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Item No. 1
Halifax Regional Council
December 5, 2017

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY: Jane Fraser, Director Corporate & Customer Services

DATE: November 8, 2017

SUBJECT: Performance Excellence Update

INFORMATION REPORT

ORIGIN

In fiscal 2016/17, Regional Council approved their strategic plan to lead the organization over the upcoming four-year term. Included in their strategy is the Priority Area, Service Delivery which includes the outcomes Service to Business, Service to Our People, and Innovation.

LEGISLATIVE AUTHORITY

35 (1) Chief Administrative Officer shall (e) carry out such additional duties and exercise such additional responsibilities as the Council may, from time to time, direct.

BACKGROUND

More than ever before, demands are on the rise for better more efficient programs and services offered by Municipal governments. Meanwhile, all levels of government continue to encounter budget pressures. Neither eliminating services nor increasing budgets are attractive options. In response, the organization has begun to adapt to a performance excellence approach to doing business, with a focus on continuous improvement. Performance excellence requires a consistent approach to reviewing service delivery options and driving a problem-solving philosophy by streamlining processes and improving delivery methods. Although the methodologies are long-established in the private sector, these practices are relatively new to government organizations. These ideas and practices, however, are beginning to gain traction in the public sector.

DISCUSSION

In response to Regional Council's Priority Outcome Service Delivery, and the Administrative Priority Service Excellence, Organizational Performance Excellence (OPE) became a new Division under Corporate and Customer Services on April 1, 2017. With the customer at the centre of everything that we do, performance excellence is about continuously improving the outcomes delivered to the people we serve, while lowering the delivery cost and improving cost effectiveness. The Division was created to ensure an integrated and coordinated approach to organizational performance excellence, an ongoing focus on continuous improvement, as well as implementation of the Corporate Customer Service Strategy. While the framework is in place to successfully introduce the key concepts and processes, performance excellence is a journey that takes time, as it requires all levels of the organization to make changes to align with the desired results.

Performance excellence and continuous improvement focusses on five principles. 1) putting the customers' needs first; 2) adding value for the customer; 3) identifying and eliminating waste; 4) striving to have employees own the processes; and 5) turning your employees into champions of continuous improvement. Achieving success in these five areas will assist the municipality to be in the best position to deliver high quality services to customers while creating savings, enabling capacity and cost avoidance.

Benefits can be broken down by three specific groups: the municipality, employees, and customers. Examples for each group are outlined below.

Municipality Benefits

- Resources allocated to services that meet customer needs
- Inefficiencies are eliminated to reduce costs
- Defensible and transparent data driven decision making, with clear accountabilities
- Use of an enterprise-level perspective to enable the organization to see not only how each Business Unit contributes to desired outcomes, but also whether the interactions amongst the Business Units have a positive or negative impact
- Improved customer confidence in the Municipality

Employee Benefits

- Increased staff collaboration on improvements to work processes
- Problem solving approaches are fostered throughout the organization at all levels
- Staff feel empowered and supported to make decisions to better serve our customers
- Increased employee engagement and job satisfaction

Customer Benefits

- The customer's unique and evolving concerns are heard and considered by way of ongoing feedback and engagement
- Efficient, effective and sustainable services are provided
- Processes that negatively impact customers are removed

Performance Excellence Initiative Update

Since April 1, 2017, several initiatives have been completed to assist with promoting and enabling performance excellence within the organization and changing behaviours so they align with performance excellence objectives. They include:

1. The Organizational Performance Excellence Division (OPE), under Corporate and Customer Services Business Unit, has been stood up. The Division consists of a Program Manager; two Business Analysts, transferred from Corporate Planning; a Change Management Consultant transferred from ICT; and a Policy Analyst Intern under the Bridging the Gap Program. The

- operations plan has been completed.
2. Change Management and Communication strategies have been finalized and the accompanying work plans are in draft form. These will help guide the transformational change throughout the organization.
 3. Best practice research has been conducted and has highlighted several Canadian Cities that are at various stages of a performance excellence transformation. They include Ottawa, Fredericton, Vaughn, Burlington, Waterloo, Toronto and Calgary.
 4. A governance structure has been developed. The Performance Excellence Executive Steering Committee, whose members include the CAO and Directors, ensure maximum collaboration and integration of continuous improvement efforts within and between the municipal business units; implementation of the customer service strategy and employee engagement initiatives; guide the organization on its performance excellence journey to ensure high value services are delivered to our customers; and support successful culture change by minimizing/eliminating obstacles using Lean Six Sigma tools and methodologies. The Performance Excellence Staff Working Committee will ensure a partnership approach across the organization and success in achieving the performance excellence goals and objectives.
 5. Lasting change in any organization starts with the senior leaders. High level five-day performance excellence training has been concluded for approximately 140 senior managers and union executive in the organization, providing a foundational understanding of performance excellence and continuous improvement.
 6. Tools and templates including the project intake form, charter, benefits framework and status report have been completed. These tools and templates will be shared with the Business Units so they can work independently, and the OPE team will be using them for the Corporate Project process reviews.
 7. Phase 2 approach for performance excellence training has been approved by the Executive Steering Committee. New training options will be made available in January/February of 2018 and will include further performance excellence foundational training, practical use of continuous improvement tools and methodologies (Lean Six Sigma Yellow Belt Training), and more complex project and process improvement training (Lean Six Sigma Green Belt Training).
 8. The Corporate Customer Service Strategy has been finalized. An employee guidebook and service standards is now being drafted and will be completed by end of fiscal.

Through the performance excellence training, potential process improvement projects were identified at the Business Unit level and at a Corporate level. A list of 15 Corporate improvement projects was presented to the Executive Steering Committee in November, and narrowed down to five. These five projects are now being further scoped to prioritize and determine an implementation approach and include the following:

1. Hiring Process: Onboarding, forms, and training
2. Prioritization of Legal requests
3. Financial Processes: Invoicing, payments and release management
4. Attendance Support: working toward measurable improvement
5. Corporate Forms: creating a standard for and easy access to required forms

Although performance excellence and continuous improvement may be a new approach for some in the organization, others have been striving for success in these areas for some time through iterative processes. Examples presented to senior staff during the performance excellence training include:

The Halifax Transit Technology Program: the program goals are to improve ridership, provide a safe environment for transit employees and passengers, improve service quality and customer satisfaction, improve productivity and overall cost-effectiveness. Halifax Transit conducted Value Stream Mapping workshops on fare management and fixed route planning allowing them to prioritize key business decisions; engage with and understand impact on stakeholders; inform early capacity planning such as key project dependencies, roles and responsibilities; focus on process improvement opportunities; and eliminate roadblocks to success.

Planning and Development Plan and By-Law Simplification Project: the goals were to positively impact work culture, engage leadership to set clear priorities that achieve the biggest impact, design a structure that delivers results, and ensure strategic alignment with Corporate and Council priorities. Efforts were focussed on understanding the current state, setting strategic priorities and objectives, and aligning service delivery with a revised organizational design. Planning and Development implemented a staff survey, held focus group meetings, and management team visioning exercises to inform a new Business Unit organizational design to better address their goals, and ensure continuous improvement approach to delivering on their priority critical issues.

Halifax Transit Maintenance Division: the goals were to improve quality of work life, increase productivity, and improve service reliability. They embarked on an initiative to change the culture within their division and thus, improve service delivery. They conducted a Leadership Styles Index to determine improvements in management approaches, did a workplace assessment to identify systemic issues, and identified the gaps/risks within their Division. They defined key performance indicators; identified non-value add activities; and worked toward a leaner way of completing tasks, by applying process improvements where needed.

Customer Service Strategy

The Corporate Customer Service Strategy (CCSS) is the municipality's roadmap to becoming a Performance Excellence organization. It is informed by The Citizens First Study, conducted for The Institute for Citizen-Centred Service and The Institute of Public Administration of Canada, which asked customers what specific improvements are needed in public sector service delivery. The research identified what contributes to high customer satisfaction and the five drivers of customer service satisfaction:

1. Timeliness – I was satisfied with the amount of time it took to get the service.
2. Knowledge, competence – I was served by knowledgeable, competent Employees.
3. Courteous/Extra Mile – I was served by courteous employees who went the extra mile to help me get what I needed.
4. Fairness – I was treated fairly.
5. Outcome – I got what I needed.

The Strategy's vision and values are informed by Council's Strategic Direction and Plan on a Page. They were developed in support of the overall mission to inspire HRM's employees to take pride in providing high quality customer service, and to make a positive difference for the people they serve. Customer service is the responsibility of all HRM employees and applies to all service delivery, both internally and externally facing.

There are five drivers of customer service intended to inform HRM leadership and employees about what excellent customer service looks like, and how to achieve the objectives of the CCSS and form the backbone of the action plan. Outcomes provide the line of sight to what we are trying to achieve, and specific objectives have been identified to achieve those outcomes.

The 5 Drivers and their Strategic outcomes are as follows:

1. Customer Service Culture: Employees take pride in public service and are invested in our customers and leadership demonstrates a customer service commitment through their words and actions.
2. Employee Engagement & Empowerment: Employees are empowered to make decisions to improve service; employees are equipped to provide knowledgeable and consistent service; and employees take pride in delivering a positive service experience.
3. Service Delivery: Customers can easily access services and information according to their diverse needs; customers know what to expect; responses to customers are informative and timely; and customers know their needs are heard and respected.
4. Partnerships: Employees are dedicated to building effective partnerships and employees work collaboratively to serve the customer.
5. Communication: Employees clearly understand HRM's service culture and leaders motivate and inspire employees.

Staff are in the beginning stages of socializing the Corporate Customer Service Strategy across the organization in tandem with performance excellence initiatives and continuous improvement methodologies. Many of the activities contained within the action plan are being completed. Some of the larger projects include a readiness assessment with senior leadership team; development and implementation of a communications strategy and change management strategy; review of recognition program and employee awards of excellence is underway; and the Performance Excellence Executive Steering Committee and Staff Working Committee are now in place.

The multi-Channel Service plan is a joint venue between Corporate and Customer Service (CCS) and Business Units. Through this engagement, CCS will work with Business Units and other partners to identify channels needed to address citizen needs for access and communications through email, mobile, Twitter, websites, or service catalogues. The customer service strategy will also provide a foundation for the development of the Multi Channel service delivery.

The planning process for future years is being done with a citizen focus to align with the Council and Administrative priorities for Service Excellence and Service Delivery. Now that the foundation of the HRM external website has been improved to allow future growth and enhancements along with streamlined mobile functionality current inflight and new projects can leverage the new tools to delivery services to citizens. These business projects will work with Corporate and Customer Service's ICT, Communications, and Customer Service teams to develop the best channels to deliver their services to citizens.

In support of citizen focused Multi Channel Service Delivery Halifax is launching a Strategy and Roadmap project for a Customer Relationship Management solution in support of Council and Administrative priorities for Service Delivery and Service Excellence. The Strategy and Roadmap will enable Halifax to align both business and technology stakeholders with a common vision and a means by which a citizen-centric service delivery model will be supported by enterprise technology.

The expected deliverables for this initiative will include:

1. A CRM Vision and Strategy (the what?)
2. CRM Business and Technology Blueprints and Governance models (the how?)
3. An implementation Roadmap, including quick wins (the when?)
4. A Business Case and Benefits Realization Plan (the why?)

Once the CRM Strategy and Roadmap initiative has been completed and final deliverables have been accepted by key stakeholders, Halifax's CRM initiative will move from the planning stage to the project which include RFP, establishment of a project team through to the execution of approved and prioritized project initiatives identified in the roadmap deliverable.

Red Tape Reduction

HRM has signed a Memorandum of Understanding with the Provincial Office of Regulatory Affairs and Service Effectiveness, to reduce regulatory burden for business by addressing unnecessary red tape, overlap, and over reach in regulation and improving customer service supports. The initiative - Joint Project Regulatory Modernization – is supported by an Advisory Panel made up of HRM, provincial, and business representatives working with an HRM staff lead to achieve three project deliverables including:

1. Develop and adopt HRM guiding principles of regulation i.e. Charter of Governing Principles for Regulation;
2. Identify a minimum of three priority areas for Municipal regulatory improvement and develop a framework for their implementation; and
3. Trial and adoption of a customer service strategy for business that includes elements of the business service plan developed for Nova Scotia by the Office of Regulatory Affairs and Service Effectiveness.

The Joint Project (MOU) is part of HRM's approach to Red-Tape Reduction to help achieve the objective under the Halifax Economic Growth Plan 2016-21 to make Halifax an easier place to do business. By advancing the Joint Project deliverables HRM will achieve multiple performance excellence benefits for the Municipality, employees, and citizens with a specific focus on our business clients.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

COMMUNITY ENGAGEMENT

There was no community engagement conducted for this report.

ATTACHMENTS

No attachments

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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