TRANSFORMING PUBLIC SERVICE FOR THE 21ST CENTURY:
An Ontario Perspective

Ontario Public Service
Restructuring Secretariat
Cabinet Office
April 2000

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Transforming Public Service For the 21st Century

Ontario Public Service Restructuring Secretariat Cabinet Office

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FOREWORD

In September 1998, half-a-world away in Kuala Lumpur, Malaysia, Ontario competed for an “innovations” award from the Commonwealth Association for Public Administration and Management (CAPAM), an organization dedicated to exchanging the experiences of governments in public sector reform. The theme of the awards was “Service to the Public”. Ontario showcased initiatives to improve delivery through technological innovation, partnerships, and most importantly, a focus on the customer’s need for speedy, simple and seamless services.

It was the first time this international contest had been held, and the competition was strong. There were 121 submissions from 24 nations, including the United Kingdom, Australia, New Zealand, India, South Africa, Bangladesh, Barbados, Singapore and even four non-Commonwealth entrants. There were submissions from the Canadian government (which won a bronze) and from other provincial governments. The jury decided to give gold, silver and bronze medals to winners among both developed and developing nations, rather than having the economically advanced and developing nations vie for the same honour.

From a field of 30 semi-finalists, the international jury chose 10 finalists and six honourable mentions. The 10 finalists were invited to Kuala Lumpur to make presentations to the jury. The criteria used for evaluating submissions were: effectiveness (the innovation had to have shown results); novelty (it had to be different); relevance (to the theme of service to the public); significance (to the recipients of service); replication (it could be done elsewhere); and appropriateness to the social and economic context.

Ontario brought home the gold.

Surprised? Those of us in the thick of restructuring in the Ontario Public Service (OPS) were not all that surprised, although we were extremely proud and gratified. Ontario has received a number of other awards over the last few years, including several Institute of Public Administration of Canada (IPAC) awards for innovative management. But, naturally, an international award means even more.

This publication highlights how the Ontario Public Service is changing with the times. It is called Transforming Public Service for the 21st Century: An Ontario Perspective as a modest play-on-words to highlight two inter-related themes:

- Ontario is transforming its service to the public so that Ontarians can obtain government information and services when, where and how they want.

- Ontario is transforming its public service by focusing on core business and service quality, becoming smaller and more flexible, integrating operations, and redefining and clarifying accountability.
During the last 10 to 15 years of the twentieth century, governments around the world have been swept into a whirlwind of transformational change. Driven by economic and fiscal pressures, the political direction of the times, the rising expectations of citizens, and the impact of new technologies, governments have embarked on major change agendas. Ontario started on this voyage later than some other jurisdictions in Canada and abroad, but it has moved quickly into the new era.

The change phenomenon is international, but Ontario, like other public service jurisdictions, has designed its own solutions – responding to the needs of its citizens, adapting to its socioeconomic, demographic, and geographic context, grappling with the challenges inherent in the Canadian federal system with three levels of government, and evolving its strategies out of the culture and history of the province’s public service.

There have been previous reform efforts in Ontario and elsewhere; in the past, governments have been reorganized; management practices have been revamped; and programs have been reviewed. This new era goes beyond that level of change to a rethinking of basic principles. The questions being asked run along these lines: What are the key roles and responsibilities of government? What are its core businesses? What should public servants deliver? What are the best ways to provide different kinds of services?

Answering such fundamental questions has been an extraordinary challenge for the Ontario Public Service (OPS). We are not finished our journey, but we have come a long way in a short time. This publication is about what the Ontario Public Service has done to reinvent itself to become the public service of the future – leaner, more focused, integrated, accountable and proud of the quality of our services to the public.

In January 1997, the OPS Restructuring Secretariat was created to coordinate, support and promote organizational change in the public service, to develop restructuring models, to keep track of where we were heading and how far we had come, to communicate goals and achievements within and outside the OPS, and to link our organization with others in Canada and around the globe. The Secretariat has prepared this overview of the Ontario Public Service. This publication is intended to be informative for those who are interested in public administration reform. We have tried to identify some challenges. We acknowledge that there is much left to be done, and there are major change initiatives that have yet to prove themselves. Mainly, this publication celebrates the progress that has been made. Like CAPAM, we believe that showcasing and sharing reform efforts is healthy for all concerned.

Clearly, this overview is a perspective on the OPS from within. It is not a report of an external evaluator. However, we have endeavoured to benchmark ourselves, where possible, against national and international public service organizations. We have sought the perspective of the people we serve to find out what they expect of government service and how we are doing in meeting the demands of quality public service in today’s complex world. We have some results from opinion research and from our own monitoring of customer satisfaction.

Chapter 1 sets the stage by providing the context – international, provincial, practical and theoretical – for the rest of this overview, which concentrates on the period 1995-1999. Chapter 2 puts this period of transformation in the context of relatively recent history and the changing practices of public administration and management. The longer-term perspective is helpful in positioning the present as both an extension of the past and a divergence from it.
It is also important to note that, while one of the major drivers of change in the OPS was the political agenda of the day, this publication does not delve into political ideology or the content of public policy. In the tradition of a professional public service – a tradition held in high esteem in this country – this publication leaves the political agenda to the politicians, and concerns itself with the challenges for the public service in identifying and implementing new ways of working.

Chapter 3 describes the “visioning” that set the overall direction for change. It looks at how Ontario has adapted contemporary theory to meet current challenges, and the tools or strategies we are using to enable change. Chapter 4 discusses how the OPS is building a learning organization. Chapters 5 through 9 describe our strategies in action – an outside-in approach to quality, an enterprise-wide approach to common services, the wired public service, single-window access for improved service delivery, and alternatives to direct service delivery. Chapter 10 reviews our strategic goals and looks forward to the future.

Throughout, there are members of the OPS talking about successes and challenges. While this publication is written to be informative for other interested organizations and jurisdictions, it is also intended to provide a broad perspective for those of us who are part of the OPS. Because of the size and diversity of the public service and the pace of change, it has been difficult even for people within the OPS to get a comprehensive view of the implementation of our vision.

This publication is also written with the public of Ontario in mind. It is not an academic treatise; it is a readable description of our recent history, and presents some of our current and future challenges. It is our hope that it may serve to counter, in some small way, the common suspicion that all government bureaucracies are resistant to, if not incapable of, real change.

While we have taken this opportunity to take stock of how far we have come in a short time in the OPS, the change process is continuing. If there is anything the public service has learned in the 1990s, it is that there are no “time-outs”. It may even be that ten years from now, we will look back on this decade as just the prelude to even greater change. But having gone through this transformation, we are confident that the OPS is ready for the future – whatever challenges the 21st century may bring.
Dedication

This publication is dedicated to all the innovators in the Ontario Public Service.
Acknowledgements

The Ontario Public Service Restructuring Secretariat would like to thank all those who gave interviews and provided information, and who read drafts to make corrections and comments. Several of them are named in the text.

This book provides a cursory review of some weighty commentary and analysis of public service transformation. At the back of this publication, there is a selective reference list of books and articles that contain valuable insights into the evolving role of government. Of course, none of the writers whose work we have consulted can be held responsible for the interpretations herein.
JOINING THE GLOBAL REVOLUTION

The new public management has resulted in a revolution in public administration, primarily because much of its reform program has been designed within government. Advisers from outside government have played a major role in some cases, but they have had to cast their ideas in ways that meet the essential character of public administration.

Peter Aucoin, The new public management: CANADA in comparative perspective, 1995

Why Write This Overview?

Aucoin’s observation that public service reform has been revolutionary mainly because it has been designed “within” rings true for the Ontario Public Service, although Ontario was still only on the cusp of a fundamental transformation period when those words were written. The point is an important one because it provides at least part of the explanation for why Transforming Public Service for the 21st Century: An Ontario Perspective was written:

First, there is a growing body of literature on the revolution in public administration that attempts to define or characterize what is happening inside governments around the world. But because each jurisdiction is customizing its own solutions, the transformation is playing out differently in different places. The reforms are not taken off a shelf, ready-made. Most of the analysis, as well, has been focused on national governments. This publication gathers together information on the strategies and challenges of a major regional/provincial government in transforming its public service for the new millennium.

Second, how change in the public sector is managed and implemented should be of interest to more than theorists and practitioners of public management. As Donald Kettl has observed: “Public management matters, and it matters because the quality of public management shapes the performance of public programs.” While public service restructuring per se is hardly a hot topic among the general public, the results it generates are crucial for the quality of the programs that serve Ontario’s more than 11.5 million residents.

Finally, there is a plethora of books and articles on managing change in the private sector in these turbulent times, and not nearly as much on the public sector. Ontario has benefitted extensively from private sector expertise and experience. One of the maxims of “new” public management theory, in fact, is greater concentration on cost-effectiveness and customer satisfaction.
two keystones of private business. But, as many astute observers have noted, government is different. The features and conditions of government, including the imperative of democratic control by elected representatives and the duality of the citizen as both “customer” and “shareholder” of the institution of government, make reform in the public service a complex process.

In summary, this publication is an attempt to shed a little light on the inner workings of a public service in the midst of a fundamental transition. This is no esoteric exercise in rearranging chairs in departmental boardrooms. It is about “reworking” the OPS into a leaner, more integrated, streamlined, outwardly-focused, flexible public service that demonstrates excellence in results. It is about responding to a new environment for government and to changing expectations of its services. It is about striving to recapture greater public respect for government, its programs and people.

The Public Sector Context in Ontario

Our focus in this and the chapters that follow is on the Ontario Public Service or OPS. The OPS is the government’s in-house operation, its core organization. Public servants in the OPS are directly accountable to and work for the government of the day. We will have much to say in this publication about how the OPS is organized, what it does, and how it does it. But, to begin, the OPS must be distinguished from what is known in Ontario as the Broader Public Sector, which includes:

The Health Care Sector

This sector includes hospital, physician and other health care services, such as long-term care. The Ontario Ministry of Health and Long-Term Care (which is part of the OPS) provides funding and service system management. Physicians, who bill the Provincial health plan for their services, are essentially independent contractors, but their association negotiates a fee schedule with the government. Hospitals have their own boards of directors; they receive operating funding from the Province, and often fund-raise additional money for capital and other expenditures. Hospitals have been going through a major Province-ially-led restructuring initiative. Long-term care for people receiving nursing and other types of care at home is managed by a newly-created network of 43 government-funded Community Care Access Centres across the province, that contract for service delivery.

The Education System

This sector extends from kindergarten through colleges and universities. The Ontario Ministry of Education (part of the OPS) provides grants to 72 locally-elected district school boards for elementary and secondary education (the number of boards has been reduced from 129 through legislated consolidations). In the past, school boards have had the authority to levy local taxes through the municipality for additional spending above their Provincial grants; under restructuring, the Province has recently assumed authority for all education funding and taken greater control over curriculum. In the post-secondary system, the universities are independent institutions which receive Provincial grants from the Ministry of Training, Colleges and Universities, and charge student fees. The Province administers a student loan program. The Colleges of Applied Arts and Technology have their own governing boards, but a provincially-appointed council negotiates labour agreements with staff province-wide.

Municipal Governments

Locally-elected municipal governments receive Provincial funding transfers from the Ministry of Municipal Affairs and Housing (which is part of the OPS) and levy their own property taxes. A recent Provincial review called “Who Does What” resulted in a major resorting of Provincial/Municipal financial responsibilities. The Local Services Realignment has been the greatest change in the relationship between the two levels of government in a hundred years. Cost-sharing between the two levels of government has been reduced from 12
programs to three. The Local Services Realignment was enabled by the Provincial decision to assume authority for education funding. Local Services realignment has helped to eliminate intergovernmental duplication and overlap.

Municipal governments provide a range of services to their communities, including local roads, public transit, fire and police, local utilities, waste disposal, community parks and recreation, and social services. Since the Local Services Realignment, they have assumed greater responsibility for funding in several areas (such as social housing and public health). In some services, they have also taken on a greater role in delivery (such as social assistance or welfare). In addition to realignment, there has been a concerted effort to make local governments more efficient through consolidation; approximately 100 municipalities have been restructured since 1996. The number of municipalities was reduced from 815 in 1996 to 586 by 1999.

**Social Service Agencies**

The Ministry of Community and Social Services (part of the OPS) contracts with a network of (1,800) agencies that are run by voluntary sector boards and receive Provincial funding to provide services that are essential to the social service system. For example, by law, Children’s Aid Societies provide child welfare and protection services; there are 54 of them across Ontario. Other parts of the social services network include Associations for Community Living, which provide residential and other support services for children and adults with developmental disabilities. Community agencies have been subject to the realignments that are taking place across the public sector. For example, some organizations (e.g. child care resource programs) that used to be Provincially-funded have been transferred to the municipal level.

The people who directly deliver services in the health, education and social service sectors are generally not employees of the Government of Ontario. There are some exceptions; for example, large institutions for psychiatric patients in the health sector and for people with developmental disabilities in the social services sector were historically government-run OPS institutions. But over many years, these institutions have been closing or shrinking in size, and over the next few years, most services will have moved to the community. The trend in Ontario and elsewhere has been to community placements rather than institutional care.

There have been major restructuring initiatives launched by the Government of Ontario since 1995 that have had major impacts on the health, education and social service sectors and the cost-sharing and delivery of services between the Province and Municipal governments. It is beyond the scope of this publication to examine in any detail the changes occurring across the Broader Public Sector. We refer to them in terms of their effects – which have been substantial – on the Ontario Public Service, but we do not go beyond that.

Similarly, there have been changes in the relationship of the Province to the Federal government, through the ongoing debate that has become a hallmark of Canadian politics – the push-pull of national/regional priorities and capacities. Suffice it to say that provincial governments are taking on greater responsibility – sometimes within prescribed Federal standards, mostly without – for many of the programs that affect the daily lives of citizens. We do make reference, here and there, to the gradual progress being made to respond to a message from Ontarians, particularly those who run small businesses, about government cooperation. They mostly don’t care which level of government delivers a service or requires a permit, but would like to see all levels of government get together to reduce the transactional burden caused by overlapping jurisdictions.

In this publication, we concentrate on how the OPS has transformed itself, its own operations, structures and service delivery. It is a story that is not in the public eye much.
Chapter 1: Joining the Global Revolution

The International Context

Economist and policy analyst Thomas Courchene of Queen’s University, writing with Colin Telmer, provides an eloquent distillation of the impact of the Ontario transformation. The CSR refers to the “Common Sense Revolution”—the platform on which a Conservative government was elected in June, 1995. The span of leadership of the Conservative Premiers John Robarts and William Davis, to which the authors refer, extended from the 1960s through to the mid-1980s. “Queen’s Park” is the seat of government in Ontario; it is the location of the Legislature where the elected Members sit, where Cabinet meets, and where the central agencies and top leadership of the public service works.

The CSR and the associated municipal/institutional revolutions are, far and away, the most significant transformations that Ontario has ever experienced. Indeed, one would have to scour the industrialized world to find anything similar. Perhaps the New Zealand experience comes closest in terms of magnitude, timeframe and ideology. In line with the economic-nation state conception of the new Ontario, Queen’s Park has been transformed from the efficient but essentially passive, internal manager of things Ontarian under [Premiers John] Robarts and [William] Davis to a pro-active, competitive-driven, co-ordinator and innovator designed to privilege the province and its citizens in the new global order.

From the point of view of the average Ontarian, the municipal/institutional revolutions – the restructuring of the hospital and school systems, municipal amalgamations and new funding responsibilities of local government – are far and away the most prominent transformations. Indeed, one would have to scour the industrialized world to find anything similar. Perhaps the New Zealand experience comes closest in terms of magnitude, timeframe and ideology. In line with the economic-nation state conception of the new Ontario, Queen’s Park has been transformed from the efficient but essentially passive, internal manager of things Ontarian under [Premiers John] Robarts and [William] Davis to a pro-active, competitive-driven, co-ordinator and innovator designed to privilege the province and its citizens in the new global order.

Many analysts date the beginnings of this reform movement to the 1980s in the United Kingdom under Prime Minister Margaret Thatcher. But it is not exclusively identified with governments of a ‘small-c’ conservative bent. Governments of all political stripes have been restructuring their public services. There is some debate among experts as to how radical the changes have been in one country or another, but there seems to be general consensus that significant public service reform is occurring around the world.

The so-called “Westminster” parliamentary systems of the United Kingdom, New Zealand and Australia have led the way, followed later by Canada. These reforms have tended to be grouped under the rubric of “new public management”. The “reinventing government” movement in the United States, popularized by the 1992 best-seller by Osborne and Gaebler, came to the fore in the early 1990s. It was given a major boost when it was endorsed by Washington through the National Performance Review under Vice President Al Gore.

While there is variation in the locus and focus of reforms and there are different national motives and strategies, a scan of Organization for Economic Cooperation and Development (OECD) statistics from 1993 showed that many governments around the world were doing some of the following:

- implementing efficiency measures
- reforming financial and management systems
- devolving and/or decentralizing
- privatizing or introducing market mechanisms, and
- restructuring the civil service.

It is not surprising that the reforms or restructurings or reinventions – whatever you choose to call them – vary across the board. As Paul Thomas has observed, “...contrary to the popular stereotype of a monolithic homogeneous institution, the public sector is actually a vast agglomeration of very diverse organizations.”
Governments have undoubtedly cherry-picked through the available options to find those that best suited their fiscal, political and social environment.

Moreover, the strategies for change have been influenced by the politics of time and place. Rethinking government is not simply a bureaucratic exercise; it requires sustained political leadership to make real headway. While analysts search for the common elements of the “new public management” or the “reinvention/rethinking” of government across jurisdictions, there is also general recognition that public service reform in practical terms rarely follows neat theoretical constructs.

**Forces Driving Change**

According to a report of the Commonwealth Secretariat, published in January, 1996: “...change in the public service is an inevitability.” A convergence of factors has contributed to that inevitability. We sketch out the broad outlines of some factors below.

**Globalization**

What does it matter to public service if international and bilateral trade agreements tear down protective barriers, if information technology crosses national boundaries, if competitiveness in goods, services and financial capital turns global? Nick Manning’s analysis in the Commonwealth Secretariat report is that:

Globalization – the growing inability of national borders to restrict the flow of ideas or of capital – has changed the government equation for national economic and competitive success. It has ensured that national competitive success rests on an effective public service. Previously regarded as a constant in the dynamic equation of government, the public service is now widely seen as one of the key variables.

He contends that the public service has entered the equation as a variable because it delivers the policy-making and regulatory basics that affect productive capacity and attraction of capital. The public service also affects how the public sector as a whole functions, which in turn affects competitiveness (for example, education and training contribute to creation of a highly skilled and creative workforce in the knowledge economy).

Courchene goes beyond the analysis that the Ontario government has been responding to the “irreversibilities ushered in by globalization and the knowledge/information revolution”. He points to the emergence of the “region state” as a powerhouse in the global economy – places like Silicon Valley in California, known for its high-tech industries, or regions of Northern Italy, known world-wide for their design. In region states, location, including organizational networks and social and economic infrastructure, matters. It matters even in a world in which national boundaries are said to be increasingly irrelevant to global competitiveness.

**Fiscal Challenge**

In the early 1990s, Ontario’s economy went into recession at the same time as its manufacturing sector, traditionally considered the primary engine of economic growth in Canada, was going through major downsizing and restructuring. The result was the worst economic bottoming-out since the Great Depression of the 1930s. The downturn was disastrous for Provincial government revenues; annual deficits mushroomed and the Province’s credit rating fell.

Ontario was certainly not the only jurisdiction to experience deficit and debt problems. Canadian governments at all levels had to institute austerity measures to put their fiscal houses in order. The U.S. government was also mired in deficits, as were many other nations struggling to adjust to the new economic order. New Zealand is often held up as an example of a nation that hit the debt “wall” and experienced a currency crisis. Not coincidentally,
New Zealand is also considered one of the leaders in public sector reforms, as it responded to its fiscal problems with massive changes.

In Ontario, it is well recognized that fiscal constraints have played a role in galvanizing public service transformation. Ontario could no longer afford to do things the way it had always done. Incremental change, piecemeal change would not do.

**Political Commitment**

Political leadership is essential for a major transformation of the workings of government. There is some interesting commentary about why Margaret Thatcher is seen to have achieved major governmental reform, while U.S. President Ronald Reagan did not. Osborne and Plastrik’s thesis is that Thatcher learned from her mistakes, had more time in office to develop a workable strategy, and recognized that systemic change was needed in the institutions of government to create real change in bureaucratic processes.

The government that came to power in Ontario in 1995 had an agenda that included cutting taxes, cutting spending, reducing bureaucracy and improving services. It was committed to balancing the budget, eliminating red tape and other barriers to investment, creating jobs, and reforming major programs in welfare and education. The new government had a clear set of directions, and established specific targets for results early in its mandate. It also stated its intention to uphold the tradition of a professional, non-partisan public service.

**Technology**

The advent of the information or knowledge age, based on computer technology, is generally recognized as one of those momentous changes that alter civilizations. Like the industrial and agricultural periods that preceded it, the information age is changing the work people do and the way they do it. It is changing the basis for economic growth, from resources and mass production to ideas and innovation. It is changing how we communicate with each other and how we see the world.

 Needless to say, governments have been affected by the new information age in profound ways (see Globalization, above). In a more limited, but still important, sense, technology has been both a driver and an enabler of change in the public service. For government operations that are heavily paper-dependent, harnessing technology represents a major opportunity not only to lighten the paperwork within, but to provide many services to the public in new and more convenient ways. New technologies have contributed to transformation not only because they offer opportunities to deliver services differently, but also because they require reform of organizational structures and processes to use them effectively.

**Public Expectations**

Surveys of citizen opinion in the 1990s confirmed what many observers of public policy had been saying for some time - overall citizen attitudes to government tend towards the negative. Politicians fared far worse than public servants when Canadians were asked how much trust they had in certain occupational groups, but neither received strong approval ratings.

David Zussman, a co-investigator on the Rethinking Government project of Ekos Research Associates Inc., a multi-year, multi-method research initiative with a number of government and private sector sponsors, has examined the issue of public confidence in government institutions in Canada and in a number of other nations around the world. In 1997, he wrote:

In an age of globalization, citizens are questioning government’s ability to allocate scarce resources effectively, and they are losing confidence in the usefulness of government and its ability to make the right choices. Without confidence in elected governments, it is difficult for public institutions to be perceived as functioning effectively. This situation is not unique to Canada.
Interestingly, Zussman concludes that disenchantment in recent years with government and public institutions is not necessarily a negative development because a better educated, informed and interested citizenry has contributed to “making government and its institutions more transparent and accountable for both actions and results.” To begin to address the dissatisfaction of the public towards government as an institution, he advises the following:

In order to restore confidence levels to a point where the government can regain its effectiveness, it must first be perceived as performing well. To do this it must, as a precondition, learn to moderate expectations by refraining from making promises that cannot be satisfied and by setting realistic goals for itself.

A follow-up report by Ekos in February, 1998, stated that Canadians “seek a new governance which prominently includes targets, results measurement, fiscal discipline and partnerships. The public don’t want to reduce government’s role to that of purely an accountant. They also want government to help plan, coordinate and protect. Despite reservations, Canadians still want government to help deal with the really big problems that are too onerous for them to manage on their own.”

The Rethinking Government survey was one of several reports in the 1990s that highlighted public dissatisfaction, in varying degrees, with government, politicians and public servants. Another challenge identified by the pollsters was the efficiency and effectiveness of public services. For example, the National Quality Institute reported in 1997 that government services received a 40% rating from Canadians, compared to, for example, 92% for pharmacies and 70% for banks.

Later in this report, we delve further into the service delivery findings. The Citizen-Centred Service Network, created by the Canadian Centre for Management Development and comprising service delivery executives from federal, provincial and municipal governments, undertook a major research project to find out more about attitudes to public services. The survey, conducted by Erin Research Inc., found that approval ratings for specific services, such as municipal fire departments and provincial parks, were much higher than those for government services in general.

Be that as it may, in the Ontario Public Service and in many other jurisdictions, the need to improve the quality of service delivery in terms of timeliness, convenience, accessibility and simplicity is simply now a given. And there is no mistaking that public expectations have been a key driver of change.

Conclusion

We reserve the final commentary for this chapter to Donald Kettl of the Brookings Institute, who is a frequent speaker in Ontario on the subject of the challenges facing public managers in the new environment:

The sheer scale and scope of most government sector reforms are nothing short of staggering. Managers are being asked to do what they have never done before. Indeed, sometimes they are being asked to do what no one has ever done before.

Throughout the rest of this publication, we discuss how the Ontario Public Service has ventured into what is, for us, mostly uncharted territory. We date the time at which the Ontario government moved aggressively into the new era with the election of a new government in 1995. But first, to put the current transformation in context, in the next chapter we describe major change initiatives in the OPS over the past three decades. These initiatives provided a strong base from which the OPS could move forward and deal with the “sea change” that faced the public service in 1995.


9. Ibid.


Accelerating social, economic and political changes have compelled profound rethinking of public enterprise in the 1990s. But, change, albeit at a more measured pace, has been a constant in the Ontario Public Service since the 1960s. This chapter begins discussion with the landmark Committee on Government Productivity (COGP), appointed at the end of 1969, and takes us through some major change initiatives up until mid-1995. Our purpose is not to give chapter-and-verse on all these initiatives, but to provide some context for the more recent developments. The foundation of much of what has been achieved in more recent years was set in these earlier reviews and reforms.

The Committee on Government Productivity

Following the Second World War, Ontario’s population and economy grew enormously, as did the size of government. From a population of just under 4.5 million in 1950, Ontario had grown to 7.5 million residents by 1970. As the economy evolved from one that was predominately agricultural into a centre of manufacturing, the Gross Provincial Product, in the brief period from 1960 to 1970, grew from $15.3 billion to $35.0 billion. More dramatic still, Ontario government expenditures, approximately $250 million in 1950, reached $864 million in 1960 and $3.5 billion in 1970. The Province was the direct employer of 32,000 people in 1960, 62,000 in 1970.

Beyond reasons of population changes and inflation, the growth of public expenditures reflected new public services and benefits, especially in the areas of income support and redistribution, post-secondary education, and health care, with the advent of universal health insurance.
The Productivity Improvement Project was created in December, 1969. It consisted of a mix of prominent business executives and senior civil servants. Its mandate was extensive: “To inquire into all matters pertaining to the management of the Government of Ontario and to make such recommendations as in its opinion will improve the efficiency and the effectiveness of the Government of Ontario.”

By the time of its first interim report, the Committee – now renamed the Committee on Government Productivity (COGP) – had acquired expanded authority, a role in helping “in the implementation of recommendations ... approved while the Committee exists” and recommending measures to help assure the implementation of final recommendations after the Committee disbanded.

Over the COGP’s 27 months of operation, the mandate to help ensure implementation of reforms proved significant, in that the great majority of the Committee’s many and far-reaching recommendations were approved by the government. From the outset, the Committee established a pattern – as each of the successive reports (10 in all, the final an overall summary) was published, approvals were mostly in place, allowing for the announcement of new directions rather than merely recommendations.

In its summary report of March, 1973, the COGP explained its recommendations in relation to seven major challenges for the management of the Ontario government in the 1970s: heavy demands on the time of Ministers; demand for services outstripping government revenues; growing interdependence of government activities; managing in a rapidly changing environment; effective use of human resources; the relationship between citizens and their government; productive use of common services.

By that time, the Committee’s work had brought about the extensive reorganization of Cabinet decision-making that became COGP’s best-known contribution. A system of formal committees of Cabinet replaced the more ad-hoc approach that had previously served. A Policy and Priorities Board, meeting bi-weekly, reviewed business en route to Cabinet, and individual Ministries were organized into policy fields (Social Development, Resource Development and Justice), to synthesize and co-ordinate policy development.

Policy Ministers, dubbed “Provincial Secretaries” were appointed to preside over the Secretariats and, freed of line Ministry responsibilities and conflicts, to serve on the Policy and Priorities Board. Individual Ministries were reconfigured into more coherent collections of programs, Ministries were increased in number and renamed, and the role of Parliamentary Assistant was created to assist Ministers with heavier workloads.

Further COGP outcomes, in relation to the future challenges identified by the Committee, included:

Demand for Services Outstripping Government Revenues: Management Board was created from the former Treasury Board and charged with establishing suitable policies and procedures to ensure the efficient and effective delivery of public programs and internal common services. Foreshadowing future directions of government, Management Board was also encouraged “to begin early experimentation with widening the use of government contracts for service with the private sector”.

Growing Interdependence of Government Activities: Development of a policy and program to initiate a process of deliberate movement of selected senior managers across Ministries was recommended to promote acquisition of a corporate view of government activities. The expansion of Minister’s Offices was recommended, in part to develop an overview of programs within Ministries in order to promote their integration.

Managing in a Rapidly Changing Environment: The COGP urged variation, flexibility and increased decentralization of Ministry operations, all to be monitored by Management Board. Heavy emphasis was placed on improvement in information systems. There was a recommendation to
extend the use of the Programming, Planning, Budgeting System (PPBS) methodology throughout the government.

Effective Use of Human Resources: In the spirit of the Government of Canada’s 1962 Glassco Report urging that “managers be allowed to manage”, the COGP called for greater managerial discretion in the choice and management of resources required to achieve objectives. Increasing emphasis on staff training and development and participative goal-setting was recommended, together with encouragement of refined performance review processes.

Productive Use of Common Services: The COGP expressed concern at apparent inefficiencies accompanying the rapid expansion of the government, in particular in relation to those programs serving internal needs (personnel, communications, data processing, etc.). Numerous recommendations emphasized the role of Management Board in establishing policy for the efficient use of internal resources.

Relationship Between Citizens and Government: Improvements in Ontario’s communications operations were recommended. The use of public consultation papers was encouraged and implemented to limited degree. Community Information Centres, established and staffed by the Province, were recommended to enhance public awareness and input around government services.

Two decades after the wind-up of the COGP, it was still referred to in the literature of public administration as the touchstone for all discussion of public service reform in Ontario. It was portrayed as the modernization of the machinery and the operation of government. The ambitious scale of the project, the resource intensiveness of its investigations and, especially, its strategic attention to adoption and implementation of its recommendations ensured that the Committee would have a major impact.

Shortly after completion of the Committee’s work, it was described as the creature of a period of abundance and growth, characterized by a high degree of optimism at the elite level, a conviction that analytical and technological capabilities can transform the decision-making process and thus vastly improve the quality and effectiveness of the decisions themselves.

The Special Program Review

In 1975, another challenge articulated by the COGP – public demand for services outstripping government resources – caused the Government to launch the Special Program Review. The Ontario economy was still experiencing healthy growth. In 1975-76, Provincial government spending of $11.1 billion had more than tripled since 1970 (when it was $3.5 billion). Just a decade earlier, Provincial expenditures had come in at $2 billion. Federal government spending had climbed from $6.0 billion in 1965-66 to $35 billion. The spending of governments, at all levels, had come under scrutiny as a contributor to inflation, and Ontario was projecting a growing deficit unless growth in expenditure could be reduced to match revenue growth.

By mid-1975, Ontario’s inflation rate had been at double-digit levels for well over a year. Even with two consecutive years of reductions in numbers of public servants (3,300, in total), Provincial government employees now numbered over 69,000 and wage settlements had increased wages by 11 to 22 percent in the preceding year. The challenge of dampening public expenditures and service demands was described as calling for “leadership of the highest order”.

Established in June, 1975, the terms of reference of the Special Program Review expressed a need to ensure that public sector expenditures “not become an unnecessary burden on the Provincial economy”. Specifically, the review was “to enquire into ways and means of restructuring the costs of Government”.

Analysis of the structure of Provincial expenditures, trends and vulnerabilities led to an extensive series of recommendations projected to reduce those expenditures from earlier projections by $1,520 million in
1976-77 and $2,140 million in 1977-78. Proposed reductions were of two types: reductions in the rate of growth of expenditures by a variety of economy measures, and cost reductions resulting from shifting expenditure responsibilities to other levels of government, program delivery agencies (including school boards) and individuals.

Among the economy measures proposed was the further development of Management Board’s operational review and program evaluation capacities. Several recommendations changed directions that had emanated from COGP: among them, further delegation of decision-making discretion to managers was withheld “unless clear accountability can be established in the organizational unit to which authority is being delegated”14; government structure was to be reviewed for possible merger of Ministries and administrative processes and consolidation of support processes and central agencies; and further regionalization of services would be postponed pending analysis.

Of a number of principles and strategic directions adopted by the special Program Review, one stands out for its anticipation of subsequent Government directions:

The Government should act more in its regulatory capacity and less as a provider of services to accomplish its objectives. Such regulation should, however, be limited to establishing the broad framework within which private individuals and organizations may carry out their own activities without undue government influence or control.15

Management Standard Program

Prior to the COGP, the Ontario Public Service had begun to respond to the challenges of growth, complexity and accountability through the introduction of the systematic planning and budgeting process known as PPBS or Programming, Planning, Budgeting System. By the time COGP completed its work, however, another management system was emerging, one that was easier to understand and administer and with more far-reaching potential. PPBS had focused on resource allocation; Management By Objectives (MBO) emphasized results.

MBO was touted as more than a goal-setting procedure; instead it was to be a total approach to managing, “the total management process of an organization”, encompassing goal-setting and accountability, employee motivation, organizational development and results measurement. Ontario soon began to experiment with a variation on the approach: Management By Results (MBR). In 1973 Management Board initiated a four-year plan to test the approach on all government programs. The Special Program Review, in 1975, noted that all ministries were by then participating, with 111 MBR projects covering 17.4% of Provincial expenditures. The Review estimated that MBR would prove capable of managing up to 70% of the Ontario Budget16 and in fact, by 1978, 95% of the Government’s Budget was described in MBR’s Results Abstracts, outlining program objectives and planned results.17

In addition, Provincial governments across Canada began to empower their respective Auditors to conduct “value-for-money auditing”. By 1978, amendment to the Ontario Audit Act conferred a similar mandate on the Provincial Auditor, in effect reinforcing a results orientation in the Ontario Public Service.

A Study of Management and Accountability

In 1984, the Provincial government found itself on the defensive over well-publicized episodes of bureaucratic rule-bending. In response, Price Waterhouse and Associates and The Canada Consulting Group were appointed to recommend on the improvement of accountability relationships between Ministries and central agencies; management policies; relating administrative rules and practices to goals of prudence, probity and efficiency; and management attitudes and the promotion of a working climate fostering adherence to rules, value for money and innovation.18 If managers were being allowed to manage to greater extent
than had once been the case, were the right systems in place to ensure requisite suitable attention to the rules? Were lines of accountability clear, controls adequate, and rules followed?

Advised by a steering committee composed of Deputy Ministers, corporate executives and the former Provincial Auditor, the consultants came forward in early 1985 with a number of recommendations for strengthening of the accountability structure and refinement of the rules in the Manual of Administration. Based on interviews with over 100 senior civil servants, the consultants noted a culture of pragmatism, “less concerned with process than with making good decisions”, “striv[ing] to maintain flexibility and reject[ing] bureaucratic extremes”.

The consultants acknowledged healthy dimensions of this action bias, but noted that “more attention needs to be paid to following the rules as well as getting things done”. Recommendations were made that rules be clarified and the rule-making process improved. Moreover, Deputy Ministers were charged with the lead role in communicating and reinforcing government-wide values.

Finally, in the context of specifying a need for full implementation of performance appraisals across the civil service, the consultants noted a tendency for the system to provide feedback only when problems occurred. Instead, they suggested:

In times of constraint and a shrinking system, there are limited opportunities for rewarding good performance. It is time to move motivation back into the line and to shift the culture toward full and open recognition for jobs well done. Proper performance appraisals will move the system part way towards this goal. Senior management must show the way by giving positive reinforcement its due.\(^{19}\)

**Managing Human Resources**

W. P. Moher was the Manager of Executive Development and Organization with Imperial Oil Limited. Loaned to the Province for a period of three months, his assignment on behalf of the Chairman of Management Board was to review the role and mandate of the Civil Service Commission, in the context of new and innovative management philosophy and techniques.

Moher’s report in 1986, *Managing Human Resources* stands in sharp contrast to the traditional fixations of public administration: government structure; policy processes; expenditure control and accountability. Moher’s system of performance measurement and positive reinforcements focused on the senior managers of the public service, observing that:

Evolution must be driven by senior managers. Their beliefs and actions are at the core of organization culture, and their leverage is greatest.\(^{20}\)

His conception of the potential of what he recommended was, however, more extensive:

The change to executive practices is an end in itself, but more importantly it is also a necessary precondition to broaden change and to advance excellence in public service, through sound management of human resources at all levels.\(^{21}\)

As a consequence of the Moher Report, the Civil Service Commission was reduced to the narrow purpose of ensuring government compliance with the provisions of *The Public Service Act*. Separate from the Commission, a Human Resources Secretariat was established under a Deputy Minister, Human Resources, reporting to the Chairman of Management Board. To the Secretariat went the responsibility for leadership, within the public service, on human resources policy, planning, employment conditions and practices. Other elements of the Commission’s former role devolved to Deputy Ministers, in an effort to increase their participation in human resource management and effectiveness in relation to their staff.

Executive recruitment, career development and succession planning were addressed in
the establishment of an Executive Development Committee, chaired by the Secretary of Cabinet. An Executive Development Team was established, including an Executive Development Institute and a Premier’s Advisory Committee on Executive Resources, a body of private sector executives constituted to advise the Premier on OPS executive development and performance and on the sticky topic of executive compensation.

From his extensive interviewing of Deputies, human resource specialists and other senior managers within the government, Moher advised that deterioration in executive compensation was resulting in loss of key personnel, erosion of management capacity, difficulty in recruiting, and serious morale problems. He recommended an executive compensation plan that would provide annual performance-based pay bonuses to senior managers nearing the top of their classification level.

The Moher review, informed by contemporary thinking around organizational management, largely adapted from the private sector, represented a significant departure from the preoccupations of traditional public administration. It also ushered in an era of increasing attention to the executive leadership of the OPS.

**Strategies for Renewal**

Moher had said that: “Excellence in managing human resources can be the foundation of organization culture within the Ontario Public Service.”22 By late 1988, the OPS culture had advanced significantly. The structural changes recommended by Moher had been operationalized, numerous executive development initiatives were underway, and the performance incentive system was beginning to provide tangible recognition and reinforcement of executive excellence. A leadership agenda included Executive Dialogues, an ongoing series of executive development events convened across the province, and an Executive Development Institute, established to provide an in-house capacity for the training and development of senior personnel.

Meanwhile, the OPS was undergoing decentralization, to an unprecedented degree. Under the Northern Ontario Relocation Program, over 1,700 full-time equivalent positions were being moved from Toronto to the North. Two Ministry headquarters were being relocated, Northern Development and Mines to Sudbury and Correctional Services to North Bay. The Registrar General Branch of the Ministry of Consumer and Commercial Relations moved to Thunder Bay, as did the Student Support Branch of Colleges and Universities. Sault Ste. Marie saw the arrival of the Forestry Research Group of the Ministry of Natural Resources and the Ontario Lottery Corporation.

At the highest levels of the public service, however, the challenge was being redefined. Speaking to the Premier’s Advisory Committee on Executive Resources at a retreat in the Huntsville area, Cabinet Secretary Robert Carman solicited the support of those present, from both the private and public sectors, to assist the OPS in achieving the organization the Province would need for the future. A different kind of organization.

Carman’s remarks revealed a growing recognition that Ontario, fewer than 20 years from modernizing its public administration, was involved in a race against time. The challenge, more than merely renewal, was “breakthrough to become a pace-setting public sector organization”.23

Drawing on Peter Drucker’s ideas of an information-based organization, the Secretary described an emerging vision, strategies and practices for an OPS of knowledge specialists. That OPS, managed by vision and co-ordinated by shared values, a flatter and more open public service, would “lose all the touchstones of traditional organization” as jobs were redefined, reward and promotion systems were revised, and basic concepts such as chain of command, span of control and supervision were rethought. In the place of those touchstones, “the kind of people we recruit will change [and a]... culture that supports networking and sharing will have to be developed.”
The Tomorrow Project

In late 1989, Peter Barnes, the new Secretary of Cabinet began to grapple directly with the task of redesigning the public service, through the Tomorrow Project. Headed by a Deputy Minister, and involving only a small number of immediate staff, the project operated out of Cabinet Office and avoided the kind of high-profile, external “experts” approach of the past. In particular, the Tomorrow Project rejected the Federal Government’s Public Service 2000 model, begun a year earlier, as too formal and public and too controlled by senior management.

The Project was primarily an attempt at changing organizational culture to accept and manage change. Three initiatives constituted the initial phase of the Project: the reconsideration and restructuring of the three central agencies, Cabinet Office, the Ministry of Treasury and Economics and Management Board; an effort to learn ways to improve services to the public; and an examination of potential service improvements and heightened productivity, through the use of technology.

In 1990, the government changed. If commentators Georgette Gagnon and Dan Rath, in their book Not Without Cause are correct, the Tomorrow Project, inherited by the new government, could have propelled a reorganization and streamlining of the public service. However, while the project carried on for a time, it wound up formal operations during the second year of the new government’s mandate.

Some elements of the technology initiative found focus in the 1992 Report of the Advisory Committee on a Telecommunications Strategy for the Province of Ontario. The service quality initiative led to a Customer Service Task Force in 1991, which surveyed expectations around quality of government services. An OPS-wide review of Best Practices in 1991 produced a plan for the systematic promotion of excellence and innovation. A compendium of best practices was developed to encourage others to emulate and adapt models of excellence and innovation in the public service. The initiative’s thoughtful examination of public service reward and recognition systems led to the creation of the Ontario Amethyst Awards in 1993 to recognize individual and team excellence in the OPS.

Ministry Reorganization and the Social Contract

Ontario was gripped by a deep economic recession in the early 1990s. By early 1993, any signs of beginning recovery remained faint and government revenues languished. In the months leading up to the spring budget, Provincial concerns rose about a much larger deficit than had been anticipated and the possibility of serious difficulty in meeting anticipated borrowing requirements. In his pre-budget consultations, the Treasurer began to muse publicly about the need for shared sacrifice, if serious worsening of Ontario’s situation were to be avoided.

In February, a major reorganization and consolidation of Ministries occurred. In an apparent effort to refocus the government’s priorities and to achieve savings through merged functions and OPS delayering, the number of Ministries was reduced to 20. Management Board and Government Services were combined, three Ministries in the business of education and training became the Ministry of Education and Training; Environment and Energy were combined, as were Municipal Affairs and Housing, and Solicitor General and Correctional Services. Treasury, Revenue and Financial Institutions all became part of the Ministry of Finance, and a new Treasury Board was created.

In April, the Province announced major cost-cutting, almost $4 billion for the 1993-94 fiscal year, through the Expenditure Control Plan. The announced measures, among them an effort to restore some of the government’s lost revenues, were wide-sweeping. As a proportion of total Provincial expenditures, the announced reductions exceeded any austerity campaign since the Special Program Review’s restructuring of Provincial expenditures in 1975.
Along with the Expenditure Control Plan came announcement that Ontario’s full range of public servants, OPS and broader public sector, would be asked to contribute, in an amount totalling $2 billion per year over the next three years, under what was called the Social Contract. Through sectoral (health, social services, education, municipalities, etc.) negotiations, plans would be developed for how each sector would arrive at cost reduction targets. The Province declared openness around many of the particulars of how those targets could be met, professing hope that the various sectors would identify ways to restructure their services, allowing for service levels to be maintained and costs reduced without payroll reductions having to occur. Failing sectoral agreements with the Province, the reductions would be legislated, within months. In August, the reductions were legislated.

An historic opportunity had been missed, perhaps inevitably. Required restructuring had been postponed. Not only for the OPS, as Cabinet Secretary Carman had reflected nearly five years earlier, but for Ontario’s public services in general, the need would only become more acute.

A Brief Reflection

At the beginning of this chapter, it was observed that the task of managing is situational; context is of profound significance. Private enterprise or public service, good times or bad, in transition from an industrial economy to a post-industrial, knowledge economy – the issues and solutions vary tremendously. The literature of public administration and public sector management contends that the challenges facing those charged with managing society’s public, shared enterprise are the most subtle and the most demanding.

Since the “modernization” of the Ontario Public Service with the Committee on Government Productivity, the OPS has demonstrated an adaptability and a resiliency that has meant public services of which Ontarians can be proud. Change truly has been a constant. A number of the initiatives that flowered in the period 1995 to 1999 had their early development in the preceding decades in such areas as accountability mechanisms, service planning and one-stop shopping, and executive human resource strategies. In the next chapter, we begin to discuss more recent changes and the emerging strategies and techniques employed by the OPS to meet new challenges.


5. A fourth, *de facto*, policy field of finance was encompassed by a single Ministry, Treasury, Economics and Intergovernmental Affairs.

6. Among the presentations solicited by the Committee was an address by Senator Ernest Manning, who urged the Committee to consider use of “an innovative management technique, referred to as Request for Proposal”. In the course of the Committee’s work, the technique was the subject of extensive analysis and experimentation prior to its adoption for recommendation. COGP: Report No. 10, pp. 58-59.

7. In its Summary report, COGP cites a survey of 97 senior OPS administrators, averaging 17 years of service, which showed that only 30 had any prior experience in another Ministry or agency. COGP: Report No. 10, p. 12.


10. Ibid., p. 37.

11. Ibid., p. 27.

12. Ibid., p. 2.


15. Ibid., p. 37.


19. Ibid., pp. 128-129.


22. Ibid., p. 40.

24 This section draws on the analysis of Lindquist and White in *Canadian Public Administration*, Summer, 1994.

The distinction between an adaptive and a learning organization is subtle, yet profound. Both organizations operate in the present. However, the adaptive organization is slightly behind; it is just arriving from the past. The learning organization is slightly ahead; it is just leaving for the future.

Otto Brodtrick, Organizational learning and innovation: tools for revitalizing public service, 1988

When a new government was elected in 1995, it came to power with an ambitious change agenda. Given past experience and current culture, the OPS of the day was surely an adaptive organization. Among other things, the public service had adapted to three different governments in the course of a decade – political volatility that was unheard-of since the 1940s.

It was clear from the beginning of the new administration that if the OPS were going to be able to deliver on the government agenda and meet its fiscal targets to balance the budget by the turn of the century, the public service would have to undergo a fundamental transformation. It would have to become that learning organization that Brodtrick described, “just leaving for the future.”

All the management literature agrees that an organization undergoing major change needs strong leadership and direction. There was no question that the new government was determined to make major changes in the public service. It intended to downsize government, reduce spending, cut red tape, reduce internal duplication, offer one-stop access to services, and improve service delivery. The support of political leadership for an OPS-wide change agenda was never in question. This government was not just supportive of change, it was impatient for change.

Over the three-year period of the Social Contract, savings had been achieved through the legislated restraint on the government’s wage bill, but no fundamental restructuring occurred. Once the Social Contract expired, the government was faced with wage pressures to make up for lost time and demands for job security for the future. There was a province-wide strike by the largest public sector union, the Ontario Union of Public Employees (OPSEU) early in 1996. Although a settlement was reached after about five weeks, and labour peace was
restored (and a second contract was negotiated without a strike in 1999), the lasting impression was of a government that would not be deterred from implementing its agenda.

To deliver on that government agenda, the Ontario Public Service began a planned, multi-year effort to transform itself for the new millennium. The fact of change was not new, but the pace was accelerated and the scope was magnified.

This chapter provides an overview of Ontario’s approach to reform and our vision of the public service for the future.

Planning the Business of Government

The first priority of the government was getting the budget under control. There were major statements by the Minister of Finance a month after the election and again in the fall of 1995, setting out the overall plan for spending reductions and downsizing. The plan was to reduce a deficit of more than $11 billion to zero by the year 2000. All Ministries were given rigorous fiscal targets to meet, at the same time as they began to put the government’s policy agenda in motion.

Management Board of Cabinet was restored to its former strategic role of both Corporate manager/employer and expenditure controller (replacing the short-lived Treasury Board). It initiated a number of Corporate projects that began the task of transforming the public service. For example, a comprehensive review and rethinking of all internal administration functions was launched, with an accompanying commitment to cut the costs of internal support services by one-third or $300 million over two years. A regional delivery project began a review of government-wide field services across Ontario.

The government established two task forces, each comprised of government MPPs to review and recommend the restructuring of agencies, boards and commissions and the elimination of red tape. The agencies review was supported by a staff team in Management Board Secretariat, and the red tape review by a staff secretariat in Cabinet Office.

A new Business Planning process was designed and put into practice. The Business Plans were annual reports, with multi-year commitments, on how Ministries would achieve their fiscal targets and implement new policy directions and measure performance. Business planning took on a whole new importance and transparency in the OPS. Ministries were made accountable for producing business plans, for implementing them, and for accounting for the results they said they would achieve through specific performance measures.

The Business Plans linked the government’s policy objectives, the role of each Ministry, and their proposed program reforms. Through their Business Plans, Ministries were asked to develop and report on:

- Ministry vision and mission
- Key ministry strategies
- Core businesses and how organizational structure supported these core businesses
- Performance measures for core businesses, programs and people
- Programs underlying each core business
- Changes proposed to implement the government’s policy and operational agendas
- Plans for information technology.

The Business Plans continue to be used internally to track results in managing expenditure reductions and implementing the policy agenda. Externally, they are a way to improve accountability to the public. Business Plans that set out, in simplified form, each Ministry’s vision, core businesses, key strategies, and performance measures are made public. The first publication of all the Business Plans of all Ministries, in May, 1996, was called Doing Better for Less: Introducing Ontario’s Business Plans: A project to protect priority services within a more affordable, innovative government. The Plans have helped to put the “business” of the OPS on a more business-like footing. The government had promised it would have “a significant impact on the way in which the government
and its employees do business on a day-to-day basis, because it will demand that government does business like a business. In other words, in an efficient and productive manner that focuses on results and puts the customer first.²

In the first set of Business Plans, Ministries were encouraged to find out more about the expectations and satisfaction levels of their customers. In subsequent years, they developed targets and standards for improving those services and closing gaps between customer expectations and service delivery. The Business Plans have become increasingly sophisticated, and as a public communications tool, increasingly informative. They now provide the public with details on Ministry spending and staff numbers by core business for the preceding and the upcoming budget years, and telephone, fax and e-mail contact numbers to get more information on specific program areas or initiatives.

Key performance measures have gone from general outcomes and “proposed” measures in 1996 to a more refined and specific list of:
- goals and outcomes
- performance measures
- targets and standards
- annual commitments.

**Identifying the Core and Doing Business Differently**

The process of identifying “core business” was seminal to the OPS approach to transformation. Every Ministry had to define what its core businesses were, identify which programs and services fit within that core and which did not, and determine ways to deliver services differently.

In June, 1995, soon after the election, the Premier directed the public service to energetically pursue new models for delivering Ontario’s public services. The government’s Speech from the Throne in September 1995, opening the first sitting of the Legislature after the election, stated that the government would be evaluating which of its activities were unnecessary and which would be better done by others (individuals, communities, business or public-private partnerships).

Management Board Secretariat developed an Alternative Service Delivery Framework, which was approved by Management Board of Cabinet, to ensure that decisions on how to do the business of government differently were made on a consistent basis across the OPS. The Secretariat also provided Ministries with guidelines on how to evaluate service delivery options and how to prepare a business case for change.

Every Ministry went through a process of program review that asked fundamental questions:
- Does the program serve a compelling public need?
- Does the program contribute to achieving a government priority?
- Is the government legally required to provide this program? If so, can the legislation be changed or is it binding (e.g. constitutional)? How much would it cost to get out of this legal commitment?
- If the government gets out of all or part of this activity, would the activity cease to exist or could someone else do it?
- If it would cease, what is the financial impact on ministries that may require products, services or information from the areas being considered for termination?
- If it would cease, would there be a negative effect on Ontario as a whole? Would specific groups be affected directly or indirectly? Is the negative effect on specific groups justifiable if continuing this activity will cause reductions in other programs?³

Once it had been established that a particular program should not be terminated, the next steps involved looking at the potential for program redesign to meet objectives while reducing costs, and at options for alternative delivery. Alternative delivery was viewed on a continuum from selling the asset/service to the private sector to the next closest thing to direct delivery, an agency of the OPS. The range of service delivery options included: privatization;
licensing/franchising; partnership; external purchase of services; devolution; agencies; direct delivery.

Ministries used a business case model to present their options to Management Board and Cabinet for approval. Alternative service delivery became a key mechanism for achieving fiscal targets, including downsizing the public service, reshaping the organizational structure of the OPS, and moving the OPS from an emphasis on “rowing” (i.e. direct service delivery) to “steering” (i.e. managing service systems delivered by other agents).

Examples of alternative service delivery options that have changed the way government operates in Ontario are included in Chapter 9. The OPS has recently published its accomplishments in *Alternative Service Delivery in the Public Sector*, August 1999.

**Refining Accountability in a New Context**

Accountability in the public sector is always more complex than the private sector. The public servant at any level is ultimately accountable to the Deputy Minister, who is accountable to the Minister, the Premier and the Secretary of Cabinet. Public servants support their Ministers, who are accountable to the Legislature, and ultimately to the electorate. Citizens are both users or customers of government services as individuals and “owners” or “shareholders” of government collectively. They elect the government, which forms a Cabinet, passes laws in the Legislature, and implements a policy agenda.

The Board of Directors of the public service (Cabinet) doesn’t just meet the shareholders once a year; it is under constant scrutiny and receives a regular barrage of criticism in the Legislature, in the media, and from various individuals and groups of citizens. The right to challenge elected governments is a cherished democratic right in our society; it also leads to a lot of time spent on crisis management within the public service. Some have argued it makes the risk-taking element of so-called “entrepreneurial” government (part of the reinvention movement that is popular in the U.S.), next to impossible because of the potential public embarrassment to Ministers if their departments make administrative decisions that turn out to be wrong.

Now, added to all the traditional complications of public service accountability, are the “new” complexities of transformed government. Because of alternative service delivery, many public service managers are having to learn to manage externally-delivered services that used to be delivered in-house by OPS staff. New public-private partnerships sometimes require government investment in a new technology or sharing with a private partner the longer-term potential of benefits or risks of a new way of doing business.

In this new context, Management Board of Cabinet issued a new Directive on Accountability in 1997 to hold both public servants and external service providers more clearly to account for their actions. Building on the experience of the OPS in such initiatives as Management by Results (MBR) in the 1970s, the Directive calls for:

- strengthening performance orientation by moving beyond compliance to results;
- clarifying roles, responsibilities and performance expectations of the parties to the accountability relationship;
- building effective accountability relationships based on mutual trust, respect and the right incentive structure, and setting out obligations of the OPS and its partners.

The Directive’s principles state that: “Public servants uphold the public trust and provide the highest level of quality service, consistent with their oath of allegiance and oath of secrecy as stated in the *Public Service Act*. In carrying out their duties, public servants are accountable for applying the following principles: ethical behaviour; prudent and lawful use of public resources; value for money; quality service; fairness and equity; openness and transparency.”
The OPS has no secret formula to ensure accountability for the right results every time. But it has recognized the challenge.

Accountability has also been built into the performance agreements of Deputy Ministers and of the OPS executive cadre, known as the Senior Management Group. These contracts, which are discussed in the context of the Human Resources Plan for senior management in Chapter 4, focus not only on individual results, but on achievement of Ministry and government-wide priorities. They also include expectations for cross-Ministry initiatives to support integration and coordination efforts across the public service.

**Developing and Disseminating a Vision**

During the first year of the new government, the OPS leadership began to work on a vision for the Ontario Public Service of the future. An external consultant was hired by Cabinet Office to develop a change management strategy. As a result of the work that was done, the Secretary of Cabinet established the OPS Restructuring Secretariat in Cabinet Office to coordinate, communicate, monitor, support and promote transformational change. Three committees were also created: an External Advisory Committee chaired by the Premier; a Deputy Ministers’ Steering Committee on Restructuring; and a cross-Ministry Advisory Committee, composed of senior and middle-level managers. A vision of the future OPS was developed to clarify the key directions and key enablers of change and the Restructuring Secretariat began work on a quality service strategy for the OPS.

The OPS vision was communicated to the public service through a June, 1997 document called *Building the Ontario Public Service for the Future: A Framework for Action*. The Framework distilled the new directions of the OPS down to five short goals. It envisioned an OPS that:

- is focused on core business
- ensures quality service to the public
- is smaller and more flexible
- is integrated and cohesive
- is accountable.

Progress towards the vision would be achieved through:

- business planning processes linking Ministry plans into a strategic OPS framework;
- alternative delivery options focusing on the customer, rather than on the provider of services;
- use of the latest technologies to link common service networks and improve access to government;
- major corporate initiatives to reengineer administrative processes across government; and
- performance measures to track results at the level of the government, the Ministry, the program, and the individual.

This vision, which has been disseminated across the OPS under the personal signature of the Secretary of Cabinet, has helped to maintain organizational focus. It has also been used as a means to communicate with staff on a two-way basis. All Ministries held meetings with their staff to discuss the vision. The Framework document included some early success stories in innovation, devolution, partnerships and initiatives that put the customer first and improved the quality of services. It showcased some of the winners of the Amethyst Award, which was created earlier in the 1990s to recognize outstanding achievement in the OPS. Ministries were encouraged to share more of their stories.

The 1998 Framework for Action was called *A Quality Service Organization* and included examples of how the OPS was improving quality services – a key component of the vision. That document also announced a new Quality Service Strategy for the organization. (We discuss our “quality journey” in Chapter 5.) As with the initial Framework document, OPS staff were invited to share their views on the Quality Service Strategy, and were informed of the feedback received from staff on the vision.

The Restructuring Secretariat houses the Quality Service Strategy, which is leading an OPS-wide effort to become a quality service organization. The Secretariat also coordinates the feedback from OPS staff on
the Framework documents and reports on the response. It keeps staff informed through regular supplements in the OPS-wide newsletter, called *Topical*, and through an internal Intranet service. It conducts research and manages external research projects. And it promotes the change process. Since 1997, the Secretariat team has made presentations on transformation of government to more than 30,000 people within and outside the OPS.

A consistent message from the workforce in response to the OPS vision has been “give us the tools to do the job well”. In the feedback to the 1998 Framework on quality, staff said that investment in learning was needed to help them continuously improve service quality, make better use of technology, and adapt to new ways of delivering services. The 1999 Framework for Action focused on learning. Called *Building a Learning Organization*, it showed how learning is integrated into the working life of the public service. (Chapter 4 describes how the OPS is becoming a learning organization.) Groups of staff were brought together to discuss the Framework and relate its ideas and stories to their own workplace.

**Conclusion**

How far has the OPS come in achieving its vision of a smaller, more integrated, focused and accountable public service that delivers quality services to the public? This overview endeavours to document our progress.

A key theme that has emerged as part of the new vision for the OPS is the organization that operates from the “outside-in.” Gareth Morgan, of York University in Toronto, wrote in *Riding the Waves of Change* in 1988 that:

> Many organizations are preoccupied with inside-out management. They approach, understand and act in relation to their environment in terms that make sense from internal divisions and perspectives.... Other organizations try to build from the “outside in” – they “embrace” the environment holistically and shape internal structures and processes with this wider picture in mind. They use the views and needs of customers and other key stakeholders as a mirror in which they see and understand their own strengths and weaknesses, and they act on these insights to shape their relations with the environment.4

In the OPS, we have endeavoured to implement our vision from an “outside-in” perspective – by opening up our business plans and performance measures to public scrutiny, by asking our customers how, where and when they want their services delivered, and by constantly learning and adapting to new challenges and new expectations.

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Building a Learning Organization

The organizations that will truly excel in the future will be the organizations that discover how to tap people’s commitment and capacity to learn at all levels of the organization.


Learning at all levels of the organization is essential as the OPS restructuring and as it responds to changing demands on public service, the impact of new technologies, pressure for greater efficiency and effectiveness, higher expectations of customers, and the increasing complexity of public issues. Experts like Peter Senge note that the real value of the learning organization is in the becoming. The learning organization is not a destination to be reached; it is an ongoing process of change and renewal. As we move towards our vision of a more integrated and accountable public service, focused on our core businesses and improving the quality of our services, learning is a constant.

Like many public sector organizations, the OPS faces a number of key human resource management challenges. A variety of factors, including downsizing and an extended restriction on recruitment outside the OPS, have contributed to skills gaps and shortages. Increasing demands are being placed on the workforce. Employee morale has been affected. At all levels of the organization, new competencies are required to suit the new ways of working and to ensure continuing success in a complex and changing public sector environment.

Especially in the senior ranks of managers and executives, the OPS is experiencing a loss of so-called “organizational memory” as many seasoned senior staff have taken the opportunity of early retirement. At the same time, the organization is significantly “greying”, along with the general population, as the baby boom generation (born 1947-1966) ages. The “boomers” make up about 70% of the OPS workforce. The average age of the OPS workforce is now in the mid-40s. Less than 5% of OPS employees are under age 30. Moreover, public service in general tends not to be regarded as a preferred career path for most recent graduates of the education system.

Until recently, our human resources (HR) policies and practices have lagged behind those being used in the private sector.

The first step in meeting all these challenges is identifying them, making plans, and setting goals to achieve the required results. We believe that the comprehensive, multi-year strategies that we have put in place will...
meet these challenges as the organization moves into the new millennium. Our strategies include the Quality Service Strategy that is discussed in Chapter 5 and the Information and Information Technology Strategy, which is discussed in Chapter 7.

In this chapter, we focus more than anything on the “people” side of change. We describe human resource strategies for the workforce as a whole and for senior management, and our dialogue on shared values. To illustrate the ways in which the OPS is a learning organization-in-the-making, we have included selected stories on how staff are learning. These examples of learning feature strategies led by individuals, teams, branches, and Ministries. In the 1999 OPS Framework for Action report, the learning organization was characterized as a total system, including:

- customer learning
- organizational learning
- team learning
- individual learning.

A Strategy to Revitalize the Workforce

In the spring of 1999, a new Human Resources Strategy for the OPS, called Building Tomorrow’s Workforce Today, was launched. It aims to promote revitalization of the OPS workforce in order to achieve quality service to the public and renew public confidence. It also aims to reaffirm the value of public service and ensure OPS capacity to provide excellence in public administration now and into the future. The strategy recognizes the need to invest in the learning and development of the workforce. It focuses action on three key areas:

- understanding current and future work to ensure knowledge, skill and performance requirements are met;
- investing in learning and development; and
- updating HR policies and practices.

It emphasizes that learning is more than training. Training usually refers to acquiring skills or knowledge specific to the technical or operational requirements of a job. Learning happens on the job every day and can occur in formal and informal settings, in groups, or individually.

The approach to investment in learning and development includes:

- Every Ministry is developing an annual learning plan that is tied to its business and human resource plans. The learning plans must show investment in staff learning. Branch learning plans feed into and reflect ministry plans.
- A new Centre for Development in Management Board Secretariat is developing new learning programs, providing resources for self-directed learning, and identifying and sharing programs developed by Ministries that can be used across the OPS. The Centre is made up of a long-term Advisory Committee on Learning and Development and shorter-term learning-specific panels, supported by corporate funding and some HR planning staff.
- Staff development initiatives include upgrading generic skills, developing key competencies, updating technical or professional capabilities, and improving the managerial and supervisory skills of current and potential managers.
- Members of the OPS are encouraged to participate in planning their own careers, and to take the initiative in pursuing developmental and learning opportunities. There are a number of guides and workbooks to help employees understand and develop capabilities that are important in our changing public service.
Based on the well-known research and expertise of the HayGroup, behavioural competencies have been defined for the OPS. A specific set of “enterprise” competencies has been defined. They include, for example, a commitment to think about the ongoing and evolving needs of the business and to learn how new and different solutions can be used, an ability to influence stakeholders and to build strategic relationships.

To make inroads in the skills gaps and bring more youthful ideas and energy into the workforce, a corporate internship program, bringing approximately 100 recent post-secondary graduates into the OPS every fiscal year for two-year placements, began in the spring of 1999. In addition, Ministries are being asked to develop youth strategies to bring more young people into contact with the OPS as an employer.

“The real significance of the HR Strategy is that it provides consistent tools, competencies and learning supports to build for the future,” says Stephanie Merrin, who manages the HR Strategy team. “The OPS has recognized that an ad hoc approach will not meet the challenges of an aging workforce, employee change fatigue, or the need for new competencies and new skill sets. Those challenges must be addressed in a comprehensive way. We must also ensure that this Strategy is made meaningful for staff through the actions of managers across the OPS.”

The HR Strategy’s vision reflects such values as integrity and protection of the public trust. It highlights the role of learning and continuous improvement. It recognizes values as a living part of our organization. It says:

The OPS will be a community of public servants who:

- Continue to demonstrate dedication, integrity and excellence in serving the people of Ontario and their elected representatives.
- Earn renewed confidence, trust and respect of the Ontario public and public sector workers in other jurisdictions.


- Are motivated and able to adapt, learn and continuously improve.
- Actively contribute to attracting and preparing a new generation of public administrators.
- Build challenging, rewarding and mobile careers spanning the public and private sectors.  

**Supporting Leadership**

The management literature, both popular/business and academic, is full of exhortations on leadership. Without the drive and commitment of leaders, organizational and cultural change is likely to founder.

In the public service, there are two types or levels of leadership – one is political and the other is administrative. We have already discussed the political leadership’s commitment to transformational change. The OPS executive cadre, who are the people with the responsibility of translating the government agenda into action, have also embraced the challenge of leading organizational renewal. Support and development of the leadership cadre, the Senior Management Group, is recognized as an essential component of government transformation. The Human Resources Plan for the Senior Management Group (1997) was developed by the OPS Executive Development Committee, which is chaired by the Secretary of Cabinet and includes a rotating roster of Deputy Ministers, and the Centre for Leadership in Cabinet Office. It aims to achieve this vision:

The Ontario Public Service is in the process of major transformation. To maintain both quality service to the public and a quality working environment for employees, the organization must achieve a balance of renewal and sustainability.

Therefore, the OPS must develop and foster a community of capable public executives who have the talent, motivation, skills and expertise to lead transformation and who can provide public administration of consistent excellence.  

One of the features of this HR Plan is its emphasis on the Senior Management Group as a corporate resource. Since the Moher Report in 1986 – which resulted, for example, in formation of the Executive Development Committee – the OPS had been moving towards greater corporate management of the executive group. The HR Plan builds on the fundamentals established in the Moher Report.

The [HR] Plan introduces new and consistent corporate processes and practices across the OPS. Most executives have been developed to succeed within their home ministry. In the future, leaders must be prepared for opportunities throughout the OPS. Sometimes corporate needs and objectives may override those of ministries.

The Executive Development Committee manages succession at the highest executive levels. All Deputies meet annually as a group to discuss high-potential candidates for senior positions, and cross-ministry meetings of Assistant Deputy Ministers are held to identify opportunities for candidates who require experience in other Ministries for developmental purposes.

Performance and compensation are rated not only on individual success in delivering on key objectives, but also on the success of the Ministry in achieving the performance measures in its Business Plan, and the success of the government as a whole in delivering on its agenda. Performance agreements now also include cross-Ministry initiatives – moving away from an exclusive focus on the senior manager’s “home” Ministry.

The Secretary of Cabinet is responsible for setting and communicating the direction of business planning objectives and performance measures for the OPS based on key corporate goals reflecting the government’s priorities; setting performance agreements with Deputies, assessing their performance,
and making recommendations to the Premier on incentive pay for Deputies; and reviewing and approving Ministries’ proposed performance ratings and compensation awards for their senior managers.

The incentives are part of a new compensation plan, based on a 1996 study by a Premier’s Advisory Committee, which included chief executives of large and small private sector corporations. The compensation plan that was adopted includes:

- a performance management program with individual performance agreements linked to key performance areas and the Ministry’s annual business planning process;
- competitively positioned salary levels, based on performance;
- variable performance-based incentive awards for successful achievement of results; the OPS must achieve a threshold of performance before the award program is funded (the total amount of the pool to be set by the Premier and Cabinet); Ministry performance is based on the complexity, impact and contribution of the Ministry in any given year on achievement of key objectives, and the level of achievement of the Ministry Business Plan.

The HR Plan identifies mandatory corporate core competencies for the senior management group. They reflect the need for ongoing change management and support for innovation from leaders.

Ministries may add their own business-specific competencies. Whether you are a new senior manager or a high-potential senior manager identified through the succession planning process, there are expectations for learning. For example, there is a program for new senior managers and another for newly-appointed Assistant Deputy Ministers.

The corporate core competencies are being further developed for key leadership positions in the OPS. The first study by the Centre for Leadership focused on the role of the Chief Administrative Officer or CAO in ministries. Three more functional competency projects have been completed: Director, Human Resources, Director, Finance, and Assistant Deputy Minister, Policy. The purpose of these more detailed studies is to develop descriptions of the competencies and skills required for the new directions, and to identify suitable strategies to address continuing and emerging challenges.

### Core Competencies of Senior Management

- **Prerequisite core competencies** for those preparing to move into the Senior Management Group include: analyses and solves problems, leads team, develops others, has a customer service orientation, and manages resources and financial budgets.

- The entry level of Senior Management is expected to have the prerequisites, plus the following: innovates, builds networks, negotiates/resolves conflicts, plans and achieves one-year operational goals, and makes operational decisions.

- The next level builds on those competencies and adds: leads change and organization management, conceptualizes a one-to-three-year future for the organizational unit, communicates and influences stakeholders, influences policy processes and demonstrates political acuity.

- The highest level incorporates all of the above and adds: champions best models of delivery, manages medium-term risk, synchronizes goals and resources to achieve both short- and medium-objectives, communicates strategically and focuses in, out and across.
The Centre for Leadership, which is led by the Deputy Minister who is also an Associate Secretary of Cabinet, was created in 1995 as an in-house learning centre for senior managers. It is a virtual organization, which leverages expertise and strength through relationships with non-profit institutes of public policy, the private sector, and the broader public sector. Through partnerships, it offers a range of education, training and development opportunities related to the strategic business directions of the government, Ministry business plans, and corporate core competencies. The Centre offers a range of resources for senior managers through electronic mail or a fax-back system, including up-to-date information on key government announcements and upcoming learning opportunities.

OPS values have been integral to leadership development, and the Centre for Leadership is continuing its series of seminars that focus explicitly on values. “We are reinforcing the message that values are part of our everyday working life, and that it is important for staff to see senior managers modelling those values,” says Linda Clifford, Vice-President of Executive Development at the Centre for Leadership.

Reinforcing OPS Values

Values are an expression of our expectations and our standards. Values can be a powerful influence on commitment and performance. In a period of profound change, employees have to consider:

- how certain fundamental values, like integrity and public trust, endure in a public service that is professional and accountable;
- how certain operational values emerge or are reinforced by the priorities of the day, such as relating to partners and agents in an era of alternative service delivery; and
- how we may change the way in which we interpret or “live” some values over time; for example, OPS staff have always been committed to providing good services - today, we are being more systematic about assessing and measuring how we are doing.

Ontario Public Service Values Statement

Members of the Ontario Public Service are committed to upholding the highest level of service quality and public trust.

- We are open and honest in our behaviour, creative and responsive to change, and committed to continuous self-improvement and integrity. We will demonstrate these values within the context of a professional and accountable public service.
- We are fair, consistent and committed to effective relations with the general public, clients, customers, other staff within and across ministries, and with elected officials,
- In our relationships with our partners and agents, we are clear about expectations and criteria for success.
- Within the structures and processes of government, we will continue to exercise fiscal prudence; we value training and organizational learning; and we are committed to consistency and fairness in our treatment of colleagues and staff.

Under the terms of the Public Service Act, and through an oath of allegiance and secrecy, public servants in Ontario are responsible to the public through the elected government and Ministers of the Crown.
The first two Framework for Action documents referred to OPS values such as integrity, fairness, effective relations with others, and continuous improvement. The Secretary of Cabinet asked a committee of senior managers to look at the whole area of values and write a statement that would resonate with OPS staff and that could be the focus of a dialogue with staff through the vehicle of the 1999 Framework for Action report.

Learning From and With Customers

The best way to improve services to the public is to find out what works best for the users of public services, from their perspective. Listening to customers is helping us take an “outside-in” approach to quality service delivery. (See Chapter 5 on the OPS Quality Service Strategy). Rather than configuring service delivery to suit government (inside), we are looking at service delivery from the perspective of the customer (outside).

We are also learning with our customers and service delivery partners, as well as from them. There is a clear sense that real partnership is needed, with give-and-take as both partners learn from each other. For example, both Provincial and Municipal staff have been learning together through seminars and other learning opportunities about how Local Services Realignment has changed the working relationship of the two levels of government.

Teaming Up With Customers to Improve Service at the Ministry of Transportation

On Joseph Denny’s first day on the job with Ontario’s road condition information service, he found that a mere 6% of the people who called in the previous 24-hour period had gotten through on the automated phone message system.

His first day as Manager of Customer Information Services for the Ministry of Transportation (MTO) coincided with a huge snowstorm – the first of 1999 – when an unprecedented 98,000 calls came in on a single day. The information system, which normally provided timely and reliable service, could not cope with this volume of demand.

But Denny and his team didn’t wait around to see what would happen during the next big snowfall. About two weeks later, when south-central Ontario was buried under a winter’s worth of snow in a matter of a few days, they were ready with:

- a new phone system that re-allocates calls and adds up to 20 more lines as required;
- enhanced updating of information on the phone system i.e. four times a day, seven days a week, in both English and French;
- a website that provides the same information to the public as the phone message system, updated with the same frequency; and
- a new system of fax and e-mail service to give media outlets timely and accurate road information to pass on to the public.

How did it work? The percentage of customers served rose from 6% to an average of 98.8%. The website receives an average of 2,000 visitors a day. At the same time as service has improved during extreme weather conditions, telephone and technology costs have decreased. How did they do it? They analyzed what their customers wanted, and brainstormed new solutions. But first, they did some team-building.

Denny was the newcomer. He had just moved to MTO headquarters in St. Catharines. The people who worked in the road information service hadn’t really worked together before either. “It was a very individualized work environment,” says Denny. “We provide service seven days a week, 24 hours a day. Staff work different shifts and weekends. There was little communication between staff, no collaboration between tasks, and no sharing of new knowledge.”

The team sat down together and worked on a mission statement: “placing the customer at the centre of our service.” They con-
ducted a customer survey, and then implemented their action plan to improve the service.

The team has taken its mission to heart. Customers are invited to make comments on the internet, by phone and fax. Customers may talk to a team member directly with comments or suggestions. The staff member who talks to the customer often brings a recommendation to the next team meeting. There are daily brainstorming sessions.

“We are constantly focused on exceeding all customer expectations,” says Denny. “I think we have internalized the standards of a learning organization within our team, with continuous improvement based on our mission, open communications within a collaborative environment, direct customer involvement in making the service better, staff empowerment and stringent monitoring and measurement.”

Organizational Learning: Changing the Way We Work

This type of learning is the most difficult to identify and probably the hardest one to achieve. It includes learning by individuals and teams because an organization does not exist apart from its people. But it goes beyond learning that affects the behaviour or knowledge of individuals. It is learning that has an impact on how things are done, how the organization works. It is occurring as Ministries change how they do business, how they relate to customers and partners, how they use technology differently, how they deliver services differently, and how they support staff to adapt to the changes. Organizational learning involves using the tools for systemic change, and supporting the change “enablers” identified in the OPS vision – people, technology, processes and service delivery.

A “Learning Revolution” at the Ministry of Natural Resources

David Watton calls what happened to the Ministry of Natural Resources (MNR) through the Lands for Life initiative “a learning revolution.”

Lands for Life is known as the largest land use consultation ever undertaken in North America, generating more than 60,000 public contacts. Watton, recently retired Director of the MNR’s Land Use Planning Branch, in Peterborough, thinks the learning involved in Lands for Life represents something “really fundamental” for building the OPS of the future.

Lands for Life was a planning process established to recommend the future of the Crown land base of Ontario, which covers about 85% of the province. Unlike previous planning exercises that were directed by MNR, Lands for Life took an outside-in approach to consultation. Three regional Round Tables were formed, each with 12 to 14 members from diverse interests, such as the forest industry, environmental groups, and recreational users, as well as the public at large. There was one OPS staff member on each Round Table.

The Round Tables directed their own process. They decided how the public consultations would take place. They decided what issues would be explored. They developed their recommendations to government. MNR supported the process, and involved other ministries. The transformational change for the Ministry came from:

- turning over what had been “our” job to the Round Tables;
- adopting a new and more open approach to information-sharing; and
- developing new ways to support decision-making, including technology-based analytical tools.

In order for the Round Tables to do their job, they had to have access to MNR’s information base. “The Ministry has a vast amount of information, traditionally for our own use,” says Watton. “Because this process was so open, it put huge demands on our information base. We had to make sure the information was in a format that people could use. In the process, we had to develop a whole set of new analytical tools, which we are finding are now much in demand.”
Another thing happened. When the public knows as much as the public servants do, the relationship changes. “We can never go back to the old mode where we give the public a peek at the information we have. It’s now all out in the open.”

The Round Tables were not the end of the process. Their recommendations were consolidated, and in March, 1999, the government released *Ontario’s Living Legacy*, outlining its proposed land use strategy. The Strategy extends the number and size of protected areas, based mainly on the Round Table recommendations, and on a unique agreement called the Ontario Forest Accord. The Accord, which was reached when the government sat down with the forest industry and some environmental groups, represents another new relationship, growing from one that had been mostly confrontational.

“We’re not saying that everything is neatly tied with a ribbon, and there will never be any more disputes over land use, but we have the basis for a new relationship,” says Watton. “If we are all wise enough not to retrench, we can work together.”

**Learning As A Team**

Teams do not happen just because a group of staff is called one. It takes work to build a team. One of the ways in which teamwork comes about is through shared learning, when members acquire new knowledge and skills together, and then work together on how to apply that learning to meet the team’s goals. Teamwork is part of the learning process, and learning is part of building teamwork.

**Building a Marketing Team for Ontario at the Ministry of Economic Development and Trade**

At the Ministry of Economic Development and Trade, learning is part of team-building.

In the fall of 1996, the government launched a major new initiative to “Market Ontario” to the world as a great place to invest and do business. A new Investment Division was created to spearhead the effort to attract more investment dollars and jobs. “We had a new organization and a new mandate; we had people who had come together from other units in the Ministry and elsewhere, and who had not all worked together before. And there was a lot of insecurity because of all the change over the previous two years,” says Grahame Richards, Assistant Deputy Minister of the Investment Division.

“We needed to build a team that worked as a team. We needed to acquire new skill sets and new mindsets. We needed to create a real culture shift to turn what had been, to some extent, a financial assistance business into a sales and marketing business.”

An important part of the solution was a training strategy where staff could “learn together and share”. Staff members were asked to identify their training needs. Staff-led project teams invited proposals from training experts, and worked with the trainers to pilot-test training and ensure delivery. They also monitored and reported on the feedback from participants.

There was some reluctance around the idea that OPS staff were sales representatives for Ontario as an investment destination. It didn’t sound like a public service role. But mindsets are changing. Staff are recognizing that sales and presentation skills are useful in many aspects of their work, says John Mitsopulos, manager of Investment Sales and Marketing. “Part of what we are learning is good relationship management. It can take anywhere from a month to ten years for a company to make a decision on new investment. We have to foster relationships over time so that when that decision is made, we’re there and we have credibility.”

Bill Anderson, manager of the Key Investment Account Program, is leading a team, formed in 1998, to visit large corporations in Ontario. To build teamwork, he says, there are weekly meetings where staff talk about how they are doing, share experiences, and learn from presentations made by other ministries on initiatives that have
an impact on the business community. The division is so convinced of the benefits of training, it has been sharing some sessions with other divisions, other ministries, and with municipal economic development officials.

**Individual Learning**

Individual learning is at the heart of a learning organization because an organization is only as informed, skilled and motivated as its people. Members of the OPS are increasingly taking more responsibility for their own learning and development. Technology, in particular, is supporting self-directed learning and development for many OPS staff. Going beyond individual responsibility for learning, groups of OPS employees are getting together to organize and design learning opportunities for themselves and their colleagues. Their commitment to learning is changing organizational attitudes.

**Learning Opportunities Created For and By Staff at the Ministry of the Attorney General**

When Brenda O’Marra joined the Ministry of the Attorney General in 1989, she noticed what she considered to be a major gap. In the Criminal Law Division, there was continuous legal education and training for lawyers, who make up the majority of staff. But there was nothing for administrative staff. O’Marra decided to do something about that.

A decade later, the initiative she started and has continued to nurture is going strong. The annual administrative staff seminar drew more than 100 people this year. It is organized by and for administrative staff, and its agenda zeroes in on current issues and practical learning.

It took some persistence on the part of O’Marra and her colleague (now retired) Ann Russell to get the idea off the ground. They had to prepare a business case for senior management. “We were well prepared and passionate about the cause.” A small working committee was formed, and the first seminar was held in 1992.

“Our committee didn’t have experience putting on seminars. We learned,” said O’Marra, who is Regional Operations Manager for the Toronto Region. “What often isn’t recognized is that we all have skills from living our lives. I’ve put on open houses, for example, at my home. That is an organizational skill. Our staff have all sorts of capabilities. One of the important messages from the 1999 seminar is: Don’t shortchange yourself. You are more skilled than you think.”

Taking part in the organization of the seminars has been a learning experience for Rita Young and Bronwen Roberts. Both of them feel it was a “stepping stone” to a new opportunity – working as project analysts for the Integrated Justice Project, which involves modernization of the business processes of the entire justice system.

Integrated Justice is one of the huge changes that are affecting staff in the justice field. One whole day, coordinated by Young, was spent on it at the 1999 seminar. “I count learning as part of life. I’m always taking courses. Since joining the steering committee for the provincial seminar, I feel I have become better-rounded,” says Young. For her part, Roberts feels that involvement on the steering committee and being a presenter at seminars has helped her with communications and leadership skills.

O’Marra is hoping that, in the future, it will be possible to put on more training so that more ministry staff across Ontario can benefit.
Conclusion

An organization learns through its people, who understand how their individual performance contributes to the goals of the team, the branch, the ministry and the public service as a whole. The OPS recognizes, in the Information Age, that people, their commitment and capacity, are the key to a high-performing organization.

We also recognize that the challenges of human resources management, of developing and renewing employees’ skills and capacities, never go away; they just change as the work environment and the people change. How will we know when the OPS as a whole is engaged in building a learning organization? Framework 1999 suggested a few indicators that together represent what the OPS can aspire to in the new century:

- All staff are aware of the vision for the OPS of the future and understand how their work supports the vision.
- People in the OPS strive to live its values every day.
- The OPS invests in learning. Ministries have creative learning plans that support staff learning and development in a variety of ways. The effectiveness of learning plans is continually evaluated.
- We are becoming a quality service organization. People know their customers’ needs and have the flexibility to respond appropriately and quickly.
- People at all levels of the organization feel that they have the knowledge and know-how to respond to work challenges and implement change.
- People are equipped with the necessary tools, including technology, to do their jobs well, and the training to use those tools.
- Staff are able to collaborate effectively across organizational boundaries with partners within and outside the OPS.
- People are recognized for their learning and their teamwork.
- Individuals feel responsible for their own development. At the same time, they feel supported by the organization in their efforts to learn and improve their skills and knowledge.
- New ideas are welcomed, and the organization supports appropriate risk-taking.
- The OPS is known as a workplace of choice – a place where people want to work.


3 *Human Resources Plan for Senior Management Group*, Executive Development Committee, March 1997, p.3.

4 Ibid., p.4.
AN OUTSIDE-IN APPROACH TO QUALITY SERVICE

Government is not a business in the usual sense, but there is a business of government that can be done well or poorly.

Bryne Purchase and Ronald Hirshhorn, Searching for Good Governance, 1994

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What is quality service?

What do citizens want and expect from government? How well are government programs doing in meeting the needs and expectations of the people who use our services?

To try to answer those questions, Ontario participated in the development of a national survey by Erin Research Inc. for the Citizen-Centred Service Network. The Network, which includes more than 220 officials from all levels of government, as well as leading academics and outside experts in public sector service delivery, was created by the Canadian Centre for Management Development in 1997 “to accelerate the modernization of service across the public sector in Canada.”

Ontario was one of the government co-sponsors of the research project that produced Citizens First in October, 1998. A randomly selected group of 2,900 Canadians were surveyed for their perceptions of public services. Highlights of the findings included:

Canadians rate the quality of many government services as high or higher than many private sector services.
For example, fire departments (78%), public libraries (75%) and provincial parks and campgrounds (64%) received higher satisfaction ratings than insurance agencies (55%) and banks (51%).

Overall, however, if citizens are asked a general question about the quality of government services, the rating is much lower than if the question zeroes in on a specific government service. Both Provincial and Federal government services in general received a service quality rating of 47% (municipalities were at 53%), whereas private sector services, in general, received a 60% rating.

Citizens understand that governments have a more difficult and complex role than the private sector, balancing efficiency with the public interest. However, they still expect services to be as good or better than private companies.

Their assessment of service quality is based on five key factors:

- timeliness
- knowledge and competence of staff
- courtesy/comfort
- fair treatment
- outcome (getting what you need).

The survey notes that the chief constraint on achieving performance that will generate high satisfaction is outcome. Public servants cannot always give people the answer they want to hear. For example, someone may be applying for a program for which they do not qualify.

Having acknowledged the major constraint, the study found lots of room to improve how citizens rate government services – by creating and meeting high service standards for telephone, counter, mail and electronic mail services, and by providing more one-stop shopping for a variety of certificates, licences and registrations.

Those who experienced services they did not rate highly were asked to rank options for process improvements. High on the list were reducing red tape, reducing telephone waiting times, simplifying forms and documents, and making information easier to obtain.

Ontario’s Restructuring Secretariat participated in the Citizens First project to learn more about perceptions of government services. Ontario-specific findings were generally comparable to the national results. In addition, the Secretariat wanted to validate directions that were already being taken. The findings of Citizens First indicated that we were on the right track by creating and meeting high service standards, by providing more one-stop shopping for a variety of certificates, licences and registrations, by reducing red tape and generally making government services easier to access. In addition, the OPS has followed up with independent testing of its progress in meeting quality standards.

This chapter discusses the Quality Service Strategy that Ontario is pursuing. It includes the overall approach and the common service standards. It documents progress made through two other related initiatives that speak to common concerns identified in the surveys – making it easier to find services in the telephone book and reducing red tape. Finally, there is an illustration of an important lesson – that the quality journey is continuous.

**Background**

The beginnings of the Quality Service Strategy can be seen in the work of the 1991 Customer Service Task Force, which was established to find ways to improve government service. The mandate was to provide corporate direction and support for high-quality practices. The Task Force conducted research internally and externally on customer expectations and service gaps, and issued a report in 1992. *Best Value for Tax Dollars: Improving Service Quality in the Ontario Government* identified what customers expect, at a minimum, of government services: timeliness, accessibility, reliability, cost, and responsiveness. Many customer complaints fell into the area of time – how long and how many separate contacts it took to get information.
Service quality gaps included: the public service’s understanding of its customers, service design, delivery, and communications. All of these areas were targeted for improvement. Some Ministries used the findings to improve services by surveying customer preferences, redesigning processes, training staff, and developing performance standards. But the Task Force’s recommendations were not implemented consistently across the government.

In 1997, recognizing that becoming a quality organization would be an important part of the reshaping of the OPS, the Secretary of Cabinet established a Quality Service Project in the Restructuring Secretariat.

The project team used the work that had already been done by the Customer Service Task Force and by Ministries that had continued to work on their own quality initiatives. In addition, as part of the new Business Planning process, all Ministries were conducting surveys and focus groups to get to know their customers better. The Quality Service project team consulted with public and private sector organizations for information on best practices and quality benchmarks, and searched the literature on quality standards and strategies for the best ideas around. They also consulted with more than 1,300 public servants in all Ministries, at all levels, and in all regions of the province.

The OPS launched a Quality Service Strategy, including common service standards, in 1998. The major difference between this effort at improving quality service to the public and previous initiatives is its scope or “reach” across government, and how it is leveraging cultural change. The aim is to create an organization that motivates, supports, and enables quality management in all activities.

The Quality Service Strategy will apply across the public service. Corporate standards are mandatory. From relatively modest beginnings – standards for phone answering and mail service in high-volume, high-profile offices – the standards will move into more complex areas, such as complaint resolution. Development of

Ministry plans to improve quality service and regular monitoring and reporting on results are becoming part of the annual Business Planning cycle.

Lois Bain, director of the Quality Service initiative, puts the current efforts in perspective:

The OPS has been on a quality journey for a long time. It’s important to recognize that we haven’t suddenly discovered our customers or the need for excellence in public service. But we are being more systematic about it than ever before. We have a vision of an organization that delivers quality from the outside-in, that is, from the perspective of the customer. We are striving to embed a quality service culture in the OPS—a culture that is supported by a cycle of planning, continuous improvements, feedback from customers and staff, performance monitoring, and ongoing leadership commitment to a quality orientation.

The Quality Strategy

The overarching goals of the Quality Service Strategy are to: increase public satisfaction with OPS service; have the OPS measure up to external benchmarks in the public and private sectors; and to set the benchmark for quality among similar jurisdictions. Its principles are expressed as follows:

Quality Service
- is customer/citizen focused
- is everyone’s business
- is valued and recognized
- respects the diversity of OPS businesses, customers, and stakeholders
- is measured against standards
- is achieved through ongoing learning and ongoing improvements
- requires sustained commitment and leadership.

Consultations held in 1997 provided guidance for the development of quality cornerstones and criteria that define how
well-performing Ministries will operate. The OPS endorsed seven quality cornerstones to provide the basis for future benchmarking. They are based on internationally-recognized standards. For each key element, evaluative criteria have been developed.

The Quality Service Strategy was announced as part of the 1998 Framework for Action document issued by the Secretary of Cabinet. Each Ministry held discussions with staff on *A Quality Service Organization* – on the framework, cornerstones, standards and their own best practices. The discussions were an opportunity to identify work underway and areas for future focused attention. Results were reported in ministries’ 1999-2000 Business Plans.

The Quality Service Project hired Xerox Quality Services and Strus Associates Inc. to

## OPS Quality Cornerstones

| Leadership - | The OPS, through its Ministries and staff, exhibits leadership in establishing a culture of excellence, setting direction for the organization, directing work through effective management, and building responsibility and accountability for improvement throughout the organization and in all its relationships. Key elements: quality culture, strategic direction, leadership involvement. |
| Customer/Citizen Focus - | Ministries clearly understand their overall public service responsibility, identify internal and external customer needs, and convert this information into measurably improved services and products. Key elements: service delivery, measurement of customer satisfaction. |
| People Focus - | Accountability and responsibility for leadership in quality services is shared by all OPS employees. In partnership with employees, Ministries ensure that all human resource policies, procedures and practices support the achievement of excellence in public service. Key elements: human resource planning, participation in the organization, a learning organization. |
| Planning - | The OPS through its Ministries has strategic and operational plans in place supporting its vision and delivery of core business. Staff and customers have a clear understanding and input into these plans and expected outcomes. Key elements: effective planning processes, assessment. |
| Processes - | The ability of the OPS through its Ministries to provide quality services to customers depends on the quality of the organization’s internal processes. The Ministry continually reviews its processes to add value for its customers and the organization. Design, monitoring, analysis, review and continuous improvement of the Ministry’s processes are key to the achievement of excellence. Key elements: linking processes to business, monitoring and improvement of processes. |
| Partners/Delivery Agents/Suppliers - | External relationships with partners, delivery agents and suppliers support the OPS commitment to be a customer-focused organization, providing excellence in service to the public. The OPS, though its Ministries, routinely applies principles of customer service in its relationships and management of partner/supplier relationships (includes vendors and service providers). This includes aspects of the relationship such as vendor selection, contract management, communications, input and feedback, relationships with customers, monitoring and assessment. Key elements: focus on the customer, selection/partnering. |
| Results - | The Ontario Public Service serves Ontario through its Ministries and is dedicated to ensuring Ontarians receive high quality, customer focused public services. All OPS staff have a clear understanding of the internal and external customers they serve and the outputs designed to meet each of their customer requirements. The results of the work are regularly measured and extensively communicated both internally and externally. Results are regularly analyzed to share successes and determine opportunities for improvement. Plans are developed based on the analysis of result data. |
help develop assessment tools and training to assist five Ministries pilot an organizational assessment against the OPS quality cornerstones. The objective of the exercise is to set a baseline for sustained organizational improvement using the quality criteria. Ministries participated in joint training and orientation sessions on quality and in individualized sessions for their pilot team members and assessors. Deputy Ministers, who volunteered on their Ministry’s behalf to participate in the pilot, provided guidance and leadership in the planning and conducting of the assessments.

Assessments included one-on-one interviews with all levels of management and front-line staff across the province. Focus groups were held with staff. Staff were asked a wide range of questions, including: What is working well in your Ministry? What isn’t working? What are three things you would do if you were Deputy Minister? In addition, key documents were examined, such as Business Plans, Ministry Operational Plans, Executive Committee minutes, customer and employee surveys etc. Findings and key recommendations were developed by the Ministry assessors.

Ministry senior management reviewed the assessment report, which identified organizational strengths and weaknesses measured against the 19 quality criteria. Three priority improvement areas, determined to be areas that would have major impact on the achievement of ministry business goals, were identified. Each Ministry has developed a quality plan, with performance measures. The process and the results have energized their ministries. They have plans for building capacity in their organizations that can be directly tied to their ability to deliver results. Staff and senior management are enthusiastically moving forward on their quality plans.

Each year, Ministries are reporting on progress on their quality plans in their annual Business Plans. As part of the cycle of ongoing improvements, future assessments will be undertaken to track progress and determine strengths and further areas for improvement.

In 1999-2000, six more Ministries began systematic organizational assessments and the development of quality plans. All ministries will begin quality planning within the next two years.

An independent evaluation of the Quality Service Strategy found the quality planning process to be sound. In their report, consultants Carr-Gordon Ltd. and Erin Research Inc. noted that quality service requires at least five years of continuous effort to launch and expand in an organization as large as the OPS, and that results were already showing within one year. The report, called Evaluation of the Quality Service Pilot Projects and Common Service Standards, made a number of recommendations to improve the process. Those recommendations and feedback from the pilot Ministries are being used to improve the Quality Service Strategy.

Common Service Standards

The common service standards that are part of the Quality Service Strategy gave a clear signal that the Ontario government was committed to improving services to the public. They reflected key areas for improvement that were identified by the Citizens First survey. The standards represent minimum service levels in four key areas: telephone, including voice mail; mail, including fax, letters, electronic mail; walk-in service; and customer feedback/complaint resolution. Implementation of the standards is being phased in.

The first phase of implementation in 1998 included the standards for telephone answering and call-backs on high-volume telephone services (e.g. call centres, general inquiry numbers, 1-800 numbers), and the mail standards for letters, faxes and electronic mail addressed to Ministers and Deputies. Planning for phase two implementation began in late 1998. This phase covers the balance of telephones and mail, and the walk-in and customer feedback/complaint resolution standards. Full implementation of phase two will be complete by March, 2000.
**Telephone Standards**

When you contact the Ontario government by telephone, you can expect eight times out of ten that:
- Your call will be answered by the third ring, during core business hours (8:30 a.m. to 5:00 p.m.).
- Your call will not be redirected more than once.
- You will always have the option of reaching a person.
- All calls will be returned within one business day.
- A common telephone protocol will be in place (elements of the protocol could include: identification of the Ministry and program, name of the person answering, courteous introduction and follow through).
- There will be redesigned Blue Page listing in all directories.

**Mail Standards**

When you contact the Ontario government by fax, mail or electronic mail, you can expect that:
- Correspondence will be answered within 15 working days of receipt.
- If a conclusive response is not possible within that time, an interim acknowledgement with an anticipated date of response will be sent within five working days of receipt.

**Walk-In Standards**

If you visit one of our service locations, you can expect that:
- Core business hours for staff-assisted service will be at least 8:30 a.m. to 5:00 p.m.
- You will be served in order and will be advised as to the expected waiting time.
- Best times to receive speedier service are posted.

**Complaint Resolution/Feedback Standards**

If you have comments or concerns about our services, we encourage you to let us know and provide us with details at your earliest convenience. You can expect that:
- Each Ministry will have a complaint resolution process in place.
- Your complaints will be acknowledged within two working days.
- There will be a follow-up with any required actions within a specified time frame.
- With each contact, you will have the opportunity to provide feedback on services.

Independent consultants conducted an assessment to see how the OPS was meeting the phase one phone and mail standards. Evaluation involved “mystery shoppers” who placed more than 4,000 phone calls and sent 400 letters, e-mails and faxes. The consultants found that the telephone standards were being met or exceeded:
- 91% of telephone calls were answered within three rings;
- 90% of calls were resolved on the first or second contact; and
- callers were universally given the option of reaching an operator.

Half of the Ministries met the 15-day reply standard for mail. Those who did not meet the correspondence standard are working to improve their response times.³

The consultants recommended that these standards be reviewed regularly (at least every three years) and that the OPS move forward with standards in other areas that are important to citizens, such as competent, knowledgeable staff and getting the outcome the person needs.⁶

**The Blue Pages**

Of the more than 50 million contacts the Ontario government receives from the public each year, about 35 million are by telephone. A significant percentage of those calls go to the wrong place, frustrating callers and wasting time. The Bell Canada telephone directory has had a separate section on government for about 20 years. The trouble with the Blue Pages section is that it is organized by level of government and by department or ministry. So if citizens don’t know who does what – which level of
government (federal, provincial or municipal) and which office (a choice of literally hundreds of branches) provides the information or service they are seeking – it can take some time and misdirected calls to find the answer.

Some improvements have been made in recent years – an index of all government listings, and an Ontario page that lists Frequently Called Numbers (e.g. provincial parks and driving test appointments). In the Toronto directory (the largest in the province), there are listings for voice recordings that provide general answers to common questions (e.g. loss of identification, citizenship test questions, making a will, going to small claims court).

But Ontario’s Blue Pages Project is going further. Its goal is to improve telephone service by making it easier for the public to get to the right place the first time around. And not just for Ontario services. The project has designed, in cooperation with Bell, the federal government and some municipalities, a new format that reflects how most citizens approach government. What does that mean? Citizens generally approach government for a specific service – a building permit, a birth certificate, a health card, a passport. They don’t necessarily know (and why should they?) to look for the Registrar General’s Office in the Ontario Ministry of Consumer and Commercial Relations for a birth certificate. They don’t necessarily know that the provincial Ministry of Transportation issues vehicle permits, rather than Transport Canada or a Municipal Roads or Traffic department.

The new format integrates the listings by subject matter for all three levels of government. The topic headings are designed to respond to public needs – apprenticeship, births, building permits, courts, drug benefits, employment, garbage collection, pensions, passports and day care, for example.

Eric Steeves, whose branch in Management Board Secretariat is in charge of the project for Ontario, said the federal government conducted focus groups across the country to see what format people preferred. “They liked the integrated approach, which convinced the federal government we were on the right track.”

The integrated government listing was first piloted in Kingston. A pull-out card was inserted in the directory to ask for feedback, and that feedback has been useful. “We found that, for example, people don’t really care which government delivers the service, but they want to know who is answering the phone when they call. So when we did the next pilot in North Bay, we added a reference to each listing, indicating whether it’s a federal, provincial or municipal government service,” said Steeves.

The public reaction to the first two directories that are in the new format has been overwhelmingly positive. Focus-testing done by the Province was also supportive. The most common reaction: What took you so long?

Cutting Red Tape

In 1995, the government created the Red Tape Review Commission to:

- remove red tape barriers to job creation, economic growth and better government, and
- develop ways of changing the regulatory structure to prevent more red tape from being created in the future.

The Commission consisted of 11 MPPs from a variety of regions and backgrounds. A small Secretariat located within Cabinet Office was created to support the work of the Commission and to work with Ministries to cut red tape.

The Commission defined red tape as those measures that diminish economic competitiveness by adding unjustifiable requirements, costs or delays to normal activities of business and institutions. Red Tape includes legislation, regulations, licences, permits, approvals, standards, registration, filing and certification requirements, guidelines, procedures, paperwork, enforcement practices, or other measures that are truly not needed to protect public health and safety or to maintain the quality of the environment.
The Commission began by reviewing past studies of regulatory problems and the various attempts to resolve them, both in Ontario and in other jurisdictions. It also consulted with over 70 business organizations and firms and reviewed over 150 written submissions on red tape. In addition, the Commission sponsored a survey of over 500 businesses in Ontario regarding their red tape problems and experiences.

The survey found that the regulatory burden accounts for an average of seven per cent of a company’s operating costs, with some companies estimating it as high as 40 per cent. Over 70 per cent of survey respondents indicated that the likelihood of their making additional investments in Ontario would be “moderate” to “very high” if the province cut red tape.

With the assistance of an External Advisory Group made up of leaders from the business and institutional communities, the Commission began to identify priority regulatory measures for reform. Based on input from consultations with business, institutions and others, the Commission produced a report in 1997: Cutting the Red Tape Barriers to Jobs and Better Government. This report contained 132 recommendations for improving customer service and eliminating Ministry-specific red tape.

The Commission also created the Regulatory Impact and Competitiveness test to evaluate the potential impact of new or amended legislation and regulations. The test was adopted by Cabinet and contained the following key principles:

1. Regulatory action will be restricted to instances requiring intervention.
2. The need and methods for regulatory action will be assessed through comprehensive consultations undertaken early in the decision-making process, with all realistic alternatives being thoroughly explored.
3. Implementation of the regulatory action will either enhance or be neutral to Ontario’s competitiveness.
4. The benefits of the proposed regulatory action must outweigh the risks or consequences of available alternatives or non-intervention.
5. The regulatory action will be administered as efficiently as possible, minimizing procedures and paper burden.
6. All government legislation, regulations, policies and processes will be the subject of ongoing review.

The Commission has continually sought advice and input from Ministries, businesses, institutions, the public and others, and has participated in a number of consultations on red tape issues, including:

- designing responsible regulation of the U-brew and U-Vin industries;
- initiating reform of legislation affecting long-term care facilities in Ontario;
- amending legislation and regulations affecting the land ambulance system in Ontario; and
- reviewing the regulatory framework that governs the death care industry in Ontario.

The work of the Commission has been a success. Between June 1995 and spring 1999, over 1,300 regulations had been eliminated, surpassing the government’s initial target of eliminating 1,000 regulations. In addition, 11 red tape reduction bills had been passed by the Legislature. Cumulatively, these bills have repealed 28 statutes that were no longer necessary, such as the Oleomargarine Act and the Hypnosis Act. These bills also amended more than 150 other statutes.

Other examples of action on red tape include:

- Eliminating the 50-year-old requirement that highway buses carry an axe (which is considered a dangerous weapon and is illegal on tour buses into the United States);
- Removing the requirement that film projectionists have 800 hours of training;
- Lifting the prohibition authority against restaurants and bars using credit cards to buy alcohol from the provincial authority (thus freeing up $300 million in cash flow for an estimated 16,000 businesses); and,
- Eliminating over 1,000 unnecessary annual licences, permits and reports being filed and applied for by farm and food processing businesses.
Further, the Commission has intervened on behalf of more than 150 businesses and individuals that brought their red tape problems to the Commission’s attention.

The government is currently in the process of establishing a permanent Red Tape Commission to eliminate and prevent job-killing red tape.

The Road of Continuous Improvement

“The road of continuous improvement is a long and winding trail. It does have more than one switchback on it, but we are moving forward,” Richard Clarke philosophized to his staff at the end of 1998. Clarke, who is Director of the Employment Practices Branch and Provincial Coordinator of Ontario’s Employment Standards Program, had reason to celebrate some real momentum along a trail that has been pretty bumpy in recent years.

The Employment Standards Program, which is part of the Ministry of Labour, completed a new quality service survey of their clients in 1998 and found a significant improvement in satisfaction levels from 1994. “We still have some distance to go in meeting our clients’ expectations,” said Clarke, “but the gap between what they expect and what we deliver has substantially narrowed. We halved our timeliness gap. Our service rating gap for listening and understanding our clients’ concerns improved by more than a third, as did our clients’ ability to get to the right person to get the right information.”

It is also possible to see light at the end of the tunnel when it comes to the staggering backlog that Ontario’s employment standards officers faced in the spring of 1995. A backlogged case was defined as one that had been in process for at least 180 days, and there were 4,086 of them. The backlog developed because of a number of factors, including program changes that were made in the early 1990s and the impact of a severe recession.

Four years later:

- The backlog has been reduced from 4,086 to fewer than 600 cases.
- In 70% of cases, the complaint-investigation cycle time has been reduced to less than 80 days, on average.
- Total caseload inventory is down from 7,100 to about 3,700.
- The severely backlogged cases (more than 240 days) were reduced to less than 10% of the total caseload (from 30%).

What created this turnaround? “We set service targets as part of the Ministry’s strategic business planning,” said Clarke, “and our staff worked incredibly hard to meet or exceed them.”

Another strategy that is helping improve service is giving clients ways to help themselves. “We are looking at how to change the nature of our business. We are giving more information to our clients, both employers and employees, in user-friendly ways so that they can more easily become more knowledgeable about their rights and responsibilities,” said Clarke.

“It is fair to say that most violations of employment standards legislation result from lack of knowledge, not from deliberate acts of non-compliance. Sometimes people are exploited because they don’t know what their rights and responsibilities are. The vast majority of Ontario businesses are in compliance, and we believe more could be.”

Fact sheets on employment standards (e.g. hours of work, parental leave, minimum wage) and an Employer’s Guide to the Employment Standards Act have been published. The guide and other public information materials are available through an internet website and an automated fax-back system. More than 3,000 inquiries are handled annually through the website, and most are responded to within 24 hours.

Targeted pro-active inspections have been re-introduced after a 20-year absence. These inspections are preventive. They are intended to increase compliance by detecting problems and helping employers fix them, rather than waiting for a complaint later. One of the employment standards officers, Rene O’Brien, personally criss-crossed the province, delivering a one-day training program to every officer in Ontario to prepare them for the new inspection
requirements. The program’s goal in 1999-2000 is 1,500 inspections.

One of the weakest links for the program was its telephone inquiry service. The system could not meet the demand, and callers were waiting up to 45 minutes for assistance, or getting a busy signal. That service gap is being addressed too. The Employment Standards Program has entered into a service agreement with the Call Centre run by the Ministry of Finance to handle its telephone inquiries. The Call Centre was piloted on March 15, 1999 in the Greater Toronto Area with great success. By the end of the first week of service, the waiting time dropped to a maximum of one minute. On November 15, 1999, the whole province (with the exception of Ottawa, scheduled for April 2000), was included and the Call Centre was answering approximately 2000 calls per day. It is anticipated that the waiting time will drop to 20 seconds once the Call Centre has time to adjust to peaks and valleys in demand.

But the program isn’t stopping there. Training needs to be improved and quality standards reinforced. The next project is a “client service guarantee”, which will set out the service standards that every client can expect. According to Clarke: “I am confident that we are on the right course to having the best administered employment standards program in North America, as assessed by clients. We have come a long way. But program improvement has no finish line. It is a continuing journey.”

A Good Start

Lois Bain, who leads the Quality Service initiative, emphasizes that becoming a quality service organization takes time. “We think we have made a good start. But we know we can’t just benchmark ourselves once or twice and that’s that. This is a journey.”

The priority now, says Bain, is to complete implementation of the common service standards, and ensure that every Ministry embarks on a regular cycle of organizational assessments and improvement. “We will have to continue to test ourselves against the OPS-wide standards. Ministries will have to test themselves against their own quality goals and performance measures. As we learn more from this process and especially from our customers, we will refine our approach and hopefully achieve higher levels of quality service and public satisfaction.”

According to the final report of the consultants, Carr-Gordon Ltd. and Erin Research Inc., who evaluated the Quality Service Strategy, it is “a powerful tool to rebuild the morale, capacity and effectiveness of the OPS after several years of restructuring.”

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1 Purchase, Bryne and Ronald Hirshhorn, Searching For Good Governance, Government and Competitiveness Project, School of Policy Studies, Queen’s University, 1994.


3 Ibid. The study also identified priorities for service improvements. The highest priority for Provincial governments, by an enormous margin, was hospitals. Seventy-three per cent picked hospitals first.


5 Ibid., p. 22.

6 Ibid., p. 31.

One of the important steps on the road to creating a more integrated and streamlined public service is the “enterprising” of many of the internal administrative services across the organization. Like other large and diverse organizations, the different business units (i.e. Ministries) of the OPS had evolved over the years into relatively independent operations, supported by their own administrative services. Through “enterprising”, the OPS is creating an enterprise-wide – that is, government-wide – platform or foundation of internal services to support a more cohesive organization.

Internal administrative services have also become more “enterprising” in another sense – there is a more entrepreneurial approach to providing business support to internal customers within the OPS. New ways are being adopted to make the relationship between the deliverer and receiver of internal administrative services more like a business-customer relationship. That means services must be cost-effective and high quality. And for some services, the internal customer (a Ministry) may be permitted to shop somewhere else. In certain areas, enterprising also requires a re-balancing of Corporate and Ministry (or centre and “line”) accountabilities.

Some of the basic internal operations of government – from purchasing to payroll, from audit to IT – are being reinvented to serve the organization as a whole. In this chapter, we describe some of the key enterprising initiatives that were part of the Internal Administration Project, starting with some background on the project and the creation of a new Shared Services Bureau. This chapter also includes brief descriptions of the new human resources information network, the integrated financial information system, and audit and communications services.

Because of the importance of information technology and the need to invest in new solutions, a new Information and Information Technology Strategy was developed separately from the Internal Administration Project. IT is discussed in the next chapter on the Wired Public Service.
Background and Approach

The Internal Administration Project began with what was called the “60-Day Project”. In 1995, an early priority for the incoming government was reducing the deficit, which was estimated to be about $11 billion. The government pledged to cut approximately $2 billion in-year. In its search for savings, one of the first things that the OPS did was look at its internal administration costs. The “60-Day Project” brought together staff from across government to take a fresh look at the costs and operation of internal administration. An external advisory group provided advice from the perspective of private and public sector organizations that had been through restructuring.

The project was led by Management Board Secretariat and the Chief Administrative Officers Forum, which included all the CAOs from across government in an OPS council. The CAOs are the senior executives in each Ministry in charge of internal services. The first assumption of the project was that everything was on the table – all administrative functions, all management policies and rules, all options and structures. Another key assumption was that the Ontario Public Service was one organization, albeit with many different businesses, that required government-wide solutions.

According to Richard Lundeen, who led the Internal Administration Project:

From the start, there was a real sense that the time had come to look at how to do things differently. There was a convergence of conditions for change. There was the fiscal pressure. The new Ministers on Management Board were clearly not going to be sympathetic to the argument that every Ministry had to have its own mailroom, payroll, accounting office and so on. The Deputies and the senior people in internal administration recognized the need for change. There was also the factor of information technology. In areas such as human resources management and financial management, there was new, more powerful technology available.

The 60-Day Project team reported in the fall of 1995 in New Directions for Internal Administration:

The review acknowledged that the current systems contain duplication, gaps and overlaps. These systems are the result of requirements added over time without also rethinking administrative processes.

It reported that the advice it received from external sources, including the advisory group, was that between 25 to 40 per cent reductions were achievable. The project recommended an extensive overhaul, contributing to a reduction of approximately one-third in costs over a two-year period. The Minister of Finance announced the one-third cost reduction target in his November, 1995 economic statement.

A major part of the challenge was the scope of change, within a context of rigorous fiscal constraint. Internal administration across government added up to a set of functions larger than most private companies in Canada. In 1995, there were approximately 10,000 people working in internal support functions in an Ontario Public Service of about 85,000 employees. By the end of 1998, there were an estimated 6,500 internal administration employees in an organization of 65,000, and the government budget for internal administration had been reduced from $900 million to $600 million.

The “rethinking” of administrative processes has occurred, but it has taken longer than two years to put new processes in place and get them up-and-running. The two-year fiscal target was achieved nonetheless. “Ministries have had to live with the cuts without all the new mechanisms in place to improve service. But if we hadn’t had the reduction targets, we might have taken longer to get where we are today, or we might not have reached here at all,” said Lundeen.

During the two-year period, a number of efficiency measures were undertaken, such as moving to a purchase card (a bank credit card) to replace the ponderous process of purchase orders and cheques for routine supplies for hundreds of government branch
offices. These and other shorter-term measures helped meet the fiscal target, while the more fundamental reforms were being developed.

**Shared Services Bureau**

The biggest change in internal administration is the Shared Services Bureau. It represents a rethinking of how internal administration can and should work. The Bureau – created in 1998, with the initial phase of service delivery beginning at the end of that year – will deliver many of the internal support services that have been provided by individual Ministries. Initially, its functions will include:

- financial processing
- purchasing
- payroll and benefits
- generic training
- health and safety
- general administration e.g. forms, fleet management, recorded information, collections management, translation, risk management and insurance

The Internal Administration Project had looked carefully at the functions within the various internal administrative services. Just as Ministries were identifying their core businesses, the core functions of internal administration were identified as:

- Strategic advice and business and resource planning support
- Support and advice to line managers
- Basic operations (transactional processing).

In the first two functions, a case could be made for some Corporate responsibilities (especially standards) and some Ministry responsibilities (particularly in the area of specific advice related to the business of the Ministry). There was seen to be potential for shared services in some generic support and advice to line managers, either as an inter-ministerial initiative (several Ministries sharing the same HR consultants, for example) or as a Corporate initiative. The major opportunity for enterprising across government was in the third area, the core business support functions.

The Shared Services Bureau, which reports to the Secretary of Management Board, will operate in a different way from the traditional central agency delivering core business services to internal customers. The unique features of the Shared Services Bureau include:

- The Bureau will have to earn its way. It will have no operational budget (once the transitional phase is complete). It must be self-sufficient, based on charging its internal customers fees for its services.
- It will have "contractual” arrangements with clients. It has signed Memoranda of Understanding and Service Level Agreements, negotiated with its Ministry clients, detailing the type and level of service to be delivered.
- It will customize services, based on specific Ministry requirements, rather than offering a one-size-fits-all service.
- Services will be geographically distributed where needed.
- The Bureau will have to be competitive. After a two-year break-in period, a Ministry may make a business case to Management Board to obtain some of its services outside government if the Bureau fails to deliver a cost-effective, quality service.
- The Bureau will benchmark its services against outside organizations for quality and cost.
- It has a Customer Council, with representatives from across the OPS and two non-OPS members, to approve operating policies, provide ongoing advice and monitor performance.

Initially, approximately 1,200 to 1,500 staff will become part of the Shared Services Bureau. More people will join the Bureau over time, as more functions are transferred. Management of the new human resources information system, known as WIN, and the new financial information system, which is in the design stage, will become part of the Bureau when those systems are implemented. Future potential has also been identified in such areas as human resources advice, labour relations support, and asset management.
How big an undertaking is the Shared Services Bureau? Janet Faas, its CEO, documented the scope of some of the functions:

- Just doing the payroll requires 1.8 million transactions a year that must be done accurately and on time. There are an estimated 50,000 to 75,000 routine updates in the payroll system per pay period across government. Payroll staff also process data and payments for seasonal and student employees.

- In fiscal 1998-99, financial administrative staff processed some 6.4 million transactions – about two-thirds in the form of electronic transfers and the rest as cheques. This covers everything from paying the phone bills to transferring funding to hospitals, educational institutions and municipalities.

- The OPS also buys about $2 billion in goods and services each year – from stationery supplies to contracting for road maintenance, management consulting and educational curriculum development.

This initiative involves the separation of service delivery from policy development. The Shared Services Bureau is not assuming the “strategic advice” function of Ministries. They remain responsible for strategic directions and priority-setting, business planning, and controllership of their own management system. The Bureau will be a source of information for controllership purposes. The Bureau is also not assuming the corporate policy role of the government’s Central Agencies, like Management Board.

Faas emphasizes that there will be a relatively steep learning curve for all concerned. But she is optimistic that the new approach will produce major benefits. Some of the anticipated benefits of the Shared Services Bureau approach include:

- a solid foundation for a more integrated public service;
- greater consistency in business processes across the organization;
- maximized efficiency from less duplication and greater consolidation;
- improved service quality;
- clarified accountability through service agreements;
- opportunities for staff to increase skills and productivity as part of an integrated business support team;
- a stable organization base that allows flexibility and change in the organization of business units.

“We looked at the experience of a number of organizations in the private sector,” said Faas. “The shared services model is one that has shown positive results. The essence of what we learned was that service quality can be improved and costs can be reduced, at the same time as the culture of business support services is transformed to be more customer-focused and business-like.”

### Enterprising Human Resource and Financial Information Systems

The OPS is in the process of implementing a single, enterprise-wide Human Resources information management system, called the Workforce Information Network or WIN. It is also creating an Integrated Financial Information System (IFIS) to support all Ministries and agencies operating within the Province’s Consolidated Revenue Fund. Once they are operational, management of both systems will be assumed by the Shared Services Bureau.

WIN and IFIS are good examples of how new technology can both drive and support change. “One of the things we learned is that if you adopt the latest technology, it incorporates the latest in good business practice within its processes. So it complements and compels business process re-engineering,” said Richard Lundeen, who is now the Executive Lead for the Corporate Initiatives Integration Group in Management Board Secretariat.

The OPS is using the Peoplesoft Inc. software for WIN. Significant redesign of human resource processes is required for implementation. The new OPS-wide system is replacing existing stand-alone and
common human resource, time and attendance systems, eliminating duplicate data entry, reducing paper processes, and providing access to timely information for management.

WIN is also encouraging employee self-reliance through the internal Intranet system in the OPS and through Interactive Voice Response (IVR) systems. Employees will be able to enter, view and verify their personal information, input their attendance, with manager’s verification on-line, and register for training and career development on-line.

WIN will provide better information and allow for better tracking of human resources management.

The financial information system promises better information for managers on their desktops, better information for government decisions, and the capacity for better measurement of financial performance. It builds on co-operative initiatives among clusters of Ministries who have adopted a common financial system. At the time of writing, the new system was in the design stage.

**Other Enterprising Initiatives**

The “enterprising” of internal services has been customized to the specific services involved, based on a business case for change. Two different examples follow: audit services and communications services.

**Internal Audit Services**

Audit services have been restructured into one division led by the newly-created position of Chief Internal Auditor for the OPS, based in Management Board Secretariat. Internal audit staff, who previously worked for individual Ministries, have been transferred to the new division, but continue to be located in their “home” ministries. Ministries have been grouped into nine clusters, based on a number of factors, such as size, business affinity, and geographical considerations. The Audit Director of each cluster has a dual reporting relationship – to the new Chief Internal Auditor and to the Deputy Ministers in the cluster.

Why “enterprise” audit? According to the Chief Internal Auditor, Jim McCarter, this model will allow the OPS to better assess enterprise-wide risks, share operational and audit best practices, upgrade training, ensure professional standards are being consistently applied, and enable staff to work in different ministries.

“The way government business is run is changing. We need to ensure we have adequate processes to manage risks. Internal audit can play a pro-active role in working with management to provide assurance that these processes are in place. We must ensure we have the professional capability, along with the appropriate tools and processes, to handle these new demands,” says McCarter.

“While most internal audit work will continue to be directed at meeting the Ministry-specific needs of Deputy Ministers, there are certain risks, business processes and systems that can be more effectively addressed from an enterprise-wide audit perspective. By looking at a cross-section of practices across a number of Ministries, we can identify what works best, where risks and gaps exist, and work with management to address these issues.”

**Communications Services**

Communications services are an important component of the enterprise-wide platform or foundation of internal services. These services have been enhanced to better coordinate strategic communications on a government-wide basis.

A Deputy Minister of Communications, who is also an Associate Secretary of Cabinet, has been appointed. Three Assistant Deputy Ministers in Cabinet Office Communications report to the Deputy and are responsible for supporting the communications objectives of the broad policy areas that correspond to the priorities of the government agenda. Communications branches continue to work for their own Ministries and report to their Deputies,
but they now also have a reporting relationship to the Deputy Minister of Communications.

Why “enterprise” communications in this way? More and more issues have impacts beyond a single Ministry. It also is important for Ministries to keep abreast of government priorities and to communicate those priorities to their stakeholders and staff. Cabinet Office Communications helps keep Ministries informed of and focused on strategic directions. Ministries are encouraged to coordinate communications with policy and program development, to link business-specific communications with corporate messages, and to keep Cabinet Office informed of upcoming Ministry issues.

Conclusion

While a decision was made to keep business support functions in-house and integrate them in the new Shared Services Bureau, there is potential down the road for alternative service delivery options if the Bureau finds it can provide some services more effectively and efficiently through delivery agents outside government. But not before the Bureau has seen what it can do with its own people freed from overly complex, repetitive, non-valued-added processes and empowered by new, more consistent and streamlined systems, supported by electronic networks.

The longer-term results of the changes set in motion by the reinvention of internal administration have not yet been fully realized. But the direction has been set. The OPS has redesigned internal administrative services to enable these functions to be more business-focused, customer-centred and consistent, while tracking performance and improving accountability for results. In the process of implementation, duplication and overlap are being reduced, service delivery is being streamlined, and continuous improvement is being pursued in service quality and productivity.

Shared services and integrated systems will provide an enterprise-wide foundation to support other innovations in the OPS, as it becomes a smaller, more integrated, focused and accountable organization, providing quality service.

...these ventures are not for the faint of heart.
Ailsa Hamilton, Director, Integrated Justice Project

Our people are scanning in 100,000 images a day. We are turning millions and millions of pieces of paper, which are now stored all over Ontario, into a seamless electronic network.

Aris Kaplanis, CEO, Teranet

Government may have lagged behind the private sector in catching the electronic wave, but Ontario has developed real momentum in the 1990s, and is surfing into the millennium with some of the most ambitious projects on the digital planet.

Some of the most significant and popular transformations in Ontario government service delivery have been made possible by new information technology (IT). ServiceOntario and Ontario Business Connects (which are described in Chapter 8) are providing electronic delivery of services to individuals and businesses from kiosks and workstations around the province. Both projects are preparing to branch out to give customers even more choice in their range of services and access channels. Moreover:

- Ontario’s Integrated Justice project is one of the largest modernizations of a justice system in the world; and
- Teranet has made Ontario the first jurisdiction in the world to offer totally paperless, electronic registration of legal documents such as deeds and mortgages directly into a government database. Ontario is owner of the largest land-imaging database on earth.

In addition to the Integrated Justice Project and Teranet, there are many more examples, on a smaller scale, of service delivery becoming, faster, simpler, and more convenient for users through the application of new technologies. Some of them are also highlighted in this chapter. We begin with the new corporate foundation that the OPS is building in information and information technology.

A New Information and Information Technology Strategy

The OPS has hundreds of information and information technology systems supporting planning, service delivery, internal administration, and other functions. It also manages huge computer databases and networks that annually, for example, process 120 million health insurance claims, track 20 million driver and vehicle licence transactions, register more than 120,000 new businesses, and record some 300,000 births, deaths, marriages and adoptions.
A review of the state of the art in government in 1997-98 revealed some serious problems. It found that:

- The existing information technology base was inadequate for key business initiatives and other business activities of Ministries.
- There were too many different information technology systems with little integration between Ministries and weak links to the broader public sector. There were problems with compatibility between systems and networks.
- Diffuse accountability undermined overall financial control and IT spending, and single-year budgeting meant IT was treated as a cost rather than an investment, creating barriers to replacement of older, fragile systems.
- In a tight market for IT skills, Ministries, on their own, could not assemble the skilled personnel needed to meet their objectives.¹

In 1998, a new Ontario Information and Information Technology Strategy was launched. It recognizes technology as an essential foundation for transforming government and improving service delivery. It shifts the role of technology from a reactive tool to a pro-active enabler and driver of new business directions. With this strategy, called *Using Information Technology to Transform Government for the 21st Century*, the government is making a quantum leap into the future with commitments to, over the next three years:

- develop a common infrastructure to support key business needs;
- adopt policies and standards for government as a whole;
- restructure governance, organization and accountability for information and information technology, and
- make the necessary investments to ensure it all gets done.

The strategy was developed with input not only from across the OPS and external consultants selected by competitive tender, but also from an Industry Sector Panel. When it was released in March, 1998, a member of that panel, the president of the Information Technology Association of Canada, Gaylen Duncan, said: “This is the first time I’ve seen a private sector information technology strategy in the public sector. Normally, government ducks the big issues. This time, they’ve dealt with them head on.”

**Common Infrastructure**

The common infrastructure will enable programs to be better integrated and organized on an outside-in basis – from the customer’s perspective – resulting in reliable, consistent, accessible government services across Ministries. It will also support horizontal, government-wide approaches to increase administrative efficiency and generate consistent data to improve management of outcomes. It will promote secure, efficient links with the private sector and other levels of government. It will make the best use of scarce resources.

Work is underway in nine areas: enterprise information and information technology architecture; standardized desktops; end-to-end security; an integrated network; common help desk; integrated information; coordinated client access; integrated directories and messaging; and a standardized application environment.

**Policies and Standards**

Work is ongoing on new corporate-wide policies in such areas as data sharing and privacy, data distribution, a security framework, networks and desktops, and on OPS-wide standards for networks, desktops, common “tombstone” information, and database management.

There will not be a lot of policies and standards, but those that are in place will be strictly enforced.

**Governance, Organization and Accountability**

Management Board of Cabinet has the overall authority to implement the necessary changes in information and information technology. Its authority includes approving
the overall strategy, the IT budget, the annual procurement plan, and key IT initiatives. An Information and Information Technology Directions Committee, comprised of Deputies and chaired by the Secretary of Management Board, is providing the corporate co-ordination and direction to better support government business priorities.

A new organizational structure has been put in place to rebalance corporate and local Ministry interests. What the strategy describes as “semi-formal coordination” in the past has given way to “a larger degree of corporate influence.” The OPS has appointed its first Corporate Chief Information Officer (CIO) in Management Board Secretariat. The Corporate office organization is in charge of:

- developing an information and information technology plan that is integrated with government business plans;
- managing the corporate plan and budget;
- developing corporate policies and standards;
- designing and managing the corporate architecture and infrastructure;
- overseeing delivery of common architecture services;
- managing vendor relations with IT suppliers; and
- ensuring the professional development and career progression of IT management and staff across government.

### Ways in Which Technology is Changing Service Delivery

#### Provincial Parks Reservations
When park campground reservations were processed manually, staff could only handle 40,000 reservations a year. People often took their chances and drove to popular parks on long weekends in the summer, only to be turned away because all the camping spots were full. Reservations are now electronic, and 200,000 reservations are processed annually.

#### Smart System for Health
This initiative is based on the premise that health care delivery is an information-based process and that health information can be used to support change and improve service delivery. It is an integrated system of computers, databases and telecommunications networks to provide access to an organized set of patient information and to link consumers, health care professionals, hospitals and other stakeholders.

#### POOL
Publications Ontario On Line or POOL was the first on-line electronic commerce service of the Ontario government. It provides a “virtual bookstore” that is open to the public day and night. You can fill an electronic shopping cart with the publications you want, pay by credit card, and expect delivery within three to four business days. Credit card authorizations take a matter of seconds. Credit card information is encrypted and protected.

#### Direct Access
Registrations of personal property (mostly liens on vehicles) used to be paper-based, with millions of inquiries handled by telephone. Callers copied down information supplied by an operator. There were long waits on the phone and there was only 48-hour currency on the information. These days, 97% of inquiries are done electronically; there is no waiting, no paper filing. Response time for an inquiry is usually instantaneous. Delivery is by private sector agents.

#### Ontario Tourism
The Province used to operate its own telemarketing centre for tourism inquiries. Because the number of staff and funding were pre-set, the centre had difficulty with peaks and valleys of demand. Callers used to have to wait up to half-an-hour in busy periods. The service has been turned over to the private sector which can adjust staff to meet performance standards of a 2-3 minute waiting time. The system handles more than 15,000 accommodation reservations a year; the value of hotel bookings is $4.3 million annually.
Because of the importance of the Year 2000 conversion, a separate corporate office headed by an Assistant Deputy Minister, reporting to the Corporate Chief Information Officer, has been established to make sure that the deadlines for critical systems are met.

Organizationally, ministries have been grouped into seven business clusters for IT purposes. The Chief Information Officers for these clusters have a dual reporting relationship: to the Deputy Ministers in the cluster and to the corporate Chief Information Officer.

The CIOs in the clusters are responsible for developing a plan for their group of Ministries; managing their IT resources; managing the architecture within the corporate framework; deploying corporate technology products and services; developing business-specific applications; and managing relations with business program vendors.

The corporate CIO, Scott Campbell, explains:

To achieve our goals – to use information and technology effectively to advance the government’s business vision and to enable and support flexible, responsive and innovative public service – we are moving away from a “silo” mentality, where each Ministry did its own thing. We are taking a more enterprise-based, standardized and integrated approach. By getting our act together and investing in common solutions, the results for citizens will be greater convenience and more choice in access to a range of services at a reduced cost to the taxpayer.

**Integrated Justice Project**

The Integrated Justice Project has been described as one of the largest modernizations of a justice system in the world. The Ontario justice system includes:

- three ministries of the Ontario government, the Ministry of the Attorney General, the Ministry of the Solicitor General and the Ministry of Correctional Services;
- the Ontario judiciary;
- all the people who work in the offices of the Ontario criminal, civil and family courts;
- provincial and municipal police forces;
- Crown attorneys;
- private lawyers;
- correctional facilities and services, including correctional officers, probation and parole officers; and
- the Ontario Parole Board.

The project is developing new ways of organizing how information moves through the system. It will eliminate the onerous, time-consuming processes that involve entering and re-entering information time and time again because information systems are incompatible – up to 13 times for one offence, with all the possibilities for error, mis-filing, and undue delay that such repetition invites. The work flow in generating, transmitting, filing, retrieving, duplicating, tracing and updating documents will be transformed. Information will be entered once into an automated system, which will configure it for the various purposes of the system.

The project will also provide improved access – for authorized personnel only – to invaluable information in “real time”. For example, a police officer called to a home in a domestic dispute will be able to find out in a matter of minutes whether there is a restraining order or outstanding warrant against one of the parties and who has custody of the children, if that is in dispute.

A key goal of the project is to further strengthen public confidence in the justice system. There have been a number of reports, including coroners’ jury findings, expressing the need for various parts of the system to share key information affecting public safety. Moreover, delays in court proceedings have resulted in some criminal cases being dismissed. In the civil law courts, backlogs meant it could cost almost as much or more in legal fees to sue for damages than the judgment was worth.
People involved in the justice system are already seeing some results, although the project, which began in 1997, is not scheduled for completion until 2001. For example, several lawyers’ offices have been participating in a pilot project to electronically file court documents.

This project includes a risk-sharing partnership negotiated with the private sector. The Integrated Justice Project used Common Purpose Procurement, a process that creates incentives for the private sector to share financial risk on the basis that the project’s benefits will repay the investment. After careful preparation and negotiation, the government signed an agreement with a consortium led by SHL Systemhouse Co. (now called EDS Systemhouse Inc.).

This project is not just about technological change; it requires major business process re-engineering to enable the various players in the justice system to share information and streamline procedures and practices. Therefore, the project needed expertise and experience in organizational and business process management, as well as technological know-how. Other partners on the private sector team include: DMR Consulting Group Inc., KPMG LLP, and Teranet Land Information Systems Inc.

The total cost of the project over four to five years is estimated to be over $200 million, and the private sector consortium is investing approximately 75% of that cost. The consortium and the three justice Ministries share the risks and the rewards associated with overhauling the system. If the projected financial benefits are not generated, the private consortium will receive no payment. However, it is expected that there will be benefits and, once the partners have been paid, benefits will continue to flow to the government.

The Integrated Justice Project has a long list of anticipated qualitative or non-financial benefits for public safety and a more efficient and speedier justice system:

- Police officers will have less paperwork, so they will be able to spend more time in the community.
- Corrections staff will have the information they need to accurately classify offenders when they are admitted to jail and when they are released into the community.
- Better ways of scheduling of court time will reduce wasted time for police, Crown Attorneys, judges and private lawyers.
- Civil law suits should be resolved faster.
- Better and faster access to information and prompter criminal trials will reduce trauma for victims and witnesses, and mean fewer cases are dismissed because of delays.
- Electronic filing for civil and family court documents will be possible from anywhere, 22 hours a day, seven days a week (two hours are needed for system maintenance).

“We have about 200 people working on this project full-time from the three justice Ministries and the private sector partners. We also are able to draw on the expertise of a host of representatives from across the system who sit on committees or participate in other ways to ensure we design real-world solutions that work,” said Michael Jordan, the Assistant Deputy Minister responsible for the project.

**Teranet**

The genesis of Teranet goes all the way back to the 1970s when the Ontario Ministry of Consumer and Commercial Relations was looking to improve its land information services. Government designed and developed the Province of Ontario Land Registration Information System or POLARIS to automate the information on four million parcels of land.
After about a decade spent on design, development and prototyping (1976 to 1986), it was estimated that POLARIS would take at least 15 years to implement and perhaps longer. It could only be done if the project had the capacity and flexibility to hire the skilled staff that were needed, to develop innovative information technology solutions, and to maintain sustained levels of funding.

The Ministry decided that it could not meet those requirements within the normal restraints imposed on government. Within government, this project, like any other, had to compete for scarce funding with health care and education. Within government, this project could not simply go out and buy the latest technology or technical expertise. Several possibilities were considered, including establishing a Crown Corporation, privatization, and increased contracting out of the work of automating the land information data.

The government concluded it needed a new model that would capitalize on the synergy of the skills, experience and resources of both the public and private sectors. The POLARIS project required a solution that would leverage private sector investment and know-how, and would allow government to retain ownership and control of its data in the public interest.

After almost five years of preparation, the new model came to life in 1991. Teranet Land Information Services Inc. is a privately-incorporated company, with the Ontario government and a private consortium, Teramira Holdings Inc. as co-owners. The board of directors has equal representation from the public and private sectors (four members each), plus two members jointly named.

Both partners made a financial commitment (the initial investment was $29 million from each partner) and contributed skills. It was agreed that government would:

- contribute financial equity;
- set standards;
- offer skills through the existing workforce, who would be offered jobs by the new company;
- retain ownership of the land data in the public interest;
- license the company to manage the database and provide the electronic gateway to the data; and
- set the fees, to be collected by the company, for registration and for searching the database by remote access.

The private sector partners would provide:

- equity;
- access to research and development in new technologies;
- marketing skills and networks; and
- business management services and other expertise.

In addition, the private sector brought its spirit of innovation and risk-taking. The public sector brought a sense of stability and accountability.

Teranet has bridged the innovation gap that existed in the 1980s. It has become a leader in providing secure electronic gateways and

### Teranet is ...

- a privately-incorporated company owned 50-50 by a private consortium, headed by Teramira Holdings Inc., and the Province of Ontario
- licensed to operate the Ontario’s land registration system and market access to the data and services
- a provider of secure, electronic commerce gateways for legal, land, real estate, financial and other services
- employer of about 720 people directly, with about 400 more working for subcontractors
- earning annual revenues of nearly $100 million
Teranet has transformed how land information services are provided in Ontario. There are more than 10,000 frequent users of land registration information in Ontario, including lawyers, para-legal workers, title searchers, police agencies and bankers. In the past, the only way to complete the legal requirements of a property transaction (to buy or sell a house, for example) was to go to the government office where the property was registered. There are 55 registry offices around the province, open during regular business hours. People had to line up to search the records, using an index of property identification numbers, and line up to get paper copies of those records.

The conversion to electronic service delivery means that title searches can be done from a remote location, such as a lawyer’s office, in a matter of seconds. The title can be searched by pointing to a parcel of land on a digital map, or by using the name of the owner, or the street address, or the identification number. Copies of legal documents can be automatically faxed from an image database, on request.

Teranet has pioneered a totally paperless, electronic registration of legal documents, such as deeds and mortgages, directly into a government database. It is the first of its kind in the world. This service became available in London, Ontario in 1999; eventually the paper-free service will spread across the province. This innovation required legislative changes by government to allow electronic signatures and involved the cooperation of the Law Society of Upper Canada, the Canadian Bar Association, the Canadian Bankers Association and government ministries.

Teranet is adding value-added products and services to its range of services on a regular basis. These products and services are what make Teranet financially viable. They include, for example:

- Ontario’s first electronic commerce solution for title insurance, called TitlePLUS, allowing lawyers to apply for and receive title insurance protection on real estate transactions electronically; introduced through a joint venture with the Lawyers Professional Indemnity Company;
- Remote searching of writs of execution against property in any one of 49 Enforcement Offices in Ontario, done in cooperation with the Ministry of the Attorney General and the Ministry of Consumer and Commercial Relations;
- Mortgages origination and brokering online to financial institutions and an internet-based multiple listing service for real estate brokers and agents, offered through one of the Teranet family of businesses, Centric Systems;
- Expanding partnerships with municipalities to help them leverage non-tax revenue benefits from their map information and services (e.g. providing tax clearance certificates by electronic commerce for real estate transactions).

Financial benefits of the partnership to the government include faster implementation of the land data automation project (estimated to be in the range of $500 million) at lower direct cost to government. The government has $30 million in preferred shares to compensate for the preparatory work done in developing the POLARIS prototype. Ongoing returns to government include royalties from use of property records. As shareholders, both partners benefit from the increase in the asset value of the company.

Government maintains the legislative and regulatory framework under which Teranet operates. The Ministry sets standards and approves the fees (which it shares) that are collected by Teranet for registration and for searching the database by remote access. All new products and services developed by Teranet are approved by government. Returns to the private sector investors are based on revenues from fees and profitability in any given year. Teranet is operated like a data utility. Because it is running a
system based on a public asset, it is limited by the partnership agreement in the size of profit it can make in any one year.

Economic benefits include substantial job creation. The Teranet workforce has grown from less than 70 people in 1991 to about 720 direct employees, plus more than 400 people employed as subcontractors, mainly by the technology partner firms of Teranet (EDS Canada, Intergraph Canada Ltd., MCI Systemhouse, and KPMG). Teranet is known for its ability to retain a highly-skilled, productive and loyal workforce in a competitive high-tech marketplace.

Teranet’s philosophy is that the company has two strategic assets – its customers and its people.

“If you take care of both them,” says CEO Aris Kaplanis, “the business will come.”

Teranet is marketing its capability to design, integrate, implement and operate land-related, geographically referenced information systems and services to the world. It has contracts to modernize systems in the Czech Republic and Lebanon. It has consulted in such countries as Puerto Rico, Jamaica, Brazil, China and Korea. It is marketing its know-how to governments on four continents.

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**Tapping The Potential**

Electronic services are beginning to increase efficiency and improve access to public services. But the potential of the “wired” public service is far greater than what we have seen thus far. Ontario is positioning itself to be able to take advantage of the latest technological breakthroughs, while keeping a careful eye on issues of privacy, security and protection of the public interest.

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Question: What does an entrepreneur starting a new business in Sudbury have in common with a real estate lawyer closing a home purchase in London, a car dealer taking in a trade on a used vehicle in Toronto, or an angler obtaining a fishing licence in Kingston?

Answer: They are all experiencing how the “new” Ontario Public Service provides services - speedier, simpler, more accurate, and accessible.

One of the breakthroughs in public service that has occurred in Ontario in recent years is the move to simple-to-use, accessible “windows” for the delivery of a range of public services. These windows, which are often technology-based, are being used to provide services to customers:

- when they want – late in the evenings and on weekends and in some cases 24 hours a day, seven days a week;
- where they want – at convenient community locations, such as shopping malls or lobbies of public buildings, and, for some services, online from their own homes or offices;
- how they want – delivery of the service or product in a matter of minutes, rather than hours, days or weeks; and
- with whom – one of the key directions has been to integrate service provision so that customers do not have to “shop around” for the government services they need; related services are increasingly bundled together.

Art Daniels, now with the OPS Restructuring Secretariat, has spent a good part of his public service career in the government’s “consumer” ministry (Consumer and Commercial Relations). He describes the trend this way:
People don’t have time to waste on routine paper transactions. It’s up to us to get out of their way. It’s heartbreaking, I know, but people don’t want to spend an afternoon in one of our offices. They want to do their business quickly and easily, at a time and place that is most convenient for them, and move on. We have to make that possible.

Ontario’s experience demonstrates that there are millions of transactions that can be done electronically every year, and the satisfaction rate of the customers who use the new service access channels is extremely high. For example:

- **Ontario Business Connects**, which provides services to businesses through electronic workstations, is handling more than 100,000 business start-ups yearly. Its customers give it an approval rating in excess of 95%.

- **ServiceOntario** self-serve kiosks are processing about 750,000 transactions a year for Ontarians wanting to renew their vehicle licence, change their address on a driver’s licence or health card, or get an outdoors card for fishing and hunting. Customer satisfaction levels are about 95%.

Ontario Business Connects and ServiceOntario were two of the services showcased in the “Ontario Delivers” submission that won the first CAPAM gold award for innovation in service delivery in 1998. CAPAM is the Commonwealth Association for Public Administration and Management. Two other major service innovations highlighted in “Ontario Delivers” were Teranet and Direct Access:

- **Teranet Land Information Services Inc.**, Ontario’s single window for land registration and transfer on-line, is handling two million transactions per year. Teranet provides its customers with a daily on-line report on system availability and service delivery. Ontario is moving to paperless registration through Teranet, a company created through a public-private partnership.

- **Direct Access** is a single window for personal property inquiries and registration of financial statements. This system, which handles one million inquiries and two million registrations yearly, is used extensively by car dealerships in relation to vehicle liens. Satisfaction ratings are around 90%.

All of these new access windows have dramatically cut the time it takes to get the service, and have improved the accuracy of the transactions. Electronic systems mean fewer opportunities to make mistakes than with multiple paper forms, and the electronic programs are designed to help people fill in the proper information. Users are avoiding lineups in government offices or waiting on over-crowded telephone lines.

These numbers are only the beginning. Users of single-window services are projected to grow exponentially in the coming years as Ontario moves to provide greater service options through more diverse channels. ServiceOntario expects millions more transactions as it reaches the next phase of development of service through multiple access channels that offer an even broader range of services.

This chapter describes ServiceOntario and Ontario Business Connects. (Teranet and Direct Access can be found in the previous chapter on the Wired Public Service.) Three other access initiatives – which rely on providing “human” services at an integrated service window – are also described in this chapter. They are the Government of Ontario Information Centres, the Northern Integration model for economic development services, and the Community Care Access Centres.

**ServiceOntario**

ServiceOntario is known for the popular self-serve kiosks where you can:

- renew a vehicle licence and receive the licence plate sticker on the spot from the machine;
- pay provincial court fines;
- order a customized, personalized or graphic licence plate;
- get a used vehicle information package or driver records;
• change the address on a driver’s licence, a health card, or an outdoors card;
• renew an outdoors card for fishing and hunting.

Many of the 65,000 Ontarians who use these electronic kiosks every month probably don’t remember what it used to be like to get a vehicle licence renewed. Every vehicle licence in the province of Ontario used to expire on the same day. The common expiration date was in February, guaranteeing long lineups at vehicle licence renewal centres in the depths of winter. Some years ago, the system was changed so that vehicle licences expired on the owner’s birth date. But drivers still had to line up during regular office hours at a limited number of locations.

Now there are 60 kiosks located in shopping malls and other handy places for customer use. Some of the kiosks are accessible seven days a week, 24 hours a day. Most are accessible from 8 a.m. to 11 p.m. Over half the business done at the kiosks is done in off-hours.

The first kiosks, which appeared in 1993 as a pilot project of the Ontario Ministry of Transportation, only processed vehicle licences and still required paper validation. The applicant filled out the usual form, signed it, and fed it into the machine. The trouble was the machine couldn’t tell if the piece of paper was correct or not. Since the pilot, the system has been significantly refined. Legislation was changed to allow electronic transactions without a signature. The need for a paper form was eliminated. At the end of 1998, use of bank debit cards, in addition to credit card payment, was introduced.

The kiosks were developed and refined in partnership with IBM, which won the competitive tender to design and build the machines, and also to service them regularly under a six-year contract to the government. IBM collects a fee (currently one dollar) per transaction. In 1996, IBM said the kiosks were considered by many to be “the most advanced public access kiosk network in the world.”

Today, only a few years after their introduction, people tend to take the kiosk technology for granted. But each innovation has had its challenges. Just adding the convenience of use of a bank debit card, for example, required new software and a new security process to be able to accept and protect the individual’s debit card access number. Each of the Ministries involved had to pass the financial security test required by the bank.

Another aspect that looks easy on the outside, but has required considerable effort behind the scenes, is adding other services to the kiosks beyond those provided by the Ministry of Transportation. Five ministries are currently partnered with the Ministry of Transportation to make it happen.

Changing addresses for health cards and renewing outdoors cards for recreational permits requires accessing separate databases that are operated by the Ministry of Health in Kingston and the Ministry of Natural Resources in Peterborough. Court fines are the responsibility of the Ministry of the Attorney General. Information on vehicle liens is held by the Ministry of Consumer and Commercial Relations. The ServiceOntario kiosks also make reference to the government’s Drive Clean program when people get their licence renewals.

Bringing separate ministries, separate processes, separate locations, separate technologies and separate cards together into one single service has required more than application of new technologies – it has required a lot of partnership-building, involving ministries and the private sector.

The system continues to be effective for routine transactions like licence renewals and address changes for busy people who are interested in convenience and fast service. But kiosks are only one part of the next wave of ServiceOntario innovations. As we enter a new millennium, ServiceOntario is looking to take another leap into the future. The government is considering its options for an expansion of the capability of ServiceOntario through a variety of channels – telephone, internet, mail and over-the-counter, as well as the kiosks.
Millions more transactions would be part of ServiceOntario. The vision is to provide common, convenient access for many services that are now delivered through separate Ministries, processes, locations, and technologies. Multi-channel access and integration of service delivery on behalf of many Ministries will give people more choice and greater convenience.

“Self-serve technologies are only one piece of this service system,” said Peter Slater, director of alternative service delivery for ServiceOntario. “We are working on making service delivery not only convenient and accessible, but also cost-effective.”

A new technological innovation coming out of ServiceOntario is called Knowledgebase, which is both an electronic manager of information and an electronic repository of information. Knowledgebase will make available information on government products and services that are delivered over more than one service channel, such as both the internet and telephone. Still in development, Knowledgebase is projected to reduce waiting times for the public and improve productivity of customer service representatives.

ServiceOntario intends to continue to live up to its name.

**Ontario Business Connects**

Ontario Business Connects has always been clear what – or, more precisely, who – is the prime driver of change in forging a new business-to-government relationship: the business client. The Ontario Business Connects team is also very conscious of how entrepreneurs tend to feel about dealing with government.

The business-to-government relationship is a key element in the competitiveness of a jurisdiction in the current global trading environment. Business has complained for years that its dealings with governments in this country are plagued by processes that are cumbersome, uncoordinated and unresponsive.

**Implementing a Service Delivery Strategy for Business (September, 1997)**

The Ontario Business Connects team in the Ministry of Consumer and Commercial relations has worked with advisory committees, conducted focus groups and surveys, and made numerous contacts with the business community, its associations and agents, to find out what business wants. An ongoing dialogue is being used to design and implement solutions from the perspective of the business client.

The project started where most new entrepreneurs begin their relationship with government – business name searches and registration of non-incorporated businesses.

Before Ontario Business Connects, there was one location for non-incorporated business registrations for the whole province in downtown Toronto. If all went well, the client waited six to eight weeks for service by mail. If anything went wrong – and half the time it did – applications had to be returned for correction of mistakes, and the waiting time extended to 3 to 4 weeks and could be up to 6 to 8 weeks.

The project launched its first experimental electronic self-help workstations in 1994. The workstations enabled users to fill out and generate a business name registration form to be signed and sent in. The processing time was not much different than before. But in October, 1995, with passage of legislation that allowed electronic and signature-less registrations through the workstations, the process time went from several weeks to five working days.

By the fall of 1996, the time to register a new business was reduced to 20 minutes. A registration or renewal could be done on the spot. Entrepreneurs could also apply for the federal government’s Business Number through the workstation. An Internet website was created to provide business start-up information, with links to federal business information sources as well.
As of the spring of 1999, there were more than 100 electronic self-help workstations, located around the province, which are used by entrepreneurs to perform business name searches and to register for the following Provincial government programs:

- Business name registration
- Retail Sales Tax Vendor Permit
- Employee Health Tax
- Workplace Safety and Insurance Board.

Approximately two-thirds of the business registrations in Ontario are done through these workstations. Not only is the service quick, but the program also walks the client through the process to eliminate the possibility of errors.

The latest innovation is the Master Business Licence, which was piloted in 1998 and is now available throughout the province. The Master Business Licence is like a passport; it includes basic information about the business. It can be used by the client to reduce the need to duplicate basic information for different government offices and programs.

“Provincial government offices are not allowed to ask clients to repeat the information on their Master Business Licence when they apply for another permit or registration. If clients run into a government employee who doesn’t know about the new licence and asks them to fill out the forms as usual, they can point to the line that explicitly says they don’t have to. There’s nothing better than having the client as the agent of change,” says Jim Evans, Project Executive of Ontario Business Connects.

Some federal and municipal offices are using the Master Business Licence too. Right now, the licence is a piece of paper that gets attached to other documents. But Ontario Business Connects will track where it is used most, and then ask those offices if they want to get the information electronically from the business directory, rather than having to key it in to their own databases.

The Ontario Business Connects website now accepts registration requests on-line in Canada and globally and will enable business name searches in the near future. Unlike the workstation, which generates the registration on the spot, the internet route takes about a week to receive confirmation of registration by mail. But that will all change with the next wave of implementation of the service delivery strategy.

The service delivery strategy is designed to simplify and streamline client access to government, reduce the cost of government for business, and make delivery more affordable for taxpayers. It includes public-private partnerships to create leading-edge solutions.

According to Evans, business registration is just the tip of the iceberg in the business-to-government relationship. To have a major impact, the process of streamlining and simplifying access must – and will, within the next five years – expand to all aspects of the business cycle, including updating and registration maintenance activities and reporting and remittance activities (remittances of instalment payments and fees, taxes, interest and penalties due, and periodic reports required by government).

Ontario Business Connects recently negotiated partnerships with three private sector consortia to create the next generation of the project. The partnerships will start to expand the “reach” of Ontario Business Connects to other outlets such as accountants and lawyers and other parts of the business cycle and provide more client choice as to the time, place and means of communication with government through multiple access routes and electronic commerce.

The service strategy anticipates solutions for business that are linked to federal programs, so that businesses can do their federal remittances for sales tax, employment insurance and pension payments through the same channels. Private-sector wholesalers and retailers will deliver services to business clients within a framework of data and process standards agreed upon with government.

“When it’s done, it will just look easy, and everyone will say: What took you so long?” says Evans.
Chapter 8: Simple Accessible Windows for Customer Service

Ontario Government Information Centres

How do I get a health card? Where can I get that government report I read about? I've lost my wallet - how can I get new identification? How do I go about starting a new business? Who do I talk to about ...?

These are the kinds of questions that people routinely ask at the new Ontario Government Information Centres located in communities across the province. The questions are not new - it's the approach to answering them that has changed. In the past, it was generally left up to citizens to hunt down the right government office to get the information they needed. The absence of a single identifiable access point for government information has caused confusion and frustration.

The 57 Ontario Government Information Centres, which were officially launched in October, 1999, are part of an overall government effort to give Ontarians services when, where and how they want. At the front counter in all these walk-in centres, customers can:

- get answers to commonly-asked questions on all provincial government programs on the spot;
- get referrals to the right specialist for more complex advice;
- order and pay for publications electronically, with fast delivery to their home by courier;
- register a small business in 20 minutes at an Ontario Business Connects kiosk or through the internet;
- use a public internet terminal to access provincial websites for information and services and the government telephone book;
- pick up free brochures, information packages and forms; and
- find out about local community events.

One of the more popular packages the Centres provide is for people who have lost their wallets. Many of the 500 people who make inquiries every day at the Government Information Centre at Queen’s Park in downtown Toronto have lost their wallets and want to know how to replace their driver’s licence, health card, birth certificate, social insurance, and other identification cards. The lost wallet package provides instructions on how and where to get new cards. Other packages of useful information on major "life events", such as turning 65, losing a job, getting married, moving to a new city, and death of a loved one, are in development.

Because many citizens do not distinguish which level of government does what, Centre staff are trained to answer common questions about services provided by federal and municipal governments and agencies. Staff can access contacts and phone numbers for customers from a database called TOPICS.

The Government Information Centre project started with 12 pilot sites that were evaluated in the spring of 1998. The feedback from customers and regional delivery staff participating in the pilots helped establish the core information and referral services that all the centres provide. In addition, the Centres may offer additional services that are especially in demand in their local communities. For example, in some rural areas, they issue hunting and fishing licences and moose hunting tags; there are Information Centres in vacation spots offering tourist information for travellers and shoreline/environmental information for cottagers.

The location of the Centres was carefully planned to provide reasonable geographic access. In Southern Ontario, where the bulk of the population lives, 85% of residents are within 40 km of a service centre, the rest within 75 km. In Northern Ontario, where the population is small and dispersed and the land mass is huge, 85% live within 50 km of a centre, and most of the rest are covered by outreach services.

When the regional service delivery strategy started, more than 17 independent ministry field delivery systems were located at 1,750 administrative sites in 1,300 buildings. "Service delivery was geared to what was easiest for ministries, not for customers, and there was limited use of technology to deliver services. A fundamental restructur-
ing was required to shift to a customer-focused, single-window solution," says Celia Fairclough, Project Director of the Regional Service Delivery Strategy in Management Board Secretariat.

In communities across the province, ministry offices have been consolidated to make it more convenient for customers to get a range of services. Ministries that share similar client groups and issues - justice ministries, resource/economic ministries, and social/health/education ministries - have moved into office locations together, and are sharing administrative costs. The Information Centres act as a "storefront" in the sense that citizens can get some services right at the counter, and as a "gateway" to more complex, specialist services behind the counter.

"The front-line counter staff have shown a lot of initiative to make this work. In some cases, they have helped train each other in different programs to learn as much as possible about the work of other Ministries so they can provide better service," says Fairclough.

As ministries gain experience with the new Information Centres and as customers continue to provide feedback through comment cards and surveys, the model will evolve. For example:

- The government is looking to expand the range of core services provided at the counters.
- Behind the counter, there is potential to organize specialized staff from different ministries to serve common customers in a more streamlined way, with the Information Centres built into the front end.
- As government moves more fully into e-commerce and self-serve websites, citizens who don't have access to computer technology at home will be able to come to the Information Centres and get help to access programs through the public terminals.
- Developing partnerships with other governments and agencies will allow the Information Centres to offer related services -- responding to the demand for more seamless public services.

There are also new challenges. One of them is working out the internal management of a service centre for which many different ministries have responsibility. "We can't use the traditional departmental model," says Fairclough. "We have to develop new approaches that reflect a new model with shared management, shared funding, shared staff, shared information, and shared accountability."

**Northern Integration**

In 1996, the Ministry of Northern Development and Mines went out and talked to its customers about how it could improve economic development services. The main message that came back was, loosely translated: Government should get its act together. Three years later, a new model of integrated delivery of economic development services is getting positive reviews from its northern customers.

More than 20 staff from five Ministries were transferred to the Ministry of Northern Development and Mines to work in teams established in six areas across the North. These teams act as a focal point for service delivery in the key economic sectors of mining, forestry, tourism, agriculture, business and industry, and Aboriginal economic development. The teams bring together staff with specialized expertise in the different economic sectors and staff with first-hand knowledge of local communities.

Every municipality, First Nation and unincorporated community in Northern Ontario has been assigned a team member as their first point of contact. Many of the staff live and work in smaller communities, such as Red Lake, Wawa or Fort Frances. They handle many local inquiries on their own or by working closely with other members of their team.

The sector specialists maintain close ties with related Ministries. For example, sector specialists in agriculture keep in touch with the Ministry of Agriculture, Food and Rural Affairs, and forestry specialists do the same with the Ministry of Natural Resources. The Ministry of Northern Development and Mines has
signed partnership agreements with the other Ministries. Team staff are included in training opportunities, ongoing communications, and other activities in the related ministries. Sector staff from area teams also meet regularly among themselves to identify trends and issues having implications across the North.

Because of the importance to the northern economy of industries such as forestry, mining and tourism, staff must retain their specialized expertise. “There was a fear, I think, when we first started this team approach that everyone was going to become a generalist,” says Cal McDonald, Director of Regional Economic Development, based in Sudbury. “That is not the case at all.” Their specialized knowledge, whether it is in fish and wildlife or waterfront tourism development, is the value-added they bring to the team.”

Networking is an important part of the success of this initiative. Area team staff keep in touch with Ministries responsible for regulations and policies that affect economic development in the North. They also work with local and regional partners in communities. The teams have held numerous workshops with local organizations, other Ministries, federal departments and other players involved in economic development. The Ministry is continuing to work with other levels of government to better define respective roles.

Johnny Yesno, an Aboriginal economic development advisor in Sault Ste. Marie, used to be with the Ministry of Citizenship, Culture and Recreation in Geraldton. The transfer seemed like a good fit for him. “I went to high school here. I speak Ojibway, and I know the First Nations.” He has made contacts with the Aboriginal communities in the area. “Now instead of calling all the different Ministries, they can call me. I’ll find the most appropriate services for them. Because First Nations are a federal responsibility, I have to know federal programs and have federal contacts too. I get calls from all over.”

To ensure an integrated approach across the provincial government, there is a Northern Economic Development Committee, which brings together senior executives from several Ministries to discuss priorities and directions for the Province’s role in the North.

Back in 1996, customers told the Ministry that they wanted easier access to information and services, less duplication and red tape, and more streamlined processes and consistent policies. An in-depth evaluation was undertaken in 1998, to see how the integrated approach was working. It found that the teams were really coming together, as individual team members gained experience in a number of sectors and became involved in the delivery of programs and services.

A customer survey in December, 1999 found that over 93% of the clients surveyed were satisfied with the services they were receiving from the integrated team approach.

To ensure that staff have the “right stuff” to assist northern communities to identify economic development opportunities and establish priorities, the Ministry has launched a new training initiative, customized to address northern economic development issues.

“A competitive and diversified economy in Northern Ontario is essential to ensuring economic prosperity in the new millennium,” says Jim McClure, Assistant Deputy Minister of the Northern Development Division. “It is imperative that northern communities be able to take advantage of opportunities that will attract investment and create jobs. We want to be sure our team approach supports that goal.”

**Community Care Access Centres**

Long-term care in Ontario includes supports and services to seniors, people with physical disabilities, and people of all ages who need health services at home or at school.

In the past, individuals or their families or friends who were looking for a long-term care service faced the prospect of first
finding out what existed in their community, and then calling around to a number of agencies and facilities to see what was available. For example, if a family wanted to find a Nursing Home for an elderly relative, they would have to call every facility in their area to find out if there were openings. If these institutions had waiting lists, the family would have to make a separate application to each one to get on their list.

The same process of “shopping around” would be required if the family were looking for a Day Centre where a frail elderly person could be cared for while their regular caregivers were at work, or for in-home services for someone who was discharged from hospital and needed nursing care or help with personal care. Just getting information on what was available locally was a challenge.

As an interim step, Placement Coordination Services were developed to coordinate access to long-term care facilities, and they became mandatory across Ontario in 1993. But they did not coordinate in-home or community services.

Today, there are 43 Community Care Access Centres across Ontario that are providing an integrated access point for individuals and their families seeking long-term care services. Since 1997, they have been gradually taking on the full range of services for which they will be responsible. The Centres are the integrated access point for in-home services, long-term care facilities (Nursing Homes and Homes for the Aged), Day Centres, information and referral, and respite care (which allows families who are caring for an elderly or disabled person at home to get a much-needed break).

The Centres do not employ staff to provide all these services. They are service coordination and management centres that contract with agencies to provide services such as nursing care at home for people who are frail and elderly or discharged from hospital. The Centres determine eligibility for service; do case management, service planning and monitoring; provide simplified access to service information and referral; and coordinate placements in long-term care facilities. A new funding model has also been developed by the Ministry of Health and Long-Term Care and is being phased in to ensure that there is a fair distribution of funding for long-term care across the province.

The Centres will refer people to Community Support Services, which are delivered by more than a thousand community-based agencies across Ontario, many of whom make extensive use of volunteers. People may also contact directly community services such as Meals on Wheels, transportation services (particularly important in rural areas), friendly visiting and hospice volunteer visiting service agencies – without going through the Community Care Access Centre.

The service system has been set up very much in the way that consumers asked for it. A series of consultations has turned up much useful information for development of the new integrated access system.

For one thing, there is consumer choice. The Centres have a responsibility to ensure that those most in need have access to services, whether they are in-home or in a facility. But individuals choose which facility they want to live in. There is also a strong consumer voice on the community boards of the Community Care Access Centres. One third of the members must have received long-term care services within the last year, or be caring for a family member, or have a family member who has received services.

According to Gail Ure, Southwest Regional Director for the Ministry of Health and Long-Term Care: “Consumers will always tell you what they need. They may not tell you the ‘how’, but they always tell you the ‘what’. People know their own communities, what kinds of service they need, and where. Their input has been invaluable.”

In planning for services in the Southwest, for example, the service maps or boundaries were redrawn, based on what residents defined as their “community”, rather than...
along traditional government lines. Consumers’ desire for privacy, dignity, safety and social supports have also contributed significantly to new provincial design standards for long-term care facilities.

Listening to the customer may reveal complaints about services, but it can also highlight how valuable the services are. “We have heard from people who said that the respite care or the home care they received, for example, made all the difference in their lives,” said Ure.

The Next Wave

Single-window service delivery is responding to an identified need. A November, 1997 Ekos Research survey for the federal government in the Rethinking Government series, found that 77% of those responding gave high priority to making government services easier to find and access. Sixty-eight per cent gave high priority to one-stop shopping for a range of services. Erin Research survey findings, which are documented in Chapter 5 on the Quality Service Strategy, also found that Canadians want more convenient ways to find and access the government services they need.

In Ontario, the single-window electronic solutions that have been developed are clearly popular and extensively used. But there is no question that they are still first-generation solutions. The next wave will take services to individuals and businesses to another level of convenience and integration.

At the same time as we make better use of technology to provide easier access to services, Ontario intends to maintain the personal touch, through services across the province that show the “people” face of government.

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ALTERNATIVES TO DIRECT SERVICE DELIVERY

The question for today’s political leaders and public servants is not when or if to innovate, but how.
Robin Ford and David Zussman, Alternative Service Delivery: Transcending Boundaries, 1997

Alternative service delivery or ASD has been critical to the transformation of the Ontario Public Service (OPS) since 1995. Although alternative service delivery has tended to be viewed as a fiscal restraint exercise (and it often results in government cost-savings), its primary goal is better service to users/clients. As Robin Ford and David Zussman suggest in their introduction to Alternative Service Delivery: Sharing Governance in Canada (1997):

ASD approaches provide a toolbox from which governments can tailor various options to meet their own prevailing needs and demands. ASD is a dynamic spectrum of delivery options that challenge traditional hierarchical public service structures and allow public servants the flexibility to adapt to their future environment.

The ASD “toolbox” has been used by governments in many other jurisdictions. Internationally, New Zealand, the United Kingdom, and Australia, have led the way. In Ontario, approximately 75 ASD options have been implemented since 1995. The OPS is gearing up for another round of business case analysis, selection, and implementation of ASD in 2000 and beyond.

This chapter discusses the approach that the OPS has taken to ASD and provides some examples of the different alternative delivery options recently published in Alternative Service Delivery in the Ontario Public Sector, August 1999.

A Systematic Approach

The OPS has taken an organization-wide, systematic approach to ASD. Within guidelines provided by Management Board,
every Ministry reviews its programs to
determine the viability and appropriateness
of alternative mechanisms. If it is deter-
mained that something other than direct
government service delivery is an option,
further review is required to decide which
kind of alternative service delivery best suits
the circumstances. The range of alternatives
beyond direct delivery includes: creation of
agencies, devolution, external purchase of
services, licensing/franchising, partnerships,
and privatization.

A business case must be drawn up, docu-
menting the issues and the potential of
alternative delivery. The ASD selection
criteria include:
- protection of the public interest
- the need for close political/policy
  control by government
- the degree of financial dependence on
  provincial funding
- management and administrative flex-
  ibility
- applicability of market forces
- cost/benefit analysis.

While the systematic approach to ASD
across the whole government is new, some
of the specific options have been around for
a long time. For example, Ontario has a
long history of devolving delivery of many
community and social services to commu-
nity-based, non-profit agencies. Similarly,
the OPS has purchased certain services, such
as some translation and communications
services, from private providers for years.

The more recent expansion of use of alterna-
tive delivery has had significant results in

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### A Continuum of ASD Options

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<tr>
<th>Option</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Direct Delivery</strong></td>
<td>Government delivers the service directly through its ministries, through</td>
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<td></td>
<td>business planning, focusing on results, cost recovery, getting the best value</td>
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<tr>
<td></td>
<td>for the tax dollar, and customer service.</td>
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<td><strong>Agencies</strong></td>
<td>Government delegates service delivery to a scheduled agency operating at</td>
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<tr>
<td></td>
<td>arm’s length from the ongoing operations of the government, but maintains</td>
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<td></td>
<td>control over the agency.</td>
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<td><strong>Devolution</strong></td>
<td>Government transfers the responsibility for delivering the service to a)</td>
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<td></td>
<td>other levels of government; b) profit and non-profit organizations that</td>
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<td></td>
<td>receive transfer payments to deliver the service.</td>
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<tr>
<td><strong>Purchase of Service</strong></td>
<td>Government purchases services under contract from a private firm, but</td>
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<td></td>
<td>retains accountability for the service. This includes contracting out and</td>
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<td></td>
<td>outsourcing of services.</td>
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<td><strong>Partnerships</strong></td>
<td>Government enters into a formal agreement to provide services in partnership</td>
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<td></td>
<td>with other parties where each contributes resources and shares the risks</td>
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<tr>
<td></td>
<td>and rewards.</td>
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<tr>
<td><strong>Franchising/Licensing</strong></td>
<td>For franchising, the government confers to a private firm the right or</td>
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<tr>
<td></td>
<td>privilege to sell a product or service in accordance with prescribed terms</td>
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<tr>
<td></td>
<td>and conditions. For licensing, the government grants a licence to a private</td>
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<td></td>
<td>firm to sell a product or service that would otherwise not be allowed.</td>
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<tr>
<td><strong>Privatization</strong></td>
<td>Government sells its assets or its controlling interest in a service to a</td>
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<td></td>
<td>private sector company, but may protect public interest through legislation</td>
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<td>and regulation.</td>
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terms of improving access to services and customer satisfaction. For example: Ontario Business Connects is partnering with the private sector and other government jurisdictions to provide services to businesses. Its electronic workstations handle more than 100,000 business start-ups yearly, and its customers give it an approval rating in excess of 95%.

Alternative service delivery has also been the single most important factor in downsizing the public service. The vast majority of the jobs that have moved outside government through ASD continued. Those employees may now work for a municipal government, a non-profit community organization, a university, a hospital, a new corporation with a public-private board of directors, a private sector company, or an agency of the provincial government. In some cases, like Teranet, additional new jobs have been created.

What follows are several examples of alternative service delivery options that have been implemented by the OPS. Some examples of alternative service delivery have been described more fully in earlier chapters; some of those examples, including Ontario Business Connects and Teranet, are referred to in this section simply to illustrate how they fit into the spectrum of alternatives.

**Agencies**

Government delegates service delivery to a scheduled agency operating at arm’s length from the ongoing operations of the government, but maintains control over the agency.

- Government ensures the agency performs its duties according to its constituting authority (i.e. legislation, policy, memorandum of understanding, administrative agreement).
- On a day-to-day basis, the agency head is responsible for operational decisions.
- Government generally gives an agency independence to provide objective advice to assist in policy development; make a wide range of decisions to regulate and assess the conduct of businesses; deliver goods and services to the public where operational flexibility is required to do it more efficiently and effectively.

**AgriCorp**

The Ministry of Agriculture, Food and Rural Affairs created AgriCorp, an agency at arm’s length from government, to allow more flexibility in delivery of programs in response to changes and opportunities in the marketplace.

AgriCorp has a board of directors that includes members of the farm and food industries. Its employees are Crown employees, rather than members of the Ontario Public Service. The agency delivers programs such as grain licensing and inspection, vegetable grading and acreage measurement, crop insurance programs that protect farmers from losses caused by natural hazards. It has branches across the province. The agency receives funding for crop insurance from the Province, the Federal government, and revenue from premiums paid by farmers. Some of the other activities of the agency are funded from its own revenues.

**Ontario Securities Commission**

The Ontario Securities Commission was restructured to become a self-funded Crown corporation. The Commission is responsible for administration of the Securities Act and the Commodity Futures Act. Its mandate is to protect investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in their integrity.

The Ministry of Finance changed this regulatory agency to a Crown corporation that finances its operations through fee revenues to achieve the following:
- to generate sufficient resources to allow the Commission to fulfil its role in supporting a strong capital market;
- to create a more flexible structure so that the Commission can direct resources to its business priorities and respond quickly to issues, including major investigations;
- to enable the Commission to attract and
keep staff with the necessary specialized skills;
- to align with the securities commissions in other provinces which have gone to self-funding (including Alberta, Quebec and British Columbia).

**Devolution**

Government transfers the responsibility for delivering the service to a) other levels of government; b) profit and non-profit organizations that receive transfer payments to deliver the service.

- Government negotiates responsibility for service delivery, service standards, and results.
- Government still controls the policy.
- Day-to-day service delivery is the direct responsibility of the service provider.
- Services are provided by organizations that are external to government, in the private sector or community-based, many with expertise in specialized sectors (e.g. health and social services).

**Devolution to a Municipal Corporation**

As part of the Local Services Realignment, responsibility for a number of services have been devolved, or are in the process of being devolved, to the municipal level of government. Property assessment services were one of the first services to be devolved. In this case, devolution was not directly to a municipal council. Instead, the Ontario Property Assessment Corporation or OPAC is a municipal corporation, created by legislation. The corporation is responsible for providing property assessment services for local governments. All municipalities in Ontario are members of the corporation, and through OPAC, have direct control over levels of property assessment services.

The creation of this municipal corporation involved transfer of financial and operational responsibility for delivery of property assessment services from the Province to municipalities. It was in keeping with the Local Services Realignment plan to link service delivery to the level of government responsible for meeting local needs and priorities.

The Minister of Finance transferred financial responsibility to the corporation in January, 1998. Operational responsibility was transferred at the end of the year. The Ministry of Finance retains ongoing responsibilities for establishing policies, standards and quality assurance.

The corporation’s first board was appointed by the Minister, based on nominations from the Association of Municipalities of Ontario. There are 12 municipal representatives (six elected officials and six municipal officers or employees). There are also two representatives of the Province on the board.

Approximately 1,800 OPS employees, the majority of whom worked in field offices across Ontario, accepted offers of employment from OPAC. OPAC will recover its costs for providing assessment services from municipalities, using a formula that recognizes both municipal demands for services and a municipality’s ability to pay.

In 1970, when the Province assumed responsibility for assessment services, it promised to transfer the function back to municipalities once tax fairness was introduced on a province-wide basis. The government believes this condition has now been met. The transfer gives municipalities greater control over setting the level of services they require and more control over the assessment base, from which they generate property tax revenues.

**Devolution to a Post-Secondary Educational Institution**

One of the early successes in devolution was the transfer in 1997 of the delivery of a range of education, research and laboratory services from government to the University of Guelph.

The University receives provincial funding for its degree programs, like other universities in Ontario, through the Ministry of Training, Colleges and Universities. Over
the years it has also received financial support from the Ministry of Agriculture, Food and Rural Affairs, to fund research and a diploma program in agriculture. Seven research stations in and around Guelph that are associated with and operated by the University, are owned and funded by the Ministry. In addition, the Ministry directly operated its own education, research and laboratory services at several locations around Ontario.

Faced with a 28 per cent budget reduction for fiscal year 1997-98, the Ministry of Agriculture, Food and Rural Affairs looked at several options before deciding on what its calls an “enhanced partnership” with the University. The enhanced partnership with the University of Guelph was seen as having a number of advantages including:

- building on a longstanding working relationship between the parties;
- avoiding the closure of the smaller units in locations outside Guelph, thus maintaining a network of services built up over many years;
- integrating services within the University to achieve cost-savings through efficiencies in administration and other areas;
- preserving services and jobs;
- capitalizing on the University’s proven ability to establish partnerships with the agri-food community; and
- freeing up government-run functions to generate revenue to expand and improve services.

The agreement signed by the two partners provides that targets will be developed annually and approved jointly. They will be approved by the executive committee, which is made up of an Assistant Deputy Minister and the Vice-President, Research, of the University. There are different performance measures indicated in the agreement for different program areas. There is also a reporting system that has been agreed to by the parties.

There is a staff of about 20 who remain in the Ministry division that used to have more than 500 people. About 400 people moved from the Ministry to the University.

**Devolution to Not-for-Profit Self-funded Industry Corporations**

A number of industry regulation and public safety programs and services were transferred from the Ministry of Consumer and Commercial Relations to not-for-profit, self-funded corporations, called “administrative authorities” in enabling legislation. Programs and services transferred include:

- motor vehicle dealers: transferred to the Ontario Motor Vehicle Industry Council;
- real estate agents: transferred to the Real Estate Council of Ontario;
- travel agents: transferred to the Travel Industry Council of Ontario;
- electrical safety inspections: transferred to the Electrical Safety Authority; and
- safety programs related to fuel safety; elevating and amusement devices; boilers and pressure vessels; and upholstered and stuffed articles: transferred to the Technical Standards and Safety Authority.

Some of the reasons for implementing this alternative service delivery option included: reducing administrative costs while maintaining standards; encouraging greater business leadership and responsibility in the marketplace; and enhancing consumer protection and public safety as professionalism is built into regulated industries.

How do they work? The Technical Standards and Safety Authority (TSSA), for example, is governed by a 15-member Board of Directors that includes members from the regulated industries, government, consumers and the private sector (non-industry). TSSA has eight Industry Advisory Councils reflecting the various industry sectors (elevators, fuels, amusement devices etc.), and a Consumers Advisory Panel, which provides advice and oversees the complaints-handling policy.

TSSA is an administrative body that has been delegated authority by government to regulate industry under seven designated public safety statutes. Government retains authority over the legislation and regulations, sets public safety standards and policy, and monitors service delivery by the
Authority. The Safety Authority is accountable to government for performance of its delegated responsibilities, but it is not an agency of the Province. TSSA reports to the Minister of Consumer and Commercial Relations on its activities.

The Safety Authority can keep the revenues it generates from inspection, licensing and registration fees instead of putting them into the government’s Consolidated Revenue Fund. It has an agreement to pay government for services related to its responsibilities; for example, TSSA and the Ministry jointly consulted on and reviewed proposals for an updating of public safety legislation/regulations. Any revenues in excess of operating requirements are reinvested in public safety programs, such as education and training for industry, public awareness campaigns, and new technologies. It can also reinvest in additional staff if necessary.

To achieve its goals of improving public safety and industry competitiveness, TSSA will take advantage of its new environment through: greater organizational flexibility; a more empowered and accountable workforce; more responsive service to its industry stakeholders; a more pro-active approach to emerging safety trends; and more efficient ways of delivering services.

Devolution to Community

Some services are devolving to the community. This is occurring in a significant way in two areas -- services for people with developmental disabilities and psychiatric services.

In the case of people with developmental disabilities, a movement of residents from large institutions into the community, to be served through community-based services, has been ongoing for about 25 years. The primary driver of change since the 1970s has been to improve quality of life, based on the belief that people with disabilities should be integrated into society and have lives as close as possible to everybody else.

In 1974, there were approximately 8,000 adults and children in an institution-based system, in 17 directly-operated government facilities and 10 facilities run by boards of directors. The Ministry of Community and Social Services estimates there will be fewer than 1,200 residents in its three remaining directly-operated institutions in 2000. Concurrently, the community-based system has grown enormously.

Since 1995, under the current Community Living Initiative, four institutions have closed, with a reduction of about 1,900 full-time equivalent staff. Many of these staff are moving to employment in community services. Funding freed up by the institutional closures is being transferred to community-based services.

In psychiatric services, there has also been a long-term trend to provide services in community settings, where possible, rather than in large residential treatment centres. Underway is a process of “deconcentration” — moving the Ministry of Health and Long-Term Care out of direct delivery of services in regional treatment centres in favour of providing services closer to home for patients. Services are mainly moving to local hospitals. The more than 4,000 staff affected are expected to transfer to positions in the local hospital settings.

Purchase of Service

Government purchases services under contract from a private firm, but retains accountability for the service. This includes contracting out and outsourcing of services.

- Services are provided through a service contract by organizations that are external to government.
- Service standards are set and monitored as part of the service contract.

A number of purchase of service agreements have been negotiated in recent years. For example:

In the Ministry of the Attorney General, the Office of the Public Guardian and Trustee (OPGT) has outsourced management of real
estate sales for its clients to one company to enhance efficiency and consistency of practice and to reduce administrative costs. Management of client properties, including maintenance, repairs, rent collection etc., is also contracted to private professional firms across Ontario.

Publications Ontario had its own warehouse and distribution service. Management Board Secretariat decided to outsource this function to a private sector firm to achieve efficiencies and reduce costs. The Ministry of Education also decided to get out of the business of operating its own warehouse and distribution service for educational materials. The reasons for outsourcing included: making better use of resources for an operation with an uneven volume of work, and gaining access to new technology.

**Partnerships**

Government enters into a formal agreement to provide services in partnership with other parties where each contributes resources and shares the risks and rewards.

- Government and the partners shared in the risks and rewards.
- Mutual benefit accrues to each side of the partnership to further the objectives of the service or program.
- All parties contribute resources and work towards a common goal.

Ontario Business Connects and ServiceOntario kiosks, described in Chapter 8, and Teranet Land Information Services Inc., described in Chapter 7, are considered partnerships in Ontario’s ASD lexicon. Other examples of partnerships include:

The Ministry of Economic Development and Trade has partnered with the Federal government in the Canada-Ontario Business Call Centre, a cost-shared, toll-free telephone, fax-back and website service providing information on Ontario and Federal government business programs and regulations. The program involves 22 Federal agencies and seven Provincial agencies.

The Ministry of Economic Development and Trade has also entered into partnerships with municipalities to provide small business consulting services. Municipal partners provide the office space, overhead costs, staffing and supervision. The Province provides a program model, resource materials, computers, furniture, program supervision, training and a limited operational subsidy. A local bylaw is passed to ensure community involvement. Municipalities are encouraged to engage in other partnerships with the public and private organizations to supplement the services offered by the business self-help offices.

The Ministry of Environment turned to the private sector to manage a new program for testing tailpipe emissions in vehicles in Southern Ontario. The “Drive Clean” program is designed to reduce smog. Government sets program standards and maintains accountability for program integrity. Private sector firms, under agreement with the Ministry, carry out the mandatory testing and do the necessary maintenance for vehicle owners. The Ministry of the Environment has teamed up with the Ministry of Transportation to administer the private sector contract and ensure integration of the inspection and maintenance program with Transportation’s existing vehicle registration and certification requirements.

**Franchising/Licensing**

For franchising, the government confers to a private firm the right or privilege to sell a product or service in accordance with prescribed terms and conditions. For licensing, the government grants a licence to a private firm to sell a product or service that would otherwise not be allowed.
Government safeguards the public interest through the terms and conditions of the franchise or licence.
- Services are typically operational and do not require close policy direction.
- Government receives value through fees, royalties, and other franchise payments.
- Services are typically oriented towards a “retail” business context.

**Sustainable Forest Licences**

Under its Sustainable Forest Licensing initiative, which began in 1994, the Ministry of Natural Resources has transferred the operational responsibility and cost of forest management on Crown lands to forest companies that harvest and produce wood products. The conversion of Crown-managed units to Sustainable Forest Licences:

- reduced government operations and staff;
- shifted operational responsibilities to the users;
- created a uniform management system for the province; and
- provided improved tenure and marketing opportunities for licence-holders.

Companies are required to carry out renewal and maintenance activities; prepare inventories; develop a compliance plan; prepare a forest management plan; and prepare reports on operations. The companies must undergo an independent audit of their operations every five years to assess compliance with legislative requirements, the forest management planning process, and their planned forest management activities.

The **Crown Forest Sustainability Act** (1995) divides responsibility for forests between the Ministry and the forest industry. Government is responsible for policy development, Crown forest stewardship, science and technology, enforcement, information management, wood supply services and industry services. The forest industry is responsible for forest management operational planning and forestry operations, including annual work schedules, renewal, maintenance, monitoring.

**Privatization**

Government sells its assets or its controlling interest in a service to a private sector company, but may protect public interest through legislation and regulation.

- Government ensures the integrity of the process by establishing strict criteria for the selection of assets, rigid guidelines for protecting the public interest, enforcement of conflict of interest policy, and ensuring processes are open to scrutiny.
- The private sector company has autonomy over service delivery.

**Sale of Highway 407**

Among the most prominent privatizations has been the sale of Highway 407, which serves the huge east-west volumes of traffic that cross north of the City of Toronto. The sale of the electronic toll highway for $3.1 billion to a Spanish-Quebec consortium was announced in April, 1999. It has been called the largest privatization in Canadian history. The buyers paid $1.6 billion more for the highway than it had cost the Province. The new owners have rights to charge tolls for 99 years. The highway was built and operated through a public-private partnership.
**Conclusion**

We have described only a smattering of the many alternative service delivery options that have been implemented by the OPS. More OPS accomplishments are described in *Alternative Service Delivery in the Ontario Public Sector*, published August 1999.

One of the major challenges for the OPS has been to support its senior managers who are responsible for initially steering these new delivery mechanisms through their final implementation, and then, over the longer term, overseeing some of the alternative delivery bodies in operation. The skills required are different.

According to Donald Kettl, these new government mechanisms require new capacities of public service managers. “You must have good managers who can span the boundaries.”

As the OPS gains more experience with the challenges and rewards of service management in an alternative delivery environment, it will have more knowledge and information to share among its senior managers and with other organizations.

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2 Ibid., p. 7.


4 Kettl, Donald, in a presentation to an Institute of Public Administration of Canada seminar, Toronto, November 17, 1998.
Chapter 10

SETTING THE COURSE

...governments are reacting to stimuli and opportunities in their environments. In addition, however, public servants are responding to their own sense of what needs to be done to improve service to the public. Professionalism and a commitment to quality public services are also crucial determinants of change...


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We said at the beginning that this publication has been written to celebrate and showcase how far the OPS has moved its transformation agenda in a relatively short time. We also want to acknowledge how much more there is to do to achieve the transformation envisioned for the Ontario Public Service as we move into the 21st Century.

This chapter summarizes briefly what is being done to meet the objectives that we set in 1996. It also outlines some future challenges.

**Making Progress**

Early on in the current process of OPS transformation (1996), a list of objectives was drawn up against which we would measure progress. It is useful to revisit these objectives in 1999:

- to develop a more nimble, flexible and responsive organization
- to streamline decision-making and delivery processes
- to reduce overlap and duplication between and among ministries
- to operate more efficiently and effectively
- to rationalize physical presence and public access across the province
- to build a continuous learning culture
- to encourage attitudes and behaviours that promote and facilitate teamwork
- to strive for excellence in service.

From Ontario’s perspective, we have made good progress towards these objectives. For example:

- Through the business planning process, every Ministry has focused on its core businesses and set – and met – performance targets for delivering on results.

- The OPS is becoming a more cohesive organization, with business units (Ministries) that work together on Corporate projects and inter-ministerial initiatives.
Technology is improving access to services for the public, and it is also helping to integrate the public service through development of common/shared utilities and networks.

Shared services are improving access in other ways – at common access points in communities, for example.

The OPS is considerably smaller and leaner. In the spring of 1995, there were approximately 81,250 employees and 1,925 senior management staff working in 457 branches of government. In the spring of 1999, there were approximately 64,000 employees and 1,686 senior management in 332 branches.

Senior managers are becoming increasingly experienced in and adept at service management (as opposed to direct delivery) and partnerships with organizations outside government.

The OPS has exceeded the deficit reduction targets set for it by the government every year for the past four years. Alternative service delivery, in particular, has transformed how services are provided, while maintaining government control of standards for public service.

Learning and development plans are becoming part of Ministry business planning processes.

Staff are engaged in an OPS-wide Quality Service Strategy. The public service is measuring itself against the OPS common quality standards and Ministries are conducting quality assessments and implementing quality plans.

In the 1998 Framework for Action report, the Secretary of Cabinet pledged that the OPS would “continue to strive to be the public service organization against which others will measure their own quality service.” Over the last few years, the OPS has begun to benchmark itself in national and international forums.

In 1998, Ontario received the Commonwealth Association for Public Administration and Management (CAPAM) gold award for innovation in service to the public. Other initiatives, including Ontario Business Connects (1996) and ServiceOntario (1997), have received awards from The Institute of Public Administration of Canada (IPAC). Teranet was recognized in 1998 for service delivery in the first National Awards of The Canadian Council for Public-Private Partnerships. In 1997, Teranet received a Canadian Institute for Productivity Award for technological innovation.

In addition, representatives from more than 30 countries have visited Ontario to learn about our services, products and our approach to transforming public service for the 21st century.

While celebrating the progress that has been made, we also recognize that there is much more to be done. The new Human Resources Strategy for the OPS, for example, acknowledges that there are major challenges ahead – developing new competencies, filling skills shortages and gaps, overcoming loss of experienced staff, and recruiting youth.

Through the Information and Information Technology Strategy, launched in 1998, the OPS has begun the huge task of creating a new, integrated technological infrastructure, with common standards and appropriate accountability, for the government as a whole. As well, some of the most ambitious technology-related projects, such as the modernization of the justice system, are still in the works.

Other innovations, such as the enterprising of internal administrative services through the Shared Services Bureau, have not had a chance to prove themselves over time. There is still more to do in the restructuring of regional services.

We recognize that if we are to continue to be an innovator in the 21st century, we must be searching now for new ways to “raise the bar” on the responsiveness, efficiency and quality of public service in Ontario.
Outlook on the Future

The cycle of renewal and transformation in government will continue in Ontario. In fact, we are now embarking on a new phase of transformation, marked by an election in June of 1999. There is a new government agenda to be implemented, and a new set of rigorous fiscal targets to be met.

The 1998-99 survey of Provincial and Federal Deputy Ministers and Municipal CAOs by the Institute of Public Administration of Canada (IPAC), in partnership with the Canadian Centre for Management Development (CCMD) identified three major clusters of management issues. They are summarized below:

- renewing and revitalizing the public service, and achieving higher levels of organizational performance through improved leadership development, and better knowledge management, new skills, and greater attention to the quality of working life;
- redesigning service delivery to meet citizens’ needs and expectations, including the development of new service delivery partnerships and electronic services; and
- reframing and refining systems of performance measurement and accountability, as governments enter into more delivery partnerships and devolve programs, and as citizens seek greater consultation, transparency and results.

Those challenges are reflected in the issues facing the Ontario Public Service. The next phase in our journey will involve building on what has been accomplished to date. Among our priorities will be:

Leadership

There will be a renewed emphasis on leadership of the organization. The leadership challenge of the 21st century includes leading the culture change to an outside-in, customer-centred public service that can provide policy direction and service management of external delivery organizations. The OPS must not only support today’s public service leaders as the role of government evolves, but also nurture leaders for the next century.

Valuing Public Service

As we implement our new Human Resources Strategy, with its focus on learning and development of staff and revitalization of the workforce, we will be paying attention to the issue of valuing public service. A high-performing public service is created by the people who work in it. We must be able to attract good candidates for public service jobs, and maintain morale in the current workforce. We are continually asking our customers to rate how we are doing; as the speed, responsiveness and quality of services improve, we hope that general attitudes to government services will also improve.

Quality

The expectations of our customers will continue to be a spur to innovation and quality service. The Quality Service Strategy has passed the pilot stage with the completion of assessments by five Ministries, but every Ministry must go through an assessment to identify quality gaps and develop action plans. Like becoming a learning organization, building a quality organization is a continuous effort.

Responsiveness

Technology offers the opportunity to integrate service delivery electronically so that the public does not have to visit a series of government offices to get the documents or services they need. The principle of delivering services in a speedy, seamless, simple and accessible way will be applied to a wider range of services as we harness the full potential of electronic delivery. For example, there will be greater efforts to link Ontario’s service delivery with services provided by other levels of government to eliminate arbitrary barriers to good service to the public.

Alternative Service Delivery

We will continue to learn about managing “the shifting boundaries of government”.¹
The trend to alternative service delivery is expected to grow, with an emphasis on partnerships with community organizations, business enterprises, and other levels of government. The OPS will identify new alternative service delivery opportunities, and will refine accountabilities, through business planning and performance management systems.

Policy Coherence

New approaches to organizational structure and interministerial collaboration will be developed. As a start, a new position has been created in Cabinet Office at the Deputy Minister level to oversee policy development from a government-wide perspective. A new Cabinet committee structure has been adopted that will help promote greater policy coherence and consistency across the OPS. Four policy standing committees (Health and Social Services Policy, Education Policy, Economic and Resource Policy, and Justice and Intergovernmental Policy), will review the detailed policy matters that previously went to the Policy and Priorities Board. The former P and P Board has been replaced by the Priorities, Policy and Communications Board, which focuses on agenda-setting, defining the mandates and priorities of the policy committees, and considering broad policy and communications issues.

The policy committees will work closely with Management Board, which will continue with its current responsibilities. A Statutory Business Committee will deal with legislation, regulations and certain orders and reports that previously went directly to Cabinet. The Privatization and SuperBuild Committee has been created to develop leading-edge infrastructure for growth and jobs.

Enterprising

The OPS will continue its efforts to become a more cohesive and streamlined organization. Some key initiatives are already in process, including the Shared Services Bureau, which will continue to evolve, the new integrated financial system, and the integrated workforce information system. As with service delivery (see Responsiveness), technology will continue to transform many of the internal processes that up until now have been particular to each Ministry.

Each of these areas represents a set of new challenges, which will require further change and adaptation on the part of people, processes, technology and service delivery – the major “enablers” of change in the OPS.
Conclusion

There is an interesting academic debate going on about the basic elements of the reform movements in public management around the world, and whether this reform represents a paradigm shift or is simply a new overlay on old concepts. Without becoming engaged in those arguments, we see the transformation that is taking place in the Ontario Public Service as harnessing the synergy that comes from a range of creative solutions to the challenge of public service at the beginning of the 21st century. That does not mean that we have pursued change in piecemeal fashion. If we had, we could not have delivered on the agenda set by the government in 1995 and our plans for transformation which have unfolded over the last five years. There were simply too many targets – fiscal, human resource, policy development and service delivery – to meet. The same is true in 1999-2000.

Rather than looking for a “pure” model of reform, we take heart from analyses such as that of Patricia Ingraham in Transforming Government: Lessons from the Reinvention Laboratories (1998) that there are no universal nostrums that can be applied to every circumstance. Instead, each public service must build on an understanding of its own history and culture and people to create its own path to the future.

The OPS has a long history of adapting to change, and much of what has occurred in the 1990s has a foundation in change and evolution over the previous three decades. The transformation that is occurring now, however, has come at a faster pace than in the past. Partly because of the impact of technology, change has affected how government works in a more fundamental way; processes that have not been altered significantly in decades have been replaced with electronic systems. And with the focus on smaller government and alternative service delivery, the size and shape of the public service has been radically redrawn. Accountability has always been a concern in the public service; with more public services being delivered outside government, the accountability issues have become more complex.

It is also important to recognize that the success of transformation in the OPS will be judged not by public servants, but by the public, from the “outside-in”. As Thomas Courchene has written:

...the appropriate focus is whether, down the road a bit, Ontario’s public sector infrastructure is better able to address the needs of Ontarians.

The OPS is committed to making sure it is.

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1 Aucoin, Peter, the new public management: CANADA in comparative perspective, Institute for Research on Public Policy, 1995, p. 198.


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