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Formative Assessment of Organisational Effectiveness Frameworks: Consultation Paper

Final Report

Prepared for

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EXECUTIVE SUMMARY

This report analyses five management frameworks to identify overlapping areas and idiosyncrasies. Its objective is to discuss the way in which these frameworks could be integrated to produce a more encompassing framework of organisational effectiveness.

The analysis is limited to frameworks used within Treasury Board Secretariate with the addition of a UK-based model which has been the subject of attention recently. The frameworks or models included in the analysis are:

- National Quality Institute (NQI) Canadian Quality Criteria for the Public Sector;
- Modern Comptrollership Framework (including the Review, Internal Audit and Evaluation Policies);
- Risk Management Framework;
- Framework for Good Human Resources Management in the Public Service;
- Public Service Excellence Model (PSEM) developed by Colin Talbot.

The analysis lays out the elements of each framework reviewed within each of three categories: purpose, principles (or values) and criteria (or areas). Within each category, the details of the models are cross-referenced to the NQI framework to ease the identification of elements which are particular to a model and the connections among models.

It is found that each model presents valuable features:

- the NQI model offers a global view of organisational effectiveness with particular emphasis on continuous improvement (see section 2.2);

- the Modern Comptrollership framework emphasises the concept of external performance reporting, the primacy of Parliament and the use of benchmarking standards (see section 2.3); it stresses the importance of mechanisms apt at collecting useful and quality information, and the capacity to use this information to improve performance; the Internal Audit and Evaluation Policies lay out principles for conducting such reviews;
- the Risk Management framework enriches the discussion of process management from a risk management perspective (see section 2.4);
- the Good HR Management framework provides extensive guidance in HR management as applied throughout the domains of quality management (see section 2.5);
- the PSEM is particularly strong in reflecting the importance of partnering, reporting and organisational empowerment (see section 2.6).

The discussion of the possible rapprochement of these models concludes that (see chapter 3 for details):

- the NQI model provides the most extensive coverage of the dynamics of organisational effectiveness;
- further work on these frameworks will require careful attention to the development of quality management principles and criteria which relate to the connexions between the organisation and its external environment; in particular, provisions regarding accountability and performance reporting as well as the development and the maintenance of partnerships will have to be considered;
- these concerns can be accommodated within the logic and the structure of existing frameworks so that a new organisational effectiveness framework could be an evolution of existing models rather than a completely new endeavour;
- while citizen-centredness is core to contemporary management thinking, the input of citizens is not clearly considered in any of the models beyond the establishment of service standards. Notably absent are the involvement of citizens in the planning and development of products and services as well as in the design of performance measures and in the elaboration of improvement plans.

ACKNOWLEDGEMENTS

While **Circum Network Inc.** is responsible for any error or omission in this report, we would like to acknowledge the important contribution of two individuals.

Daniel J. Caron, Director, Innovation and Quality Service, Treasury Board Secretariat, has initiated the reflection on the integration of management frameworks and has delineated the nature of this assignment. He was party to the discussions and he influenced significantly the conclusions we reached.

Sony L. Perron, Project Officer, Innovation and Quality Service, Treasury Board Secretariat, was closely involved in thinking through the issues; he also handled the logistics of the assignment. He participated in every meeting where study issues were discussed and commented extensively draft versions of the report.

Finally, we would like to thank the other individuals who helped us assemble the documentation and who directed us to the right literature.

Benoît Gauthier, president
Circum Network Inc.
2000.02.06

Chapter 1

INTRODUCTION

Context

As of March 31, 1998, there were 2,921 members in the executive category of the federal government (Nehmé and Gorber) and 6,645 additional individuals belonged to the feeder categories (Malizia and Booker). While this does not adequately capture the magnitude of the role of management in the federal public service since many public servants carry management responsibility without belonging to the EX or the feeder categories, it indicates that management is a very important aspect of delivering public products and services.

Because of the very high levels of transparency and coherence that the public expects of its public service managers, a large number of guidance processes have been developed over the years. Let's name a few which are selected from Treasury Board Secretariat documents (see http://www.tbs-sct.gc.ca/pubpol_e.html): access to information policies, capital plans, projects and procurement policies, communications and publishing policies, pension policies, compensation and pay policies, contracting policies, employment equity policies, comptrollership policies, human resources management policies, information management policies, material management policies, official languages policies, expenditure

management, service standards, quality management frameworks, real property policies, audit and review guides, risk management policies, security policies, etc.

These various guidance processes aim at providing managers with good practices information and at promoting coherence in the management of public resources. They embody the ideal of quality management within the logic of accountability for the management of public funds.

Confusion

A certain level of frustration has developed recently among line departments who have to address real life challenges with a multitude of guidelines and frameworks which present both redundancies and disagreements. The most ambitious management models — referred to here as organisational effectiveness frameworks — have been the subject of criticisms from line managers who would prefer to integrate their guidance into a single umbrella.

Therefore, Innovation and Quality Service Division of the Treasury Board Secretariate has decided to analyse the differences among various management frameworks and, specifically, to review of the National Quality Institute (NQI) Organisational Effectiveness Framework with a view to improve it.

Composed of three main activities — an analysis of existing frameworks, focus groups with users of the NQI framework and a review by an expert think tank — the entire project will contribute to the continuous improvement of the tools offered by Innovation and Quality Service Division to support organisational effectiveness.

Assignment

This report contributes to the first activity of the plan, that is the analysis of existing frameworks; other analyses will be required to cover the full spectrum of possible models. We extracted strategic components, idiosyncrasies and pertinent definitions from the organisational effectiveness frameworks identified. The assignment includes discussion of ways in which

these frameworks could be integrated to produce a more encompassing framework of organisational effectiveness.

Frameworks

The analysis is limited to frameworks used within Treasury Board Secretariat complemented by two frameworks derived from the National Quality Institute model and one model developed in the UK which has been the subject of attention recently. They were selected by Innovation and Quality Services Division to initiate the discussion around known quantities rather than to provide complete model coverage. The theoretical management literature and empirically-derived models of organisational effectiveness were not considered in this study. These sources of information could be cast in another study to complete the identification of the components of an all-encompassing model of organisational effectiveness. The frameworks or models analysed were:

- National Quality Institute Canadian Quality Criteria for the Public Sector;
- Modern Comptrollership Framework¹;
- Risk Management Framework;
- Public Service Excellence Model developed by Colin Talbot;
- Framework for Good Human Resources Management in the Public Service;
- Strategic Framework for the Office of the Auditor General of Canada;
- NRC Elements from the Guide to Good Management 1998.

Various other documents were considered, as reflected in the list of sources in appendix.

Approach

The NQI model comprises four elements: nine principles; the criteria which are laid out in seven sections; the quality Compass and its ten steps; and, the Quality Fitness Test (QFT). The Compass is an implementation plan and the QFT is a diagnostic tool. Both are extremely valuable elements of the NQI model but they do not define its conceptual basis. The essence of the

¹ Including the Review Policy, the Internal Audit Policy and the Evaluation Policy.

NQI model is found in the principles and the criteria to which only a statement of purpose needs to be added to obtain the complete picture of the framework.

Our approach is to lay out the elements of each framework reviewed within each of three categories: purpose, principles (or values) and criteria (or areas). Within each category, the details of the models are cross-referenced to the NQI framework to ease the identification of elements which are particular to a model and the connections among models.

Chapter 2

FRAMEWORKS

Seven models were reviewed in depth. Two were derived from the NQI framework — the Strategic Framework for the Office of the Auditor General and the Natural Resources Canada Guide to Good Management — and maintained a very close filiation. Hence, we elected to focus on the other five frameworks.

In this chapter, after a comparison of their purposes, the models are presented briefly; they are then super-imposed over the NQI framework to determine their coverage and their value added.

2.1 **Comparison of Model Purposes**

The analysis deals with five management models. While the aim of this chapter is to provide a description of each model, it is useful to start the presentation with a comparison of the purposes of the frameworks.

Exhibit 2.1 summarizes these purposes.

EXHIBIT 2.1
Model Purposes

Model	Purpose	Conclusion
NQI Quality Criteria Framework	To provide a path toward organizational excellence in the context of citizen-centred service delivery.	Generic models
Public Service Excellence Model	To assess the performance of public service organisations.	
Modern Comptrollership Framework	To help people make decisions, manage risks and demonstrate accountability.	Specialized models
Risk Management Framework	To safeguard the government's property, interests and certain interests of employees during the conduct of government operations.	
Goof HR Management Framework	To improve the management of people in order to deliver affordable services and quality programs that respond to the needs of Canadians.	

Two models — the NQI Quality Framework and the Public Service Excellence Model — deal with the large management picture: "a path toward excellence", "assessing performance". The other three models have narrower purposes: helping make decisions, provide safeguards, manage people. As important as these latter preoccupations are, they do not cover as much organisational management territory as the first two, more generic models.

2.2 **National Quality Institute Canadian Quality Criteria for the Public Sector**

The nine NQI quality principles

- Cooperation, teamwork and partnering
- Leadership through involvement and by example
- Primary focus on clients/stakeholders
- Respect for the individual and encouragement for people to develop their full potential
- Contribution of each and every individual
- Process oriented and prevention-based strategy
- Continuous improvements of methods and outcomes
- Factual approach to decision making
- Obligations to stakeholders, including a concern for responsibility to society

The National Quality Institute (NQI) Quality Criteria for the Public Sector model¹ comprises several pieces: an unequivocal commitment to client service, nine quality principles and seven interlinked areas of management which house the quality criteria as well as the dynamic of the framework.

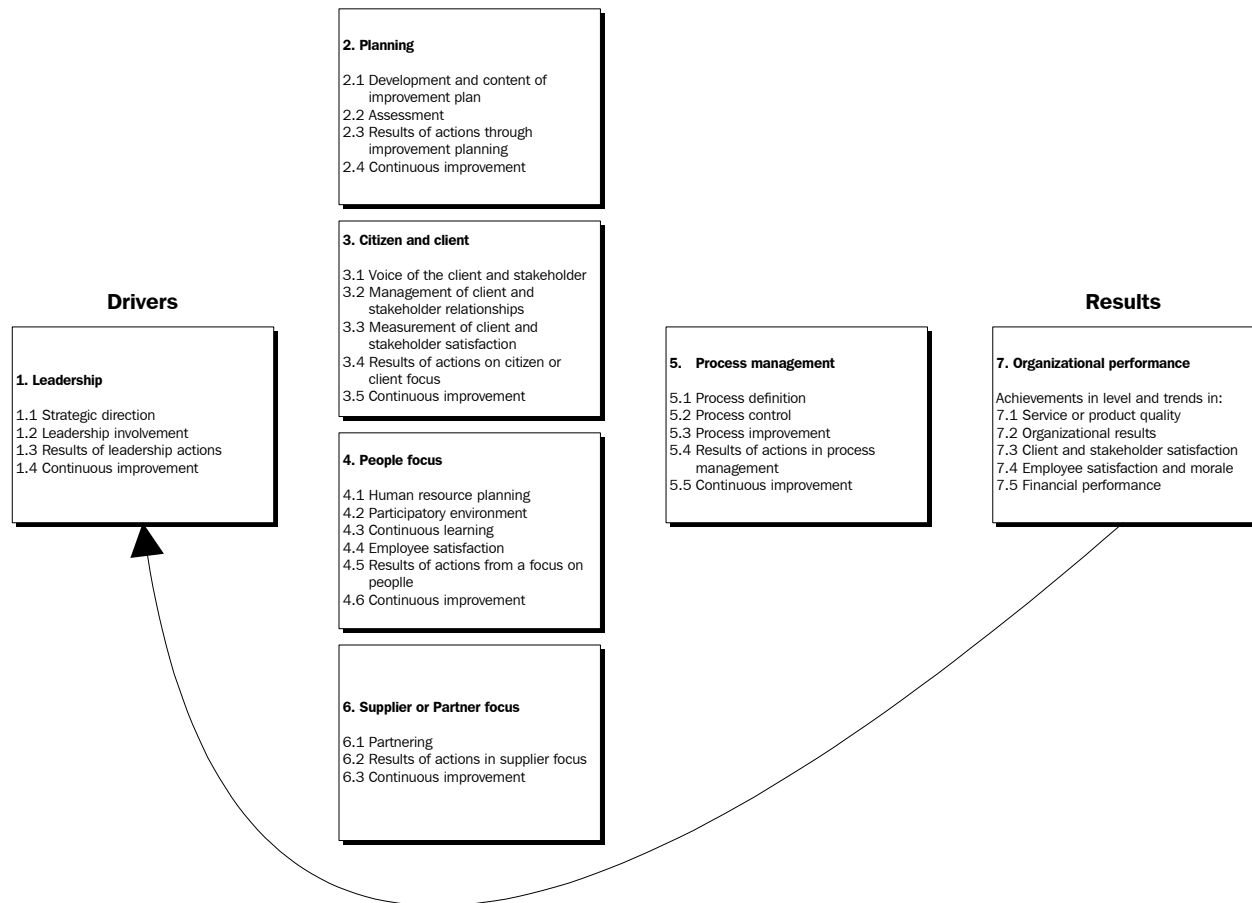
As shown in the previous section, the NQI model aims at providing an overall roadmap toward organisational excellence. It is generic in the sense that it is adaptable to any public organisation))

another NQI model deals with quality criteria in the private sector. It is also adaptable since the criteria identify areas of action and performance measurement but do not force organisations to use a preset collection of objectives, rules and procedures.

Exhibit 2.2 contains the simple, traditional representation of the contents of the NQI model. The seven areas of quality management are laid out from the drivers — leadership — to the results — organisational effectiveness, with five intervening factors — planning, citizens/clients, human resources, suppliers/partners and process management. This diagram also indicates that organisational effectiveness must feed back into quality management through a continuous improvement loop.

¹ References are listed in the bibliography.

EXHIBIT 2.2
NQI Quality Criteria for the Public Sector



3. CITIZEN/CLIENT FOCUS

3.1 Voice of the client/stakeholder

- a. Clients/stakeholders and/or client groups have been defined.
- b. Information is gathered, analysed and evaluated to determine client/stakeholder needs, including evaluation of potential partnering and/or third party service delivery arrangements.
- c. The future needs of current and potential clients are gathered and used.

Each area of quality management is decomposed into action criteria, results criteria and a continuous improvement emphasis. In total, the model comprises 80 quality criteria which are reproduced in Appendix 1. As an illustration, the side box contains the first three criteria which relate to the area of citizen/client focus.

The real dynamic of the NQI model is better exemplified by the representation in Exhibit 2.3.

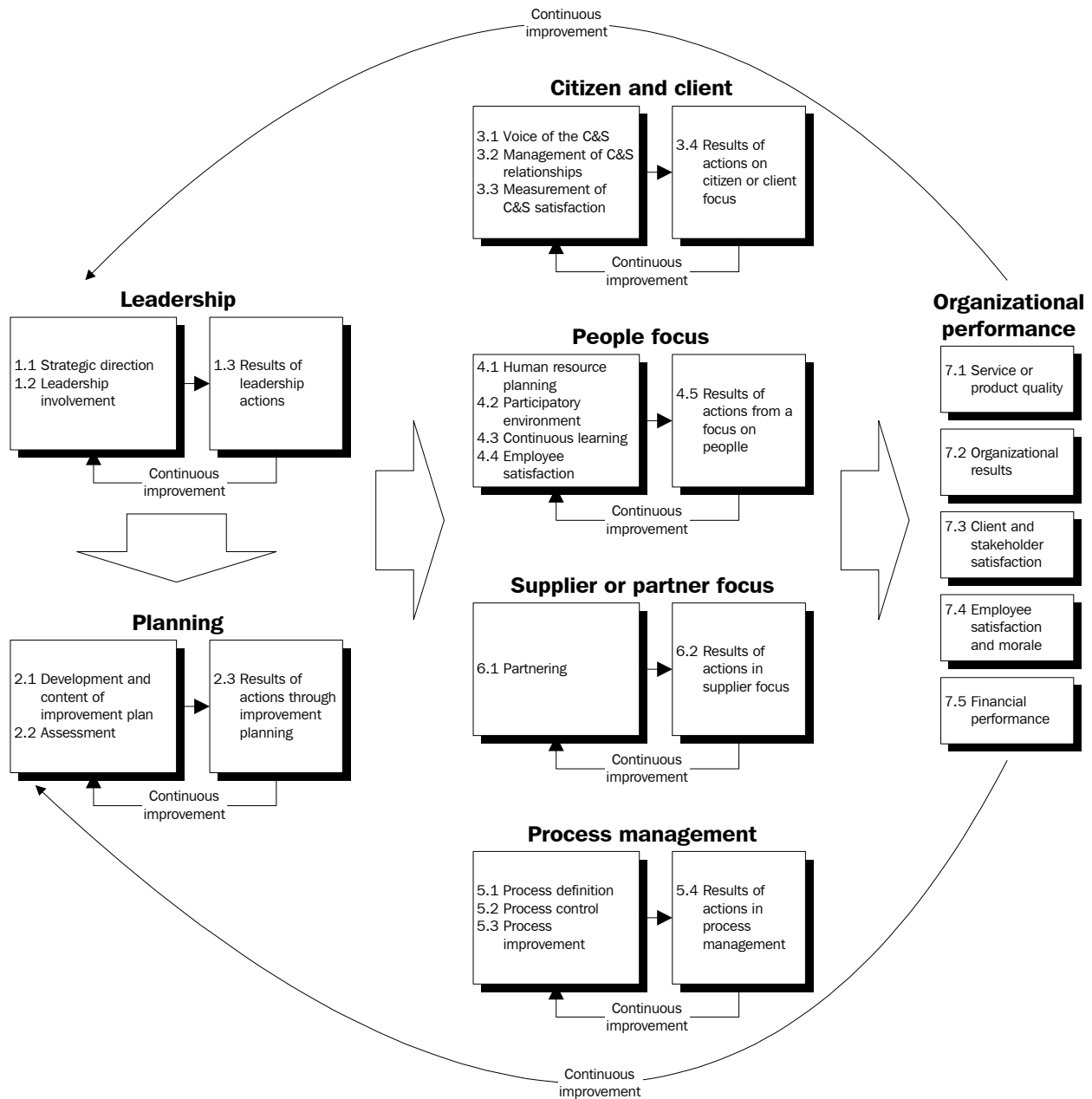
Leadership and planning are basic quality areas which feed into the attention given to citizens and clients, human resources, suppliers and partners, as well as process management. The results of quality management are encapsulated in the five areas of organisational effectiveness. An overall continuous improvement loop links organisational effectiveness to leadership and planning. Leadership adjusts the vision, the resources and the key objectives of the organisation according to the organisational effectiveness. Similarly, organisational effectiveness indicators are the basis for assessing strategies and planning improvements.

Within each quality area with the exception of organisational effectiveness, the NQI model provides an emphasis on action criteria (the first box), on results criteria and on the necessary internal continuous improvement loop. Hence, the performance feedback takes place at two levels: at the level of the entire organisation by linking the area of organisational effectiveness with the areas of leadership and planning; and at the level of each quality area where area-specific results are compared to area-specific expectations. Throughout the model, continuous improvement is the fundamental block of organisational innovation which is also specifically mentioned in criteria dealing with human resources (the people focus) and with suppliers and partners. None of the other models make specific reference to innovation¹.

This scheme will now become our basis to position the other four models. Exhibit 2.3 will be the cast in which we will place the ingredients offered by the other models thereby identifying the areas covered by the NQI which may not be covered by other models, and vice versa.

¹ With the possible exception of the Modern Comptrollership model indirectly, within the Review Policy.

EXHIBIT 2.3
Details on the NQI Quality Criteria for the Public Sector



2.3 **Modern Comptrollership Framework**

The Modern Comptrollership framework aims at helping make decisions, manage risks and demonstrate accountability. It is founded on three principles:

- managers must seek information and encourage challenge; they must also act on the outcomes of that process;
- "comptrollership cannot be delegated entirely to specialists; it must be embedded, in some measure, in every management activity". The wording of that principle suggests that the natural tendency of management would be to leave comptrollership concerns with control specialists; this is in sharp contrast with the view from the NQI framework which insists that quality management must become part of the fabric of each organisational action, decision or process, at the management and operational levels;
- a comptrollership focus leads to the integration of information from multiple sources, to its communication to managers and to the identification and rectification of deficiencies in information.

Modern Comptrollership is based upon four key elements: performance information, the management of risk, control systems, and ethics and values.

Performance information. Managers should have both facts and solid projections. Financial and non financial information — retrospective and prospective — should be gathered, collated, analysed and used in decision making. This involves the integration of financial and non-financial performance information, the establishment of a performance reporting system and the consolidation of reporting to avoid unnecessary or overlapping reporting requirements. The emphasis on performance information also comprises a commitment to performance reporting to Parliament and stakeholders. Performance reporting underscores the

importance of linking reporting to business cycles and of validating reports on an on-going basis.

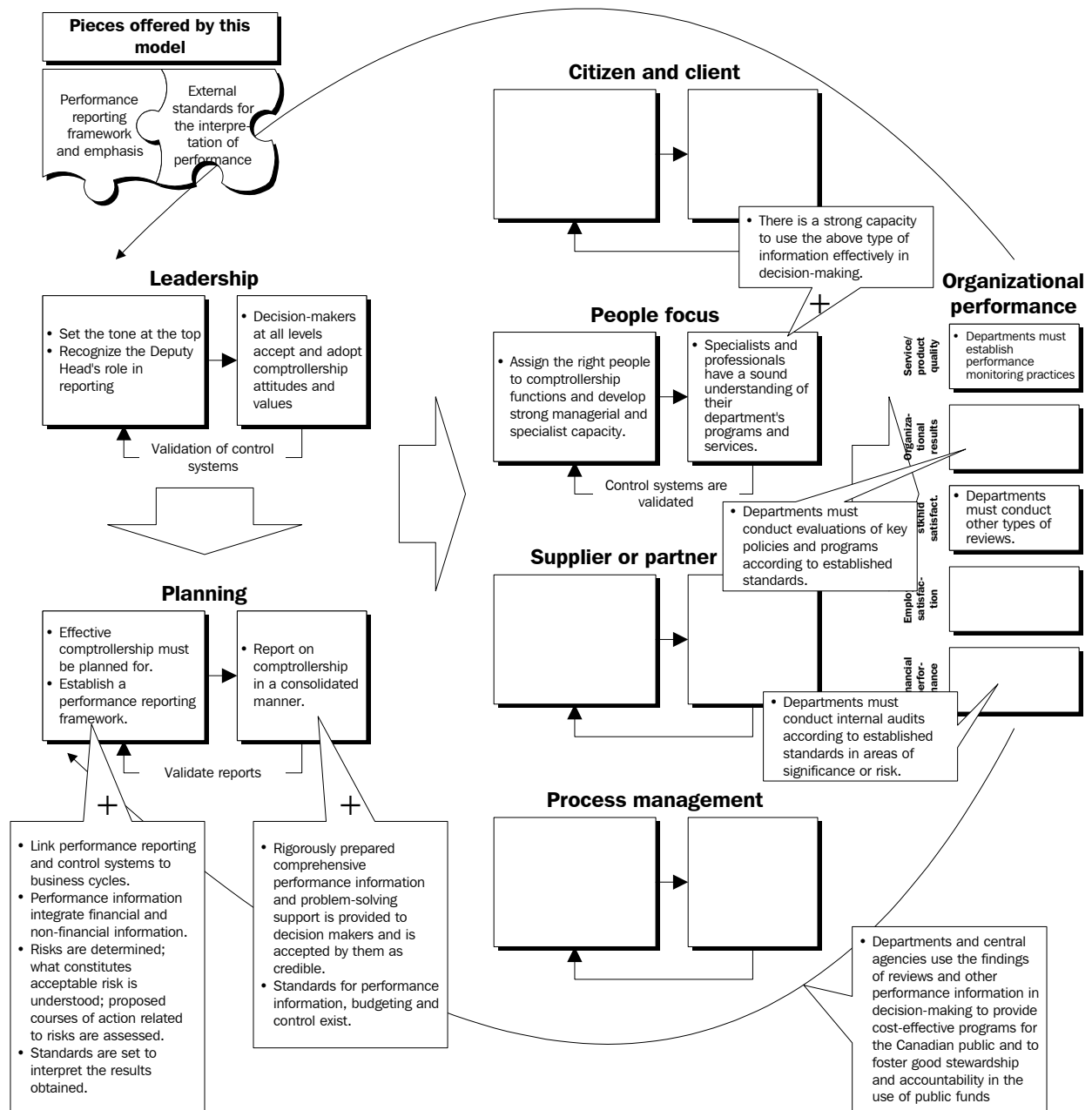
Management of risk. The recognition of the existence of risks and the prudent management of these risks is another cornerstone of modern comptrollership. This model goes further than traditional risk management by including, beyond the protection of assets, people and the Crown, contingency planning to increase the probabilities of program success. Identifying and managing risks means, in part, developing tools to help managers make trade-offs in resource expenditures.

Control systems. Control mechanisms support managers by providing management information for performance measurement and the management of risk. While remaining flexible, they include the utilisation of standards allowing the benchmarking of results with those of other public organisations. They are validated in an on-going fashion.

Ethics and values. Modern comptrollership is founded on strong ethics and values which are a soft but powerful and pervading tool to shape decision making. Key values include: loyalty to the public interest as represented and interpreted by the duly elected government of the land; service to Canada and Canadians; ethical values such as honesty, integrity and probity; and people values such as fairness and equity. Such values must be promoted at the top and demonstrated by the rank-and-file.

The Modern Comptrollership framework comprises 15 "benchmarks" used to assess the position of an organisation. They are reproduced in Appendix 1 and in Exhibit 2.4. As the exhibit shows by overlaying the 15 benchmarks and the NQI model, the Modern Comptrollership framework touches upon three of the seven quality areas)) leadership, planning and HR management)) with particular emphasis on the planning component. It provides no direct guidelines regarding the implementation of the benchmarks; as expressed, the benchmarks frame the structure behind action, not the action itself. For example, the Modern Comptrollership framework discusses the requirement to develop a reporting system but does not raise the issue of actually using that system or the question of how the information in reporting systems will affect the behaviour or the organisation.

EXHIBIT 2.4
Modern Comptrollership



The modern comptrollership model is complemented by the Review, Internal Audit and Evaluation Policies. The general introduction to these policies states their purpose:

To innovate and to deliver on public expectations, managers require timely and relevant information on performance and on strategies for continuous improvement. They need to know their clients well and to consult them regularly, to develop and test innovations with partners outside government, to manage risks realistically, and to monitor and demonstrate performance.

The review policy adds general requirements in the areas of performance measurement and reporting, as well as in the use of performance information for improvement purposes.

While leaving out several areas of organisational effectiveness¹, the Modern Comptrollership framework offers several interesting ideas which are either absent from or secondary in the NQI framework:

- **The concept of external performance reporting.** While not absent from the NQI framework, external performance reporting is not a key feature of the NQI model. This is due in part to the emphasis, in NQI model, on internal dynamics;
- **The recognition of the primacy of Parliament.** Through its commitment to performance reporting and within its core values, the Modern Comptrollership framework recognises the primacy of Parliament and the subordination of the interests of the organisation to the wills of duly elected officials. Because it focusses in the immediate external environment which includes clients and partners and because it does not provide clear ties to the distant external environment comprising citizens and the political system, the NQI model is limited to a more organisation-centric view of the world.
- **Benchmarking standards.** The Modern Comptrollership framework promotes the use of performance standards to interpret the results of a

¹ In particular, the specific consideration of the point of view of clients, although this is noted as a general wish, and the management and integration of citizens, partners and employees.

given organisation. This again exemplifies how, in the Modern Comptrollership model, the organisation must be open to its external environment. In comparison, the NQI model assesses the organisation in terms of the relationship between actual results and planned results and using time trends and continuous improvement loops.

Thus, the Modern Comptrollership model offers a more open perspective than the NQI and one that is more clearly founded in the nature of the parliamentary system. It constitutes a subset of the NQI framework while containing additional concepts which complement it.

2.4 Risk Management Framework

The Risk Management framework aims to safeguard the government's property and interests as well as certain interests of employees during the conduct of government operations. It contributes to ensuring the continuity of government operations, the maintenance of service and the protection of the interests of the Canadian public.

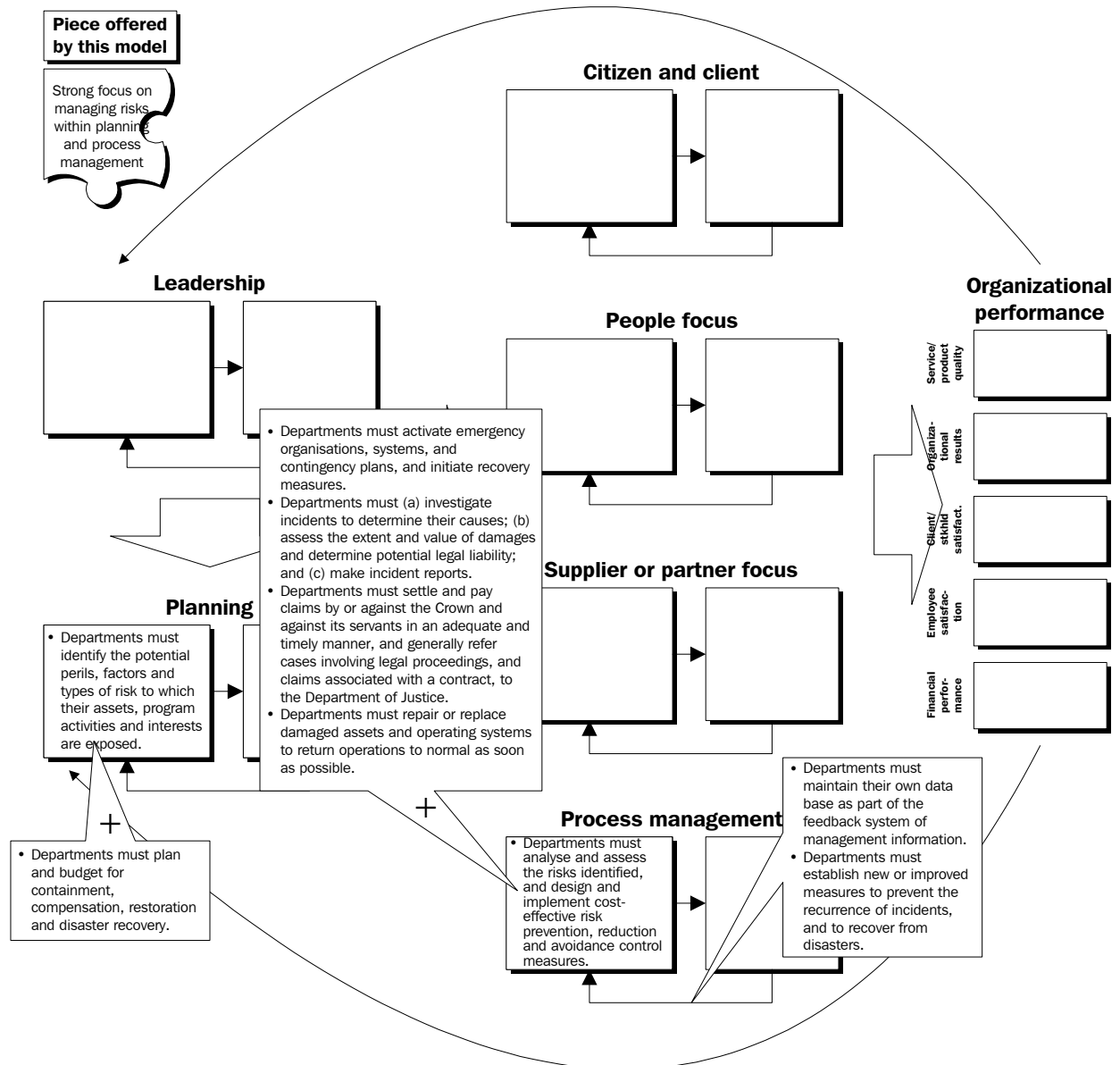
The government's risk environment evolves rapidly as advancing technological and social developments bring forth new risks such as hijacking, hazardous materials, pollution, protection of privacy, etc.. The Risk Management framework proposes a process to protect government's property, interests and employees.

There are four phases to risk management:

- identifying the risks and the entities exposed to risks;
- minimizing risks and their costs;
- containing the effects of any damaging or harmful events;
- compensating or restoring and recovering in the event of such incidents.

Within these four phases, the Risk Management framework identifies ten more specific requirements which are reflected in Exhibit 2.5 and Appendix 1.

**EXHIBIT 2.5
 Risk Management**



Recast within the conceptual domain of the NQI model (Exhibit 2.5), the Risk Management framework clearly focusses on planning and process management. Within these areas, the Risk Management framework provides prescriptions related to management actions, but little in relation to results and continuous improvement.

Not surprisingly, the Risk Management framework goes beyond the NQI model in the area of risk management; some of its prescriptions could feed into an improvement of the NQI framework.

2.5 Framework for Good Human Resources Management in the Public Service

The HR Management framework aims to improve the management of people in order to deliver affordable services and quality programs that respond to the needs of Canadians.

This framework's vision is that "Canadians are well served by a Public Service that is results-driven, values-based, representative, learning and the best in the world". Service to the public is central to the framework and people management is set as a key ingredient in delivering it. The fundamental approach is best described with this sentence: "In working to improve the HRM system, we need to focus on developing capacity in people and communities, streamlining structures and systems, and improving results and accountability."

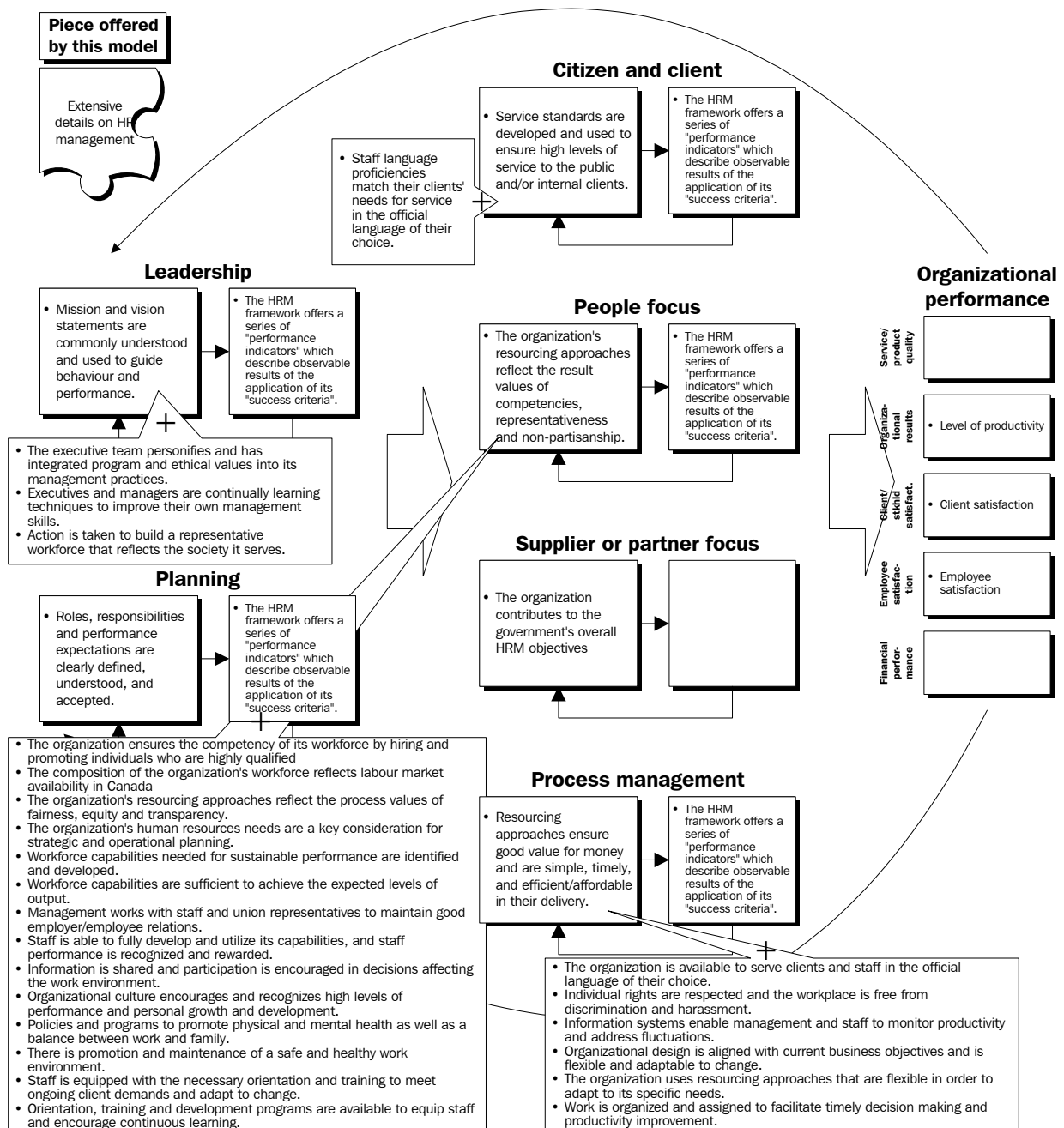
According to this framework, there are five key result areas for good human resources management (cited from references in appendix 1):

- **Leadership.** Leadership is the ability to establish a shared vision, to build the organization required to deliver program results, and to mobilize the energies and talents of staff.

- **Workforce built on values.** A workforce built on values is one that demonstrates competency, representativeness, and non-partisanship by ensuring fairness, equity, and transparency in its resourcing activities.
- **Productive workforce.** A productive workforce is one that delivers goods and services in a cost-effective manner and strives for continuous improvement.
- **Enabling work environment.** An enabling work environment reinforces good working relationships and teamwork; respects the individual; values diversity; accommodates differences; encourages open communication; is safe, fair, and free of discrimination and harassment; takes the human dimension into consideration in all organizational activities; and fosters the professional satisfaction and growth of each employee, thus enabling employees to work to their full potential.
- **Sustainable workforce.** A sustainable workforce is one in which the energies, skills and knowledge of people are valued as key assets to be managed wisely. The investment in these assets is safeguarded and continuously developed. Continual renewal of essential competencies is planned to provide for the organization's viability now and in the future.

The HR Management framework offers a list of success criteria which are cast within these five key result areas. The 33 success criteria were assigned to the relevant NQI framework area in Exhibit 2.6. As can be readily seen, the HRM framework provides guidance in most areas of quality management with a heavy emphasis on people and process management. While the HRM framework provides extensive detail on managing one resource of the organisation, it is of less value with regard to the other resources and to the whole of quality management.

EXHIBIT 2.6
Good Human Resources Management Framework



2.6 **Public Service Excellence Model**

The Public Service Excellence Model (PSEM) developed by Colin Talbot of Public Futures Inc. is positioned by its proponents as an alternative to more private sector oriented models such as the Baldrige Award, the balanced scorecard approach and the European Quality Model. The author considers that these competing models do not accurately take into account the specific characteristics of the political and public administration environments.

The PSEM has several purposes:

- to enable individual organisational performance measurement;
- to frame accounting and performance reporting by public service organisations;
- to diagnose organisational problems and establish priorities for change;
- to benchmark organisational effectiveness against national and international standards in public administration.

Based on a general systems approach, it is structured according to a sequence which links strategic and operational enabling factors to internal and external organisational results and then to program results. In common cybernetics terms, enabling factors would correspond more or less to inputs and processes, organisational results to outputs and immediate impacts, and program results to outcomes and long term impacts.

The PSEM also gives a high priority to drawing on both objective sources of data and on the opinions of "key stakeholders", including staff, clients, sponsors and others. By design, the partnership and co-ordination dimension of the delivery of public service is emphasised throughout the model.

Exhibit 2.7 provides a basic representation of the content of the PSEM. Enablers, organisational results and program results comprise fourteen areas of excellence which are briefly described below. Individual assessment criteria are reproduced in Appendix 1.

EXHIBIT 2.7
Public Service Excellence Model



- **Policy and governance** (area 1, 7 assessment criteria). "Generally, the clearer the policy framework is and the stronger the governance structures, the easier it is for the organisation to perform its task."
- **Strategy and plans** (area 2, 7 assessment criteria). "This section focusses on how well defined, supported and implemented strategies and plans are. This often means turning broad policy guidelines into a mission, strategies and plans to produce specific outputs and outcomes. It means mobilising support and commitment for the strategies and plans from both internal and external stakeholders."
- **Leadership** (area 3, 7 assessment criteria). Leadership makes a difference particularly as it relates to the consistency of the messages carried by managers concerning the vision, the values, the mission, strategies, plans and operations of the organisation. Public managers also have a crucial role in building alliances to foster performance within their organisation and across the public service as a whole.
- **Resources** (area 4, 8 assessment criteria). Organisations must demonstrate the capacity to manage resources effectively, targeting

them to key organisational activities and objectives, paying attention to the utilisation of common resource and overhead, and maintaining a balance of flexibility and control.

- **Processes** (area 5, 7 assessment criteria). Organisational processes must be focussed on key objectives. Support systems must facilitate service delivery rather than obstruct it. Processes must be flexible; they are subjected to constant review and redesign.
- **People** (area 6, 7 assessment criteria). "Crucial factors seem to include the importance of aligning people management at all levels of the organisation with organisational vision, strategy and plans. The most important people management systems include recruitment and rewards, grading and career management, and development and training."
- **Resource results** (area 7, 6 assessment criteria). The organisation must meet budget targets while investing resources toward key objectives or outputs. Control of resource utilization is highly valued.
- **Efficiency results** (area 8, 5 assessment criteria). The organisation uses a balance of measurements of results such as unit cost of outputs, ratio of staff to outputs, turnover, etc..
- **People results** (area 9, 7 assessment criteria). Results in the people area can be measured through a number of indicators: staff attitude, staff absence levels, turnover, etc..
- **Service reporting** (area 10, 6 assessment criteria). "The quality, timeliness and accuracy of formal reports is an important function of public service organisations. [...] Reports must also be consistent with the organisation's aims, objectives and strategies."
- **Service outputs** (area 11, 6 assessment criteria). The issue is judging the quantity and quality of service outputs, in the absolute and in comparison with other organisations.

- **Service satisfaction** (area 12, 4 assessment criteria). Rather than dealing with actual levels of service outputs, "this section concentrates on the levels of satisfaction with these outputs from key stakeholders." These include clients, sponsors, other key stakeholders affected by services, and co-operating organisations.
- **Program outcomes** (area 13, 4 assessment criteria). "This category deals with trend in objective data about social, economic, health or other outcomes". It uses the same distinction between quantity and quality of outcome as area 11.
- **Program satisfaction** (area 14, 4 assessment criteria). Similar to area 12, this section deals with the satisfaction of key stakeholders concerning program outcomes (rather than outputs).

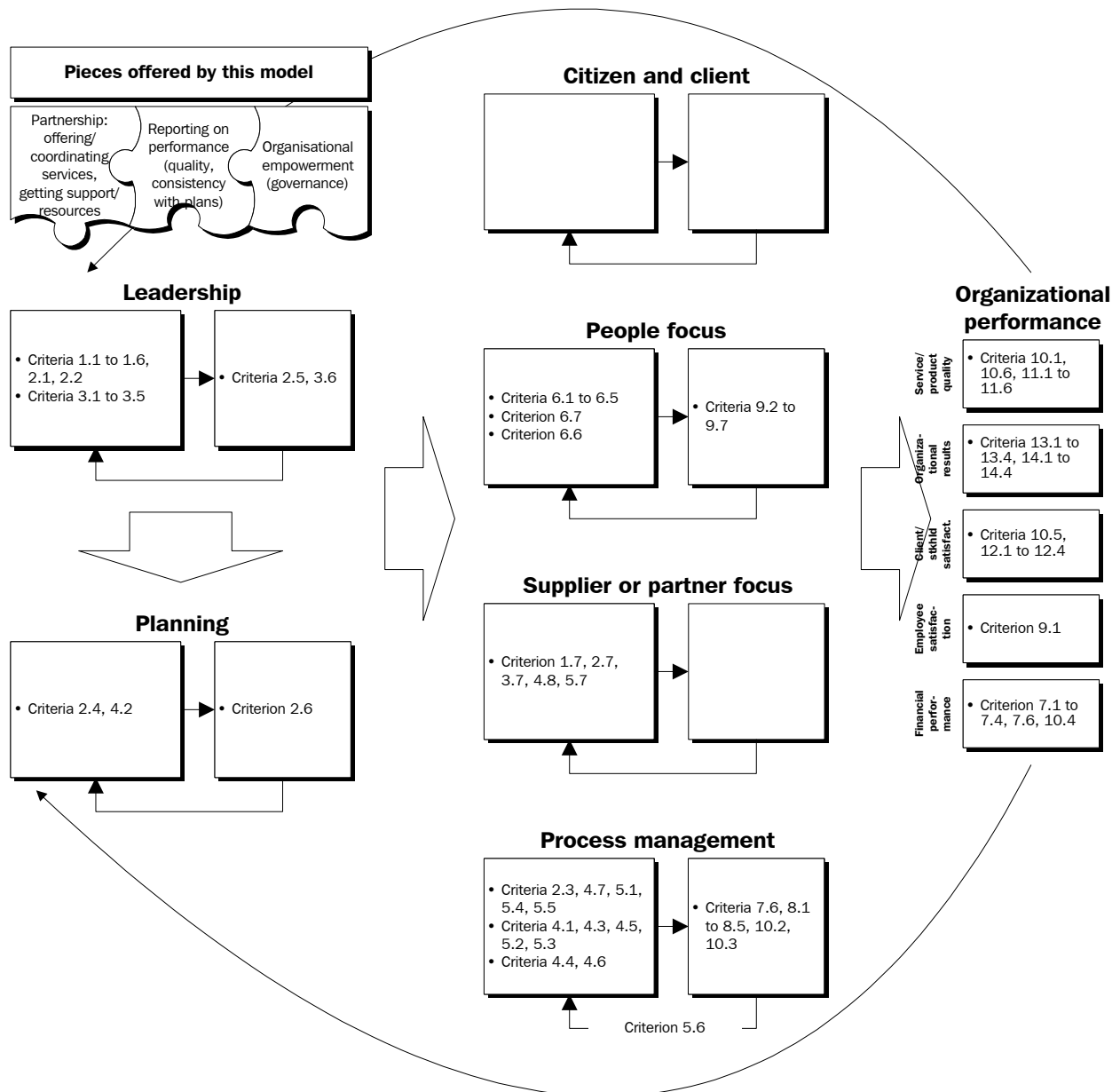
Exhibit 2.8 overlays the 85 PSEM assessment criteria on top of the NQI framework. Since both the PSEM and the NQI models are focussed on the overall management of quality, it is no surprise to discover that the former provides a fairly good match with the latter. There are three main areas of differences however.

First, the PSEM does not convey clearly the feedback necessary for continuous improvement.

Second, the PSEM is comparatively weak in the areas of planning and client focus. The fact is that the NQI model is founded on a client/citizen-centred perspective whereas the PSEM focusses more on the public organisation as an element in the overall management of the public service and in the delivery of public services.

Third, and for similar reasons, the PSEM offers an emphasis on partnering, reporting and organisational empowerment which is not found in the NQI framework. Partnering is given shape through the attention given to cooperation with other public bodies and to co-planning of services. Reporting requirements are laid out in relationship to performance and planning and are directed to key stakeholders and governing bodies. Organisational empowerment is evident in governance related issues.

EXHIBIT 2.8
Public Service Excellence Model



The strengths of the PSEM framework, in comparison to the NQI model, are visible at the frontier between the organisation and its environment, where organisation-centric processes and criteria cannot suffice to describe quality management and excellence. Much more so than the private organisation, the public body exists through the will of a governing entity and is accountable for producing certain outputs and outcomes; accountability rhymes with reporting requirements. The PSEM provides a more vivid representation of that aspect of the public organisation than does the NQI model.

Chapter 3

CONCLUSIONS

The observations from the previous chapter are analysed through three issues:

- Is there one model which offers more extensive coverage of the dynamics of organisational effectiveness? Does that model include all of the conceptual territory covered by the other models?
- Is it possible to adapt one model to include the conceptual territory covered by all models? What improvements would be required?
- Taken collectively, do the frameworks reflect completely organisational reality? What areas of organisational reality require additional conceptual work?

3.1 **Best Model Coverage**

Even the more specialised among the five models analysed in chapter 2 are no so linear and restricted as to focus on a single aspect of the organisation. Yet, it is readily apparent from the descriptions of the models

and from their stated purposes that three models deal with narrower objects (comptrollership, risk management, people management) while two embrace wider perspectives (the NQI framework and the PSEM).

The comparison between the NQI model and the PSEM highlights the strengths of the former in touching upon more aspects of quality management. It also does so in a more prescriptive, yet respectful manner. The NQI model also provides a clearer dynamic look at organisational life.

Hence, the NQI model provides the most extensive coverage of the dynamics of organisational effectiveness.

In chapter 2, we outlined several areas where the NQI model was not as well defined as other models. The conceptual areas where the NQI framework lags are:

- the depth of the prescriptions with regard to the management of risks (in comparison to the Risk Management framework);
- the depth of the prescriptions with regard to the management of people (in comparison to the HR Management framework);
- the openness of the perspective to the environment of the organisation and, in particular, the concepts of accountability and performance reporting as well as the supremacy of Parliament and the importance of partnering (in comparison to the Modern Comptrollership model and to the PSEM).

The first two points are really questions of degree. Risk management and HR management are present in the NQI model but not to the extent that they are treated in the specialised frameworks. Yet, in the development of a new organisational effectiveness model, the provisions of these two models could serve as a useful basis for building up the capacity of the framework.

Therefore, the components of the other models which are not included in the most inclusive framework relate to the frontier between the organisation and its environment.

3.2 ***Modifications Required for Inclusiveness***

The second issue is whether it would be possible to develop a new organisational effectiveness framework by adapting an existing framework to include the elements of the other models that it lacks. The previous section identified three areas.

Risk management. As described in section 2.4, risk management deals essentially with the areas of planning and process management. Therefore, to the extent that other models are lacking in these areas, a new model would comprise quality criteria to reflect that emphasis. Such an adaptation would be relatively simple since it would not represent a structural change to existing models.

HR management. Similarly, section 2.5 demonstrated that the inclusion of the concerns raised in the Good Human Resources Management framework could be performed within the structure of existing models. In this case, the issue becomes how much of the very heavy emphasis on HR management does one want to include. After all, one of the aspects of general quality management models which is valued by users is the balance offered in the treatment of the various resources of the organisation. We will not settle this question here.

Dealing with the external environment. The final area of contention is more complex. The Risk Management framework and the PSEM emphasize the necessary relationships between the organisation and its external environment. Three areas are involved.

- **Partners.** The NQI contains an area labelled "Supplier/partner focus". It may be the weakest area of the model in terms of its quality criteria. In fact, the criteria refer to suppliers only and suggests that a partner relationship should be developed with them. In a new organisational effectiveness framework, what is said about suppliers in the NQI model could well be applied to partners: establishing working relationships and encouraging innovation (criterion 6.1b), sharing information (criterion 6.1c), involving them in the development of new services (criterion

6.1d). Also, the leadership and planning areas could be complemented with references to partnership building. The PSEM provides useful examples of possible criteria in this regard. Therefore, without disfiguring existing models, the concern with partners could be introduced.

- **Accountability and performance reporting.** Accountability stems from the delegation of resources and responsibilities from the people, to the political system and then to administration bodies. A new organisational effectiveness model could absorb this aspect of organisational effectiveness by adding a criterion in the leadership area. After all, leaders are chiefly responsible for the interpretation of the external environment even though the responsibility for interfacing with this environment is shared throughout the organisation.

Performance reporting is the reverse side of accountability. It involves the provision of honest, transparent, precise and clear feedback information to the political system and, ultimately, to the people. The NQI model contains much of the tooling necessary to accommodate the requirement for performance reporting. The existing five areas of organisational effectiveness (service/product quality, organisational results, client/stakeholder satisfaction, employee satisfaction, financial performance) encompass all of the relevant substantive areas. In a new organisational effectiveness model, the addition of a sixth domain of organisational effectiveness perhaps labelled "Performance reporting" could integrate criteria associated with the provision of performance information, the targets for that information and the characteristics of quality, quantity and periodicity that would be expected.

- **Supremacy of Parliament.** Finally, the NQI does not explicitly recognize the fact that the public organisation exists by virtue of the will of Parliament and that Parliament delineates its powers and responsibilities. In a new organisational effectiveness model, such messages could be placed in the preamble to the Leadership section; criteria about the match between organisation actions and original mandate could be inserted in the Leadership and Planning areas.

3.3 ***Organisational Reality***

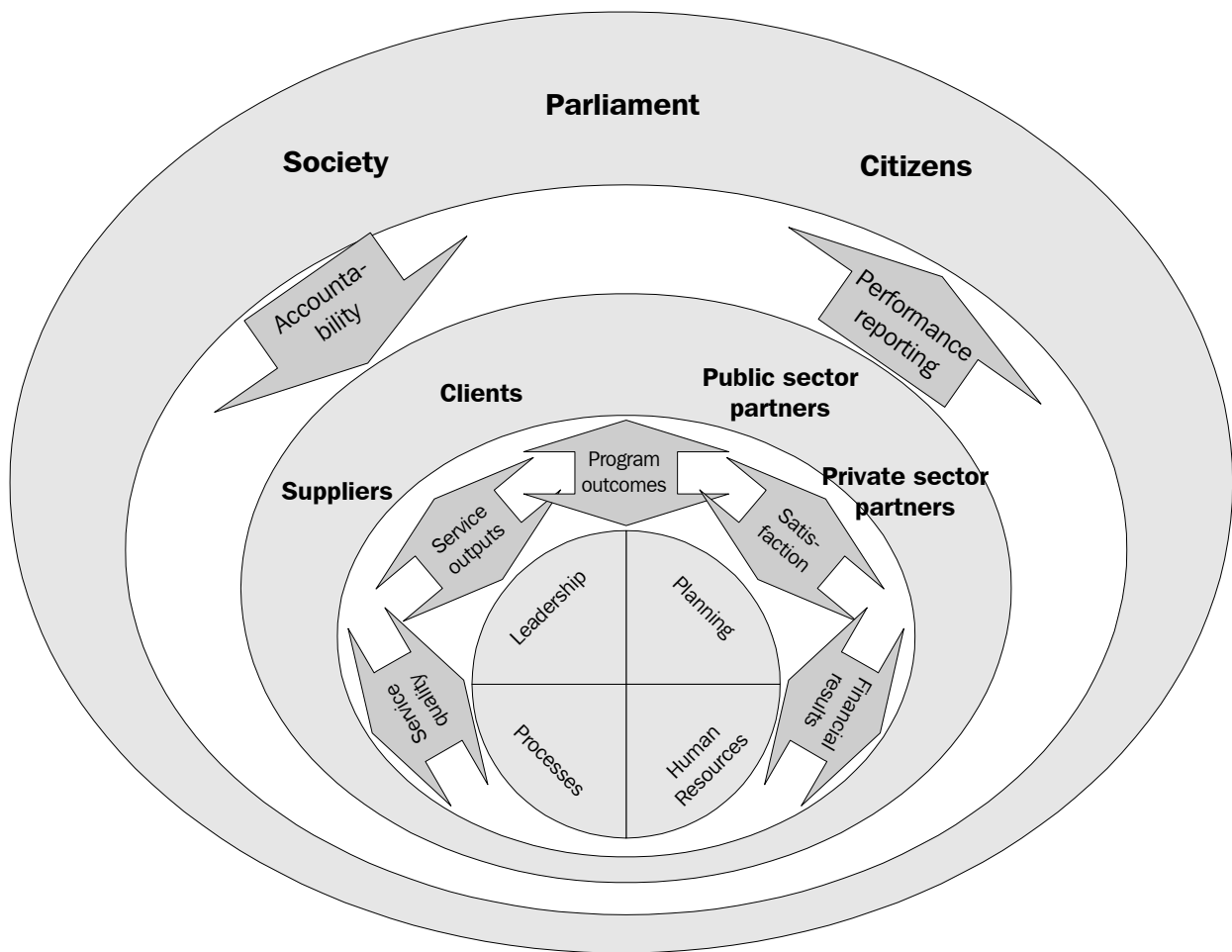
The last issue deals with the coverage of organisational reality offered by the various models. It raises the question of what the entire territory of organisational effectiveness really is. Indeed, different schools of thought include different components of organisational life and management domains in thinking about organisational effectiveness. Some emphasize leadership; others consider only production processes; yet others swear only by people management; etc.. While defining the conceptual area of organisational effectiveness is beyond the scope of this research, we have attempted to depict, in Exhibit 3.1, the position of a public organisation immersed in its various environments.

Based on that model, the five frameworks discussed in this report provide a good coverage of the reality of public organisations with one possible exception. We live in an era where citizen participation is valued. The Canadian Centre for Management Development has that "Four key determinants of change are altering the nature of governance in Canada. The determinants are citizen expectations of government, information technology, globalization, and the emergence of global knowledge economy. These forces will impact four areas of governance: citizens and citizenship, democracy, the role of government, and by extension public service reform" (<http://www.ccmd-ccg.gc.ca/research/index.html>).

Citizen-centred management is core to contemporary management thinking as exemplified by the works of the Citizen-Centred Service Network. Notwithstanding this context, the input of citizens is not clearly considered in any of the models beyond the establishment of service standards. Even the NQI framework which claims to be built on a citizen focus really handles only the relationship between the client and the organisation. Notably absent are the involvement of citizens in the planning and development of products and services as well as in the design of performance measures and in the elaboration of improvement plans.

While Parliament is an institutionalized intermediary between the public organisation and citizenry, current societal trends indicate that more direct contact between these two entities may have to be considered in the development of a contemporary framework of quality management in public organisations.

EXHIBIT 3.1
A model of the public organisation immersed in its environments



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APPENDIX 1

Comparison of frameworks

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
PURPOSE						
<ul style="list-style-type: none"> To provide a path toward organizational excellence in the context of citizen-centred service delivery 	<ul style="list-style-type: none"> To help people make decisions, manage risks and demonstrate accountability. 	<ul style="list-style-type: none"> To safeguard the government's property, interests and certain interests of employees during the conduct of government operations. 	<ul style="list-style-type: none"> To assess the performance of public service organisations. 	<ul style="list-style-type: none"> To improve the management of people in order to deliver affordable services and quality programs that respond to the needs of Canadians. 		<ul style="list-style-type: none"> To help the department improve its performance
PRINCIPLES OR VALUES						
<ul style="list-style-type: none"> Cooperation, teamwork and partnering 						<ul style="list-style-type: none"> Cooperation is the foundation of our success
<ul style="list-style-type: none"> Leadership through involvement and by example 	<ul style="list-style-type: none"> Comptrollership cannot be entirely delegated to specialists. 					<ul style="list-style-type: none"> Strong leadership is essential
<ul style="list-style-type: none"> Primary focus on clients/stakeholders 	<ul style="list-style-type: none"> Service to Canada and Canadians. 					<ul style="list-style-type: none"> The Canadian public interest is paramount High-quality service to clients is our standard
<ul style="list-style-type: none"> Respect for the individual and encouragement for people to develop their full potential 	<ul style="list-style-type: none"> Fairness and equity. 			<ul style="list-style-type: none"> Competency 	<ul style="list-style-type: none"> Caring about people 	<ul style="list-style-type: none"> People are our principal strength
<ul style="list-style-type: none"> Contribution of each and every individual 						
<ul style="list-style-type: none"> Process oriented and prevention-based strategy 	<ul style="list-style-type: none"> Honesty, integrity and probity. 				<ul style="list-style-type: none"> Commitment to excellence 	
<ul style="list-style-type: none"> Continuous improvements of methods and outcomes 					<ul style="list-style-type: none"> Promoting innovation 	<ul style="list-style-type: none"> Creativity and innovation are key to our future
<ul style="list-style-type: none"> Factual approach to decision making 	<ul style="list-style-type: none"> Managers seek information and encourage challenge. 					
<ul style="list-style-type: none"> Obligations to stakeholders, including a concern for responsibility to society 	<ul style="list-style-type: none"> Loyalty to the public interest as represented and interpreted by the duly elected government of the land. 			<ul style="list-style-type: none"> Representativity Non-partisanship 	<ul style="list-style-type: none"> Serving the public interest Being cost-conscious 	
						<ul style="list-style-type: none"> Effective planning helps us to improve
						<ul style="list-style-type: none"> Effective communication is a shared responsibility

C i r c u m N e t w o r k I n c .

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
CRITERIA OR AREAS — LEADERSHIP						
<p>Strategic direction</p> <ul style="list-style-type: none"> A mission and mandate statement is in place and has been communicated to all levels in the organization. Key success factors and priorities have been determined and are linked to strategic direction, for example the accountability framework for the organization. Strategic planning incorporates ambitious objectives necessary to achieve the mission and mandate, and is communicated to all levels in the organization. Implementation of strategic planning is monitored and reviewed. 			<ul style="list-style-type: none"> 1.1 The clarity of the policy framework for the organisation and its services. 1.2 The strength of the governance framework for the organisation. 1.3 The clarity of the reporting requirements for the organisation. 1.4 The clarity and appropriateness of the definitions of the organisation's powers and competences. 1.5 Freedom of information policy and systems. 1.6 The degrees of freedom and areas of autonomy granted to the organisation. 2.1 The organisation's mission is clearly stated. 2.2 The organisation's aims and the outcomes it is expected to achieve are well defined. 	<ul style="list-style-type: none"> Mission and vision statements are commonly understood and used to guide behaviour and performance. 	<ul style="list-style-type: none"> A mandate that is appropriate to respond to future developments in government and that is fully understood internally, by government and by Parliament, with sufficient funding for the Office to "make a difference". 	<p>Includes most of the NQI criteria and adds three:</p> <ul style="list-style-type: none"> Internal and external opportunities and challenges are clearly defined. Strategic orientations, priorities and resource allocations are communicated to managers and planners. NRCan objectives conform to government and ministerial priorities and to the strategic orientation of the department.
<p>Leadership involvement</p> <ul style="list-style-type: none"> The senior management team demonstrates a commitment to quality improvement, for example, through direct involvement in improvement initiatives. The senior management team works together to reduce barriers between functions, and promote teamwork and open communications. Responsibility, accountability and leadership for improvement are shared throughout the organization. Reward and recognition for senior management are linked to quality principles. 	<ul style="list-style-type: none"> Set the tone at the top. Recognize the Deputy Head's role in reporting. 		<ul style="list-style-type: none"> 3.1 Senior managers articulate a clear vision and strategy for the organisation. 3.2 Senior management give visibility to the vision and strategy. 3.3 Senior management model the behaviours they expect of staff. 3.4 The levels of competence of senior managers. 3.5 Clarity of the ethical standards expected in the organisation. 	<ul style="list-style-type: none"> The executive team personifies and has integrated program and ethical values into its management practices. Executives and managers are continually learning techniques to improve their own management skills. Action is taken to build a representative workforce that reflects the society it serves. 		<p>Includes all of the NQI criteria and adds one:</p> <ul style="list-style-type: none"> Managers at NRCan accept the principles of modern comptrollership.

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
<ul style="list-style-type: none"> Responsibility to society in general [, and to sustainable development in particular,] is considered in the decision-making processes Ideas and practices on quality improvement are shared internally, with other public service organizations and sectors. 	<ul style="list-style-type: none"> Decision-makers at all levels accept and adopt comptrollership attitudes and values. 		<ul style="list-style-type: none"> 2.5 The degree of stakeholders support for the strategy and plans. 3.6 Senior management engender trust in their leadership. 	<ul style="list-style-type: none"> The HRM framework offers a series of "performance indicators" which describe observable results of the application of its "success criteria". 	<ul style="list-style-type: none"> Adequacy of funding Span of coverage 	As per the NQI Criteria
<p>Results of leadership actions</p> <ul style="list-style-type: none"> Indicators of effectiveness of leadership in setting strategic direction and demonstrating leadership in the quality principles. Indicators of the level of understanding in the organization, of the mission, mandate and strategic direction. Extent of direct involvement by senior management in the implementation of quality principles and in improvement initiatives. Extent to which shared leadership on quality is demonstrated throughout the organization. Extent of senior management involvement in sharing ideas and quality practices internally, and with other public service organizations and sectors. 	<ul style="list-style-type: none"> Control systems are validated. 					As per the NQI Criteria
<p>Continuous improvement</p> <ul style="list-style-type: none"> The organization evaluates and works at improving its approach to leadership. 						

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
CRITERIA OR AREAS — PLANNING						
<p>Development and content of improvement plan</p> <ul style="list-style-type: none"> Improvement planning is derived from overall strategic direction Key improvement issues have been identified, prioritized, measured and improvement goals set, including any actions regarding external partnering arrangements for the delivery of client services. The improvement plan has been communicated inside and outside the organization, and is monitored and reviewed. 	<ul style="list-style-type: none"> Effective comptrollership must be planned for. Establish a performance reporting framework. Link performance reporting and control systems to business cycles. 	<ul style="list-style-type: none"> Departments must identify the potential perils, factors and types of risk to which their assets, program activities and interests are exposed. Departments must plan and budget for containment, compensation, restoration and disaster recovery. 	<ul style="list-style-type: none"> 2.4 The strategy and plans of the organisation are well defined. 4.2 Effective targeting of resources on key objectives, services and outputs. 	<ul style="list-style-type: none"> Roles, responsibilities and performance expectations are clearly defined, understood, and accepted. 	<ul style="list-style-type: none"> The ability to identify key areas and significant issues that meet Parliament's needs and that the Office can audit effectively, and to plan the required audit effort to result in timely and relevant audit products. 	<p>NQI criterion 2.1.c was retained and three were added:</p> <ul style="list-style-type: none"> Responsibilities concerning resource allocation and expected results are clear, understood and accepted Factors affecting the success of implementation activities as well as risks have been determined. A quality improvement process is in place.
<p>Assessment</p> <ul style="list-style-type: none"> Formal assessments, using criteria that reflect quality principles, are conducted to determine the organizations's strengths and opportunities for improvement. The organization analyses assessment findings to help determine priorities for improvement. 	<ul style="list-style-type: none"> Performance information integrate financial and non-financial information. Risks are determined; what constitutes acceptable risk is understood; proposed courses of action related to risks are assessed. Standards are set to interpret the results obtained. 					<p>Entitles "Links and Correlations", it contains the following criteria:</p> <ul style="list-style-type: none"> Management processes exist to weight constraints, demands and decisions. Priorities and success factors have been established; they are related to the strategic orientation of the department. Departmental programs, products and services conform to the strategic plan and to the vision. Departmental and sectoral planning and reporting plans are synchronised. A formal process exists to review and update departmental goals and activity areas.
<p>Results of actions through improvement planning</p> <ul style="list-style-type: none"> Indicators of the degree of understanding, throughout the organization, of the priorities and goals established in the improvement plan. Indicators of effective implementation of the 	<ul style="list-style-type: none"> Report on comptrollership in a consolidated manner. Rigorously prepared comprehensive performance information and problem-solving support is provided to decision makers and is accepted by them as credible. Standards for performance 		<ul style="list-style-type: none"> 2.6 The degree of internal commitment to the strategy and plans. 	<ul style="list-style-type: none"> The HRM framework offers a series of "performance indicators" which describe observable results of the application of its "success criteria". 	<ul style="list-style-type: none"> Stakeholders interest in our work Evidence of influencing program changes or new program design Recommendations implemented or action taken Timely completion of required audits under Office mandate 	<p>Drops the third criterion and adds two:</p> <ul style="list-style-type: none"> Indicators of effective utilisation of priority-setting and resource allocation tools. Indicators of the integration of financial planning, information management, facilities management and human

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
improvement plan throughout the organization. • Levels and trends in quality assessment findings (for example ratings and/or scores).	information, budgeting and control exist.					resources management into strategic planning and daily management activities.
Continuous improvement • The organization evaluates, refines and works at improving its planning and assessment processes.	• Validate reports.					As per the NQI Criteria
CRITERIA OR AREAS — CITIZEN/CLIENT FOCUS						
Voice of the client/stakeholder • Clients/stakeholders and/or client groups have been defined. • Information is gathered, analysed and evaluated to determine client/stakeholder needs, including evaluation of potential partnering and/or third party service delivery arrangements. • The future needs of current and potential clients are gathered and used.						As per the NQI Criteria
Management of client/stakeholder relationships • There is full consensus, throughout the organization, on the importance of meeting documented service standards, and of achieving client/stakeholder satisfaction. • There are methods and processes in place that make it easy for clients/stakeholders to provide input on their needs, seek assistance and complain. • The organization responds to client/stakeholder inquiries and complaints promptly and effectively. • The organization has developed				• Service standards are developed and used to ensure high levels of service to the public and/or internal clients. • Staff language proficiencies match their clients' needs for service in the official language of their choice.		As per the NQI Criteria

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
a good level of client/stakeholder confidence in its services and/or products provided, through meeting service delivery standards and/or product specifications.						
Measurement of client/stakeholder satisfaction <ul style="list-style-type: none"> The organization measures client/stakeholder satisfaction to gain information for improvement. 						As per the NQI Criteria
Results of actions on citizen/client focus <ul style="list-style-type: none"> Levels and trends of performance in dealing with client/stakeholder inquiries and complaints compared to established service delivery standards. Levels and trends in regard to client/stakeholder appeals, and, where applicable, in regard to product related areas such as refunds, repairs, and replacements. 				<ul style="list-style-type: none"> The HRM framework offers a series of "performance indicators" which describe observable results of the application of its "success criteria". 		As per the NQI Criteria
Continuous improvement <ul style="list-style-type: none"> The organization evaluates and works at improving its approach to citizen/client focus. 						As per the NQI Criteria
CRITERIA OR AREAS — PEOPLE FOCUS						
Human resource planning <ul style="list-style-type: none"> Human resource planning supports the organization's goals and objectives. There are methods in place to recruit, select and manage the performance of people, and steps are taken to minimize any detrimental effects of restructuring. 	<ul style="list-style-type: none"> Assign the right people to comptrollership functions and develop strong managerial and specialist capacity. 		<ul style="list-style-type: none"> 6.1 People management is aligned with the organisational vision. 6.2 People management is aligned with organisational strategy and plans. 6.3 Individual performance management systems are in place. 6.4 Recruitment and rewards 	<ul style="list-style-type: none"> The organization's resourcing approaches reflect the result values of competencies, representativeness and non-partisanship. The organization ensures the competency of its workforce by hiring and promoting individuals who are highly qualified 	<ul style="list-style-type: none"> A respectful workplace that values diversity and develops highly skilled, motivated and productive individuals, with the flexibility to build the teams required to fulfil the mission of the Office. 	Includes all of the NQI criteria and adds one: <ul style="list-style-type: none"> Change management processes are in place.

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
<p>Participatory environment</p> <ul style="list-style-type: none"> The organization ensures that people, at all levels, understand the strategic direction and the improvement plan, and are committed to achieving its goals and purpose. People are involved in improvement initiatives. People's suggestions and ideas are encouraged and implemented. People are encouraged to innovate and take risks in order to achieve goals. The organization involves its people in addressing issues related to well being, for example, health, safety and environmental concerns. Barriers that prevent people from doing their best work are identified and removed. 			<ul style="list-style-type: none"> 6.7 Systems for consultation with staff and trade unions are in place. 	<ul style="list-style-type: none"> Management works with staff and union representatives to maintain good employer/ employee relations. Staff is able to fully develop and utilize its capabilities, and staff performance is recognized and rewarded. Information is shared and participation is encouraged in decisions affecting the work environment. Organizational culture encourages and recognizes high levels of performance and personal growth and development. Policies and programs to promote physical and mental health as well as a balance between work and family. There is promotion and maintenance of a safe and healthy work environment. 		<p>Includes all of the NQI criteria and adds one:</p> <ul style="list-style-type: none"> Staff are encouraged to get involved in community activities.
<p>Continuous learning</p> <ul style="list-style-type: none"> The organization determines 			<ul style="list-style-type: none"> 6.6 People development policies and practices are in 	<ul style="list-style-type: none"> Staff is equipped with the necessary orientation and 		<p>As per the NQI Criteria</p>

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
<p>training and development needs to meet goals in the improvement plan, and responds to these needs.</p> <ul style="list-style-type: none"> The organization evaluates the effectiveness of training and development programs. The organization encourages people to widen and/or expand their individual skills. 			<p>place.</p>	<p>training to meet ongoing client demands and adapt to change.</p> <ul style="list-style-type: none"> Orientation, training and development programs are available to equip staff and encourage continuous learning. 		
<p>Employee satisfaction</p> <ul style="list-style-type: none"> The organization measures people satisfaction at all levels, and links the feedback to future improvement opportunities. The organization identifies the contribution of its people, and links recognition to the quality principles and quality improvement objectives in the organization. 						<p>As per the NQI Criteria</p>
<p>Results of actions from a focus on people</p> <ul style="list-style-type: none"> Indicators of the effectiveness of training and education, in particular in the area of quality improvement principles and methods. Indicators of involvement levels in improvement activities that link directly to the goals and objectives of the organization. Indicators of awareness and involvement in addressing issues related to well being, for example, health, safety and environmental concerns. Levels and trends of employee suggestions and ideas submitted, and implemented. Levels and trends in employee turnover rates, absenteeism and grievances. 	<ul style="list-style-type: none"> Specialists and professionals have a sound understanding of their department's programs and services. There is a strong capacity to use the above type of information effectively in decision-making. 		<ul style="list-style-type: none"> 9.2 Staff absence levels. 9.3 Reduction in grievances. 9.4 Individual performance results. 9.5 Individual and organisational competence levels. 9.6 Staff turnover. 9.7 Equal opportunities practice and results. 	<ul style="list-style-type: none"> The HRM framework offers a series of "performance indicators" which describe observable results of the application of its "success criteria". 	<ul style="list-style-type: none"> Availability of needed people Length of time to staff projects or position Degree of work satisfaction Optimum staff rotations Achievement of diversity goals 	<p>Includes all of the NQI criteria and adds one:</p> <ul style="list-style-type: none"> Levels and trends in employee recognition.

NQI Canadian Quality Criteria for the Public Sector	Modern Comptrollership	Risk Management	Public Service Excellence Model (Colin Talbot)	Framework for Good Human Resources Management in the Public Service	Strategic Framework for the Office of the Auditor General of Canada	Natural Resources Canada, Guide to Good Management 1998
Continuous improvement • The organization evaluates and works on improving its focus on people.	• Control systems are validated.					As per the NQI Criteria
CRITERIA OR AREAS — PROCESS MANAGEMENT						
Process definition • Key processes capable of delivering services and/or products that meet client needs [while respecting principles of sustainable development], are designed and documented.		<ul style="list-style-type: none"> Departments must analyse and assess the risks identified, and design and implement cost-effective risk prevention, reduction and avoidance control measures. Departments must activate emergency organisations, systems, and contingency plans, and initiate recovery measures. Departments must (a) investigate incidents to determine their causes; (b) assess the extent and value of damages and determine potential legal liability; and (c) make incident reports. Departments must settle and pay claims by or against the Crown and against its servants in an adequate and timely manner, and generally refer cases involving legal proceedings, and claims associated with a contract, to the Department of Justice. Departments must repair or replace damaged assets and operating systems to return operations to normal as soon as possible. 	<ul style="list-style-type: none"> 2.3 The organisation's objectives and the services or outputs to be provided are well defined. 4.7 Clear delegation of responsibilities for resource management. 5.1 Processes are focussed on key objectives, services and outputs. 5.4 Structures are designed to enhance organisational performance. 5.5 Support systems are designed to support key processes. 		<ul style="list-style-type: none"> Production of quality products at reasonable cost based on sound professional practice. 	As per the NQI Criteria
Process control • Key processes are monitored to ensure consistency in services and/or products provided. • Problems are analysed, root causes identified, and actions			<ul style="list-style-type: none"> 4.1 Overall system for managing resources. 4.3 Systems for reducing the costs of inputs (whilst maintaining quality). 4.5 Systems for reducing overheads and utilising 	<ul style="list-style-type: none"> Resourcing approaches ensure good value for money and are simple, timely, and efficient/affordable in their delivery. The organization is available to serve clients and staff in the official language of their 	<ul style="list-style-type: none"> Management systems that support the most productive use of, and accountability for, Office resources. 	As per the NQI Criteria

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taken to prevent recurrence.			<ul style="list-style-type: none"> common resources effectively. 5.2 Systems for ensuring quality of key services and outputs are in place. 5.3 Processes are constantly reviewed to ensure efficiency and effectiveness. 	<ul style="list-style-type: none"> choice. Individual rights are respected and the workplace is free from discrimination and harassment. Information systems enable management and staff to monitor productivity and address fluctuations. 		
<p>Process improvement</p> <ul style="list-style-type: none"> Key processes are analysed to determine opportunities for continuous improvement, through incremental refinement and/or fundamental redesign, including potential for reallocation of service delivery. Process improvements are implemented and monitored, and all changes are documented to ensure consistency in service delivery and/or products provided. Clients and suppliers are involved in continuous improvement activity, for example in problem-solving and improvement teams. External information is gathered and used to compare performance and to identify opportunities/ideas for improvement. 			<ul style="list-style-type: none"> 4.4 Systems for improving efficiency in key areas. 4.6 Systems to flexibly reallocate resources to meet changing demands. 	<ul style="list-style-type: none"> Organizational design is aligned with current business objectives and is flexible and adaptable to change. The organization uses resourcing approaches that are flexible in order to adapt to its specific needs. Work is organized and assigned to facilitate timely decision making and productivity improvement. 		As per the NQI Criteria
<p>Results of actions in Process Management</p> <ul style="list-style-type: none"> Indicators of the effectiveness of the design process for new services and/or products, such as cycle times and frequency of process design changes. Levels and trends in process capability and cycle time for key service delivery and/or production processes. 		<ul style="list-style-type: none"> Departments must report various payments and losses each fiscal year to the Public Accounts. Departments must report to the appropriate law enforcement agencies losses over \$1,000 which are due to suspected illegal activity. 	<ul style="list-style-type: none"> 7.6 Delegation of resources has functioned correctly. 8.1 Improvements in unit costs of outputs. 8.2 Improvements in ratio of staff to outputs. 8.3 Improvements in program spending per employee. 8.4 Improvements in ratio of running costs to services spending. 	<ul style="list-style-type: none"> The HRM framework offers a series of "performance indicators" which describe observable results of the application of its "success criteria". 	<ul style="list-style-type: none"> Conformance with professional standards Availability and use of necessary audit tools Improvements in professional practices Adherence to OAG Quality Management System Client satisfaction surveys Trends in costs 	As per the NQI Criteria

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			<ul style="list-style-type: none"> 8.5 Efficiency improvement compared to benchmark organisations. 10.2 Improvement in systems as assessed by internal audit. 10.3 Improvement in systems as assessed by external audit. 		<ul style="list-style-type: none"> Cost comparability with others Service targets met Practice review results State of technology 	
Continuous improvement <ul style="list-style-type: none"> The organization evaluates and works on improving its approach to process management. 		<ul style="list-style-type: none"> Departments must maintain their own data base as part of the feedback system of management information. Departments must establish new or improved measures to prevent the recurrence of incidents, and to recover from disasters. 	<ul style="list-style-type: none"> 5.6 Processes include flexibility to meet changing demands. 			As per the NQI Criteria
CRITERIA OR AREAS — SUPPLIER/PARTNER FOCUS						
Partnering <ul style="list-style-type: none"> The organization selects capable suppliers/service providers through the use of appropriate information and criteria. The organization establishes cooperative working relationships with key suppliers/service providers, and encourages innovation to assure and improve the quality of services and products. The organization shares information with its key suppliers/service providers to help them improve. The organization involves its key suppliers/service providers in the development of new services and/or products. 			<ul style="list-style-type: none"> 1.7 Requirements for the organisation to collaborate with other public agencies. 2.7 Strategy and plans are "joined-up" with other public agencies plans. 3.7 Senior management build alliances with other agencies. 4.8 How well resources are co-ordinated with other public organisations. 5.7 Organisation's processes are "joined-up" with other public bodies. 	<ul style="list-style-type: none"> The organization contributes to the government's overall HRM objectives 		Includes all of the NQI criteria and adds two: <ul style="list-style-type: none"> Supplier and partner satisfaction is measured and problems are addressed. Mechanisms exist and are used to respond rapidly to complaints from suppliers and partners.
Results of actions in Supplier Focus <ul style="list-style-type: none"> Levels and trends of suppliers/service providers in their process capabilities and 				<ul style="list-style-type: none"> The HRM framework offers a series of "performance indicators" which describe observable results of the application of its "success 		As per the NQI Criteria

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cycle times. • Levels and trends in the quality and value of provided services and/or products. • Extent of involvement of suppliers/service providers in new services and/or product planning and development.				criteria".		
Continuous improvement • The organization evaluates and works on improving its focus on suppliers/partners.	• Control systems are validated.					As per the NQI Criteria
CRITERIA OR AREAS — ORGANISATIONAL PERFORMANCE						
Service/product quality • Levels and trends of the quality of services and/or products provided, for example attainment of service standards and/or product specifications, and indicators of reliability, error rates response times, etc.	• Departments must establish performance monitoring practices (Review Policy).		• 10.1 Quality, timeliness and accuracy of formal reports. • 10.6 Stakeholders satisfaction with reporting outputs. • 11.1 Output quantity. • 11.2 Output quantity against targets. • 11.3 Output quality. • 11.4 Output quality against targets. • 11.5 Service outputs compared to benchmark organisations. • 11.6 Quantity and quality of service outputs with partner organisations.		• Significant messages communicated to the right people at the right time in an understandable way.	Includes all of the NQI criteria and adds five: • Best practices are identified and broadcasted. • Credible information on results achieved and lessons learned is distributed. • Favourable trends in the utilisation of knowledge, technologies and practices. • Public awareness of the importance and relevance of S&T within NRCan. • Favourable trends in the number of recipients of grants and in the S&T funds awarded to the natural resources area.
Organization results • Levels and trends in overall performance accomplishments and measures of program outcomes, i.e., the actual impact of the organization's actions.	• Departments must conduct evaluations of key policies and programs according to established standards (Review Policy). • Departments and central agencies use the findings of reviews and other performance information in decision-making to provide cost-effective programs for the Canadian public and to foster good stewardship and accountability		• 13.1 Achievement in quantitative levels of outcomes. • 13.2 Achievement in quantitative levels of outcomes against targets. • 13.3 Achievement in qualitative levels of outcomes. • 13.4 Achievement in qualitative levels of outcomes against targets. • 14.1 Users/clients satisfaction with service outcomes.		• Message understandable • Target population reached • Timeliness • Message understood	Includes all of the NQI criteria and adds two: • Managers adapt their practices to recommendations made by auditors, evaluators and management analysts. • Expected results are known.

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	in the use of public funds (Review Policy).		<ul style="list-style-type: none"> 14.2 Sponsors/purchasers satisfaction with service outcomes. 14.3 Key other stakeholders satisfaction with service outcomes. 14.4 Co-operating organisations' satisfaction with service outcomes. 			
Client/stakeholder satisfaction <ul style="list-style-type: none"> Levels and trends in client/stakeholder satisfaction. Levels and trends in client/stakeholder confidence. Levels and trends in client reach. 	<ul style="list-style-type: none"> Departments must conduct other types of reviews (Review Policy). 		<ul style="list-style-type: none"> 10.5 Freedom of information performance. 12.1 Users/clients satisfaction with service outputs. 12.2 Sponsors satisfaction with service outputs. 12.3 Key other stakeholders satisfaction with service outputs. 12.4 Co-operating organisations' satisfaction with service outputs. 			As per the NQI Criteria
Employee satisfaction and morale <ul style="list-style-type: none"> Levels and trends in employee satisfaction and morale. 			<ul style="list-style-type: none"> 9.1 Staff attitudes. 			Includes all of the NQI criteria and adds two: <ul style="list-style-type: none"> Managers and employees have the power, the skills and the resources required to implement their accountability and work plans. Levels and trends in basic skills.
Financial performance <ul style="list-style-type: none"> Levels and trends in measures of overall financial performance (i.e., adherence to budgets, expenditure management, revenues management, cost reduction/control, asset management). 	<ul style="list-style-type: none"> Departments must conduct internal audits according to established standards in areas of significance or risk (Review Policy). 		<ul style="list-style-type: none"> 7.1 Resources used meet budgets. 7.2 Achievement in targeting resources on objectives and outputs. 7.3 Improvements in input costs. 7.4 Resource consumption compared to benchmark organisations. 7.6 Administrative or running cost improvements. 10.4 Reporting on results is consistent with strategy and plans. 			Includes all of the NQI criteria and adds one: <ul style="list-style-type: none"> Economies from streamlining administrative processes.

