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COMMISSION
ON REPORT
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MINNESOTA'S
QUALITY
INITIATIVE

JK
6136
.M62
1993

FEBRUARY 1993

Pursuant to 1991 Laws, Chap 345,
Article 1, Section 17, sd 9

CONTENTS

EXECUTIVE SUMMARY 1

- The quality improvement movement 1
- CORE and quality improvement: The connection 1
- The CORE quality improvement initiative 1
- Recommendation 2

THE CORE QUALITY IMPROVEMENT INITIATIVE 3

- The quality improvement movement 3
- Quality improvement in government 3
- Quality improvement in Minnesota state government 4
- CORE and quality improvement: The connection 8

THE CORE QUALITY IMPROVEMENT INITIATIVE: GOALS 13

- Quality improvement initiative activities 13

DIRECTIONS FOR THE FUTURE 17

BIBLIOGRAPHY 19

EXECUTIVE SUMMARY

Over the past several years, quality improvement concepts and techniques have been promoted and successfully implemented by the private sector. The Commission on Reform and Efficiency (CORE) believes that the use of continuous quality improvement concepts and practices will help create a state government system that works better for everyone, with enhanced services for customers, full value to taxpayers, and an improved work environment for employees.

The quality improvement movement

Quality improvement is a management philosophy that focuses on customers, employee empowerment, and data-based decision making. Quality practices, which have helped increase the productivity and competitiveness of U.S. businesses, are now gaining widespread acceptance in the public sector.

Minnesota's business sector is considered a national leader in the quality movement, and its public sector is also gaining recognition among quality experts. Quality improvement efforts at several state agencies demonstrate how this philosophy can be successfully applied to enhance the efficiency and effectiveness of agency processes and improve the delivery of services to the state's citizens.

CORE and quality improvement: The connection

Quality improvement is an essential component of CORE's activities for four reasons:

1. The basic tenet of the quality improvement philosophy is customer satisfaction, and CORE's vision defines customer- and client-driven service delivery as a top priority in its reform proposals.
2. A quality approach focuses on the continual improvement of processes, and CORE recognizes that processes must be analyzed and redesigned to make government operations more efficient.
3. A quality approach will precipitate a cultural change in government, which will help ensure that CORE's structural redesigns achieve success.
4. Building continuous quality improvement practices into CORE's long-term systemic improvement strategy could mitigate the need for future reform efforts.

The CORE quality improvement initiative

The goal of CORE's quality initiative is to increase the awareness and use of quality

improvement concepts and tools in state government. The commission sought to achieve its goal by:

- completing a project to demonstrate the application of the benchmarking technique to state government operations;
- assisting two agencies in conducting self-assessments based on Minnesota Quality Award criteria;
- planning and sponsoring a seminar for the governor and his cabinet to learn about quality management concepts and techniques; and
- forging coalitions with private and public entities that can assist state agencies with quality initiatives.

Recommendation

If the governor and legislature are committed to providing quality services to the state's citizens, they must support and reward innovation, partnerships, and risk-taking in the use of quality tools in state government.

The commission believes that development and implementation of quality initiatives should be the responsibility of each cabinet agency. New initiatives should be developed with the input of quality improvement experts and key external and internal government stakeholders, including: state managers, state employee bargaining units, interested legislators, the Minnesota Council for Quality, private-sector business executives, and the Minnesota Quality Initiative.

Cabinet strategies should seek to accomplish the following:

- Establish vehicles to obtain regular customer and client feedback on state service delivery.
 - Provide access to training on quality concepts and practices for state employees.
 - Develop coalitions with key stakeholders in the public-sector quality movement, especially state employee bargaining units, the Minnesota Quality Initiative, the Minnesota Council for Quality, and private-sector business.
 - Match public or private organizations that are willing to serve as mentors or volunteer consultants with state agencies implementing quality improvement projects.
 - Determine how to dedicate resources to carry out agency quality initiatives.
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THE CORE QUALITY IMPROVEMENT INITIATIVE

The Commission on Reform and Efficiency was created in 1991 by Gov. Arne Carlson and the Minnesota Legislature to lead a comprehensive effort to improve the management of Minnesota state government.

In order to move state government closer to the ideal depicted in CORE's vision statement (found on the inside front cover of this report), CORE has been conducting analyses in such functional areas as human service delivery, human resource management, environmental services, rule-making, budgeting, and local government services funding. As a corollary project, the commission has developed a quality improvement initiative. The goal of this initiative is to increase the awareness and use of quality improvement concepts and tools in state government, especially among cabinet-level managers.

The quality improvement movement

Quality improvement is generally defined as a strategic, integrated system for determining and meeting customer expectations. Under this system, all employees, from top management to front-line workers, use statistics and process measures to continuously improve an organization's operations, services, and products.

A growing number of U.S. companies have embraced the quality improvement philoso-

phy to help them increase productivity, regain and maintain market share, and compete globally. Efforts at such firms as Xerox, Ford Motor, and Zytec have yielded impressive results: drastic reductions in error rates and cycle time, motivated employees, satisfied customers, and increased profitability. Successes like these have spurred the rapid spread of the quality management philosophy.

Minnesota's business sector is considered a national leader in the quality movement. Several grounds can be cited for this distinction. First, two Minnesota companies — IBM Rochester and Zytec Corp. — have won the prestigious Malcolm Baldrige National Quality Award, in 1990 and 1991, respectively. Second, Minnesota has the largest chapter of the American Society of Quality Control, with more than 3,000 members. Also, the Minnesota Council for Quality, established by the 1987 State Legislature, has achieved national recognition for its development of two quality awards and its sponsorship and coordination of a statewide network of private businesses that have adopted quality management approaches.

Quality improvement in government

Quality improvement practices are reaching beyond the boundaries of the private sector into all levels of government. Although the

approach originated in manufacturing — where outputs are tangible, statistical measurement possible, and customers easier to define — quality improvement is being adapted for use in governmental systems.

The wholesale introduction of quality improvement from the private to the public sector has many critics. James E. Swiss, a professor at North Carolina State University, cautions governments to accept quality management only if it is modified to accommodate the unique characteristics of the public sector. Swiss and others argue that attempts to apply quality improvement to government culture and operations are often distorted because government services, which are labor-intensive and subject to high variability, cannot withstand quality improvement's rigorous measures and controls. Experts also warn that quality management needs strong, committed leadership, an element that can be difficult to sustain in a political environment.

On the other hand, applying quality improvement in the public sector has strong advocates in public officials who have led quality initiatives and achieved positive results. Joseph Sensenbrenner, former mayor of Madison, Wis., and an expert at implementing quality in the public sector, says: ". . . [A] quality strategy is not simply a matter of adopting a new set of slogans or a new accounting system. It's a matter of radical restructuring — part sociology, part systems theory, and part statistics — all aimed at liberating human ingenuity and the potential pleasure in good work that lie at least partially dormant in every organization."

Brian Marson, comptroller general and chairman of the Service Quality Secretariat of British Columbia, has drawn on principles

of quality management and the service industry to develop service quality concepts that he believes are better suited for application to the public sector. Marson claims that two of British Columbia's central offices, Purchasing and Comptrolling, significantly increased quality by finding out what customers want, designing services to meet customers' needs, providing customers with extraordinary service, setting service standards, measuring service performance, and empowering staff to meet customers' needs.

When an agency or government considers whether to take the path of quality management, perhaps more important than cautions from critics or encouragement from advocates are the pleas from citizens to make government more accessible and less expensive. Disgruntled taxpayers and fiscal strain have forced the emergence of a reform imperative. Government officials understand that they must respond to a strong public expectation that government must be "reinvented." Somehow government must change citizens' perceptions that they are not receiving high-value services for their tax dollars. For a growing number of public managers, continuous quality improvement is the way to answer that challenge.

Quality improvement in Minnesota state government

The concept of quality improvement is not new to Minnesota state government. Both the Loaned Executive Action Program (LEAP) in the 1970s and the Strive Toward Excellence in Performance (STEP) program in the 1980s included quality management-

related aspects as part of high-profile, short-term efforts to inject private-sector savvy into public enterprise.

The first movement toward a systematic, comprehensive quality improvement effort, however, did not evolve from any formal state action but from the efforts of an informal, unofficial group of career professionals, the Minnesota Quality Initiative. MQI is a loose-knit group of state employees dedicated to the principles of quality improvement. By intent, the organization has no formal leadership and no home agency. This organizational design, or lack of it, allows this cadre of employees to avoid being "owned" by a particular commissioner or administration and therefore avoid the risk of dissolution when administrations change.

MQI started about four years ago from the desire of about 10 high-level state civil service employees to encourage intra-agency cooperation and systems improvement through the use of quality management tools and techniques. The group gathers for meetings several times a year, holds an annual retreat, and sponsors monthly breakfasts usually attended by 80 to 100 people from city, county, state, and federal agencies.

The sponsorship and planning of an annual conference on quality management for Minnesota government employees is the outstanding achievement of the Minnesota Quality Initiative. Since 1989, when approximately 125 state employees attended the first conference, attendance has nearly doubled each year. This year's program, "Quality in the Public Sector — Beyond the Theory," attracted more than 900 public employees.

MQI has been highly effective in building a critical mass of public-sector employees

interested in applying quality improvement concepts and tools to improve the effectiveness and efficiency of state service delivery. MQI, however, is not alone in this effort. Several other state employee organizations also deserve credit for promoting the principles of quality management. For example, the Minnesota Council of Managers recently rewrote its mission statement and reset its priorities according to quality improvement concepts. Also, a state employee recently took the initiative to establish a Minnesota chapter of the International Society for Quality Government, an association dedicated to enhancing citizens' quality of life by working to continuously improve the quality and productivity of government.

These three organizations provide forums for people to talk and learn about quality management. At the same time, the quality movement in state government has spread to agency-wide initiatives. The efforts of several state agencies to improve services by adhering to the quality philosophy are described below. Besides these efforts, individuals in a variety of agencies are exploring the possibility of conducting quality improvement projects in targeted areas and of executing department-wide initiatives. The variety of programs within Minnesota state government illustrates that implementation of quality improvement cannot be standardized. The following examples reported by agency staff demonstrate how each agency has designed an approach based on the unique expectations of its customer groups.

Pollution Control Agency

The Pollution Control Agency (PCA) is linking its quality improvement initiative with its strategic planning. A new mission statement and five strategic indicators have

been designed to inform agency stakeholder groups about the PCA's programs and priorities. The indicators also provide agency management with information useful to implementing the strategic plan and enable line staff to monitor the effects of their work process improvement efforts.

The PCA initiative includes formation of a group of 30 volunteer facilitators who train agency staff on the use of quality tools and an innovations board composed of members appointed by the commissioner. A quality assurance program is also being developed.

Department of Revenue

The Department of Revenue began a quality initiative in 1988 to increase employee awareness of the concepts of quality and involvement in systems improvement. The initiative also was designed to analyze the agency's structure and work processes to determine the changes needed to ensure a customer focus.

The focus of the department's initial quality effort, the tax auditing division, is surveying all taxpayers who have personal contact with state auditors. Results of the survey will help the division determine a benchmark for improvements in the tax and auditing processes. The division is also using survey data to identify training opportunities for auditors.

In addition to its foray into quality improvement, the department also began a "reengineering" project in its sales tax division. A reengineering approach uses breakthrough thinking and technology to achieve dramatic improvements in productivity and effectiveness. The project's goal is to significantly improve service to sales tax remitters and increase compliance, without increasing the

overall budget. The project's core system is expected to be in place by June 1993.

Department of Natural Resources

The Department of Natural Resources (DNR) Bureau of Information and Education embarked on a total quality management initiative in February 1992. The bureau's goal is to become the best service provider within the DNR. The major focus of the bureau's program for 1993 is to enhance leadership, human resource utilization, and monitoring of customer satisfaction through use of quality training, surveying, and implementation of other quality tools.

Department of Transportation

The Minnesota Department of Transportation (MnDOT) made a commitment in 1988 to undertake a long-term continuous improvement process with a customer-centered focus. MnDOT's initiative has been driven by the department's strategic plan. The initial implementation strategy was to create successful individual projects within each district and office through an in-house training effort. Every district and office has completed or is completing at least one project. Since 1989, 23 projects — ranging from processes involving aircraft registration to district highway project scoping and utility agreements permit application — have achieved some success.

MnDOT has created a quality improvement training manual; trained 80 trainers, 130 managers, and 400 supervisors; and restructured the department's Quality Improvement Steering Committee to include representatives of various employee bargaining units.

Department of Jobs and Training

Committed to becoming a total quality organization, the Department of Jobs and Training (DJT) has launched an agency-wide quality awareness and training program. An all-day seminar introduced 250 agency supervisors and managers to the approach. The commissioner, the agency quality coordinator, and a former United Auto Workers president have conducted 14 follow-up sessions for DJT employees across the state. DJT is the first cabinet-level agency to attempt a top-down approach, like that employed by many private corporations, to building a total quality environment.

Department of Health, Public Health Laboratories

When its customer base began eroding as a result of increased competition from the private sector, the Public Health Laboratories of the Health Department began pilot projects in two units. The goal of the Metal Unit and Microbiology Unit projects was to improve turnaround time of lab results by applying quality improvement tools, such as work flow diagrams and fishbone and Pareto charts, to analyze and measure lab processes. Project results indicate that the application of these tools facilitated the sharing of information, reduced process inefficiencies, and increased staff understanding of the effect their individual efforts have on the work of the entire lab.

Partners for Quality Education

In 1991, the Minnesota Academic Excellence Foundation, the Minnesota Council for Quality, and the Higher Education Coordinating Board collaborated to foster systemat-

ic quality improvement in education. Eight elementary and secondary schools, eight higher education institutions, and 12 businesses participated in a pilot activity to determine the impact of using a Malcolm Baldrige Quality Award-type self-assessment and continuous quality improvement process to transform education. The results of the Partners for Quality Education pilots indicate that the self-assessment process provided a framework for other education reform initiatives and helped institutions identify strengths, weaknesses, and opportunities for improvement.

The Partners for Quality Education effort was deemed so successful that close to 50 schools, school districts, and colleges will begin self-assessments this year. In recognition of these efforts, the Minnesota Council for Quality is developing a quality award for schools for 1994.

These examples provide a broad view of how quality methods are being applied throughout state government. Expanding participation in quality associations and pilot projects testifies to the fact that a growing number of government employees are attempting to transform the systems within which they work. These employees believe that continuous quality improvement can help mitigate the problems inherent in bureaucratic systems and rebuild citizen confidence in state government.

CORE and quality improvement: The connection

In "Imperatives for Change: An Assessment of Minnesota State Government," CORE presented five significant opportunities for reform that cut broadly across all areas of state government. The commission's investigation of state agencies revealed that government is not held accountable for results, lacks a strong customer focus, and has fragmented and overlapping services, outdated and inflexible administrative systems, and a structure that does not deal effectively with the turnover of top management. CORE believes that, by employing quality improvement concepts and tools in state agencies, government operations and services will be significantly more efficient and effective.

Quality improvement is viewed as an essential component of CORE's work for four reasons:

1. The basic tenet of the quality improvement philosophy is customer satisfaction, and CORE's vision defines customer-driven service delivery as a top priority for its reform proposals.
2. A quality approach focuses on the continual improvement of processes, and CORE recognizes that processes must be analyzed and redesigned to make government operations more efficient.
3. A quality approach will precipitate a cultural change in government, which will help ensure that CORE's structural redesigns achieve success.
4. Building continuous quality improvement

practices into CORE's long-term systemic improvement strategy could mitigate the need for future reform efforts.

Customer satisfaction

CORE articulates in its vision that state government should be oriented toward quality outcomes, responsive to clients, and respectful of stakeholders. These are generally recognized as factors integral to an environment steeped in the principles of continuous quality improvement.

In the quality improvement context, quality is determined by customer needs and expectations, rather than by agency standards. The multiple and frequently conflicting roles of government, however, make it difficult to determine the customers of government.

In the public sector, the definition of "customer" must go beyond the usual sense of any person who receives a product or service to include any person with expectations about a public activity or with whom information is shared. Potential customer groups include the general public, taxpayers, direct-service recipients, other levels of government, members of regulated professions and industries, unions, the legislature, organized business consumers and providers, and other special interest groups.

When there are few incentives to drive change, quality management raises the probability of services being better designed, more effective, and more cost-effective.

In a continuous quality improvement environment, state agency staff begin asking such questions as, "How does this activity add value to the service?" and "What could I do to improve the customer's access to me?"

Given today's society of segmented markets where consumers choose products to suit specific needs, the commission anticipates that Minnesotans are likely to become disillusioned with traditional one-size-fits-all public services. Although the state does not yet have a strategy in place to move toward tailored, cost-effective service delivery, quality improvement is likely to be a dominant component of such a strategy.

Continual improvement of processes

Many of CORE's recommendations in its functional area analyses call for changes in agency processes, particularly those that directly affect customers. A quality methodology provides a continual improvement strategy.

Quality improvement focuses on analyzing and measuring work flow processes in order to eliminate rework and activities that add no value. It differs from a more traditional understanding of quality in that it emphasizes doing things right *the first time*.

Businesses have found that customer satisfaction can be enhanced by improving the processes by which a service is delivered through increasing efficiency, reducing the amount of rework and cycle time, and eliminating processes that do not add value. These private-enterprise methods are transferable to government. While the services differ, the processes generally are similar. For example, states are beginning to use outcome measures to refocus legislative priorities and administrative processes, such as budgeting. Process measurement, in such areas as mailing, accounts payable, meetings, and asset management, is now being employed in earnest.

Focusing on processes has its dangers:

- *One element of administration may be emphasized at the expense of other, vital elements.* Many Minnesota agencies have only recently begun focusing on result indicators related to final customer services. Now, they are being asked to consider how well processes are performing. If agencies disregard results, they run the risk of losing sight of their customers.
- *A tendency may arise to proceduralize, then institutionalize, everything.* When this happens to processes, short-term gains may be followed by long-term service stagnation. A results orientation remains essential for building organizational momentum and enthusiasm.
- *Environmental factors can affect a customer focus.* For state agencies, these factors include changes in state policies, legislative mandates and involvement by constituency groups. These can quickly change an agency's expected outcomes and, accordingly, its operational processes. Quality improvement as an internal activity, however, can assist, through measurement, the reorientation of agency goals and outcomes.

Despite the potential dangers, the demonstrated benefits of a quality improvement effort make it an important component in a restructuring of agency operations. Results or outcomes are a composite of many factors, with processes chief among them. Processes dictate both how and how well agencies will operate; quality improvement provides a comprehensive analysis of both.

Structural reform requires a cultural transformation

In its functional area analyses, CORE will recommend significant structural reform of state government operations. Experience has shown that structural change, unless accompanied by other change elements, does not achieve the desired results. In the 1970s, for example, three state employment agencies were merged into one large agency with great hopes for efficiency gains. Two years later, the legislative auditor found not only no efficiency improvement but a merger essentially in name only. All three original agencies continued to work independently. What was missing was a change in the culture of the organization. There was no new, unified mission or philosophy, no new approach to how they did business, no new common language.

For a restructuring to be successful, an agency needs an appropriate new perspective, a cultural transformation. An effective quality program, such as total quality management, depends on a cultural transformation. An organization with a successful ongoing quality improvement program can be better positioned for all its members to comprehend, accept, and support a structural reform consistent with quality principles because:

- *Quality improvement enhances involvement and reduces anxieties of employees.* It attempts to affirm and build confidence in all employees by allowing for conflict and mistakes.
- *Quality improvement is not a quick fix.* But the time it takes is appropriate for the real cultural changes that accompany it.

- *Cultural change is enhanced when employees can see how their individual work contributes to the agency's overall outcomes.* The more informed employees are about their work's effect on overall agency performance, the more ownership they will have in the organization and the more likely they will be to invest their energy to improve the quality of the process and the product.
- *Sustaining positive cultural change requires ongoing effort, but this is easily disrupted by massive layoffs, major policy shifts by new leaders, or other internal turmoil.* While the quality movement and other cultural change agents can benefit structural and systems reform, those reforms should be undertaken to reduce or restrict the negative impacts of organizational upheaval.

Citizen disenchantment with government is at an all-time high. This disenchantment, however, is an impetus for change. If the public is made aware of real changes within agencies and those changes can be demonstrated through measurable results, then it might be persuaded to support the change agents.

Quality improvement requires continuous, long-term reform

Quality improvement can enhance state government operations in the longer term, but it cannot be the latest "quick fix" to budget, personnel, or systems problems. A quality approach will reduce workplace inefficiencies and increase production, but the savings will take years to realize.

Several years of fiscal restraint have cut state agency discretionary funds and forced hiring freezes. Simultaneously, demands for government services have grown. Under such economic pressures, state agencies are competing with each other for their portion of the state government pie and learning to "do more with less." However, when employees are admonished to do more with less but not taught how to work differently, the result may be *less effective* service delivery.

Because the budget strain is unlikely to ease soon, government is wise to adopt a quality improvement methodology that will train

employees to analyze and measure their work activities. Equipped with the tools they need to eliminate unnecessary processes and improve productivity, employees will "do more with less" effectively.

Further, policy-makers and managers must understand that quality cannot be used as the excuse for position reductions or organizational restructuring. If employees are worried about losing their job or being moved to a different division, they will be unable to focus on improving processes or satisfying customers.

THE CORE QUALITY IMPROVEMENT INITIATIVE: GOALS

CORE believes that a commitment to an environment of continuous quality improvement will further its agenda of long-term reform and mitigate the need for reform commissions in the future. The goal of CORE's quality initiative is to increase the awareness and use of quality improvement concepts and tools in state government. The commission sought to achieve its goal through a four-pronged approach:

- Complete a demonstration project that would illustrate how a quality management tool can improve the effectiveness and efficiency of a state agency operation;
- Help two agencies conduct self-assessments based on Malcolm Baldrige National Quality Award criteria;
- Build on existing state quality efforts and plant the seeds of a quality improvement movement among state government's executive branch leaders by providing a forum for the governor and his cabinet to begin to learn the language of quality management and to understand how this approach can transform the cultural environment of state agencies; and
- Forge coalitions with organizations and individuals in the private and public sectors who can exchange valuable information and expertise with state agencies embarking on quality initiatives.

Quality improvement initiative activities

Benchmarking project

In January 1992, CORE staff began a benchmarking pilot project for the Department of Administration's Central Mail Unit. The project was to test the usefulness of the benchmarking technique in a government environment and to determine its usefulness to other CORE projects. Technical assistance was provided to CORE by a consultant from the Xerox Corp.

Xerox, nationally recognized for its successful use of benchmarking as a quality improvement tool, defines benchmarking as "the continuous process of measuring products, services and practices against the toughest competitors or those recognized as leaders." Benchmarking identifies gaps between an organization's performance and that of the best in the industry.

The practice benchmarked for the CORE project was the internal postage billing system of the Central Mail Unit of Administration's Print Communications Division. Central Mail, the primary mail handler for state agencies based in St. Paul, processes more than 30 million pieces of mail annually.

According to the facility manager, Central Mail has faced increasing mail volumes without receiving commensurate increases in legislative appropriation or staff positions. The manager was looking for ways to better

focus more existing resources on mail processing.

The project team developed 15 recommendations that included improvements to the specific steps within the billing process and the financial and strategic structures of the unit. Administration management found the data and recommendations so persuasive that it is acting on them immediately. The recommendations call for a \$60,000 capital investment that will be amortized over about five years and will allow the reassignment of at least one position and reduce overtime costs.

The study concluded that benchmarking, although it has not been common in the public sector, is a process with universal benefits. Benchmarking provides an excellent opportunity to examine work flow and determine process measures. Managers in any line of work should benefit from being exposed to new ways of operation resulting from conversations and site visits with others providing similar types of services.

Agency self-assessments

The Malcolm Baldrige National Quality Award has contributed to the popularity of total quality management. This prestigious prize is awarded annually to several U.S. companies that have proven outstanding quality processes and products. Companies that compete for the award must undergo a rigorous self-examination process to apply. According to information published by the Minnesota Council for Quality, which has developed and administers its own version of this award — the Minnesota Quality Award — the fact-based self-assessment is a valuable management and strategic planning tool for organizations because it inventories

current activities; clarifies how activities fit into an overall system; provides a nonprescriptive, fact-based evaluation; identifies areas where additional effort is needed; and acts as a roadmap for a quality improvement plan.

For these reasons, CORE recruited two agencies to complete the Minnesota Quality Award application. Although the participating agencies would not be competing for an award, their applications would be reviewed by examiners for the Minnesota Quality Award.

The self-assessments examine seven categories ranging from leadership to customer satisfaction. Both the process and the products of a self-assessment give an agency a framework for designing a quality program and can help establish a benchmark for progress measurements.

Minnesota Council for Quality staff has provided valuable time and expertise throughout the initial stages of this project. The council gives the state access to a pool of quality businesses that can assist government agencies interested in conducting quality pilot projects.

In August 1992, the Department of Jobs and Training and the State Board of Technical Colleges agreed to conduct self-assessments. A corporate coach — one from Honeywell and another from Xerox — was appointed to each agency to guide it through the process.

In early October, teams from both agencies attended a half-day orientation session where they were trained to collect data in each of the seven application categories. It is expected that the two pilot sites will complete their self-assessment reports by April 1993.

In the meantime, they will track their progress. They will use the results internally and contribute data to a report on the assessment's process and value.

Quality improvement seminar

The quality improvement initiative gave CORE a timely opportunity to act as catalyst of a comprehensive state quality effort by sponsoring a forum for the governor and his cabinet to learn about quality improvement practices.

Two steering committees composed of representatives from agency management, an employee union, the private sector, CORE, and the governor's office planned the seminar's agenda and determined desired outcomes. The result was a seminar focused on three major themes:

- Continuous quality improvement;
- Leaders' role in quality improvement; and
- How quality concepts can improve the systems and transform the culture of state government.

The steering committees also strongly recommended that the governor promote a quality improvement agenda throughout his administration and that he hold his commissioners accountable for initiating quality improvement pilot projects in their agencies.

Approximately 55 cabinet-level managers attended the quality improvement seminar on Sept. 16, 1992. Attendees included the governor, his executive staff, and approximately 45 commissioners and deputies.

Presenters included Wayland Hicks, vice-president of Xerox; Larry Welliver, vice-president of the Honeywell Solid State Electronics Center; Maury Cotter, quality consultant from the University of Wisconsin; Jim Buckman, president of the Minnesota Council for Quality; and a team of three consultants from Business Incentives. The seminar was moderated by Bill Sweeney, chief executive officer of ITT Life.

Gov. Carlson invited more than 200 executives from Minnesota's business and non-profit sectors to join his cabinet for a reception following the seminar to acknowledge the successful quality efforts of Minnesota's business leaders and to request their assistance in initiating more state quality pilot projects.

Attendees were surveyed about the seminar, and most rated the event as worthwhile. Overall, 97 percent said they were satisfied or very satisfied with the seminar. Almost half indicated that they would like to learn more about how they can use total quality management techniques in their agencies.

Coalition building

Government cannot be run exactly like a business, but agencies should be encouraged to learn about the continuous quality improvement practices that have benefited so many Minnesota companies. In launching its quality initiative, the commission wanted the effort to be undergirded by a strong public-private partnership that could serve as a vehicle for the exchange of valuable information between the sectors.

Each of the three CORE quality projects profited from the contributions of groups and individuals both inside and outside govern-

ment. Experts were tapped for information and advice throughout planning and execution stages.

The private sector exhibited strong and enthusiastic support for a quality improvement initiative in state government. Xerox's involvement with CORE began in November 1991, when a Xerox quality manager became a part-time consultant to CORE. The consultant introduced quality improvement concepts and tools to CORE staff and was the catalyst for CORE's pursuit of the benchmarking and agency self-assessment pilots.

The staff of the Minnesota Council for Quality provided valuable consulting on the quality improvement seminar and the agency self-assessments. The council also helped CORE staff gain access to individuals and businesses in the community that contributed consulting resources to the seminar.

It is important that this relationship between state government and the council be maintained. Several businesses involved in the council's activities expressed their willingness to serve as coaches or mentors of state agencies or divisions that want to begin quality pilot projects.

Members of the Minnesota Quality Initiative were consulted on several occasions for information about existing quality efforts in state government. This group is dedicated to building the quality movement in the state and wanted to help ensure that CORE's initiative would positively affect ongoing efforts. MQI members often shared critical information that kept the CORE quality initiative on track.

The development of liaisons and the collec-

tion of information extended beyond state government employees and Minnesota's private sector. CORE staff also collected data on quality methodology from academicians and quality improvement coordinators in other cities and states.

DIRECTIONS FOR THE FUTURE

As a result of its effort on the quality improvement initiative, CORE recognizes that state government culture and service delivery can be greatly enhanced if state agency executives and staff employ quality concepts and tools. If the governor and legislature are committed to providing quality services to the state's citizens, they must support and reward innovation, partnerships, and risk-taking in the use of quality tools in state government.

The commission believes that development and implementation of quality initiatives are the responsibility of each cabinet agency. New initiatives should be developed with the input of quality improvement experts and key stakeholders internal and external to state government, including: state managers, state employee bargaining units, interested legislators, the Minnesota Council for Quality, private-sector business executives, and the Minnesota Quality Initiative.

Cabinet strategies should seek to accomplish the following:

- Establish vehicles to obtain regular customer and client feedback on state service delivery.
- Provide access to training on quality concepts and practices for state employees.
- Develop coalitions with key stakeholders in the public-sector quality movement, especially state employee bargaining units, the Minnesota Quality Initiative, the Minnesota Council for Quality, and private-sector business.

- Match public or private organizations that are willing to serve as mentors or volunteer consultants with state agencies implementing quality improvement projects.
- Determine how to dedicate resources to carry out agency quality initiatives.

Finally, CORE will incorporate quality improvement practices into the implementation strategies of its own long-term reform proposals.

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