Treasury Board and resulted in the organization obtaining a three-year respite before a full review would be conducted.

- *Setting up the Advisory Board. FLEET* needed to explore answers to the big questions of composition, role, and legal status of the Advisory Board.

- *Improving Service Delivery.* As a former departmental branch, the new Agency required a major overhaul of its service delivery mechanisms. The Agency conducted a review of its operations to establish who its clients are, their needs, and the needs of employees. The marketing consultant, and the Staff Development Branch of the

Civil Service Commission were instrumental here. In addition, the organization explored the range of service improvement tools available.

- *Changing Client Department Attitudes.* To the client, the SOA status simply brought with it higher rates and more responsibility for vehicle use. A Client Services Plan was developed which helped to explain the longer-term benefits – better service, eventual lower costs, and flexibility to tender outside of government.

- *Changing Employees' Attitudes.* The Agency encountered some resistance from employees who did not see a need for change. The Employee Needs Assessment conducted by the Staff Development Branch within the Civil Service Commission was instrumental in establishing what employees felt they needed from the organization to achieve personal success, and for the organization to be successful. Employees now work in teams to resolve key issues, such as morale. The Employee Needs Assessment was recognized as an important way of gauging employee satisfaction, and is now conducted annually.

  In addition, employee involvement is encouraged and employees have been involved extensively in the initiative. Employee teams developed the performance measurement system, a continuous improvement team has been established, and training provided. The majority of employees are now on board.

- *Changing Central Agencies' Attitudes. FLEET* has encountered some difficulty in getting the central agencies to recognize the new flexibilities of the SOA, particularly on the front line. While managers are aware of these flexibilities, the message has not been conveyed to some of the front-line employees who deal with government departments on a daily basis. They continue to treat the Agency as another branch. At the time of writing, this issue had not been resolved.

Lessons Learned

Critical Success Factors

- *Recognition of Need for a Different Way of Delivering This Service.* The need for improved fleet management service was recognized by all the main players: client departments were driving vehicles in constant need of repair; employees were repairing vehicles that needed to be replaced; managers had few resources to correct the situation; and government was being courted by low-cost private sector providers.

- *Early Successes.* Early successes helped to maintain support from the Government of Manitoba, the Minister and the Deputy Minister, and from Treasury Board.

Pitfalls

- *FLEET* suggests that organizations undertaking similar initiatives ensure that they clearly outline their mandate and needs in the Charter, and obtain sign-off from the government once the agreement is made.

In Hindsight

- *FLEET* would ensure that sound financial management was in place before beginning; and

- would argue more strongly for the ability to expand services to other public sector markets, a move that would benefit stakeholders in the longer-term. This idea would require additional financing and was resisted by the government, which wanted primarily to reduce debt. Allowing the Agency to compete in the open market, however, would achieve economies of scale as overhead costs would shrink, thereby resulting in lower service charges to the client. Such has been the experience of the Agency.

Key Lessons

- *Have Sound Financial Management in Place.* As *FLEET* notes, the private sector has much to contribute to the public sector in financial management – benefits that government cost-accounting methods do not provide.

- *Communicate with Stakeholders. FLEET* kept all stakeholders – employees, Treasury Board, the Minister, Deputy Minister, clients, the broader public, and suppliers – informed throughout the initiative, and continues to do so. Communication is the foundation upon which to build support.

- *Do Not Underestimate the Importance of Meeting Client Needs.* Previously, *FLEET* would provide vehicles to clients regardless of their needs, tastes, or wants. Now the Agency provides clients with choices, including the make, model, features, and so on. The organization has expanded its market and successfully competes with the private sector; this is due, in part, to its new client focus.

- *Heed Advice of the Advisory Board.* While not a requirement of the SOA initiative, the Advisory Board has been instrumental in the decision making of this agency, and its members provide expertise in financial, service, and other areas.

- *Listen to Employees, Keep Them Involved, and Support Their Ideas.* Employee input is critical to the success of an initiative. *FLEET* advises organizations to encourage and solicit feedback, listen to employee suggestions, and implement suggestions. If the flexibility is not there to do so, ask for it. One important employee suggestion that the organization accepted was to offer a shuttle service to clients. Previously, as a departmental branch, clients were required to bring vehicles to *FLEET* for maintenance. There was no guarantee that the client would come, especially if a more urgent matter arose. With the shuttle service in place, the organization now picks up the vehicle and, at the same time, provides the client with a replacement vehicle for the day. Since the shuttle service was offered, there has been an increase in business.

Can the initiative be implemented elsewhere?

An SOA initiative can be implemented in many public sector organizations, particularly those where a comparable service can be offered by the private sector. These opportunities include purchasing, voucher processing, and printing services. There is a requirement, however, that the organization become more competitive, which would be difficult for a regulatory-type body.

Evaluation

Monitoring the SOA Initiative

A formal effectiveness review of *FLEET* was conducted by the Government of Manitoba following its third year of operations, which concluded that the initiative's objectives were being met, and that the SOA option was a feasible one for other government services. The results of the review were presented to the Minister of Government Services and Treasury Board for decisions on policy issues and options for future development.

A recommendation was made that the organization compete with private sector service providers.

Results Achieved[4]

Process Improvements

- *Increased Accountability.* As a self-financing organization, *FLEET* is now more accountable for its fleet. *FLEET* adjusted its rates to reflect the full costs of maintaining the vehicles (i.e., depreciation). Many client departments, recognizing that they were more accountable for the use of their vehicles, whether they drove them or not, turned them in. As a result, *FLEET* was reduced by approximately 20 percent, thereby saving the government (and the public) some money.

- *Successfully Competes with Private Sector.* Since 1996, departments have been able to tender for management services outside of the public service. *FLEET* has successfully competed against major national fleet leasing companies, maintaining its level of business.

- *Automated Fleet Management Information System.* As noted earlier, this system provides clients and staff with a set of statistical information for evaluating fleet and operator efficiency. Customized bills and reports allow the Agency to meet client accounting and coding needs.

Client

- *Client Satisfaction.* Through its client surveys, *FLEET* determines levels of satisfaction, and priorities for improvement, and has made improvements based on this feedback. Client satisfaction levels are 95 percent, compared to 73 percent industry-wide. *FLEET* has introduced improvements such as a flexible charge-back rate, and a shuttle service for customers picking up pool vehicles or bringing vehicles in for repair.

  In addition, *FLEET* has more repeat lease business: 98 percent compared to 62 percent across the industry. Agency prices are 15 to 20 percent cheaper than the private sector.

- *Expanded Market Base.* The organization has expanded its market base to other levels of government, to the municipal and federal levels.

Employee

- *Needs Assessment. FLEET* has instituted an annual Needs Assessment to ensure staff have an opportunity to make a contribution to the organization.

Financial

- *FLEET*'s financial successes include:
  - ✓ reduced vehicle operating costs by over $1 million per year to become the lowest-cost supplier of fleet vehicles in Manitoba;
  - ✓ generated revenues that cover all costs since 1994;
  - ✓ achieved net earnings of approximately $8 million over five years;
  - ✓ paid off its $8.2 million start-up debt with a $2.3 million payment in April 1997, some 15 years ahead of the 20-year payment plan scheduled when the organization became an SOA;
  - ✓ reduced capital loan financing requirements under the *Loan Act* by 37 percent; and
  - ✓ maintained service levels with 18 percent less staff.

Accountability

The COO of Manitoba Fleet Vehicles Agency is accountable for Agency operations, while the Minister of Government Services is responsible for the SOA in a policy capacity.

The Annual Report tabled in the legislature, and made available to members of the public, is the primary document of accountability.

Next Steps

- *Expand Client Base.*

- *Investigate Other Organizational Structures*, such as Crown corporations and employee ownership.

- *Implement a Performance Measurement System.* At the time of writing, this new system was being implemented. It links the goals outlined in the business plan with specific goals identified by employees, managers, and individual units. Employees indicate their goals and the results they hope to achieve in the year. The manager likewise indicates what he or she expects of the employee and they negotiate what is achievable. Performance is reviewed quarterly.

- *Upgrade Computer System. FLEET* is currently programming its own software package to capture all vehicle information and statistics. The program will replace the current system, which is designed for leasing companies.

Endnotes

[1] Dennis Ducharme, 1995, "Manitoba Fleet Vehicles, Testing the Special Operating Agency Concept" in *Management*, Vol. 6 #1, p. 23.

[2] Adel Shalaby, "Manitoba Fleet Agency Drive to become a Special Operating Agency." This article can be accessed from the Treasury Board website: www.tbs-sct.gc.ca/tb/iqe/prv_inie/manvfae.html

[3] Paul Thomas and John Wilkins, 1997, "Special Operating Agencies: A Culture Change in the Manitoba Government," in *Alternative Service Delivery: Sharing Governance in Canada* (Toronto: IPAC/KPMG), p. 113.

[4] From an interview with Dennis Ducharme, COO of FLEET, April 23, 1998. These results are also drawn from Adel Shalaby, "Manitoba Fleet Agency Drive to become a Special Operating Agency; and Dennis Ducharme, "Manitoba Fleet Vehicles, Testing the Special Operating Agency Concept," p. 23.

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Building a Citizen-Centred Organization: Peel Regional Police

Case Description

Overview

During the 1990s, Peel Regional Police (PRP) embarked on a program of continuous improvement, beginning with a Strategic Plan and a Mission and Values Statement. Since then, PRP has gone through a number of continuous improvement exercises. Today, it is recognized as one of Canada's more progressive police services.

PRP's continuous improvement exercises include the following.
- *Strategic Plan and Mission and Values Statement.* Like other police services, PRP had undertaken regular planning exercises, but with changes to the environment in which the organization operated – including legislative changes, a move to community-based policing practices and crime prevention, as well as major demographic shifts and a shrinking financial base – PRP had to start to plan more strategically.

In 1989-90 PRP developed and implemented a Mission and Values Statement in consultation with members of the police force and citizens of the Peel regional community. It was issued to every member of the service and is prominently displayed throughout the organization.

A Strategic Plan was developed by 1992, which set service priorities to guide day-to-day operations over a three- to five-year period. These included: Crimes Against Property, Traffic Management, Crime Prevention, Crimes of Violence, Drug Control and Lawless Public Behaviour. The Strategic Plan is updated every three years with feedback from staff at all levels of the organization and the community, ensuring continuous improvement.

- *Accreditation.* In 1994, PRP was accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA), the first police service in Ontario to receive this distinction, and the fifth in Canada.

- *Excellence.* Following the accreditation, PRP undertook a self-assessment based on the National Quality Institute's (NQI) framework for excellence to gauge where the organization stood in terms of Service Quality.

Putting the Continuous Improvement Initiative in Place

Peel Police's Continuous Improvement initiative is an ongoing, iterative process of improvement. Led by its Chief of Police at the time – and supported today by its new Chief – PRP began with a Strategic Planning process, which included the development of a Mission and Values Statement.

The Strategic Plan and Mission and Values Statement

- The Mission and Values Statement was developed through a series of Executive Sessions on Policing Futures and involved members of the police service, Police Services Board and citizens at large.

- The Executive Sessions developed the strategic planning process, which has been revised and improved since 1989. Through these sessions, five service priorities were identified to govern operations of PRP. A sixth, Crimes Against Property, was added in 1993-1994.

HIGHLIGHTS

- A REGULATORY ORGANIZATION BECOMES MORE CITIZEN- AND CLIENT-FOCUSED THROUGH STRATEGIC PLANNING, ACCREDITATION, CITIZEN AND CLIENT ENGAGEMENT, SELF-ASSESSMENT, AND CONTINUOUS IMPROVEMENT
- POLICING PRIORITIES DEVELOPED IN ACCORDANCE WITH CITIZEN-, CLIENT- AND EMPLOYEE-IDENTIFIED PRIORITIES, AND ENVIRONMENTAL TRENDS
- PERFORMANCE MEASUREMENT THROUGH CITIZEN SURVEYS, EMPLOYEE FEEDBACK, AND ENVIRONMENTAL ASSESSMENTS – INTERNAL AND EXTERNAL COMPARISONS OF PROGRESS
- ACCREDITED BY CALEA WITH A COMPREHENSIVE SET OF POLICING POLICIES AND PROCEDURES IN 1994
- EARNS A CERTIFICATE OF MERIT IN QUALITY, CANADA AWARDS FOR EXCELLENCE IN 1995
- WINS WEBBER SEAVEY AWARD FOR QUALITY IN LAW ENFORCEMENT IN 1995
- WINS CRIME PREVENTION UNIT OF THE YEAR AWARD FROM THE INTERNATIONAL ASSOCIATION FOR CRIME PREVENTION IN 1997

- A community consultation program was launched in 1992 to involve employees, citizens of the region, and local business owners in the planning of community-based policing policies and initiatives.

- A benchmarking survey was conducted in 1994, to gauge citizens' and employees' views on community safety, the police-citizen relationship, and the value and role of community-based policing. This survey was "the most extensive one of its kind ever carried out by a Canadian municipal police service."[1] The survey is now conducted biennially.

  PRP contracted experts in survey research to ensure a fair and equitable sampling of the population and to ensure that the survey reflected the demographics of the population.

- An environmental assessment of trends in the community (demographic, economic, crime, traffic), in the police force (human resources), and in worldwide crime trends is conducted annually.

- A review of the strategic plan is conducted every three years and is led by the Strategic Planning Unit. Issues are identified through the surveys and the environmental assessment, as well as through consultation with partners in the criminal justice community. Area managers form multi-level planning teams to develop priorities, goals, performance indicators, standards, strategies, target dates and accountabilities for their units, which are in line with the overall policing priorities and the Mission and Values Statement.

Accreditation

Once the strategic plan was established, the policies and procedures required updating. PRP voluntarily undertook to seek accreditation with CALEA. This meant the service had to meet a set of internationally accepted standards for policing in areas such as human resources, management, equipment, recording techniques, and the like.

CALEA, a non-profit organization based in the United States, was established in 1979 by four law enforcement executive bodies – the International Association of Chiefs of Police, the Police Executive Research Forum, the National Organization of Black Law Enforcement Executives, and the National Sheriff's Association. Its mandate is to improve the delivery of law enforcement services by developing standards, and administering a process by which police services can achieve and maintain professional

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More about Peel Regional Police

Mission

"Peel Regional Police strives to protect life and property under the law, with full respect for human dignity and according to the highest standards of professional skill, integrity and accountability."

Mandate, Roles and Responsibilities

- Peel Regional Police (PRP) was established in 1974 upon the creation of the Regional Municipality of Peel. It incorporated the former police services of Mississauga, Brampton, Chinguacousy, Streetsville and Port Credit.
- Led by Chief Noel Catney (appointed in 1997), PRP is the second largest municipal police service in Ontario, with 1,077 uniformed members and 427 civilian staff. PRP polices the cities of Mississauga and Brampton (population 860,000) and, along with the RCMP, services the 25 million travellers who pass through Pearson International Airport annually.
- The *Police Services Act* defines the client base and how the police service undertakes its policing activities.
- PRP is governed by a Police Services Board, which consists of seven community members, and as such ensures that community concerns form the basis for the general policies and direction of the police service.
- The Chief's Management Group, made up of the Chief of Police, Deputy Chief of Police, Chief Administrative Officer, Officer in Charge of Field Operations, and Officer in Charge of Operation Support Services, reports monthly to the Police Services Board on issues relating to the administration, operations, objectives and priorities established by the Board.

Clients and Stakeholders

- Clients include the people who work, live, and visit the cities of Mississauga and Brampton. Specific client groups include youth, members of the multi-racial, multi-cultural community, seniors, victims, offenders, and neighbourhood community groups.
- Stakeholders include municipal taxpayers (citizens and businesses), the courts, the provincial government, criminal justice agencies, other police agencies, and members of PRP.

Source: Peel Regional Police, 1996, *Annual Statistical Report*; Peel Regional Police, 1995, "A Submission for the Canada Awards for Excellence from Peel Regional Police, The Excellence Award for Quality"; April 17, 1998, Interview with Peel Regional Police, Conducted by CCMD.

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excellence. CALEA's stringent standards are internationally recognized as the most comprehensive in police work.[2]

The accreditation process took more than two years, and involved the following:[3]

- *Staffing.* A full-time staff member was assigned to manage the accreditation process.
- *Approval and Application.* In the summer of 1992, PRP obtained approval from the Police Services Board to proceed, submitted an application to CALEA, and completed a profile of the organization; this allows CALEA to determine which of its standards are applicable.
- *Self-Assessment.* Most of the two years spent on the accreditation were spent on an in-depth self-assessment. PRP reviewed all policies and procedures to confirm that existing practices and procedures conformed to the spirit and letter of CALEA's standards, to formalize any unwritten policies, and to correct any deficiencies in PRP practices.

Peel opted for a decentralized process to carry out the self-assessment. Spearheaded by the newly established Accreditation Unit, PRP identified the areas of the service that matched each standard. The standards were then distributed to 31 area managers who selected coordinators to prepare the compliance documentation and draft new procedures. All managers and coordinators were trained in these tasks. Coordinators were empowered to decide which standards applied to their areas, and to trade standards with other areas if they did not apply.

> ### *What Are the Benefits of Accreditation?*
>
> To the public, accreditation reinforces our devotion to professionalism, boosts confidence in our abilities, and ensures we use a consistent approach to applying effective and responsive policies.
>
> To the members of Peel Regional Police, accreditation enhances the reputation and pride of the police service, increases morale by giving personnel confidence in our effectiveness, and establishes fair and equitable employment practices. The most tangible benefit is a concise field manual they can carry and refer to while on duty.
>
> And to other law enforcement agencies and partners in the justice system, accreditation promotes standardization of policies, and increases the efficiency of our joint efforts.
>
> – Inspector Barry Turnbull,
> *A Road Less Travelled*

In most cases, a written policy and procedure that met one or more of CALEA standards was already in place, or a procedure was already being carried out but not yet written up. Most policies and procedures had not been updated for some time and there were some that no longer applied.

Coordinators created a compliance file for each standard assigned to their area. Once they had proved compliance, they forwarded their documentation to the Accreditation Unit for review.

To prove compliance many standards required a written directive. If the directive existed, a copy was placed in the compliance file. If it did not, the coordinator had to develop one.

For other standards, PRP had to carrying out periodic reviews, activities or inspections. Some standards could be established through observation, with a photo of a marked vehicle, for example. Other standards required physical changes, such as installing one-way windows in the interview rooms. Still others resulted in new practices.

- *Mock On-Site Assessment.* In the spring of 1994, three CALEA assessors conducted a mock on-site assessment of the reviewed standards to date. This assessment provided Peel with suggestions for improving the structure and content of the files, as well as to improve some standards originally thought to be complied with.

- *On-Site Assessment.* A three-person team of assessors from CALEA conducted a five-day on-site assessment. This involved an independent review of documentation, demonstrations of specialized vehicles and equipment, tours, staff interviews, and public input to demonstrate compliance.

- *CALEA Review and Award.* Following a review of the report by CALEA commissioners, and a public interview of PRP in the fall of 1994, the Review Committee recommended the police service for accreditation. PRP complied with 100 percent of the applicable mandatory standards and 98.7 percent of the optional standards.

- *Policy Centres Established.* Following accreditation, Policy Centres were established throughout the organization to review the directives annually and revise them if necessary to ensure continuous improvement. Revisions are reviewed by the Accreditation Unit to ensure that they are in keeping with established procedures and policies.

The Directives Management Section that was in place before accreditation is still responsible for issuing procedures and providing overall direction.

During the accreditation process, PRP explored options for becoming ISO 9000 certified. Two independent teams of consultants assessed the police service to determine whether or not this was necessary. Both concluded, independently, that the CALEA accreditation process was actually a more rigorous one.

Excellence

For Peel Regional Police, accreditation ensured that the service was "doing the 'right' things."[4] Further assurance came in 1995 when PRP received the Webber Seavey Award for quality in law enforcement, sponsored by the International Association of Chiefs of Police and Motorola. Later PRP entered the National Quality Institute's[5] Canada Awards for Excellence. The awards process gave the service an opportunity to obtain an assessment of its "strengths and opportunities for improvement,"[6] and to measure itself against other organizations in the public sector.

The NQI criteria include

✓ *Leadership* – those who have primary responsibility for the organization and accountability for its performance

✓ *Citizen-Client Focus* – focus on client- and citizen-centred service to achieve client and citizen satisfaction

✓ *Planning* – link between planning and strategic direction or intent, and measurement of progress

✓ *People Focus* – human resources development to meet goals, and organizational efforts to support and foster an environment for employees to meet potential

✓ *Process Management* – organization of work to meet strategic direction

✓ *Supplier and Partner Focus* – external relationships with other organizations and strategic alliances that are critical to meeting strategic objectives

✓ *Organizational Performance* – the outcomes from the overall efforts for quality improvement and their impact on organizational accomplishments

Source: National Quality Institute. 1997. *Canadian Quality Criteria for the Public Sector.*

PRP was assessed on the NQI criteria[7] and awarded a Certificate of Merit. This assessment later served as the basis for making improvements to the organization, including the following:

- *Establishing a Statement of Organizational Character.* In 1995, PRP developed a set of principles to guide the organization in fulfilling its Mission and Values Statement. A task force was struck, made up of members from various levels and areas of the service, to garner input from all members of the organization over a 10-month period.

  The resulting Statement of Organizational Character recognized the organizational characteristics and support systems essential for successful internal working relationships (leadership, teamwork, professional development of co-workers, communication, and professionalism). It also recognized the value of all members of the service and committed PRP to treating everyone in the organization with respect, support and trust.[8]

  An implementation strategy was developed, led by the task force, which was renamed the Organizational Character Advisory Committee. Representatives from across the organization meet and report on progress.

- *Soliciting Citizen, Client and Employee Input.* Citizen surveys are now conducted biennially to gauge satisfaction with service, to identify the drivers of satisfaction and the priorities for service improvement, and to set strategic and operational directions. Employee surveys are conducted on an as-needed basis, focusing on specific issues.

  Segmented citizen and client surveys, as well as surveys on specific issues, are also conducted whenever needed. For instance, in accordance with its Crime Prevention priority, PRP launched a study of the Savannah Neighbourhood Project – a subdivision that was built with security requirements exceeding those outlined in the Ontario Building Code. The purpose of this study is threefold: "to determine how important security was to the decision to purchase a home; to identify the demographic profile of the residents of the Savannah community; and to determine the impact of physical security enhancements, the implementation of crime prevention programs and the utilization of crime prevention techniques on fear of crime, victimization rates and crime trends."[9]

  An initial survey was distributed to purchasers of homes. Additional sampling was planned for the entire Savannah community.

Depending on the type of survey, stakeholders may have input into survey design. For instance, a survey conducted on towing, in accordance with PRP's Traffic Management priority, was developed with input from the towing industry to determine stakeholder opinions with respect to the regulation and enforcement, and the format and scope of the police towing contract. Those surveyed included Peel residents who had been involved in a collision, police personnel, towing companies, tow truck drivers, auto body repair shops, those involved in municipal by-law enforcement, and insurance companies.

Issues Encountered

Main Issues Encountered

- *Perception of the Initiative among Employees.* The initiative commenced under the Social Contract Days of the New Democratic Government where salary freezes and "Rae Days" had been instituted. In its earliest forms – strategic planning and accreditation – the initiative was poorly received by some members of the service who felt that it was too time-consuming and that the resources used could be better spent elsewhere, such as on pay raises.

  In addition, some members reacted negatively to some aspects of the initiative, such as the strategic planning process. The planners were resisted by some operationally oriented members of the service, who assume that quick results are key, and that strategic planning is simply an exercise in paperwork. Accreditation was also criticized for being "an American process." This criticism was not well-founded since many features of policing in Canada are derived from American models, and have been generally well-received by officers.

- *Mutual Aid Agreements with Neighbouring Police Forces.* Changes need to be made to ensure that mutual aid agreements do not interfere with established standards.

How did these issues influence the development of the initiative? Were these issues resolved?

The question of negative employee perceptions of the initiative arises from time to time; however, the passage of time and the completion of the project – and the fact that there have been positive results – have helped to resolve this issue.

Lessons Learned

Critical Success Factors

- *Leadership.* The Police Chief, current and past, provided support and leadership. Leadership was also forthcoming from members across the organization. The initiative was championed at all levels.

- *Employee Involvement.* The initiatives undertaken at the police service required the commitment and involvement of all members. The police service worked hard to ensure that employees from all levels and areas of the organization were involved. Employees either assumed leadership positions or were involved in providing input through the consultations. The decentralized process of accreditation is an example of how employee involvement can work well.

- *Employee Commitment.* Those who supported the initiative went beyond the call of duty to ensure its success.

- *Attitude of Continuously Seeking Excellence.* Since 1974, Peel Regional Police has actively promoted an ethic of Excellence, which starts in the selection process for hiring and is carried on throughout the member's career. It is a mind-set, not a program, where quality service is seen as everyone's job.

In Hindsight

The Police Association, the police department's union, is an important player in the policing community. While Peel Regional Police attempted to enlist the Association's support, this was resisted by some union members. In hindsight, Peel Police could have spent more time trying to involve the Police Association – explaining the objective and value of the initiative, and how it would change the terms of work for police officers and civilians in the service.

Key Lessons

- *Leadership at the Top is Essential.* Peel Police notes that leadership at the top – from the Chief of Police, the Police Services Board, and the like, signals that the initiative is worthwhile.

  The organization also emphasizes leadership by action; that is, leadership at all levels of the organization to champion the initiative.

- *Quality Is Not a Trend.* It is a commitment to continuous improvement that is made to employees, clients and other stakeholders.

Evaluation

Monitoring the Continuous Improvement Initiative

- *Strategic Plan.* The Strategic Plan is reviewed every three years in conjunction with citizen and employee surveys, the environmental assessment, and consultations with others in the criminal justice community. The Strategic Planning Unit conducts a complete review and submits a report to the Chief's Management Group which, in turn, reports to the Police Services Board. This report is then distributed to area managers and is the basis of the next planning cycle.

  While the surveys measure progress towards achieving goals, the Environmental Assessment measures performance against local, national and international levels and trends.

  The organization is also required to report statistics on an ongoing basis to Statistics Canada using a Uniform Crime Reporting System and, in the case of the Motor Vehicle Collisions and Traffic Trends, to the Ontario Ministry of Transportation and Communications. Human resource expenses and statistics are submitted to the Ministry of the Solicitor General and Corrections. Government bodies then publish statistics which permit comparisons with other police organizations.[10]

- *Accreditation.* The CALEA on-site assessment and subsequent accreditation established a foundation and signalled to PRP members that their policies and procedures were recognized internationally. PRP Policy Centres conduct an annual review of the directives, led by the Directives Management Section. In addition to revising and updating the standards, area units are responsible for following and maintaining procedures and policies on a daily basis. PRP was to undergo another evaluation of its policies and procedures when it applied for re-accreditation in 1999.

- *Excellence.* The organization is in the process of implementing improvements in accordance with NQI criteria, such as the Statement of Organizational Character. Evaluations will be conducted accordingly. The implementation of the Statement of Organizational Character is monitored by the Advisory Committee, which receives regular feedback from members of the organization on where it is working and where it needs to be encouraged.

Results Achieved

Peel Regional Police has achieved successes in a number of areas, including: accreditation in 1994 by CALEA, and the receipt of two awards for quality in 1995 – the Webber Seavey Award and the Canada Awards for Excellence Certificate of Merit.

In addition, Peel has made progress in achieving the goals laid out in its Strategic Plan,[11] most notably, the following:

- In the Crimes Against Property Priority, thefts and frauds have fallen almost every year since 1991.

- In the Traffic Management Priority, there has been a reduction in impaired driving.

- In Crime Prevention, Peel has been involved in public education, teaching citizens how to prevent break-ins, and forming partnerships with community groups. The Children's Safety Village, a miniature village made up of real-life situations to teach safety and awareness to students, is one such partnership. PRP works with more than 20,000 students annually. In 1997, the service was awarded the Crime Prevention Unit of the Year Award by the International Association for Crime Prevention.

- Peel Regional Police has also introduced innovative programs, such as the Labour Liaison Bureau, which helps keep the peace during labour disputes.

And finally, community members report high satisfaction ratings with the service they receive. The 1994 benchmark survey concluded that the majority of Peel citizens were reasonably satisfied, or very satisfied, with the service provided by PRP (87 percent), and the 1996 survey of citizens' attitudes and opinions repeated this result;[12] it also concluded that citizen- and police-identified priorities for improvement were closely aligned.

Accountability

The Chief of Peel Regional Police is ultimately accountable to the Police Services Board, the civilian governing body, for the results of the initiative. But, as noted earlier, there are other levels of accountability for separate initiatives.

The results of the surveys, the annual statistical reports, and environmental assessments are all available to the public.

Next Steps

- *Continue Implementation of the Statement of Organizational Character.*

- *Re-engineer the Directives Management System.* The Directives Management System, which categorizes the directives, is being redesigned so that directives are classified according to subject. This will make it easier for police officers to access the information they require.

- *Reapply for Accreditation.* To maintain standards, Peel must apply for accreditation every five years. Re-accreditation is more difficult than accreditation as the police service must now demonstrate how it has complied with the directives. Peel will reapply in 1999.

- *Develop an Internal Audit System.* Peel Police is developing an internal audit system as part of the requirements of accreditation to ensure that it is operating in compliance with government regulations and that its other practices are conducted properly – i.e., communications (how the service conducts itself), financial (how money is spent and property and money are handled), management processes, and appraisals.

Endnotes

1 Peel Regional Police, July 22, 1994, "News Release: Peel Regional Police Release Results of Landmark Survey."

2 Inspector Barry Turnbull, 1995, "A Road Less Travelled: Professional Accreditation finally achieved by Peel Regional Police" in *Blue Line Magazine* (October), p. 10.

3 This section is derived from: Inspector Barry Turnbull, 1995, "A Road Less Travelled: Professional Accreditation finally achieved by Peel Regional Police," in *Blue Line Magazine* (October), p. 10.

4 Inspector Barry Turnbull quoted in: Quality Council of Alberta, 1996, "Quality – Government, Certificate of Merit Winner, Peel Regional Police," in *Quality Focus, Newsletter of the Quality Council of Alberta*. Issue 11 (Spring), p. 4.

5 Inspector Barry Turnbull quoted in: Quality Council of Alberta, 1996, p. 4.

6 National Quality Institute, 1995, "Quality – Government, Certificate of Merit Winner, Peel Regional Police," in *Profiles of Excellence 1995, Canada Awards for Excellence*, p. 15.

7 For further information refer to: National Quality Institute, 1997, Canadian Quality Criteria for the Public Sector.

8 Peel Regional Police. *Statements of: Mission and Values and Organizational Character.*

9 Peel Regional Police, October 1997, "Crime Prevention Study, Savannah Neighbourhood Pilot Project 1," p. 2.

10 Peel Regional Police, June 1995, "A Submission for the Canada Awards for Excellence from Peel Regional Police, The Excellence Award for Quality," p. 4.

11 From the National Quality Institute, 1995, "Quality – Government, Certificate of Merit Winner, Peel Regional Police" in *Profiles of Excellence 1995, Canada Awards for Excellence*, p. 15.

12 Peel Regional Police, March 1994, "Peel Regional Police Survey of Attitudes and Opinions, Benchmark Study"; Peel Regional Police, November 1996, "Peel Regional Police Survey of Attitudes and Opinions."

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