

General Government Division

B-249779

March 30, 1993

The Honorable Janet Reno
The Attorney General

Dear Madam Attorney General:

Total Quality Management (TQM) is a management approach that strives to achieve continuous improvement of quality through organizationwide efforts based on facts and data. TQM also focuses business processes on meeting the needs of customers, both internal and external. Although TQM traditionally has been associated with private sector organizations and their efforts to remain competitive and profitable, in recent years federal organizations have been attempting to implement TQM to cope with budget restrictions and better serve the public.

We recently surveyed federal installations to determine the extent of their use of TQM and learned that 68 percent of the installations surveyed were implementing TQM.¹ An installation, as defined by the Office of Personnel Management, is a unit with a specifically designated head who is not subject to on-site supervision by a higher level installation head and who has been delegated some degree of authority in the performance of personnel management functions. Our survey covered over 2,800 installations, such as Internal Revenue Service Centers, Social Security offices, military depots; and, Drug Enforcement Administration, Immigration and Naturalization Service, and Bureau of Prisons field offices. One hundred and six installations of the Department of Justice were included in this survey, and the purpose of this correspondence is to provide you a brief summary of the results as they apply to Justice as well as to compare Justice results with the total results of all surveyed federal installations. We believe this information-- particularly data on barriers to TQM--can be useful in your planning and as a baseline for judging future efforts.

¹Quality Management: Survey of Federal Organizations
(GAO/GGD-93-9BR, Oct. 1, 1992).

STATUS OF TQM

Figures 1 and 2 show the percentage of government installations and Justice installations implementing TQM. As figure 1 shows, about 68 percent of the federal installations responding to our survey reported they were starting or already implementing TQM. Figure 2 shows about 57 percent of the Justice installations responding to our survey were starting or already implementing TQM. Additionally, about 45 percent of the Justice installations that had not started implementing TQM reported that they plan to start.

Figure 1: Percentage of Government Installations Implementing TQM

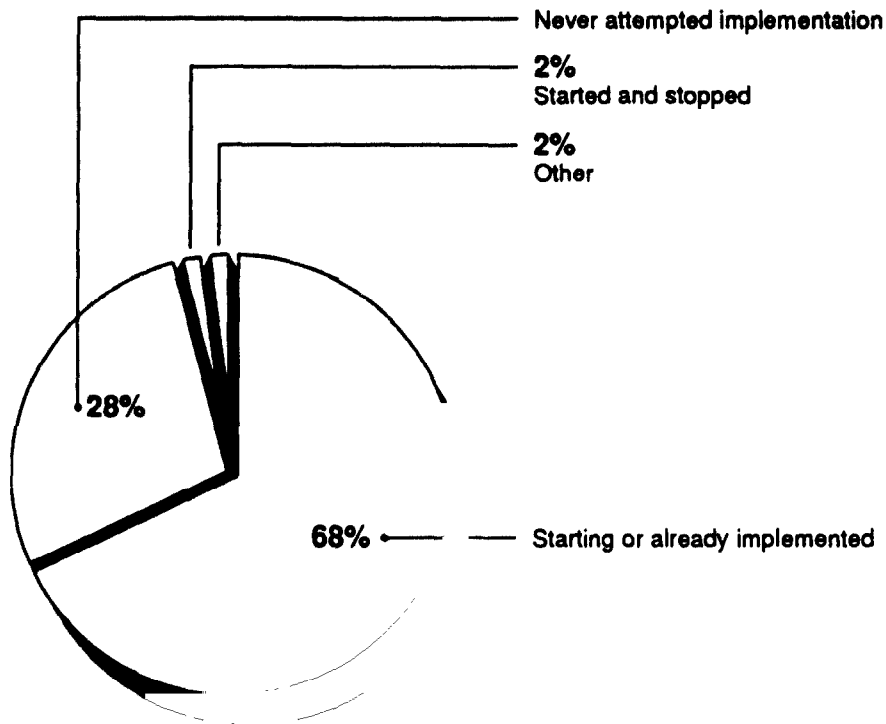
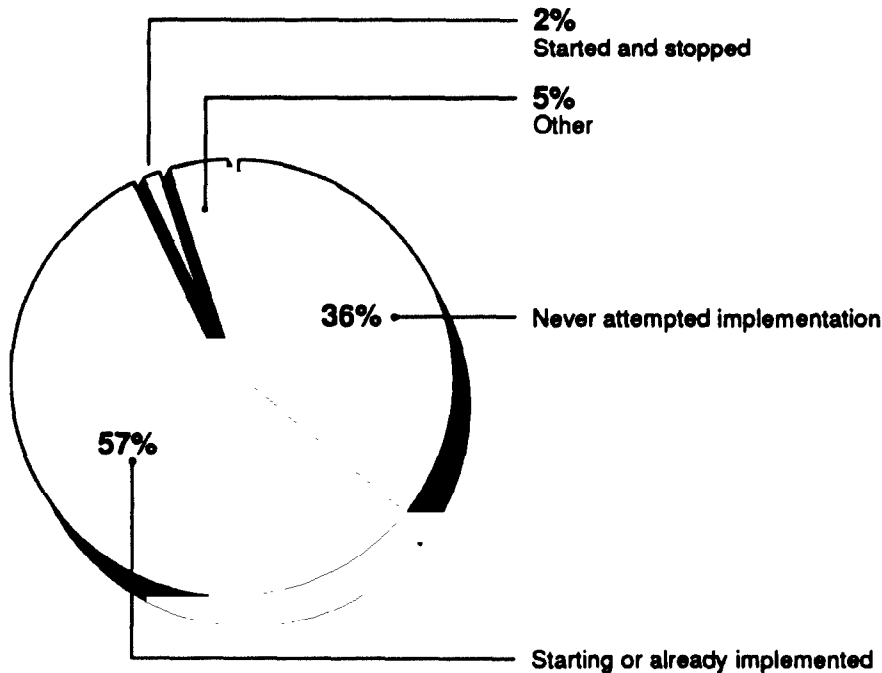
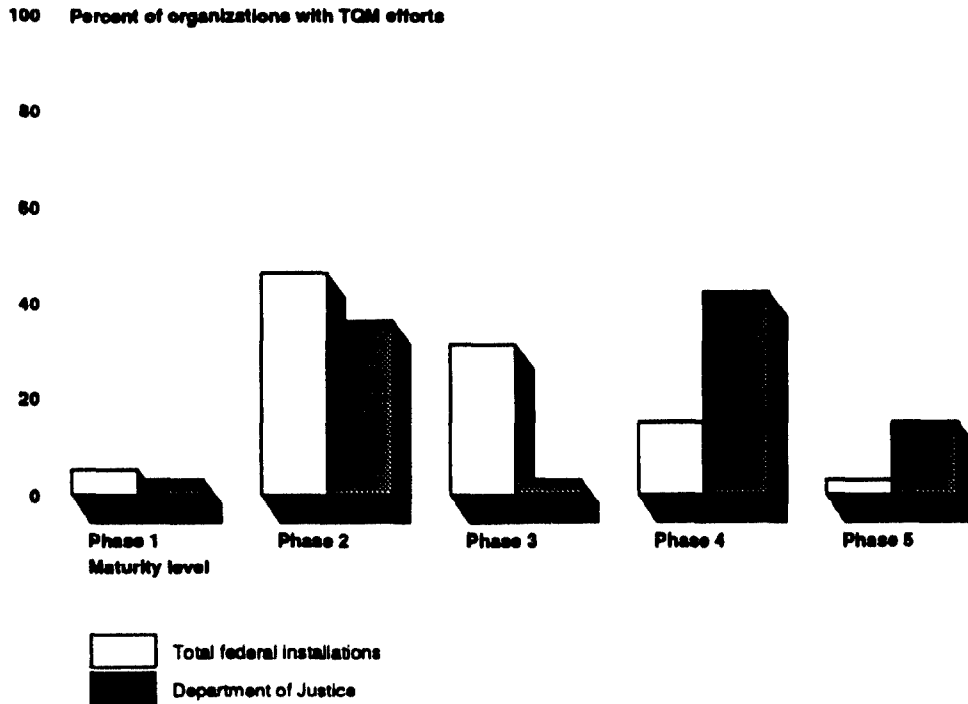


Figure 2: Percentage of Justice Installations Implementing TOM



To obtain a picture of the status of federal TOM efforts, we asked installations to report their efforts in terms of a five-phase maturity scale. Maturity definitions ranged from Phase 1, preliminary TOM efforts, to Phase 5, institutionalized efforts that are achieving significant benefits (see enc. I for definitions). As figure 3 shows, 18 percent of the total federal installations responding to the survey reported being in Phase 4 or 5, while 58 percent of the Justice installations reported being in these phases. The higher maturity level of Justice installations appears to reflect that 44 percent of the installations implementing TOM had been doing so for 4 or more years.

Figure 3: Status of TOM



BENEFITS OF TOM

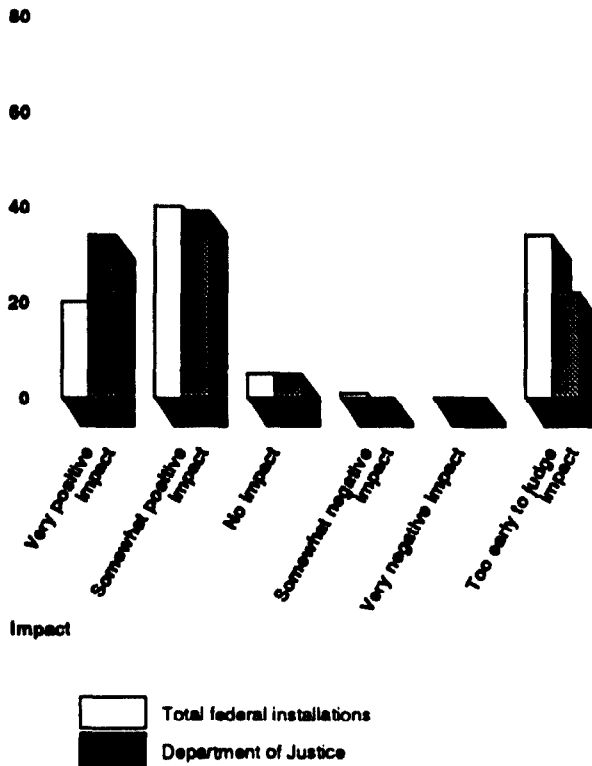
We considered benefits in two ways: (1) effect on external customers as reflected by overall organizational performance and (2) effect on internal customers as reflected by internal operating conditions. We asked respondents to assess TOM's effect on organizational performance in terms of productivity, reductions in costs, quality of products and services, overall service to customers, customer satisfaction, and timeliness. To depict the overall impact, we developed an index that is the average of responses to our questions on the degree of impact. Figure 4 compares Justice and total federal responses and shows

B-249779

that almost three-quarters of the Justice installations reported positive benefits, none saw negatives to TQM, and about 22 percent felt it was too soon to judge benefits. These results were somewhat more positive than the overall federal survey results.

Figure 4: Impact of TQM on Performance

100 Percent of respondents - composite analysis



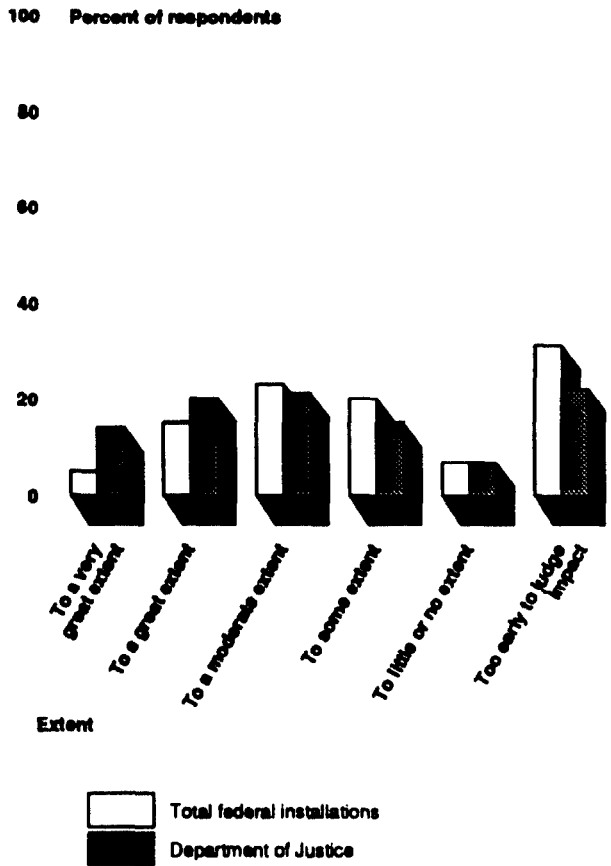
For internal operating conditions, we asked the installations to identify the impact of TQM on each of 13 internal operating conditions, such as communications and labor-management

B-249779

relations. To illustrate the benefits, we developed an index in the same manner as for the organizational performance indicators.

Figure 5 compares the Justice and total federal responses and once again shows that Justice installations generally reported a more positive impact on operating conditions than the total of all surveyed federal installations. For example, using our index, 35 percent of Justice installations reported a great or very great positive impact on internal conditions, whereas the average for all federal installations was 20 percent. Twenty-two percent of Justice installations reported it was still too early to judge the benefits of TQM on internal conditions; this compares with 31 percent of all federal respondents.

Figure 5: Extent of Positive Impact on Internal Operating Conditions

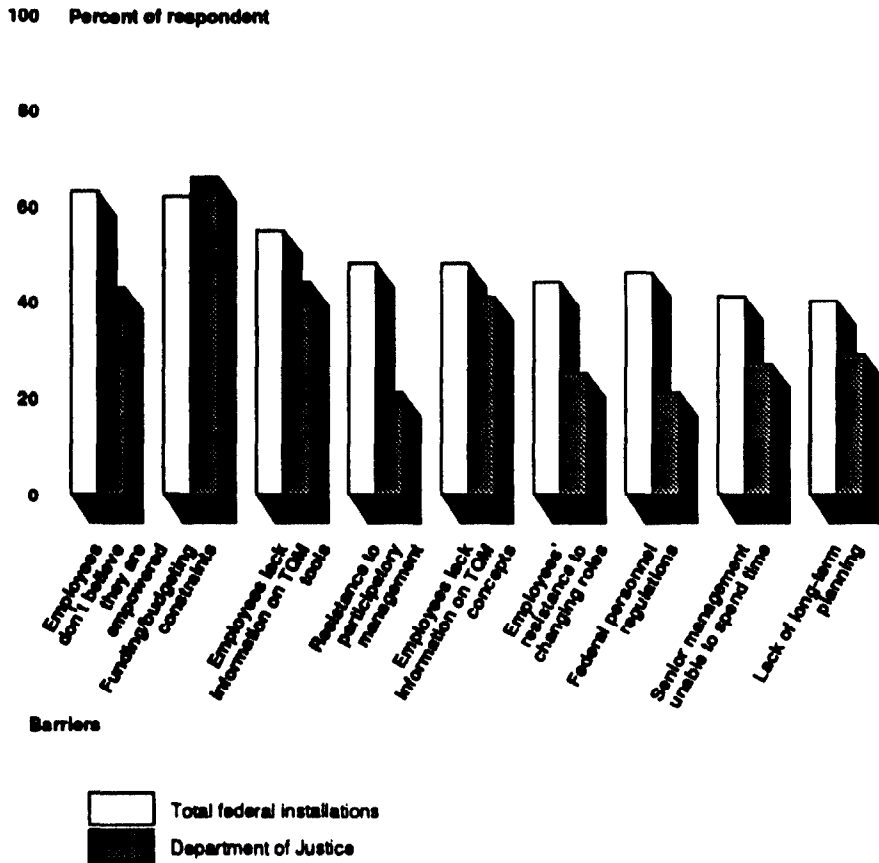


BARRIERS TO TOM

We asked all the federal installations we sent our recent survey to about the significance of 21 potential barriers to implementing TOM that had been identified through our research. Nine barriers were said to be moderate to very major problems by 39 percent or more of the total federal respondents.

Compared to the total federal survey, Justice respondents generally reported the same barriers were less significant problems. This appears consistent with the greater maturity of Justice installations. It should be noted that many of the top nine barriers reported by the total federal respondents are related to employee issues, such as (1) employees do not believe they are empowered to make changes, (2) employees lack sufficient information on how to use TQM tools, and (3) employees lack information and training on TQM concepts and theory.

Figure 6: Respondents Reporting Barriers Are Moderate to Very Major Problems to Implementing TQM



The barriers reported by Justice respondents generally concurred with those reported in the total federal survey. Seven of the top nine barriers reported by Justice installations were the same as those reported in the overall federal survey. The two barriers among Justice's top nine that were not included in the overall top nine were: (1) disconnect between strategic quality plan and goals and the installation's other strategic plans and (2) employee organizations/unions resistant to change. Table 1 lists the top nine barriers reported by Justice respondents.

Table 1: The Top Nine Barriers Reported by Justice Respondents as Moderate to Very Major Problems

Barriers to implementing TQM	Percent
1. Funding/budgeting constraints.	66
2. Employees have insufficient information on how to implement TQM and use TQM tools.	44
3. Employees do not believe they are empowered to make changes.	43
4. Employees have insufficient information and training on the theory, concepts, and design of TQM.	41
5. Disconnect between strategic quality plan and goals and the installation's other strategic plans.	31
6. Lack of long-term planning approach.	29
7. Senior management at the installation unable to spend sufficient time on TQM.	27
8. Employee's resistance to changing roles or changing organizational structures.	25
9. Employee organizations/unions resistant to change.	24

B-249779

SUMMARY

Our survey of federal TQM efforts indicated that as installations invested more time and effort in TQM activities, they matured in the implementation of TQM, found that the barriers became less difficult, and reaped greater benefits. Although, compared to the total federal installations surveyed, a smaller percentage of Justice installations were implementing TQM, overall Justice respondents reported more positive results with regard to barriers and benefits.

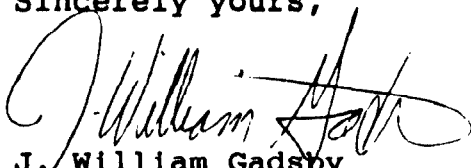
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We have enclosed a copy of our report Quality Management: Survey of Federal Organizations (GAO/GGD-93-9BR, Oct. 1, 1992) to provide information on the background; results; and objective, scope, and methodology of the total survey.

We hope you will find this information useful in guiding your quality management initiatives and in improving service to your customers under today's budget constraints. We will make copies of this correspondence available to others upon request.

The major contributors to this correspondence are listed in enclosure II. If you have any questions, please call me on (202) 512-8387.

Sincerely yours,



J. William Gadsby
Director, Government Business
Operations Issues

PHASES OF TQM IMPLEMENTATIONPHASE 1 - DECIDING WHETHER TO IMPLEMENT TQM

Management is researching or deciding whether to implement TQM, but no formal decisions or activities have been initiated by top management. A few employees may have attended quality conferences or network meetings, but the installation as a whole has yet to be informed or involved in a TQM project.

PHASE 2 - JUST GETTING STARTED

TQM efforts are in the early planning and implementation phase. Management has made a formal decision to start TQM and has communicated this to the organization. The organization's mission and vision have been articulated. A few quality structures, such as quality councils, steering committees, or teams, have been established, and some awareness training has been given. Preliminary quality planning has been done. Pilot programs or newly initiated installationwide efforts to improve quality are included in this phase.

PHASE 3 - IMPLEMENTATION

Specific TQM processes designed to improve quality are in place. TQM training for management and employees is beyond the orientation/awareness stage and focuses on TQM tools and techniques and team-related activities. Measures of quality and productivity have been identified and specific goals have been set.

PHASE 4 - ACHIEVING RESULTS

The installation has a sustained TQM effort and has begun to achieve and document significant results. Systemic, cross-functional, and/or organizational achievements from the TQM effort have been realized.

ENCLOSURE I

ENCLOSURE I

PHASE 5 - LONG-TERM INSTITUTIONALIZATION

The installation has incorporated all of the principles and operating practices of TQM throughout much of the organization. The installation has documented substantial improvements in quality and customer satisfaction resulting from these efforts and is making consistent and continuous improvement throughout. An installation in this phase may have been recognized as a Quality Improvement Prototype Award winner or may be a recipient of the President's Award for Quality.

ENCLOSURE II

ENCLOSURE II

MAJOR CONTRIBUTORS TO THIS CORRESPONDENCE

GENERAL GOVERNMENT DIVISION, WASHINGTON, D.C.

John A. Leitch, Assistant Director, Federal Human Resource
Management Issues
Domingo Nieves, Evaluator-in-Charge
Catherine M. Hurley, Computer Specialist

(966578)