# INTEGRATING HUMAN SERVICES
## IN AN AGE OF FISCAL RESTRAINT

### A SHIFTING GEARS REPORT

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# PURPOSE

This report from the Mowat Centre and the School of Public Policy & Governance at the University of Toronto, supported by KPMG, is intended to help facilitate informed, strategic, long-term decision-making in Canada. This report is part of the *Shifting Gears* series.

The Mowat Centre and the School of Public Policy & Governance have undertaken this study because of our commitment to better understand how governments can improve their ability to deliver high-quality public services and public policy, even in times of fiscal constraint.

KPMG has supported this study financially because of its commitment to help its clients understand the challenges faced by governments and to contribute to the discussion of strategies that can be used to address these challenges.

# CONTENTS

# EXECUTIVE SUMMARY

The economic downturn has put human services under acute strain. Demand is rising at a time when budgets are being cut. This sustainability challenge is putting the viability of current service delivery models centre stage.

Yet even prior to the onset of the financial crisis in 2008, governments were already recognizing that service delivery systems were failing. Costs were escalating, complex social problems were not being tackled effectively, and delivery methods were not meeting changing citizen expectations.

The current fiscal situation has proved a clutch moment. Many jurisdictions are turning to service integration schemes in an attempt to improve provision while lowering costs. Integration is considered a means of generating administrative efficiencies through the consolidation of bureaucratic structures; offering clients the continuum of support they require to transition to independence; and boosting public trust in government by improving the quality of citizen interaction with services.

The path to integrated service delivery is not easy. Potential obstacles, including labour relations, legacy systems, and entrenched working cultures, must be addressed.

Policymakers have few in-depth studies of human services integration schemes at their disposal. Lessons and best practices are not routinely shared.

This report makes a timely intervention. It offers the first in-depth evaluation of one of Canada's largest integration schemes to date: the ongoing initiative in Ontario's Peel Region in the Greater Toronto Area. The Region was an early mover and has been widely praised for its approach.

This report brings together insights from interviews, focus groups, and internal documents. We listened to human services staff and community organizations and through these conversations have developed key lessons for other governments.

These lessons include:

- Integrating services inevitably involves upfront costs and short-term upheaval for staff. Yet well-managed reforms can win employee support and enhance management legitimacy if transformation efforts are driven by an attractive vision of an improved outcome framed in terms of the public good. Minimal disruption to services, sustainable cost savings, more timely and accessible services, and better client outcomes are all achievable.

- Successful integration requires genuinely collaborative planning, from building an evidence base to developing and refining an integration blueprint on the basis of extensive consultation with frontline staff and stakeholders. This collaborative process will facilitate change readiness and the organization-wide mobilization of personnel.

- The composition of the integration leadership team must match the needs of the new operating environment. In addition to consideration of skill sets, competencies, and cross-program representation, it is vital that selection is also based on mindset and commitment to the new way of thinking. High turnover in senior positions is not necessarily a problem if it ensures that the right people with the right mentality are leading the project.

- Human resource (HR) professionals should be regarded as a key source of strategic advice rather than simply a provider of transactional services. HR specialists must be engaged with the planning and delivery process from the outset, preferably through membership on leadership or project management teams. Potential obstacles associated with labour relations and collective agreements will be far more effectively managed as a result, particularly if specialists are able to engage bargaining agents in the integration dialogue.

- Service integration can create new (albeit larger) siloed delivery units that do not work effectively with other government services and sectors. Routine consultation and formal partnerships with internal and external stakeholders will help avoid this outcome.

- The challenges involved in replacing legacy systems (e.g., program-specific IT systems) that were never designed to interact with each other should not be underestimated.

- Reforms will not outlast the immediate impetus of the integration program unless they become embedded in mindsets at an individual and institutional level. Training and communications should foster a sense of the common client whose needs cannot simply be compartmentalized into different program areas.

- Collaborative behaviour that supports integration and breaks down organizational silos should be incentivized through performance targets, staff appraisals, promotion opportunities, and public recognition (e.g., awards). Such behaviour should also be reviewed and monitored through culture audits.

- The development of feedback mechanisms is essential to successful implementation. Data collection and performance tracking procedures must be aligned with the performance indicators selected.

This report is of particular value to Canada's provincial and municipal governments. With direct responsibility for the delivery of services and less budget flexibility than the federal government, the reconfiguration of existing service delivery models offers one of the most effective ways of simultaneously improving outcomes and putting human services on a fiscally sustainable path.

## SETTING THE STAGE
# INTRODUCTION

Governments across Canada and the OECD are looking at human services integration as a means of meeting the twin challenge of improving services and reducing costs.

The economic downturn is at once placing budgets under acute strain and driving demand for human services. Across the OECD area, net general government debt-to-GDP ratios have soared from 45.7 per cent in 2008 to an estimated 69.1 per cent in 2012 (OECD 2012, 265). These fiscal pressures are prompting governments to redesign service delivery models in a bid to improve provision while lowering costs.

Equally, there is growing recognition that a significant proportion of program spending is devoted to the small segment of populations that have complex needs and use multiple human services at any one time – from social assistance and housing to health and children's services. Current service delivery models often fail to improve outcomes for these individuals. As such, they do little to reduce the long-term strain on program budgets.

By bringing together previously discrete human services, integrated delivery typically offers clients "single window" access and coordinated case management as they move through the system. Individuals need no longer navigate complex and siloed government structures. They are less likely to fall between the cracks in the system.

Integration enables a more agile approach to public service delivery. Global budgets and coordinated strategic planning enable real-time adjustments to changing needs. Staff can be reallocated from one part of the system to another in response to workload imbalances. Cost savings in one area can be reinvested in another.

Integrating human services also involves major organizational change (OMSSA 2007). Staff are brought together in new teams, job descriptions are rewritten, working practices are altered, and relationships with community partners and clients are fundamentally transformed. This process is often lengthy and requires a sustained commitment to change.

Policymakers have few in-depth studies of human services integration projects at their disposal. This paper evaluates one of Canada's largest integration schemes: the ongoing initiative in Ontario's Peel Region in the Greater Toronto Area (see Appendix 1).

This study is important and timely for a number of reasons:

- The large number of governments at the municipal, provincial/state, and national levels now in the early stages of exploring and implementing reforms of this kind (see Box 1).

- Peel Region has implemented one of the largest and most innovative integration projects in Canada to date.

- As an early mover, now five years into its human services integration, Peel Region offers tangible lessons and results from which other governments can learn.

This report brings together the insights of interviews, focus groups, and internal documents. We have listened to human services staff and community organizations in Peel Region and here we share what we have learned.[1]

Our research has been guided by a number of theoretical questions designed to help policymakers: What global lessons can other governments draw from a public sector organization that has successfully introduced an integrated delivery model for human services? What were the barriers to change? How were they overcome? What performance metrics and feedback loops were used? In what ways can human services integration projects deliver better services at less cost?

In the sections that follow, we identify the possibilities and challenges presented by service integration; trace the factors driving governments towards human services reform; distil lessons and best practices from the change management strategies used in Peel Region; and examine the outcomes to date.

Our research has uncovered a number of key lessons that will be of value to governments undertaking large-scale integration projects:

1.  Integrating services inevitably involves upfront costs and short-term upheaval for staff. Yet well-managed reforms can win employee support and enhance management legitimacy if transformation efforts are driven by an attractive vision of an improved outcome framed in terms of the public good. Minimal disruption to services, sustainable cost savings, more timely and accessible services, and better client outcomes are all achievable.

2.  Successful integration requires genuinely collaborative planning, from building an evidence base to developing and refining an integration blueprint on the basis of extensive consultation with frontline staff and stakeholders. This collaborative process will facilitate change readiness and the organization-wide mobilization of personnel.

3.  The composition of the integration leadership team must match the needs of the new operating environment. In addition to consideration of skill sets, competencies, and cross-program representation, it is vital that selection is also based on mindset and commitment to the new way of thinking. High turnover in senior positions is not necessarily a problem if it ensures that the right people with the right mentality are leading the project.

4.  Human resource (HR) professionals should be regarded as a key source of strategic advice rather than simply a provider of transactional services. HR specialists must be engaged with the planning and delivery process from the outset, preferably through membership of leadership or project management teams. Potential obstacles to change such as labour relations and collective agreements will be far more effectively managed as a result, particularly if specialists are able to engage bargaining agents in the integration dialogue.

5.  Service integration can create new (albeit larger) siloed delivery units that do not work effectively with other government services and sectors. Routine consultation and formal partnerships with external and internal stakeholders will help avoid this outcome.

6.  The challenges involved in replacing legacy systems (e.g., program-specific IT systems) that were never designed to interact with each other should not be underestimated.

7.  Reforms will not outlast the immediate impetus of the integration program unless they become embedded in mindsets at an individual and institutional level. Training and communications should foster a sense of the common client whose needs cannot simply be compartmentalized into different program areas.

8.  Collaborative behaviour that supports integration and breaks down organizational silos should be incentivized through performance targets, staff appraisals, promotion opportunities, and public recognition (e.g., awards). Such behaviour should also be reviewed and monitored through culture audits.

9.  The development of feedback mechanisms is essential to successful implementation. Data collection and performance tracking procedures must be aligned with the performance indicators selected.
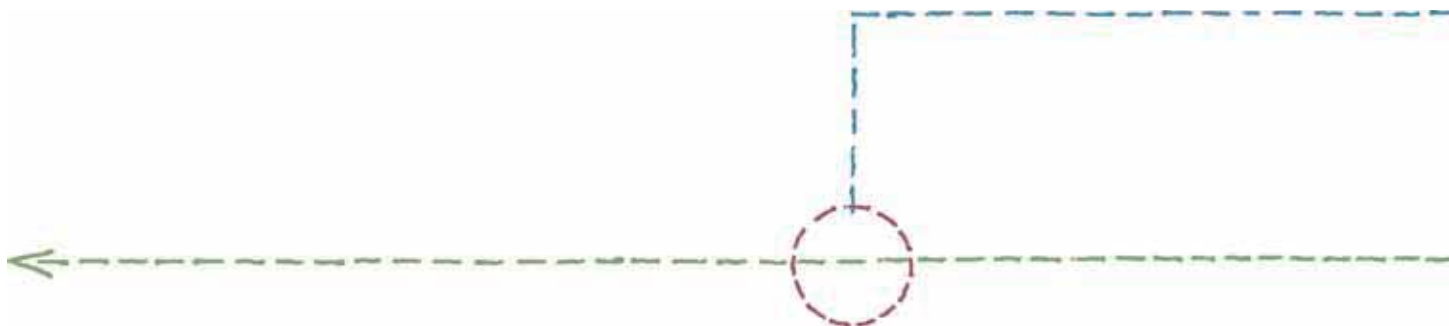
## BOX #1: EXAMPLES OF RECENT HUMAN SERVICES INTEGRATION INITIATIVES AT THE PROVINCIAL/ STATE AND NATIONAL LEVELS

**Australia:** In 2011, child support, medical, and social assistance programs were brought together within the Department of Human Services. A **Service Delivery Reform** program has been launched to integrate frontline services and provide clients with "single window" access.

**Canada:** Alberta established its Ministry of Human Services in October 2011. A blueprint for integrating existing services – the **Social Policy Framework** - is currently under development. Ontario's housing and homelessness programs are being integrated under the province's **Long-Term Affordable Housing Strategy**.

**Ireland:** Social assistance and employment support services are being brought together within a new **National Employment and Entitlements Service**.

**United Kingdom:** In 2011, **Community Budgets** were created to enable local governments to work with community partners in providing integrated human services support for complex-need families.

**United States:** Under the terms of the **Patient Protection and Affordable Care Act** (2010), US states are required to set up health insurance exchanges where individuals can shop for health care plans that qualify for federal subsidy. Several states, including Rhode Island, are using the establishment of these exchanges as an opportunity to create integrated eligibility systems for a range of social support programs.

## SECTION ONE
# CURRENT CONTEXT

## THE BENEFITS AND CHALLENGES OF HUMAN SERVICES INTEGRATION

While there is no "one-size-fits-all" model, most integration projects to date promise the benefits of:

- **Simplified access to services:** Clients who require access to multiple services are offered "single window" access. They are no longer burdened with having to independently approach different services or complete multiple applications. Client eligibility for multiple services is assessed by integrated teams who are linked up with, and can make referrals to, community organizations.

- **Intensive support:** Through coordinated case management support, individuals and families with complex needs receive the continuum of support they require to transition to independence.

- **Efficiency savings:** Unnecessary duplication and overlap in the system are eliminated through streamlining front- and back-end operations.

- **Effective resource allocation:** An improved understanding of interactions between multiple services ensures that resources go where they are needed. Gaps in service provision can be identified more readily and filled in a targeted way. Global budgets and the ability to move employees more easily enable financial resources and personnel to follow the client. Reallocations can be made in response to evolving client needs.

- **Improved advocacy:** A new holistic view of clients' needs improves managers' ability to lobby for additional resources required by clients.

Jurisdictions seeking to integrate their human services must also navigate a number of key challenges and obstacles:

- **Organizational structure:** Services often have distinct budgets and reside in different ministries or departments. Integrating service delivery may require large-scale corporate reorganizations mandated by legislation (OMSSA 2007).

- **Legal restrictions on data sharing:** Data protection and privacy legislation can prevent the sharing of client information across services, departments, or ministries.

- **Labour relations:** Collective agreements can make it difficult to re-write job descriptions and reconfigure working arrangements in a timely manner.

- **Staff expertise:** Employees have in-depth knowledge of distinct program areas rather than familiarity with a broad range of human services.

- **Organizational resistance:** Winning employee support can be difficult. Service integration disrupts daily working lives and threatens established institutional cultures. Managers often face a loss of status, having to cede control of budgets and teams.

- **Service delivery partners with entrenched interests:** There may be resistance from service delivery partners who have a stake in the status quo. For some organizations, their established business models and financial security depend on continuing government contracts.

- **Time lags in realizing extractable savings:** Services integration involves significant upfront costs. Yet the economic benefits of streamlining operations and improving social outcomes can take years to materialize.
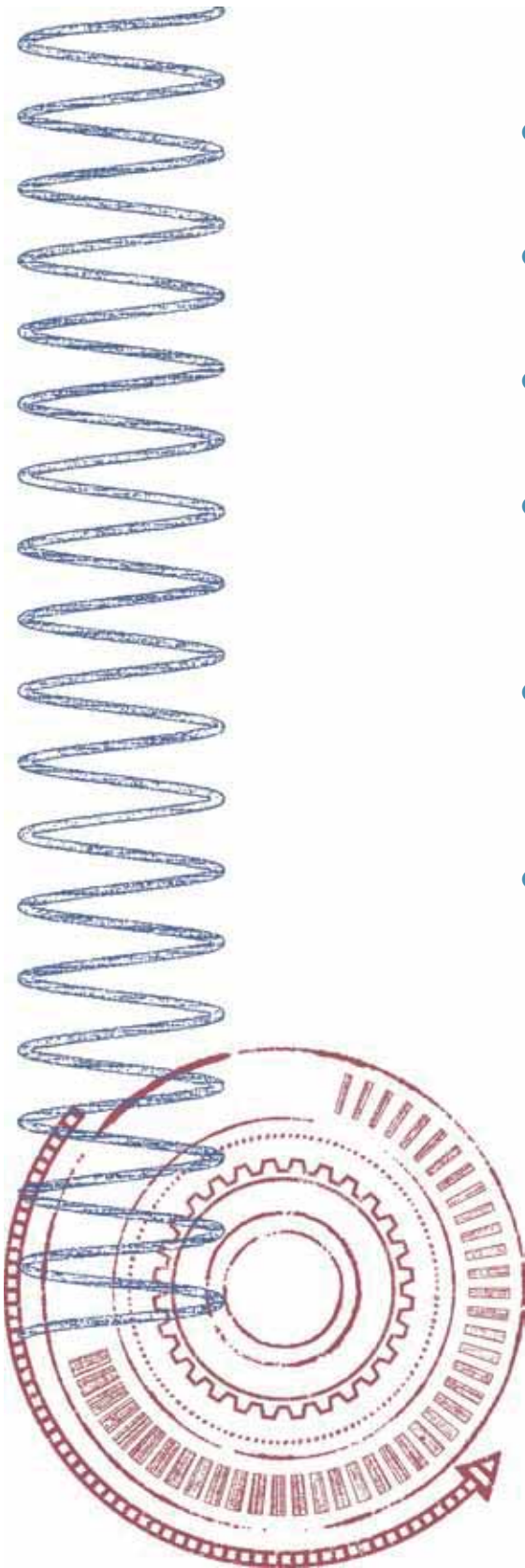
# FACTORS DRIVING INTEGRATION

Human services integration schemes are by no means a recent phenomenon.[2] However, the financial crisis and return of deficit spending has boosted political support for integrated service delivery models.

## 1.  BUDGET PRESSURES AND THE DESIRE FOR EFFICIENCY SAVINGS

**Budget pressures have led governments to seek cost savings through consolidating bureaucratic structures. Recent reforms include the adoption of global budgets and the large-scale consolidation of internal support services and website portfolios.[3]**

**Initiatives to integrate human services form part of this wider focus on administrative efficiencies (DHS 2011, 4). Savings are expected from eliminating duplication and more effectively allocating resources.**

**THE CASE IN PEEL REGION:** When Peel Region began its human services integration in 2007 it was not facing the global macroeconomic challenges that are now driving many governments towards similar projects. Its services were nevertheless under strain from increasing public demand and declining per-capita funding.

By 2007, Peel Region had become one of Canada's fastest-growing municipalities. Its population of just over 1.1 million had grown by 17 per cent between 2001 and 2006.

Demand for services was also being fuelled by increasing rates of poverty. Though a time of relative prosperity, the proportion of Peel residents living in poverty had grown from 11.6 per cent to 14.5 per cent between 2001 and 2006 (Region of Peel 2011).[4]

Human services were also being squeezed from the revenue side. Population growth had seen per-capita funding from provincial fiscal transfers fall to well below the Ontario average.[5]

Pressure on services was consequently growing. The ratio of low-income children to subsidized childcare spaces, for instance, had deteriorated between 2001 and 2006 from 7.4:1 to 10.2:1. The percentage of families on the Housing waitlist being placed into housing each year was falling–from 6.7 per cent in 2005 down to 6.3 per cent in 2006 (Region of Peel and United Way 2011, 86, 82).

For Peel Region, integration promised significant efficiency savings through the "shared management of department resources." It was anticipated that front- and back-end consolidation, along with the more flexible deployment of employees, would allow the growing demand for services to be "absorb[ed] within the existing staff group" (Region of Peel 2012a, 5,6).

## 2.  GROWING RECOGNITION OF THE NEED TO TACKLE COMPLEX SOCIAL PROBLEMS

**Rising spending on crisis interventions has raised concern among governments. This includes expenditure on homelessness, chronic health problems, long-term unemployment, and persistent reoffending. Such "reactive spending" treats social problems in isolation, neglects their complex root causes, and does little to either improve social outcomes or to reduce long-term demand for human services (CFDPS 2011).**

**There is a strong case for refocusing program spending on lower-cost preventative interventions. This involves governments confronting the underlying causes of social problems and offering coordinated, personalized support to address the totality of clients' needs.**

**Existing service delivery models are often ill-suited to such a reorientation for a number of reasons, including:**

- ◉ **Information silos:** A lack of information sharing across programs prevents service providers from having an holistic view of client needs or a comprehensive understanding of the resources available in the system to address them.

- ◉ **Budget and planning silos:** Program-specific financing and strategic planning means there are few direct incentives for program providers to avert crisis interventions elsewhere in the system.

**Service integration helps overcome these systemic challenges and drives down the proportion of program spending devoted to expensive crisis interventions.**

**THE CASE IN PEEL REGION:** At the outset of its integration project, Peel Region's corporate structure, which dated back to 1974, was poorly suited to supporting complex-needs clients. Children's services, social assistance (Ontario Works), and housing services were delivered separately across two departments: Social Services (Ontario Works and Children's Services) and Housing and Property.

This fragmented structure meant common clients with complex needs were difficult to identify. Each service area operated its own entirely separate client database and the Municipal Freedom of Information and Protection of Privacy Act hindered any inter-departmental exchange of client information.

Yet anecdotal evidence gathered by staff, as well as a snapshot survey conducted in 2005, indicated that multi-service users made up a sizeable proportion of human services clients (see Table 1).

**TABLE 1** COMMON CLIENTS OF PEEL REGION'S HUMAN SERVICES

| Clients surveyed | % who use no other service | % who also use Ontario Works | % who also use Housing Services | % who also use Children's Services | % who use all 3 services |
|---|---|---|---|---|---|
| Ontario Works | 77% | - | 16% | 13% | 5% |
| Housing | 58% | 39% | - | 14% | 11% |
| Children's Services | 57% | 37% | 19% | - | 13% |

Source: Compiled from data gathered for Peel Region by ERIN Research in 2005.
Notes: Ontario Works clients: n=600. Children's Services clients: n=600. Housing clients: n=500.

Not only were multi-service users unable to access the continuum of support they needed, but many other clients were likely slipping through the net, either unaware of the availability of other services or their eligibility to use them.

When clients made contact with individual services, departmental policies did not require intake staff to refer clients to other services for which they might be eligible. While this was symptomatic of the silo thinking at the time, it prevented any coordinated response to the needs of vulnerable or at-risk clients.

As one subsidized housing client responded when asked about the use of other services in the 2005 survey: "I didn't know about subsidized child care; I need to apply for this but I can't speak or read English."

This fragmented delivery of human services was fuelling demand for crisis services. Siloed budgets, staffing, and strategic planning meant there was little scope for coordinated action to solve problems before clients required crisis interventions.

Escalating spending on homelessness was one such example. While social housing was administered by the Housing and Property Department, the Social Services Department was responsible for homelessness services, including the operation of emergency shelters and hostels.

From a system-wide perspective, the Housing Department's eviction policies were counterproductive. Under pressure to improve their bottom line, the Department adopted a tough stance on tenants falling into arrears.

The end result was that "one side was creating homelessness, the other dealing with it," as the Executive Director of one community organization recalls.[6] As well as adding to the number of residents in emergency shelters and hostels, the policy placed a strain on community resources such as food banks.

Evictions also affected the mental, social, and economic well-being of clients who had little chance of reprieve: evicted residents were usually

relegated to the bottom of the Region's housing wait list, which was among the highest in the province.

Not only were these systemic failures becoming evident in Peel Region, but the impetus for integrating support was further bolstered by dramatic evidence from local pilot schemes.

Beginning in 1994, two neighbouring regional municipalities (Halton and Hamilton-Wentworth) introduced a scheme to provide integrated, comprehensive care to sole-support parents. Both government agencies and community organizations were involved. Eligible clients were offered a customized blend of social assistance, job training, health services, and subsidized child development programs.

Results from early evaluations demonstrated that once able to access the continuum of support they needed, scheme participants exited support services at a faster rate than social assistance recipients outside the program.[7] Early indications of the results from Peel Region's own pilot program, Families First, which was launched in 2000, had been similarly promising.[8]

## 3.  EVOLVING CITIZEN EXPECTATIONS OF PUBLIC SERVICES

**Governments are also acknowledging that service delivery models have not evolved with changing client expectations.[9]**

**Clients value timely, easily accessible, and reliable services. But technologies that allow citizens greater control over how they access public services have not been readily adopted. Moreover, the segmented nature of human services delivery continues to frustrate users of multiple services.**

**In improving the quality of clients' interaction with public services, integration is recognized as helping to boost public trust in government.**

**THE CASE IN PEEL REGION:** Client satisfaction in Peel Region suffered prior to integration as a result of outdated application systems and the absence of "single window" access to support services.

In their application procedures, the Region's human services made little use of modern technology. While Ontario Works offered its clients a phone-based application system, Housing and Children's Services still relied on traditional paper applications that had

to be mailed to their respective offices. No program area offered online applications.

The detrimental impact this had on processing times was an obvious source of frustration for clients (see Table 2). As one staff member recalls:

> If somebody needed child [or housing] services they would have to call us. We would then mail them an application. Their application would then be mailed back to us and if there were errors found, then that application would be sent back to the client. So it was a long, convoluted process.

| TABLE 2 APPLICATION PROCEDURES AND PROCESSING TIMES IN 2007 | | |
|---|---|---|
| Program area | Method of application | Average minimum processing time |
| Ontario Works | Phone | 2-4 days |
| Housing | Mail | 18-25 days |
| Children's Services | Mail | 9-15 days |

For users of multiple services, their dissatisfaction was further exacerbated by the fragmented nature of service delivery.

In the Region's 2005 client survey, common clients described the frustration and burden of having to approach each service separately in different locations, navigate different eligibility requirements, provide the same information on multiple applications, and submit duplicate copies of personal documents:

> The right hand never knows what the left is doing. [Ontario Works and Children's Services] should at least share information and communicate with each other, because they need a lot of the same information, and you already gave it to them and it's in a file. (Children's Services wait list and Ontario Works client)

> All the agencies should work together so I don't have to do so much running around. For example, OW and Peel Living want to see my bank statements. Why can't they share the information? (Housing and Ontario Works client)

This desire for simplified access was also reflected in the reasons respondents provided for preferring a "single window" approach to service delivery (see Table 3).

Many of these common clients represented the most financially and socially disadvantaged segment of Peel Region's population. Yet it was this client group rather than government that bore the cost and responsibility of navigating the system and communicating across services. Integration offered clients the benefits of simplified access, standardized and streamlined application procedures, and integrated assessment.

| TABLE 3 UNPROMPTED REASONS GIVEN BY HOUSING AND CHILDREN'S SERVICES CLIENTS FOR PREFERRING A "SINGLE WINDOW" APPROACH | | |
|---|---|---|
| Reason given for preferring "single window" access | Children's Services clients | Housing clients |
| Not having to provide the same information twice | 34% | 49% |
| Reduce number of visits to Peel offices | 22% | 17% |
| Save time | 18% | 25% |
| Less anonymous/interact with fewer staff | 17% | - |
| Save having to pay for multiple copies of personal documents | 6% | 6% |
| Reduce confusion over different eligibility rules | 3% | 2% |

Source: Housing and Children's Services data gathered for Peel Region by ERIN Research in 2005.
Notes: Ontario Works clients: n=270. Children's Services clients: n=330. Housing clients: n=210.

Because Peel Region's application systems were so outdated, it was able to leapfrog other jurisdictions by recognizing and adopting state-of-the-art practices. Service delivery models have lifespans and legacies. By planning for the long term, and importing the very latest approaches—rather than simply playing catch-up—Peel Region could avoid the pitfalls of implementing an already outgoing system that would need almost immediate and thereafter incremental fixes.
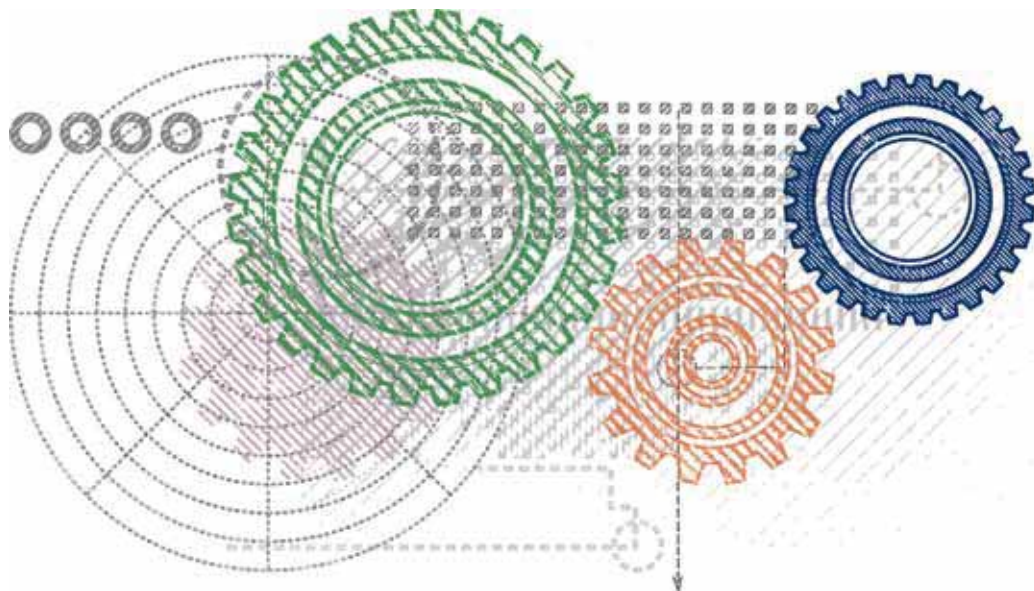
# PEEL REGION'S APPROACH TO INTEGRATION

Peel Region's adoption of an integrated service delivery model and organizational structure for human services was carefully sequenced and is now three-quarters complete (see Figure 1).



**FIGURE 1** THE SEQUENCE OF PEEL REGION'S HUMAN SERVICES INTEGRATION PROJECT

**1. NEW CORPORATE STRUCTURE CREATED**

Human Services Department created (2007)

**2. BACK-END CONSOLIDATION**

Integrated Business Support created (2008)

Integrated Strategic Planning, Policy and Partnerships (2009)

**3. FRONT-END INTEGRATION**

Co-location (2008-2011)

Online and telephone (2011)

Integrated reception (2009-1st site, 2011-2nd site)

Integrated intake and assessment (2011)

**4. INTEGRATED CASE MANAGEMENT**

Forthcoming 2013

## FIRST STAGE: New Corporate Structure Created

In June 2007, Peel Region created its Human Services Department, bringing together divisions from the former Social Services Department and the Housing and Property Department. This reorganization, initiated by the Region's Chief Administrative Officer, created the corporate structure and legal mandate necessary to integrate services fully.

In time, divisions within the new Department would be aligned with functions, such as client access, rather than programs (see Appendix 2).

## SECOND STAGE: Back-End Consolidation

The early consolidation of back office operations provided the necessary support structure for subsequent program integration.

In March 2008, internal support services such as finance, IT, and professional development were brought together to form the Integrated Business Support Division. Similarly in 2009, strategic planning, advocacy, performance management, and stakeholder engagement functions were integrated into the new Strategic Planning, Policy and Partnerships Division.

## THIRD STAGE: Front-End Integration

The integration of program delivery began at the front-end. Between 2008 and 2011, the majority of the Department's almost 1000 employees were transferred from five program-specific locations to two central sites in Mississauga and Brampton.

"Single window" access to services was made available to clients online, and by telephone (via the reconfigured and newly integrated Assessment Unit), as well as by mail.

While a combined client database has yet to be established, an Integrated Assessment Unit was launched in November 2011. Here, individual staff members can process applications from any program area and refer clients to community organizations on the basis of their assessed need.

## FOURTH STAGE: Integrated Case Management

The final major phase of the integration project will see the introduction of an integrated approach to case management – where either a multi-disciplinary team or single caseworker supports a client and their family as they move through the system (see Figure 1).

Some early progress in case management has already been made through internal departmental collaborations. Initiatives to promote successful tenancies in social housing, for instance, have seen Ontario Works staff and residential property management teams working together to support residents.



FIGURE 2 PEEL REGION'S INTEGRATED SERVICES DELIVERY MODEL (IMPLEMENTATION STILL UNDERWAY)
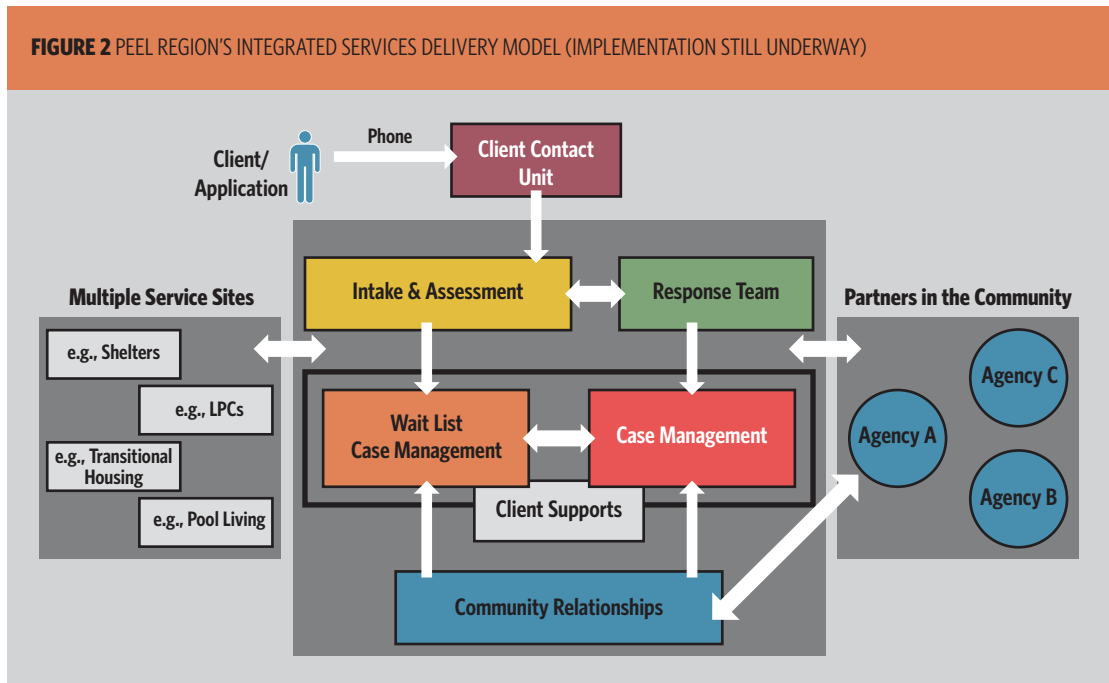
## SECTION TWO
# CHANGE MANAGEMENT

## THE CHANGE CHALLENGE

Implementing major organizational change in any institution is no easy task. Failure is common.[10] Obstacles include entrenched stakeholder interests, organizational silos, inflexible collective agreements, and insufficient resources. Public sector reforms face a range of additional issues and challenges, including legislative barriers, intense media scrutiny, and shifting political agendas (McCrae et al. 2011).

Above all, organizational resistance remains the most pervasive challenge. Even well-managed change programs threaten established institutional norms in ways that can provoke resistance (UK NAO 2008).

Effective people management is demanding. It involves communicating effectively, converting sceptics, realigning incentive structures, actively engaging staff, and changing mindsets.

Winning employee support in Peel Region meant addressing a range of concerns voiced by staff during focus groups, meetings, drop-in sessions, and surveys.

In 2008, for instance, a survey of 177 staff showed that while 40 per cent of respondents expressed no fears over the impact of change on them personally (see Figure 3)...

### ...almost a third of staff feared the loss of their jobs
The language of "streamlining services" and "mitigating costs" that was bound up with the project increased concerns over the possibility of job losses.

### ...close to a third feared changing working practices and the reorganization of staff teams
Disparate working practices across the three program areas – from HR to flexitime – inevitably had to be harmonized. In bringing together employees serving similar roles in different program areas, the composition of teams and lines of reporting had to change. The asymmetry in staffing distribution – with Ontario Works forming the largest contingent (see Figure 4) – led many to fear a loss of identity as functions were integrated. Some staff members had to join existing teams; some were faced with entering a unionized environment for the first time (see Figure 4).

### ...and nearly a third feared they lacked the skills and knowledge required

Back office support staff, intake and assessment workers, and caseworkers were expected to acquire knowledge of all three human services. There was also widespread concern that integrated delivery would be accompanied by increased caseloads.
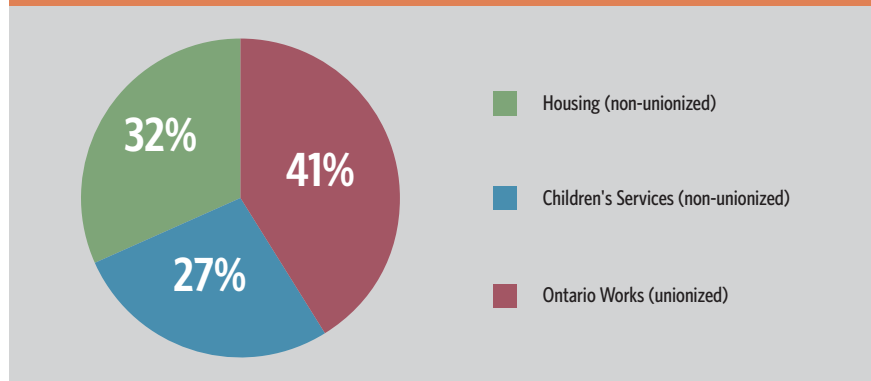
**FIGURE 3** STAFF FEARS OVER THE PERSONAL IMPACT OF INTEGRATION, 2008

**"Greatest fears over the personal impact of integration", n=177**

Staff consultations also uncovered a range of concerns specific to certain groups. Site consolidations left some employees facing longer commutes while the co-location of the majority of staff at central sites threatened to further isolate those still working in satellite locations such as the Region's 12 Learn Play Care Centres.

The Department also anticipated potential "points of resistance" from clients including the loss of anonymity, fear of increased scrutiny, the changing location of services, confusion over new procedures, and unhappiness with the pace of change.

**FIGURE 4** COMPOSITION OF HUMAN SERVICES EMPLOYEES, 2007

32% Housing (non-unionized)

27% Children's Services (non-unionized)

41% Ontario Works (unionized)

# THE STRATEGIES

## 1.  COLLABORATIVE APPROACH TO DESIGNING CHANGE

Studies show that the failure of major reform initiatives is often the consequence of a critical lack of readiness for change across an organization (Weiner 2009; Armenakis et al. 1999). That state of readiness can be brought about, at least in part, by the active involvement and engagement of all staff members in the design phase of reforms.

Equally, the trend in human services delivery towards preventative interventions and coordinated, customized support for vulnerable populations has increased the need for external stakeholder participation. As Lenihan and Briggs point out, "complex [social] problems are bigger than government in the sense that their solution requires effort and action on the part of stakeholders and citizens" (2011, 42). Efforts to understand citizen needs, forge constructive caseworker-client relations, and boost community resiliency, require a collaborative approach to designing reforms.

**PEEL REGION'S APPROACH:** The Human Services Department was an early mover in collaboratively producing a framework for its integrated services agenda. Governments such as those of Alberta and Australia have since done the same.[11]

Peel's *Human Services Plan* was the product of contributions from employees, clients, and community organizations (see Table 4). Across interviews, focus groups, surveys, and drop-in sessions, stakeholders were asked to help build a "common vision": What does good service look like? Where are the current gaps in service delivery? What synergies are there between services?

The knowledge and expertise of those at the interface of frontline service delivery was invaluable.

| **TABLE 4** HUMAN SERVICES PLAN CONSULTATIONS | |
|---|---|
| Consultation format | Number of participants |
| Individual interviews | 28 |
| Employee focus groups | 110 |
| Client focus groups | 38 |
| Community partners session | |
| Community agencies | 55 |
| Region of Peel staff | 30 |
| Drop-in sessions—Human Services staff | 281 |
| Online employee survey | 177 |

Source: Region of Peel 2008, 3.

For the Department's leadership, the consultation process enhanced their understanding of population needs and shaped the final integration blueprint in often unexpected ways.

Stakeholders, for instance, identified housing as a high priority issue. Stable housing was considered crucial to helping citizens transition along a continuum of support services towards independence.

Stakeholders highlighted the need for a coordinated approach across all services to prevent homelessness and support the needs of clients in social housing.

Although eventually incorporated into the *Human Services Plan*, the act of prioritizing one program area initially seemed to contradict the holistic approach departmental leaders had been seeking:

> [Stakeholders] identified housing as an objective. Well, our leadership team, they struggled. They did not want to have one program area specifically highlighted in the Plan as an objective. ... [But] keep in mind that it was Ontario Works and child services workers who were identifying housing. So if your frontline and everybody else is saying housing, that should be it. ... In the end, objective three of the Human Services Plan is a continuum of housing. (Transition Project Team interview)

Not only did the engagement process improve the quality of the integration roadmap, it also facilitated change readiness across the organization. Staff felt an active sense of ownership of the reforms. "It was a decision made by everybody," one staff member recalled.

## 2.  LEADERSHIP AND GOVERNANCE ARRANGEMENTS

**Given the numerous barriers that integration projects must necessarily overcome—from silo mentalities to entrenched interests—effective leadership is crucial to success. Experience suggests that projects can all too easily become mired in internal conflicts or critically undermined by resistance or disinterest from senior management.**

**PEEL REGION'S APPROACH:** Overall decision-making authority and accountability for the integration program resides with the Human Services Leadership Team (HSLT), while a dedicated Transition Project Team project-manages the implementation process. Working groups were also set up to undertake research and consultations on each major deliverable (see Table 5).

Though governance arrangements in such programs are context specific, Peel Region's experience offers a number of valuable lessons:

**The importance of buy-in from senior leadership:** The HSLT comprises the directors of each operating division and the Commissioner of Human Services. This direct involvement from top management has

helped demonstrate the urgency of reforms, foster a culture of shared accountability for results, and ensure the project is properly resourced.

**Getting the right people at the top:** The composition of the Leadership Team was designed to match the needs of the new operating environment. It was accepted that high turnover was not a problem if it ensured that the right people with the right mentality were leading the project. In addition to consideration of skill sets, competencies, and cross-program representation, selection was made with a view to mindset and commitment to the new way of thinking.

**Stakeholder consultation:** To enhance leadership legitimacy and ensure good working relations with external partners, stakeholders outside of the Department – such as Peel Region's Health Department – were consulted on the membership of the HSLT.

**Key role for HR:** All too frequently HR professionals are viewed as providing transactional services during large-scale reforms (e.g., revising contracts). Their value as a source of strategic advice is often overlooked and they are brought into change programs at an advanced stage. Peel Region engaged their HR specialists at the outset of the project management phase. The HR representative on the Transition Project Team not only improved workforce management strategies but played a crucial role in constructively engaging the union. The Department's ability to change job descriptions in spite of restrictions posed by existing collective agreements resulted from these productive working relations with union representatives.

**Leadership visibility:** While the Transition Project Team planned and coordinated the implementation process, messaging was channelled through the HSLT in order to ensure the program had a clear and high-profile public face: "we were the project team doing the [day-to-day] work but [the HSLT] were the face of it. That was always our intent, for them to be the face of it, leading it." (Transition Project Team interview)

**Role modelling behaviour:** Senior management have powerfully role-modelled as well as promoted desired behaviours. Community organizations and legal clinics describe the "sea change" in leadership style that accompanied the integration program. The Human Services Commissioner and the rest of the HSLT have made themselves accessible and taken swift action when practices counterproductive to integrated service delivery have been brought to their attention.

| TABLE 5 GOVERNANCE STRUCTURE | | |
|---|---|---|
| **Teams and bodies** | **Membership** | **Roles and responsibilities** |
| Human Services Leadership Team | Commissioner of Human Services and directors of operating divisions | • Decision-making authority<br>• Accountability<br>• Resource provision |
| Transition Project Team | Project manager, project analysts, HR, communications specialists | • Coordinating the sequenced implementation of the integration project<br>• Change management planning<br>• Stakeholder communication strategy |
| Extended Team (e.g. working groups, external consultants) | Management and occasionally frontline staff (working groups), external consultants | • Research and stakeholder consultation<br>• Delivering recommendations on specific deliverables |

## 3.  COMMUNICATION STRATEGIES

**Stakeholders will not support change unless they understand why it is necessary. This not only requires clear and consistent messaging, but effective channels of communication.**

**Evidence suggests the culture of hierarchies and silos in public sector organizations often hinders the much needed flow of information during change programs.[12] Unless communications are carefully planned and coordinated, they risk reinforcing rather than transforming this culture.**

**PEEL REGION'S APPROACH:** The Transition Project Team developed a range of communication strategies to enlist support and allay anxieties:

### a.   Simulating and sharing improved client experiences
Studies of public sector change programs suggest that the need for radical change is often greeted with greater levels of scepticism lower down organizational hierarchies.[13] A member of Peel Region's Transition Project Team similarly recalled: "One of our biggest lessons learned through change is [frontline] people not understanding the why."

One of Peel Region's most effective and innovative strategies was to help frontline staff visualize the positive impact of integration on individual client pathways. The Transition Project Team used a range of visual aids featuring clients – both fictional and real – to bring to life what for many had previously been only an abstract service delivery model:

> …we saw with frontline staff [that] to understand the vision they actually had to see how it changed for somebody. So they couldn't just see the pretty picture of the model on paper - it really didn't mean anything to them – they actually had to see someone going through the model. … And then it was very real for staff. It solidified it. (Transition Project Team interview)[14]

Workers were presented with "Sam's Story" — a fictional account of a client seeking Ontario Works, housing, and childcare assistance. A series of flow charts were used to illustrate how Sam's positive experience post-integration stood in stark contrast to the fragmented service available to him before the reorganization (see Box 2).

## BOX #2: COMMUNICATING "SAM'S STORY"

Frontline staff were presented with a fictional scenario involving a common client:

**Sam, a single father of two small children, loses his job when his company downsizes. He is unable to find new full-time work. A temporary employment agency arranges occasional shift work for him. Unable to afford childcare, he sometimes has to decline shifts if family and friends are not available to help out. Sam risks losing his home if he falls behind on rent payments. Sam approaches Peel Region to apply for Ontario Works, housing, and childcare support.**

Three flow charts were used to show staff what Sam's pathway through the application and assessment process would have looked like under the old system. The three separate charts demonstrated the resource-intensive and repetitive nature of the intake process for clients like Sam.

Employees were then shown the integrated, streamlined pathway available to Sam under the new system. This included a single assessment worker able to assist Sam in completing all three applications, advising him on the single set of documents he needed to submit, and referring him to community organizations for additional support.

Staff could also see that the length of time taken between initial application and final assessment was dramatically reduced.
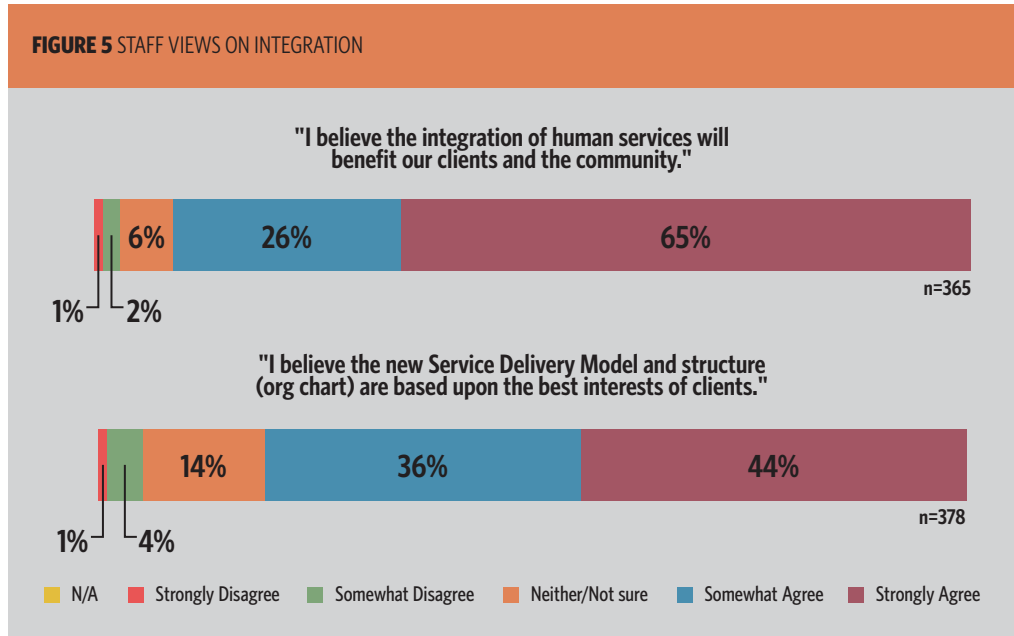
The Transition Project Team also organized a large wall mural that similarly illustrated this transformation in client pathways. Videos featuring interviews with real clients were also circulated.

As well as offering staff an accessible lens through which to understand the integration project, this strategy was part of a wider attempt to ensure that workers understood the reorganization as serving the public good.

Throughout the project, communications to staff consistently aligned the integration scheme with the Department's public service mission and "emphasiz[ed] the positives for the client" (senior management interview).

Staff surveys have endorsed the success of this approach. In 2010, the overwhelming majority of respondents agreed that service integration

was in the best interests of clients (see Figure 5). More significantly, the majority also believed that the *specific* integrated delivery model and departmental organizational structure adopted was in the best interests of clients (Figure 5) – an outcome that was undoubtedly boosted by the early emphasis on engaging staff in the design process.

**FIGURE 5** STAFF VIEWS ON INTEGRATION

"I believe the integration of human services will benefit our clients and the community."

| | | | |
|---|---|---|---|
| 6% | 26% | 65% | n=365 |

1%   2%

"I believe the new Service Delivery Model and structure (org chart) are based upon the best interests of clients."

| | | | |
|---|---|---|---|
| 14% | 36% | 44% | n=378 |

1%   4%

☐ N/A   ☐ Strongly Disagree   ☐ Somewhat Disagree   ☐ Neither/Not sure   ☐ Somewhat Agree   ☐ Strongly Agree

Source: Services Integration Readiness Survey, 2010.

### b.   Publicizing early successes

Publicizing early, visible improvements in service provision and staff working conditions formed another strand of the Department's communication strategy.

Evidence shows that quick wins in transformation programs help energize staff, convert sceptics, and guard against change fatigue (Kotter 1995). But they need to be effectively communicated.

Peel Region often used recorded voice messages to broadcast good news stories. The strategy provided a "personal touch" when the number of staff needing to be informed was too large to bring together in person:

> When we had good news to share with a specific group, we would record a voice message and it would be pushed out to all the impacted staff's extensions so they would hear the person's voice that morning saying: "this is what happened, this is where we're going, [and] this is what you can expect." People actually really liked that. (Transition Project Team interview)

These broadcasts included news of early indications of improved service provision. When the Integrated Assessment Unit was launched in 2011, for instance, there was a dramatic reduction in the time taken to process common client applications. Sharing this news with staff helped boost morale, allowing many to see that the upheaval they had personally experienced during the reorganization had not been in vain:

It's empowering for staff on that first or second day that one of the staff completed a dual application process and that [client] got their answer to both of their application screenings for two different services in 20 minutes, and it used to be a process that took 28 days. So when you shared back, [and] we always tried to share back those outcomes, it helped solidify that change for people. It helped them see why they went through it. (Transition Project Team interview)

## c.   Optimizing access to information

By their very nature, service integration projects attempt to break down silos and bring together staff with previously very different working practices and access to information. Communication strategies need to take account of these differences.

In Peel Region, a number of staff groups—including Learn Play Care Centre workers and cleaners in social housing units—work in satellite locations and have limited access to email, the most frequent mode of communication used by the Department. For the Transition Project Team, ensuring these groups had "the same access [to information] was a big difficulty."

A range of strategies have been adopted to make communications as far-reaching as possible. These included bringing employees together for department-wide Staff Days, the use of cascade messaging where management was tasked with delivering certain messages in team briefings, and reminders to supervisors in e-bulletins that they may wish to print paper versions of important documents for distribution to staff without regular computer access. When important announcements were made – such as the launch of the Human Services Plan – members of the Human Services Leadership Team visited affected staff at satellite locations.

A Grassroots Committee of frontline staff was also established to serve a liaison role between their peers and the Transition Project Team. As well as acting as ambassadors for the project by organizing activities and disseminating information, the Committee has played an important role in identifying those employees who require communications to be specially tailored to their needs:

> … having that frontline Grassroots Committee at the table, they were the ones who kept reminding us: "that sounds good but it doesn't work for this group," or "we can do it for this [area], but we have to have plan B and C so that these areas are also not isolated." (Transition Project Team interview)

## d.   Continual assessment and refinement

Throughout the implementation process there has been a focus on assessing and evaluating the effectiveness of communications. Regular surveys have been conducted at key milestones to assess attitudes and opinions and check what staff have understood and absorbed. This feed-back has been used to revise the frequency, content, style, and structure of written communications:

> Our communications in the beginning were too long, too wordy, too flowery, too broad - [we were] trying to be overly departmental. Staff told us we needed to be using bullet points, and telling stories to help people understand. (Transition Project Team member)

The methods used to notify staff of major changes affecting their working lives have also improved over time. The practice of informing employees of major changes through one-on-one meetings, for instance, developed after group announcements proved inappropriate:

> Our first experience with implementation was our back-end support area. ...The way it was communicated to staff was probably our biggest lesson learned. This was a personal impact to people and we pulled them into a room and told them. Never did it again after that. Never. [We] learned really clearly there that people who are personally impacted by something need to hear it from the right person, at the right time, in the right way. (Transition Project Team member)

## 4.   WORKFORCE MANAGEMENT

**Organizational resistance in change programs can rarely be attributed simply to employee self-interest or the absence of effective incentives. In situations where staff members appear resistant to change, a primary cause is often anxiety or uncertainty over the demands of the new operating environment.**

**PEEL REGION'S APPROACH:** Considerable resources have been devoted to anticipating resistance and developing a comprehensive change management plan. The Transition Project Team's tactics for reducing resistance combined formal training with measures intended to reassure and actively engage employees.

### a.   Formal training

Training for employees was provided "to support [the] new way of doing business in each area" (staff interview). This was especially critical for staff members – such as those becoming part of the new integrated reception or Integrated Assessment Unit – who needed to familiarize themselves rapidly with the work of all program areas:

> We went from three reception spaces where you were dealing with only your program area, to a shared space where you were dealing with somebody walking up for anything that they could need. And you had to have all of that knowledge and understanding in your head and in front of you on the computer. (Implementation Team interview)

The training on offer included classroom-based presentations and computer sessions. Considerable emphasis has also been placed on peer-to-peer learning. In the lead up to integration, job shadowing, job sharing, and job trading schemes provided opportunities for staff to understand each other's program areas and common client needs.
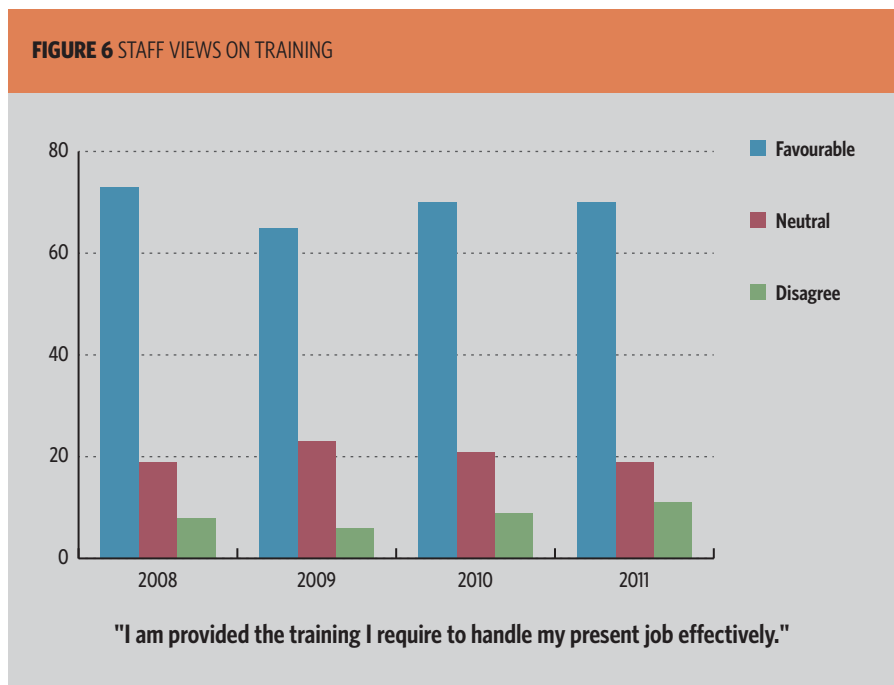
This type of training has meant that delays in introducing a single, integrated client database have not impacted the Department's ability to offer clients "single window" access to services. Workers in the Integrated Assessment Unit are still manually inputting client information into separate program-specific databases. However, because of the cross-program training these staff have received they are nonetheless able to process any application.

Equally, call monitoring in the Integrated Assessment Unit has shown that the employee error rate has remained stable post-integration despite the expansion in employees' program portfolios.

Managers have also been given Situational Leadership training to help them effectively support employees through the transition period. For those new to unionized working environments, extensive briefings on labour relations issues such as collective agreements have been provided.

Moreover, each staff member – no matter how small the scale of change they personally face – has an individual learning plan with their next steps, focused on their skills gaps and where they might need special help.

Throughout the integration process to date, the annual employee survey has recorded consistently positive scores for the training offered to staff in spite of the upheaval experienced by many (see Figure 6).



**FIGURE 6** STAFF VIEWS ON TRAINING

"I am provided the training I require to handle my present job effectively."

Source: Region of Peel B.E.S.T. survey data, 2008-2011.
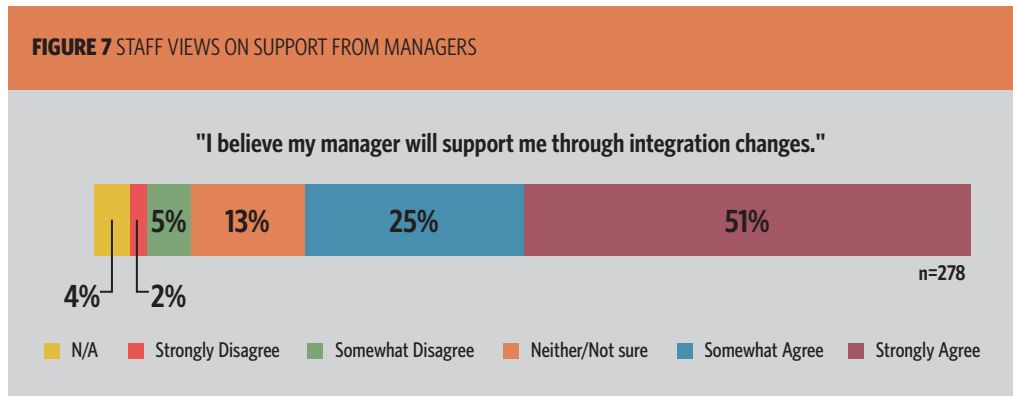
## b.   Reassurance measures

Numerous measures were put in place to reassure employees anxious over the impact of integration on them personally.

"Warm transfers" were offered to anyone changing teams or line of reporting. This involved staff members sitting down with both their current and future manager to talk through the implications of the transition.

Managers also worked to ease the "fear of the unknown" by providing staff with new job descriptions:

> [People needed to] see their world in writing. …Even when you're not changing the job that much, it's more changing philosophically, how they think about their job, the way they ask the questions, or the way they communicate, people still got really stressed out by that expectation and they wanted it really clearly outlined for them. That was a big lesson learned for us. (Transition Project Team interview)

The Transition Project Team's 2010 change readiness survey recorded a high degree of confidence among staff that managers would support them through future changes (see Figure 7).

**FIGURE 7** STAFF VIEWS ON SUPPORT FROM MANAGERS

"I believe my manager will support me through integration changes."

| 5% | 13% | 25% | 51% |

4%   2%   n=278

N/A   Strongly Disagree   Somewhat Disagree   Neither/Not sure   Somewhat Agree   Strongly Agree

Source: Services Integration Readiness Survey, 2010.

## c.   Opportunities for staff involvement

Peel Region helped secure employee support for integration by involving employees as active partners in the transformation process.

Wherever possible, employees were involved in decisions that impacted them. Senior management felt it was important not to "sit in a room and put people's names on a pin board" (Transition Project Team interview). If a staff member's existing position was to disappear, the individual concerned would be involved in the process of deciding their new position within the Department. Equally, non-unionized employees entering unionized divisions were allowed to opt out of union membership if they wished.

Volunteer opportunities were also made available. As well as having the option of taking up a position on the Grassroots Committee, participation in events such as the Human Services Showcase – where staff could set up stalls to "showcase" their work and highlight the interconnectedness of human services – allowed employees to play their part in promoting an integrated organization that has a greater and more positive impact on people in the community.

## 5.  EMBEDDING CHANGE

**Sustaining momentum and delivering lasting change is not an easy task in any organization. Reforms will not outlast the immediate impetus of a change program unless they become embedded in thinking- and working-habits at an individual and institutional level. Public sector reforms face an additional set of challenges, not least of which is the need to survive multiple electoral cycles and greater levels of media scrutiny (McCrae et al. 2011).**

**PEEL REGION'S APPROACH:** Peel Region has been actively working to cultivate new institutional norms. The Department's working culture was the subject of a strategic review. Internal procedures and structures—such as budget practices, talent management, recruitment, and performance assessment—are being realigned with the goals of the integration program.

### a.  Reconfiguring internal structures and practices

Peel's Human Services Department went to considerable lengths to update and harmonize working practices across the organization. In 2008, a cross-program team surveyed existing corporate policies, processes, and procedures. The team identified best practice in areas such as talent management, recruitment, and administrative support, which could then be applied consistently and strategically across the organization.[15]

The degree of structural reform intrinsic to large-scale service integration projects—such as new governance structures, the switch to global budgeting, the co-location of offices, and the development of "single window" access to services—also helpfully and necessarily disrupts the status quo and makes change difficult to reverse:

> It would be harder for a new leadership coming in to go back to the bad old days because the structure has changed. ... They wouldn't be able to turn a blind eye. So if you have a homelessness program, you're going to have to somehow justify your eviction procedures and your housing with your homelessness strategy. In the old days you didn't have to, because it was a different department: "that's not our job". So I think integration has preserved, locked in those changes. (Interview with the Executive Director, Mississauga Community Legal Services)

**b.    Conducting a culture audit and developing a culture plan**

The need to change the Department's operating culture slowly emerged as a key priority:

> ...in the beginning, we didn't capture culture as a potential problem. We didn't go there ... it was later that we said "oh, let's stop and look at the culture," because we saw that we were having problems with behaviours, and we were bringing groups together without even considering that piece ... People who worked in Ontario Works or housing or childcare didn't even see their clients as the same people. We knew that they were ... but they didn't see it that way. They used words like "those clients," well no, they're "our clients." (Transition Project Team focus group)

A cross-program Culture Working Group was set up to audit the Department's current operating culture and develop a culture plan that outlined the strategies and tactics – from special events to training – needed to shift mindsets.

Events such as the Human Services Showcases played an important role. This series of tradeshow-style events focused on support services that were *not* program-specific such as the Special Needs Access Program and the Preventing Homelessness in Peel Program. Run and attended by hundreds of staff, it fostered the sense of the common client whose needs are interrelated and could not simply be compartmentalized.

**c.    Continually monitor progress and reconfigure incentive structures**

Tracking performance has helped ingrain change in the Department's working culture. It has not only made progress tangible, but also allowed results to be used in appraising staff performance, thereby incentivizing new behaviours.[16]

Performance measurement was not prioritized at the outset of the change program. However considerable advances have been made over the past two years.

In 2011, a Performance Measurement Team began working across the organization to develop metrics and align monitoring procedures with the strategic goals of the integration project. Starting with the intake and assessment process, employees in the Assessment Unit, for instance, have had calls monitored to ensure clients are receiving the continuum of support they need. The number of referrals made to internal services and community organizations are being tracked.

Similarly, the new performance indicators adopted by the Residential Property Management Team are designed to cement the post-integration focus on supporting successful tenancies in social housing. Metrics are clearly aligned with the measurement of desired policy and program outcomes, and include tracking:

- The increase in face-to-face intervention meetings due to rent arrears or behaviour issues

⊙    The decrease in legal notices filed due to rent arrears or behaviour issues.

Tracking performance along these lines encourages employees to be more proactive in intervening to reduce the number of tenant evictions. Such positive action has been further incentivized by the linking of these metrics to individual performance appraisals and merit-based pay:

> ...the [Residential Property Management] Director actually wanted to link individual measures to people's performance appraisals ... so that is really again driving the culture. That measurement is here to stay. It is the new way of doing business...It was a huge cultural shift. (Staff interview)

Crucially, rather than being imposed from above, metrics have been established through consultation between frontline staff, management, and the Performance Measurement Team.

> So it is not us trying to force measures on people. It is them identifying measures and us helping them refine those measures and refine data collecting techniques. That is why it was bought into right away by the team. (Staff interview)

Broad acceptance of targets amongst employees is essential to making integration successful and sustainable in the long term. Peel Region has secured high staff acceptance through both this collaborative approach and the direct linking of metrics to desirable outcomes from a citizen perspective.

## SECTION THREE
# OUTCOMES

**F**or governments looking to human services integration as a means of delivering better services at less cost, the outcomes in Peel Region to date offer a number of valuable lessons:

### 1. THE SHARED MANAGEMENT OF RESOURCES HAS HELPED THE DEPARTMENT ABSORB THE GROWING DEMAND FOR HUMAN SERVICES.

With the onset of the global economic downturn in 2008, the Department's transition to an integrated service delivery model has taken place within an increasingly challenging operating environment.

Levels of unemployment have risen. Recent immigrants (who account for a significant proportion of the region's population growth) have been disproportionately affected.[17] At the same time, federal government funding for Ontario's settlement services is being cut back – seeing a decrease of $75.4 million between 2010/11 and 2012/13.

Unemployment rates combined with continued population growth have seen the social assistance caseload (defined as "cases with actual cash payouts during the month") rise dramatically in Peel Region. Between December 2007 and September 2011, the Ontario Works caseload rose by 65 per cent from 9,493 to 15,620 (see Figure 8).



**FIGURE 8** REGION'S RISING ONTARIO WORKS CASELOAD, JAN. 2007-SEPT. 2011
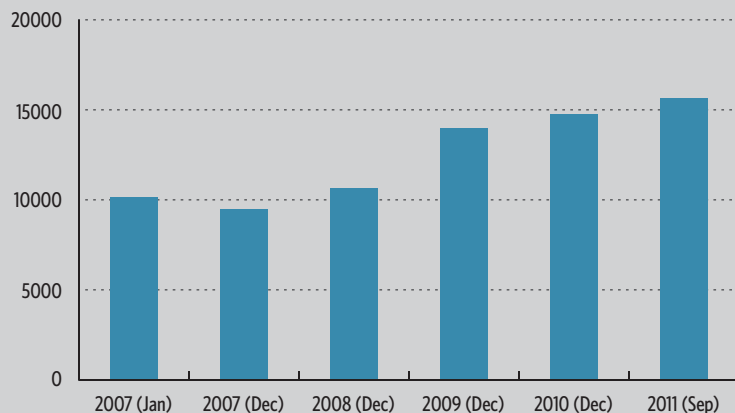
Source: Region of Peel 2012b.

Integration has given the Department the necessary flexibility to cope with these challenges. Decisions are now made at the departmental rather than program level, allowing management to take a more strategic approach.

This shift in both approach and mindset was captured by one member of the Transition Project Team:

> …at the leadership level … they look at their resources now as departmental resources, [and ask:] "what are our departmental priorities?" So if an employee leaves Ontario Works it doesn't mean that the body coming in will go to Ontario Works. They sit and they go, "what's the need departmentally?"

Such coordinated strategic planning has enabled staff to be reallocated from one part of the Department to another in response to workload imbalances. In 2011, the Department was able to successfully manage the rising Ontario Works caseload by redeploying existing staff. External recruitment was not necessary as a result (Region of Peel 2011).

Further evidence of the Department's increasing ability to manage this caseload can be gleaned from the falling number of Ontario Works clients contacting Peel's legal clinics. Despite the impact of the recession on the region, the clinics have not seen a corresponding increase in Ontario Works-related cases (see Table 6).

**TABLE 6** ONTARIO WORKS CASE FILES OPENED AT MISSISSAUGA COMMUNITY LEGAL SERVICES, 2006-2011

| Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|------|------|------|------|------|------|------|
| Number of Ontario Works case files opened | 42 | 44 | 28 | 45 | 26 | 27 |

## 2. INTEGRATION HAS HELPED REFOCUS HUMAN SERVICES DELIVERY ON PROACTIVE INTERVENTIONS THAT IMPROVE SOCIAL OUTCOMES

The adoption of an integrated services model has improved understanding of the interconnected nature of human services. Coordinated strategic planning has enabled the Department to identify and change policies that made little sense from a system-wide perspective.

As a result, policies in individual program areas that inadvertently increased demand for crisis services in other parts of the system have been redesigned. There is also a growing focus on proactively intervening to solve problems before clients require crisis services. Many of these interventions involve cross-program collaboration.

Nowhere has the impact of policy integration been more dramatic than in efforts to support successful residential tenancies.

Human services employees now have greater latitude to help clients maintain rent subsidies and social housing tenancies. Greater use is made of face-to-face meetings in which caseworkers work with clients to identify and address problems (e.g., short-term rent arrears or behavioural issues) that could jeopardize their tenancies. In the words of the Director of one community organization: "eviction is now seen as a remedy of last resort."

Collaborations in the form of emergency financial support from Ontario Works, integrated Residential Property Management Teams, and partnerships with community agencies offer customized care to help prevent evictions and loss of rent subsidies.

As Peel Region's early intervention efforts intensified between 2008 and 2009, housing evictions fell by 72 per cent and appeals by 67 per cent (Peel Living 2009). These levels have since remained fairly consistent.[18]

The savings offered by this "tenant-focused approach" are considerable:

- **Lower legal costs:** By December 2009, the Department reported annual legal cost savings of $240,000 (excluding employee time) as a result of the decline in housing appeals (Region of Peel 2009a, 11).

- **Extractable savings from the reduced demand for crisis services:** Early estimates presented to Regional Council put the cost of eviction prevention measures at less than one-tenth that of emergency shelter provision (Region of Peel 2009b).

- **Savings for community agencies:** Community agencies such as Peel Region's legal clinics have been able to redirect scarce resources from eviction and rent subsidy appeals to other parts of their operations:

    In 2006, we had 82 clients contact us [about] rent subsidy issues ... This dropped to less than 40 [clients] per year in 2007 and 2008. From 2009 on, we are contacted by about 20 people per year and most of those contacts just involve some advice - few serious subsidy revocation cases. We do not have eviction statistics which break out Peel Living [social housing] clients. However, ... each year we represent about 20 people in eviction cases (out of the 400 who contact us about eviction issues). Previously, most of those we represented would be Peel Living clients. Now, we represent barely any Peel Living clients in eviction cases. (Peel Region legal clinic)

In highlighting the importance of successful tenancies in reducing demand for crisis services, integration has also aided management's ability to push for additional resources. In February 2011, Peel's Human Services Department successfully lobbied the Regional Council for an additional $17.1 million to invest in social housing.
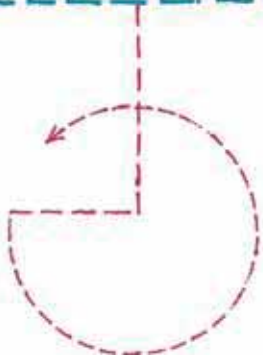
Finally, the growing conviction that solving social problems requires strengthening community capacity has seen greater collaboration with external stakeholders.

Integration initiatives can all too easily create new (albeit larger) siloed delivery units that do not work effectively with other government services and community organizations. The Human Services Department has taken a leadership role in coordinating and mobilizing community resources to make sure this does not happen. Efforts include helping set up a new volunteer centre (Volunteer MBC) which in 2011 matched 12,526 volunteers to community placements,[19] and also working collaboratively with the charity United Way of Peel to develop a Community Investment Strategy.

Following a period of poor relations, new departmental procedures mean intake staff and caseworkers routinely refer clients to community agencies such as legal clinics for additional support. "We are now recognized as a resource for the Region," noted the Director of one legal clinic, "rather than [a problem]."

## 3.  IMPROVEMENTS IN THE QUALITY OF SERVICE DELIVERY HAVE INCREASED CLIENT SATISFACTION:

Existing studies commonly identify a number of key drivers that determine a client's satisfaction with public services.[20] Peel Region has used a number of these drivers – including ease of access and timeliness – to measure its progress in periodic surveys of clients between 2008 and 2011. Their overall results show a general upward trend in client satisfaction scores (see Figure 9).



**FIGURE 9** TRENDS IN CLIENT SATISFACTION
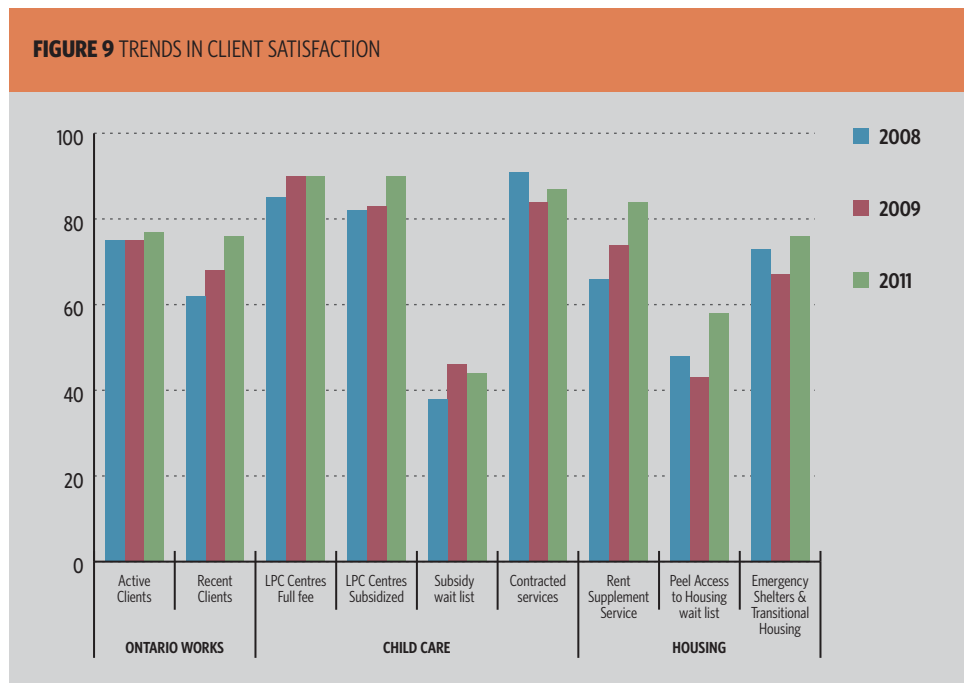
Source: Client surveys conducted by ERIN Research, 2008, 2009, and 2011.

**Ease of access:** Clients now have more options when applying for services. The phone-based application system previously offered by Ontario Works has been extended to Housing and Children's Services applicants. A new online application system is also available for all three program areas (see Table 7).

The popularity of these changes is clear from the application methods selected by clients. In its first two months of operation (November and December 2011), the Integrated Assessment Unit processed:

- 2918 telephone applications

- 1733 online applications

- 521 mailed applications (a method which accounted for the bulk of applications pre-integration).

Simpler, "single window" access is offered to clients through the integrated reception and the Integrated Assessment Unit.

In November and December 2011, the Integrated Assessment Unit processed 80 multiple applications (defined as "applications completed for more than one program during one contact.")[21] These clients only had to produce one set of documents, tell their story once, and received clear information from a single assessment worker familiar with the eligibility rules of all programs.

An "I Need Help" web portal, also allows clients to locate the services and information they need without having to navigate opaque departmental structures.

**Timeliness:** The application cycle time has fallen dramatically post-integration (see Table 7). The roll-out of phone and online application systems – which have faster processing times – across all program areas has improved response times for clients.

| **TABLE 7** APPLICATION PROCEDURES AND PROCESSING TIMES PRE- AND POST-INTEGRATION | | | | |
|---|---|---|---|---|
| | Pre-integration | | Post-integration | |
| | Method of application | Average minimum processing time | Method of application | Average minimum processing time |
| Ontario Works | Phone | 2-4 days | Phone, online | 2 days |
| Housing | Mail | 18-25 days | Phone, online, mail | 2 days |
| Children's Services | Mail | 9-15 days | Phone, online, mail | 2 days |

Notes: Both pre- and post-integration, clients attending Peel's offices in person to apply for services would be directed to one of the primary application methods (telephone, online, or for Housing and Children's Services, they could be also be offered a hard copy of the application to complete).

Even among waitlisted clients – who are understandably the least satisfied client group – overall scores have improved. Faster application-processing times have reduced frustration as these clients now at least know where they stand much sooner:

> Instead of waiting 21 days, a Children's Services client can [know] at the end of a 45-minute telephone call: "you are on a wait list," "the wait list is 12 months long," or "3 months long," … [Clients] have information that they are then armed with [and] can go and decide: do I go make an arrangement informally with my Mum for 3 months, or do I go and seek an alternative place of care? (Staff interview)

With obvious cost savings resulting from faster processing times, the impact of new application methods represents a "double win" for government.

## WHERE TO NEXT?
# CONCLUSION

Governments today face rising demand on human services at a time when budgets are increasingly constrained. This "supply and demand paradox" necessitates a rethink of the way services are delivered and, in part, accounts for the growing popularity of service integration schemes (KPMG 2012, 2).

In Canada, provincial and municipal governments are at the frontline of service delivery and citizen expectations. Spending on human services exerts considerable pressure on their finances. Yet they do not have at their disposal the same budget flexibility as the federal government. The reconfiguration and reform of existing service delivery models is one option that is available to governments at both the provincial and municipal levels.

As Peel Region's experience demonstrates, service integration initiatives can deliver better outcomes at less cost: streamlined access, faster response times, individually tailored support, improved client satisfaction, a more agile workforce, and lower operating costs.

The urgency in undertaking such reforms is greater in some parts of the country than others. Canada currently has a "two-speed" economy. Resource-rich provinces will be able to eliminate budget deficits comparatively quickly and painlessly. Others, such as Ontario and Quebec, need to address growing debt burdens and longer-term structural pressures (e.g., aging populations) by re-examining service delivery methods.

As the final report of the Commission on the Reform of Ontario's Public Services (2012) states:

> There are trends towards more integrated human service delivery and better co-operation across sectors (e.g., mental health reform, developmental services, some municipal service integration), but much more must be done. ...Given that the province provides most of the funding for social programs, it must lead change in these programs. ...This means mapping out a vision to better integrate human service delivery and the associated policy work. (p.271)

Such a leadership role for the province could include actions such as streamlining the so-called "web of rules" around social services delivery. For instance, easing restrictions on the sharing of information between municipal departments and their delivery partners will make integration more effective (Dean 2012).

For provinces and municipalities alike, successfully integrating human services requires careful planning and a sustained commitment to change. As Peel Region's experience shows:

- ➜ Designing a client-centric blueprint for service integration requires baseline data and extensive stakeholder consultation.

- ➜ Performance measurement and the development of feedback mechanisms should be a priority at the outset.

- ➜ The composition of the integration leadership team must match the needs of the new operating environment. High turnover in senior positions is not necessarily a problem if it ensures that the right people with the right mentality are leading the project. In addition to consideration of skill sets, competencies, and cross-program representation, it is vital that selection is also based on mindset and commitment to the new way of thinking.

- ➜ All too often HR specialists are brought into change programs at an advanced stage to undertake transactional duties (e.g., revising contracts). HR specialists should be regarded as a key source of strategic advice and engaged with the planning and delivery process from the outset, preferably through membership of leadership or project management teams. Potential obstacles such as labour relations and collective agreements will be far more effectively managed as a result. Peel Region's ability to change job descriptions in spite of restrictions posed by existing collective agreements resulted from productive working relations between union representatives and the HR representative on their Transition Project Team.

- ➜ The challenges posed by legacy systems that cannot be easily integrated (e.g., program-specific IT systems) should not be underestimated, require early planning, and should not be inadvertently replicated.

- ➜ There tends to be greater levels of scepticism over the need for service integration at lower levels of the organizational hierarchy. Effective strategies for converting sceptics include: explicitly linking integration to the public good; using visual aids such as wall murals to bring abstract models to life; and establishing a grassroots committee in which members actively engage their peers.

- ➜ Co-locating most services and employees at central sites risks isolating staff that remain working in satellite locations. Communications must be as far-reaching and inclusive as possible.

⊙   Extra resources are needed to ensure there is not an initial increase in error rates as employees see their program portfolios broaden.

⊙   Service integration can create new (albeit larger) siloed delivery units that do not work effectively with other government services and sectors. Routine consultation and formal partnerships with internal and external stakeholders will help avoid this outcome.

⊙   Performance metrics and staff appraisals should be aligned with the goals of the change program. To ensure metrics are both meaningful and broadly accepted, they should be selected through consultation between performance measurement specialists, managers, and frontline staff.

⊙   Reforms will not outlast the immediate impetus of the integration program unless they become embedded in mindsets at an individual and institutional level. Training and communications should foster a sense of the common client whose needs cannot simply be compartmentalized into different program areas.

⊙   Collaborative behaviour that supports integration and breaks down organizational silos should be incentivized through performance targets, staff appraisals, promotion opportunities, and public recognition (e.g., awards). Such behaviour should also be reviewed and monitored through culture audits.

Of course, any process of reforming service delivery methods is context specific. Yet the barriers and risks that Peel Region confronted are commonplace. The strategies it has adopted offer a valuable roadmap to other governments undertaking large-scale service reform in this age of fiscal restraint. This report presents not just a success story, but a guide and template for transformation.

**SUMMARY TABLE**

| POTENTIAL RISKS | TACTICS USED IN PEEL REGION |
|---|---|
| **Designing change** | |
| **New business model is poorly designed due to a lack of data on, and understanding of, client needs** | Baseline assessment comprising of:<br>• A snapshot survey of 1700 human services clients<br>• Client focus groups<br>• Community partner sessions<br>• Employee surveys<br>• Employee focus groups and drop-in sessions |
| **Lack of change readiness** | Collaboratively producing a framework for Peel Region's human services agenda (Human Services Plan) with staff and external stakeholders. |
| **Demoralizing effect of labelling existing operating model as "broken"** | Taking an "appreciative approach" during stakeholder consultations: What does good service look like? |
| **Restrictive collective agreements** | Bringing in departmental HR specialists at the outset of the project management phase. The HR representative on the Transition Project Team played a crucial role in constructively engaging the union. |
| **Leadership and governance arrangements** | |
| **Lack of buy-in from senior management** | • Overall decision-making authority and accountability resides with a Human Services Leadership Team, consisting of the Commissioner of Human Services and Directors of each operating division.<br>• The Commissioner of Human Services is the Executive Sponsor of the project.<br>• A dedicated Transition Project Team comprised of project managers and project analysts oversees daily coordination of reform efforts.<br>• Senior managers uncomfortable with guiding the reorganization allowed to move to new positions without negative effect on job security or pay. |
| **Lack of leadership visibility creating a sense of uncertainty** | • Messaging developed and coordinated by the Transition Prjoect Team frequently channelled through the Human Services Leadership Team to provide a clear and visible public face for the reforms.<br>• The Human Services Commissioner and Leadership Team made themselves easily accessible to community organizations (e.g., conducting visits and extending invitations to departmental meetings).<br>• Senior management appearing at department-wide staff days and touring offices.<br>• Creation of a change management lead team including managers and supervisors from across the Department to champion change and support awareness and communication within each division. |
| **Persistence of silo mentalities among senior management** | • Creation of cross-program leadership team. |

**SUMMARY TABLE** (CONTINUED)

| POTENTIAL RISKS | TACTICS USED IN PEEL REGION |
|---|---|
| **Communications** | |
| Scepticism over the need for change | • Using visual aids (such as maps and murals of changing client pathways) to bring to life an abstract service model.<br>• Explicitly linking the integration agenda to the public good (improved service quality, client satisfaction, and public trust in government). |
| Rigid organizational hierarchies block the flow of information to, and limit the involvement of, frontline staff | • Creation of a Grassroots Committee to serve a liaison role.<br>• Opportunities for active staff involvement in reforms through membership of the Grassroots Committee and participation in events such as the Human Services Showcases.<br>• Employee drop-in sessions and focus groups. |
| Co-locating services at central sites risks isolating those staff still working in satellite locations | • Members of the Human Services Leadership Team touring satellite locations to deliver messages in person.<br>• Department-wide staff days. |
| Isolation of staff without easy access to information (e.g., employees without regular access to email) | • Use of cascade messaging with supervisors instructed to deliver key messages in team briefings.<br>• Supervisors advised to distributed paper versions of important documents to staff without regular computer acccess. |
| Change fatigue | • Recorded voice messages broadcast good news stories such as improvements in service provision.<br>• Human Services Department Citizenship Award for staff members championing the integration agenda.<br>• Regular surveys track employee attitudes and assess the effectiveness of communications. |
| **Workforce management** | |
| Initial increase in error rates as employees see their program portfolios broaden | • Classroom-based training.<br>• Peer-to-peer learning opportunities; job shadowing, job sharing, job trading schemes.<br>• Individual learning plans.<br>• Post-integration performance measured against pre-integration benchmarks. |
| Uncertainty and confusion over new roles and responsibilities | • Using HR professionals as a source of strategic advice in planning and delivery and having an HR specialist on the Transition Project Team.<br>• "Warm transfers": individual staff members meet with current and future managers to discuss the implications of changing teams.<br>• Job descriptions rewritten to offer clarity to affected employees. |
| **Embedding change** | |
| A change of political leadership as part of the electoral cycle can spell the premature end of reforms | • Structural reform (e.g., creation of a Human Services Department) makes change more difficult to reverse.<br>• Harmonizing corporate policies, processes, and procedures following an audit of working practices. |
| Persistence of established institutional cultures | • Strategic review ("culture audit") of departmental working culture.<br>• Development of a culture plan outlining strategies needed to shift mindsets.<br>• Tradeshow-style events designed to foster understanding of common clients by showcasing non-program-specific services.<br>• Reconfiguring incentive structures by linking staff performance appraisals to strategic performance indicators. |
| Service integration can produce (albeit larger) siloed delivery units that do not work effectively with other government services and sectors | • Regular consultation with external stakeholders.<br>The Human Services Department has assumed a leadership role in:<br>1.  coordinating community resources (e.g., joint community investment strategy)<br>2.  building community resiliency through initiatives such as creating a volunteer centre. |

## APPENDIX ONE
# ABOUT PEEL REGION



Location of the Regional Municipality of Peel within Ontario.

### GENERAL

Comprising the municipalities of Brampton, Caledon, and Mississauga, the Regional Municipality of Peel was incorporated in 1974.

Situated just west of the City of Toronto, Peel Region covers an area of 1254 sq kilometres.

### ECONOMY

Peel's Region's economy remains dependent on a contracting manufacturing base. Successful economic transition will depend on the continued growth of service and knowledge sector industries.

Peel Region's export-oriented economy was hit by the economic downturn and the fall in US demand for Canadian goods.

Almost 30 per cent more young people (aged 15-24) are entering the workforce, than retirees (aged 55-64) are leaving.

Although historically high, unemployment rates have improved since they peaked at 10.8 per cent in 2009.

### DEMOGRAPHICS

Home to more than 1.2 million people, Peel Region is one of Canada's most populous regions.

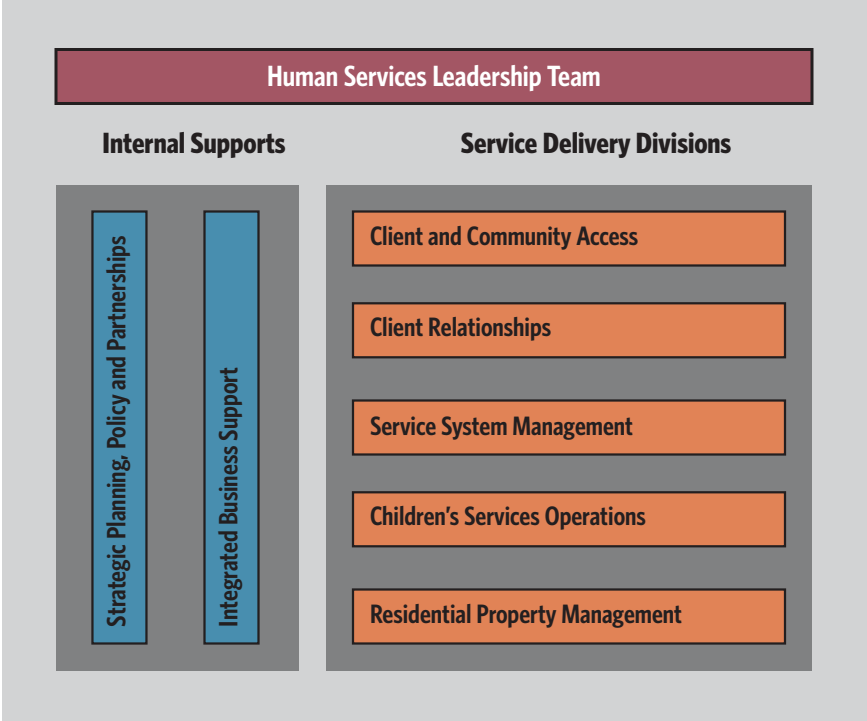Peel Region has the second largest population in Ontario, exceeded only by the City of Toronto.

With population growth of 31 per cent over the past decade, Peel Region is one of Canada's fastest-growing municipalities.

The population is projected to hit 1.64 million by 2031.

Peel Region has the youngest population in the Greater Toronto Area, with a median age of 36.9 years.

Sources: Peel Data Centre; Region of Peel and United Way 2011; Standard & Poor's 2012.
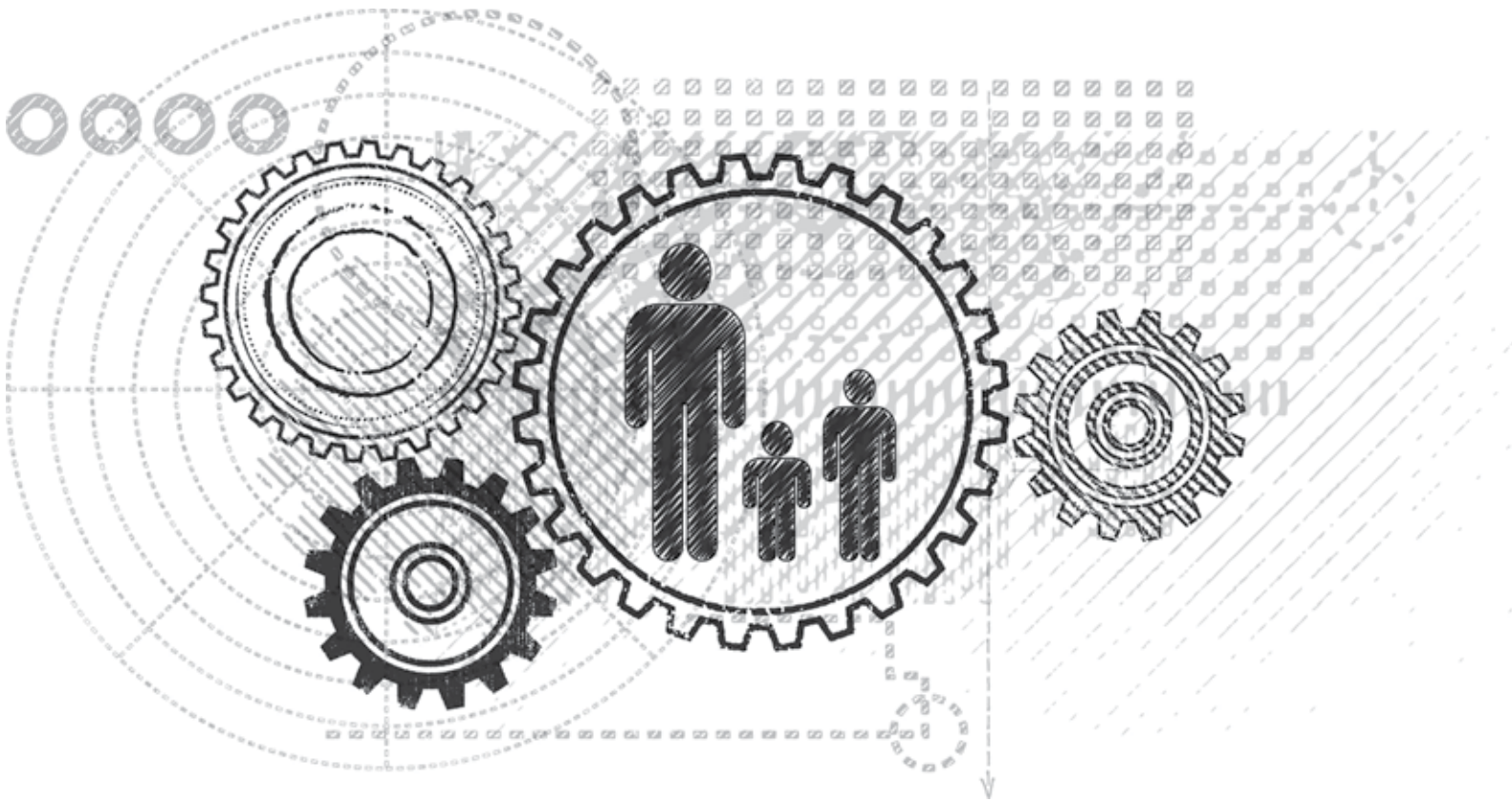
## APPENDIX TWO
# DEPARTMENTAL STRUCTURE

| Human Services Leadership Team |
|---|

**Internal Supports**

**Service Delivery Divisions**

Strategic Planning, Policy and Partnerships

Integrated Business Support

Client and Community Access

Client Relationships

Service System Management

Children's Services Operations

Residential Property Management

# ENDNOTES

1.   This publication is based on: i) focus groups held with members of the Human Services Leadership Team and Transition Project Team; ii) individual interviews with members of these teams and also with the Performance Measurement Team, the Region's Chief Administrative Officer, and employees of community organizations—United Way of Peel, North Peel & Dufferin Community Legal Services, and Mississauga Community Legal Services; iii) analysis of internal documents and data including communications, survey results, and policy documents.

2.   For a history of human services integration schemes, see Agranoff 1991 and Konrad 1996.

3.   For a summary of these initiatives, see Gold et al. 2011.

4.   Poverty measured by Statistics Canada's "low income cut off".

5.   For a review of the impact of the provincial funding formula for human services, see Region of Peel and United Way of Peel 2011, 74; Fair Share Task Force 2011.

6.   The tendency towards this "awkward division of [governmental] responsibilities" in the Canadian context is addressed in further detail in Hughes, forthcoming 2012.

7.   Interview with David Szwarc, Peel Region's Chief Administrative Officer. For an evaluation of the Hamilton-Wentworth and Halton scheme see Browne et al. 2001.

8.   For information on Families First, see Region of Peel 2010.

9.   See, for example, Department of Human Services 2011.

10.   A number of large-scale surveys of private sector change programs put the rate of failure at close to 66 per cent. See, for example, McKinsey n.d. and Page 2011, 30.

11.   For information on the Government of Alberta's approach, see http://www.socialpolicy.alberta.ca/. For details of the Australian Government's "co-designed" framework, see Department of Human Services 2011.

12.   The employee engagement surveys of numerous public services report low scores for how well information flows through their organizations. See, for example, the surveys of the public services of Alberta (2010), Ontario (2011), Newfoundland and Labrador (2011) and Nova Scotia (2011).

13.   See, for example, Ministry of Justice survey data collected by the Institute for Government in 2009 (Gash and McCrae 2010, 27).

14.   The value of visual aids in helping "people to imagine what the new way will be like" during the early stages of change programs is highlighted in Bridges 2009, 65.

15.   Human Services Department e-bulletin, April 2008.

16. A more in-depth discussion on the use of performance appraisal systems in incentivizing behaviour change during change programs will be provided in a forthcoming report by the Mowat Centre and KPMG entitled, *Incentivizing Public Service: A Shifting Gears Report*.

17. For a more detailed discussion, see Commission on the Reform of Ontario's Public Services 2012.

18. Of course lower turnover in social housing brings negative press attention as waitlists remain high. See, for example, Grewal 2012.

19. Volunteer MBC. 2011. *Annual Report*. Accessed at http://www.volunteermbc.org/PDFs/Volunteer_MBC-2011_Annual_Report-Ltrsize.pdf.

20. One of the most influential studies is by Ralph Heintzman and Brian Marson on the "public sector service value chain". See Heintzman and Marson 2005.

21. Human Services Department e-bulletin, January 2012.

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**Designed by Jim Nicholson**

# INTEGRATING HUMAN SERVICES IN AN AGE OF FISCAL RESTRAINT
## A SHIFTING GEARS REPORT

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