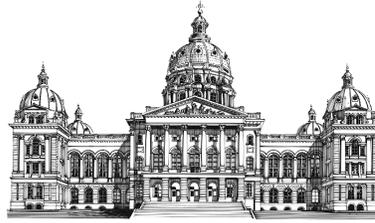


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# Iowa Legislative Fiscal Bureau

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## Total Quality Management Update

### ISSUE

Update on the progress in implementing Total Quality Management (TQM) in the Executive Branch

### AFFECTED AGENCIES

Executive Branch

### CODE AUTHORITY

Chapter 1220, Section 3, 1992 Iowa Acts

### BACKGROUND

TQM began in Iowa State government in 1991 as an Executive Branch initiative. In April 1991, the Iowa Quality Coalition, a resource organization made up of representatives of business, education, labor, and government, began a series of executive awareness training sessions on quality improvement. In June 1991, the first Quality Improvement Coordinator for State Government was appointed, and later that summer, quality management in the public sector was included in the Governor's Planning and Policy Conference. The concept was endorsed in 1992 by the General Assembly in House File 2454, the Government Efficiency Bill.

Some major characteristics of TQM are:

- Constant improvement in which employees continually examine the work processes and implement small system improvements over time.
- Small incremental improvements are to lead to overall quality improvement.
- Improvement efforts focus on improving systems rather than making individuals responsible for poor results.
- Problem solving based on statistical data and facts, rather than intuition and feeling.

- Emphasis on the customer and meeting customer needs. There are external customers who are program clients and other members of the public, and there are internal customers, the people within government agencies who rely on their co-workers to do their jobs.
- Employees work cooperatively in teams, examining their own workflow, and determining the improvements to be made.

In Iowa, TQM is being implemented as a change in the organizational culture of State government. Cultural change is often a slow process involving changes in the way participants' understand their organizations and in the way they relate to other people within the organization. The TQM training, skills, and perspective are being disseminated throughout State government.

- TQM pilot projects. Five initial intradepartmental pilot projects began in May 1992. A TQM consultant trained the project team members and facilitated the project implementation. Many of these team members became facilitators and trained new staff doing "echo" projects. Later, interdepartmental projects working on cross departmental processes were implemented. TQM is being disseminated by an evolutionary process. New participants are taught the tools, skills, and philosophy of TQM and then teach others.
- Quality Support Team. The Quality Support Team is a steering team made up of 6 individuals from different State agencies. Their purpose is to assist departments in implementing TQM by identifying barriers and working to align organizational systems to be consistent with the TQM perspective.
- Quality Coordinators. Each department has appointed a person to coordinate the agency's TQM efforts. Quality Coordinators meet monthly to share ideas, exchange information, break down barriers between departments, and to provide feedback on the TQM efforts.
- IDOP Training Courses. IDOP has developed 12 TQM courses to train agency staff in customer satisfaction, team design and management, supervisory roles, change management, data collection and analytical tools, and related topics. (Copies of the TQM Course Catalog are available upon request.)
- Quality Forums. Monthly seminars feature presenters from public and private sector organizations who share their experiences and lessons learned about TQM. The seminars are available to all state employees and average 100 participants monthly.
- Lunch and Learn Sessions. Individual departments sponsor lunch hour meetings to watch video tapes on TQM and to share experiences.
- QuIP (Quality Improvement Press). QuIP is a monthly newsletter by State employees that features articles about various TQM topics and pilot projects.
- Departmental Reorganization. As departments have reorganized to flatten organizational structures and increase the span of control as required by HF 2454, they have been encouraged to make changes in orientation, remove the systemic barriers, and align the organizational structures to support TQM.

**CURRENT SITUATION**

To date, 20 of the 35 State departments, boards, and commissions have participated in TQM pilot projects. Ninety-four projects have been implemented, and 60 project facilitators have been trained. Attachment A provides a listing of the implemented projects.

The Department of Management points to the number of process improvement projects, the departmental participation, enrollment in training, and the attendance at the Quality Forums as indicators that TQM is spreading throughout State government. However, a variety of problems have been identified. Some of the problems include:

- Manageable projects. Identifying projects of manageable size can be difficult. Projects that focus on policies or entire systems, rather than a single process, are too complex and tend to fail. A handbook on how to select a process improvement project is being developed for use by departments and project teams.
- Acceptance by groups with a vested interest in the current system.
  - The role of middle managers under TQM changes from the traditional hierarchical supervisor to that of a coach or facilitator. The change can be difficult to make and may produce resistance by middle managers. Also with organizational flattening and the empowering of front-line workers that often accompanies TQM, fewer middle managers will be needed. New training sessions are becoming available to assist middle managers in the transition.
  - Labor unions have traditionally resisted TQM. A union role is to bargain over workload and fix job requirements. The TQM process introduces flexibility and expects the employee to change work patterns with shifting customer needs. Involving labor unions will mean shifting from a conflict between labor and management approach to a cooperative approach.
- Measurement defines the work outcomes. Employees work to produce the outcomes that are measured. For example, if the number of client contacts is what is measured, then employees will have the required number of contacts, regardless of the quality of the contact. If client satisfaction is measured, employees will attempt to please the clients. Proper measurement focuses staff time and resources on desired outcomes.
- Measurement can be costly. Collecting and analyzing data requires training, time, and sometimes special equipment. Finding staff time and resources can be difficult.
- Some see TQM as a management fad. Changing an organizational culture involves changing perceptions and attitudes of the people who participate in the organization. To the extent that individuals see TQM as a fad, they will not "buy into" the process, thus creating a barrier to TQM's implementation. There is no information at this point as to how widespread this perspective is.

**ALTERNATIVES**

The DOM has indicated that there are no plans for significant modifications to the process for implementing TQM. The DOM has indicated that there is a need for greater involvement with the Legislature to keep legislators informed of the progress and to solicit their support. DOM also will be working to gain labor union involvement and support.

**BUDGET IMPACT**

No systemwide evaluation of TQM has been made, and there is no evaluation planned to determine whether the benefits of TQM outweigh the costs. The TQM implementation is proceeding under the assumption that the investments in training, staff time, materials, and equipment will pay off in the long term. The TQM supporters point to specific instances of savings but do not estimate the costs of developing the improvement. For example, the Department of Employment Services changed its mailing procedures so that one package of materials is sent to employers one time each year. The package contains one set of instructions and 4 quarterly reporting forms. Previously, a set of instructions and a form was sent each quarter. The change in mailing procedure saved an estimated \$53,000 in postage annually, but there is no estimate for the costs of developing the improvement.

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## IOWA STATE GOVERNMENT PROCESS IMPROVEMENT PROJECT TEAMS

### Department of Transportation

- **Agreeable Bunch:** (Highway Division) Improve the process for pre-construction agreements.
- **Cartography:** (Transportation Inventory): Identify the best practice in county map updating methods.
- **Operation: Satisfied Customer:** (Office of Inventory) Minimize packaging problems in inventory/purchasing process.
- **The Breakfast Club:**(Repair Shop) Reduce time required for preparation of new equipment for field locations.
- **Air & Transit Team:** Improve process for handling correspondence.
- **Rail & Water Team:** Reduce the gap between obligation and expenditure for grade crossing and safety projects.
- **WWA (Women With An Attitude):** (Vehicle Registration) Reduce processing time and increase efficiency in dealer license renewal process.
- **Motor Vehicle Information Forms Team:** To improve the process to obtain forms used in division, with emphasis on work flow and timeliness.
- **Policies R Us:** Determine content and level of policies and procedures manuals to maximize usefulness, accuracy and reliability for internal and external department operations.
- **Maintenance:** Reduce the number of snow-plow related accidents (9/94)
- **Maintenance:** Investigate procedures, policies and techniques to better utilize HMS's under emergency situations.

### Department of Education

#### *Division of Vocational Rehabilitation*

- **MiSSion PoSSible:** To reduce the cycle time for payment of medical evidence of record and consultative examinations to vendors.
- **Redu-CE No Show:** To determine how many consultative exams are missed and why they are being missed in hopes to reduce them.
- **Quality First:** Reduce the number of disability determination cases requiring more than one medical review.

#### *Division of Community Colleges*

- **Team PRIDE:** To improve the timely and accurate collection and processing of data resulting in the prompt and timely payment of claims and filing of reports.

#### *State Library*

- **Books a la Carte (take this book & shelve it):** To reduce the time it takes to shelve new and returned books.

## **Inspections & Appeals**

- **Lucky Seven:** To ensure the quarterly report for charitable gambling meets the needs of the customers as evidenced by a reduction in the number of phone calls and questions and by dissemination of more user friendly information.
- **Answer Me:** To answer phones effectively while performing investigative process.
- **Pay Outs:** To examine the internal operation of the payroll system; to identify and eliminate redundancy and thereby reduce the processing time of payroll documents.

## **Department of Corrections**

- **Quic (Quality in Corrections):** To improve work release and OWI community movement process by reducing the backlog of work at the community placement office, reducing waiting time for program placement and increasing the program capacity utilization rate.

## **Department of Personnel**

- **PMS (P & M Simplification):** Reduce errors in personnel related fields on personnel documents.(completed)
- **Project SOC (Sorting Out Confusion):** To improve the special sessions scheduling process.

## **Department of Employment Services**

- **TAX- R-US:** To reduce errors in job insurance tax filer (employer) reporting.
- **Ole' 363'ers:** Review the purchase requisition process and improve the system.(completed)
- **Questionnaires:** To achieve a better turn around time for labor surveys.
- **Mailing Team List:** Reduce the duplication of multiple mailings of the same information from different sources to the same recipients.
- **One Touch Processing:** Reduce errors in the processing of vouchers.
- **OSHA TQM ASAP:** Reduce the numbers of citations issued but later vacated.
- **Davenport Labor Management Team on Intake:** To improve the flow of intake to customers.
- **Cedar Rapids Team:** (8/94)

## **Department of Public Safety**

- **Claim Busters:** To reduce the number of incorrect or delayed claims submitted resulting in a decrease of claim processing time.

## **Department of Civil Rights**

- **"Insti-gators":** Reduce the cycle time of investigations.
- **"Dustbusters":** Reduce the backlog of investigations.

## **Department of Revenue & Finance**

- **A-1 Team:** To review the region 1 work request inventory system in order to establish priorities and improve efficiency.
- **ROAD Team (Region 1 Auditors):** To improve the audit packet as measured by a reduction in paperwork through the inclusion of only pertinent information.
- **A-CIT Team (Audit Collections improvement team):** To improve the quality and production of income tax audits and thus, decrease the volume of succeeding correspondence and follow-up tasks performed by both the Individual and Accounts Receivable Sections.
- **Applications Unit:** Identify and review the processes used within the applications unit and make recommendations for any changes which would improve the service provided and reduce the backlog of applications.
- **The Distributors:** to improve the process of bulk forms distribution.
- **Elderly Credit:** To reduce the time between receipt and payment of elderly credit claims, specifically rent reimbursement claims.
- **RUT Team(Retailers Use Tax):** To reduce the number of retailers use tax delinquents. (completed)
- **Sales Tax Refund:** To improve refund procedures of sales and use tax to speed up processing and improve services to our customers.

## **Board of Parole**

- **BOPCOM (Board of Parole Communications):** To process all correspondence and telephone calls in the most efficient manner as measured by the number of times it is handled before reaching its final destination.

## **Department of Public Health**

- **The Bag Ladies:** Using TQM principles improve the incoming mail system within existing personnel resources by shortening the cycle time and increasing accuracy.(completed).
- **Know New News:** To evaluate the costs associated with information dissemination and improve the efficiency, while increasing the number of those accessing value-based health information and data.

## **Department of Elder Affairs**

- **DIRT (Department Information Request Team):** To reduce the cycle time of redrafts necessary to provide written responses to written requests from external customers.

## **Department for the Blind**

- **Fast Forward:** Reduce the backlog of returned, uninspected cassette books.
- **FOCUS (Future Orientation Center's Utilization of Services):** Improve utilization of Adult Orientation Center with emphasis on identifying and recruiting the clientele we can best serve.

## Department of General Services

- **M.I.T.T. (Mail Improvement Together Team):** To improve mail processing as measured by the quantity of improperly addressed mail and staff time required to distribute it.

## Department of Natural Resources

- **DNR Pilot Project Team:** To improve secretarial support service delivery to central office staff.

## Department of Human Services

### *Woodward State Hospital*

- **TRAC (Training Resource Action Committee):** To improve enrollment procedures in a required certification course and increase the number of staff certified.
- **RAT PACK:** To increase the accuracy and timelines in the completion of incident reports.
- **SHAZAM:** To increase the accuracy and timelines of client funds processing.
- **WHEELS:** To improve the readiness, pick-up and return of state vehicles.

### *Cherokee Mental Health Institution*

- **Discharge Team:** Streamline procedures for discharge and sending patients on TMT to Iowa City.
- **The Bill Collectors:** Transition of insurance claims processing to Business Office. (completed)
- **IM-3CMD:** Streamlining of procedures for filing Title XIX.(completed)
- **Communications:** Procedure review of paging system and response time.(completed)
- **Clean Sweep:** Coordination between maintenance areas when moving wards, offices, etc. (completed)
- : Revising assessment and protocols regarding falls.
- : To ensure that family education regarding illness and medication of patients is provided.
- : To streamline the admission process and centrally locate so that patients and their belongings are not transported around the institution during admission.
- : To eliminate duplication in clinical assessments so that patients are not asked for information in multiple areas.

### *Clarinda Mental Health Institution*

- : To eliminate foreign material in laundry process.

### *Independence Mental Health Institute*

- : Medication administration error study.
- : Lab slip signing study
- : Work order task force
- : Overtime use
- : Medication billing procedure
- : Order transcription verification project

### *Glenwood*

- : To make the process more efficient and user freindly.
- : To run programs as written.

### *State Training School*

- **Dri-Docs:** To increase accuracy, timliness, and accountability of vehicle milage documentation and reporting.

### *Iowa Juvenile Home*

- : To decrease the incidence of student tardiness.
- : To increase efficiency of operation.
- : To improve school lunch reimbursement.
- : To review the process for internal work orders on building equipment repairs and to make changes as indicated.
- : To improve internal communication within clinical department; specifically in relation to hierarchy.

### *Waterloo Region*

- : Increase accuracy, timliness and accountability of claim/voucher payments resulting in fewer Appeal Board Claims.

### *Des Moines Region*

- : To improve efficiency of internal mail delivery.
- : To improve the process for issuance of expedited food stamps.
- : To review the process for handling original dcuments belonging to clients.

### *Council Bluffs Region*

- : Security/safety
- : CACT Mail System

### *Central Office*

- **B & B Claim Busters:**
- **PIPPS Team:** To improve fixed asset purchase to inventory process.
- **ZAPP Team:** To

## **Department of Economic Development**

- **CONAN (Contract Action Network):** To improve the contract review system as measured by reduction of contract errors and cycle time.(completed)

## **Department of Management**

- **Stuff-it:** To improve the mailing process between Department of Management and its customers.

## **Cross-Departmental Projects**

- **State Appeal Board Project:** Reduce the number and cycle time of processing general claims. (DRF, DOM, AG, DHS)
- **Purchasing Project:** To reduce the time between an agency decision to purchase and the receipt of the purchase order by the agency. ( DRF, )
- **National Guard:** To streamline the payroll process for guard personnel called up for active duty. (DRF and Public Defense)
- **General Services Printing:** ( DRF, DGS)
- **Central Distribution Center Team:** Improve the ordering and delivery of products by the Central Distribution Center to the institutions.(DHS, DOC, DGS)
- **VAST (Valuation Assessment Systems Team):** Improve the timelines and reduce the errors in the submission of county valuation forms. (DOM, Polk County Auditor's Office, Story County Auditor's Office, DRF, LFB, Madison County Auditor's Office.)

Source: Department of Management