



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-249779

March 30, 1993

The Honorable Dennis J. Fischer
Acting Administrator
General Services Administration



148872

Dear Mr. Fischer:

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 General Services Administration regional offices. Nineteen installations of the General Services Administration (GSA) 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 GSA as well as to compare GSA 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).

056840/148872

STATUS OF TQM

As figures 1 and 2 show, a significant number of government installations and GSA installations reported implementing TQM. Figure 1 shows that about 68 percent of the federal installations responding to our survey reported they were starting or already implementing TQM. Figure 2 shows that 14 of the 19 (74 percent) GSA installations responding to our survey reported that they were working on various phases of TQM. None of the five remaining installations reported plans to implement TQM.

Figure 1: Percentage of Government Installations Implementing TQM

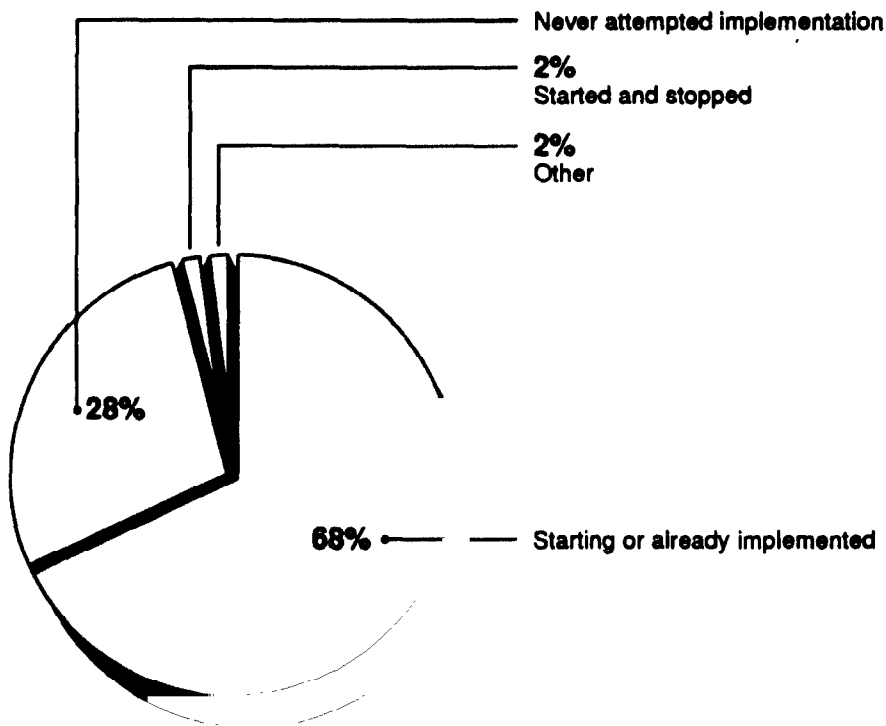
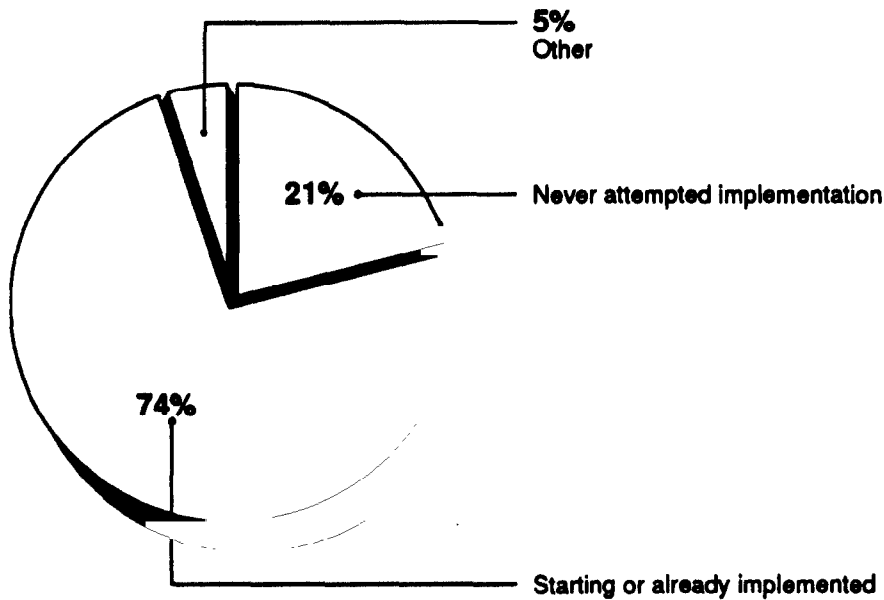
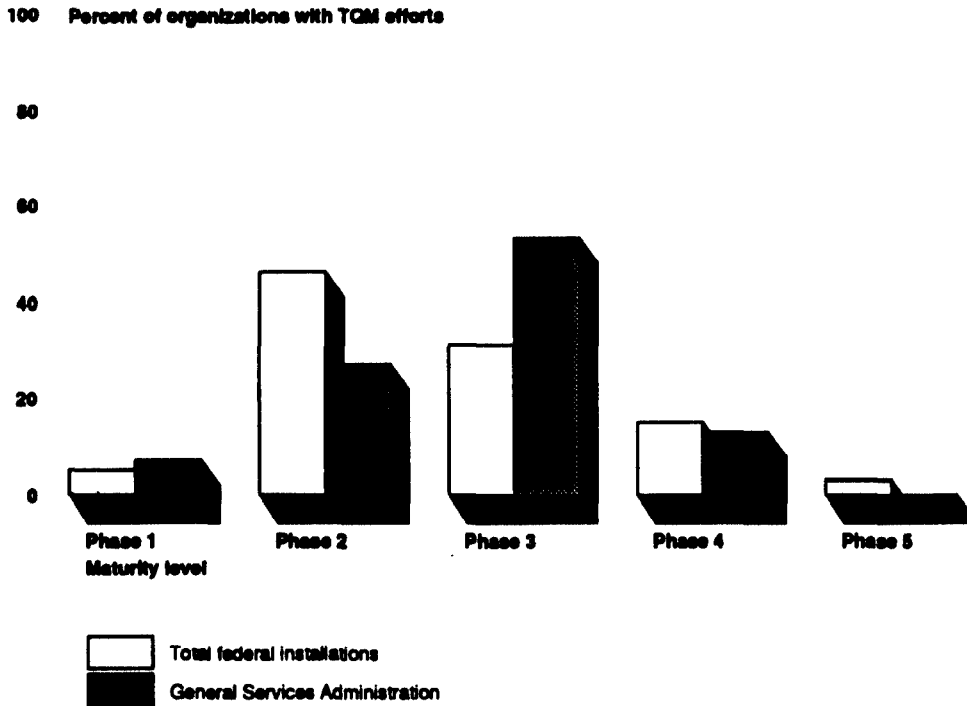


Figure 2: Percentage of GSA Installations Implementing TOM



To obtain a picture of the status of federal TQM efforts, we asked installations to report their efforts in terms of a five-phase maturity scale. Maturity definitions ranged from Phase 1, preliminary TQM efforts, to Phase 5, institutionalized efforts that are achieving significant benefits (see enc. I for definitions). As figure 3 shows, 51 percent of the total federal installations responding to the survey reported being in Phase 1 or 2, while about a third of the GSA installations reported still being in these early phases. The fact that these installations are in the early phases reflects the relative newness of GSA efforts; all of the installations implementing TQM reported beginning their efforts within the past 3 years. No GSA installations reported being in Phase 5.

Figure 3: Status of TOM



In our survey of federal installations, we asked respondents about the extent of their involvement in 43 activities commonly undertaken by organizations involved in TQM. Such activities include providing training in TQM tools for employees, establishing quality councils or steering groups, and establishing problem-solving teams. Installations reported that their involvement in these activities increased as maturity increased. In other words, installations identifying themselves as more mature in TQM also more frequently said they were doing the 43 activities commonly associated with TQM.

Comparing GSA installations' involvement in these activities with reported maturity phases, we discovered that GSA generally reflected the same trend as in the total survey--that is, as GSA

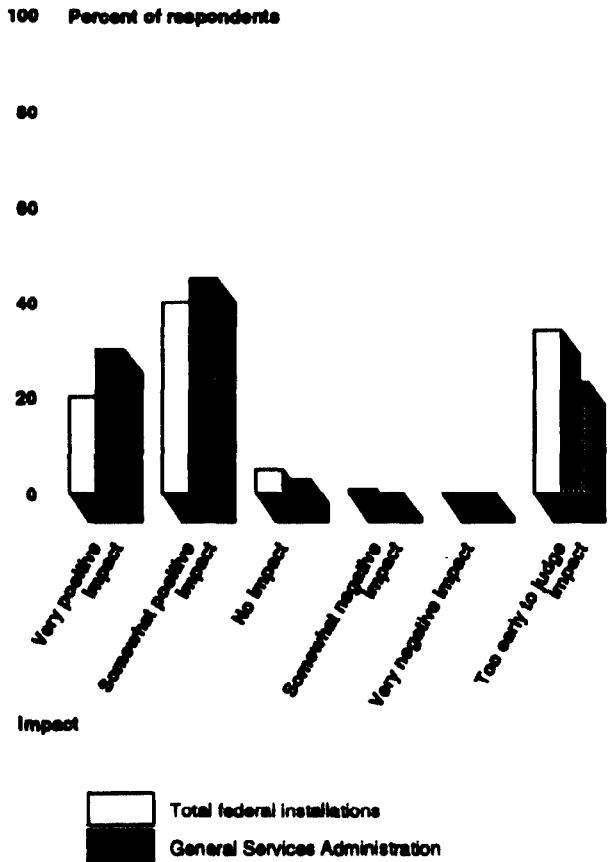
B-249779

installations' maturity increased, they more frequently reported doing TQM activities. For example, 1 of 5 (20 percent) of the combined GSA Phase 1 and Phase 2 installations reported performing analyses of systems and processes to streamline operations and improve quality, whereas 8 of 10 (80 percent) of the combined Phase 3 and Phase 4 installations reported such analyses. Also, 2 of 5 (40 percent) of combined GSA Phase 1 and 2 installations reported developing measures of quality and productivity, and 9 of 10 (90 percent) of the combined Phase 3 and 4 installations reported such measures.

BENEFITS OF TQM

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 TQM'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 the organizational performance index for GSA and total federal responses and shows that almost three-quarters of the responding GSA installations reported positive benefits, none saw negatives to TQM, and about 23 percent felt it was too soon to judge benefits. These results are similar to, but somewhat more positive than, the overall federal survey results.

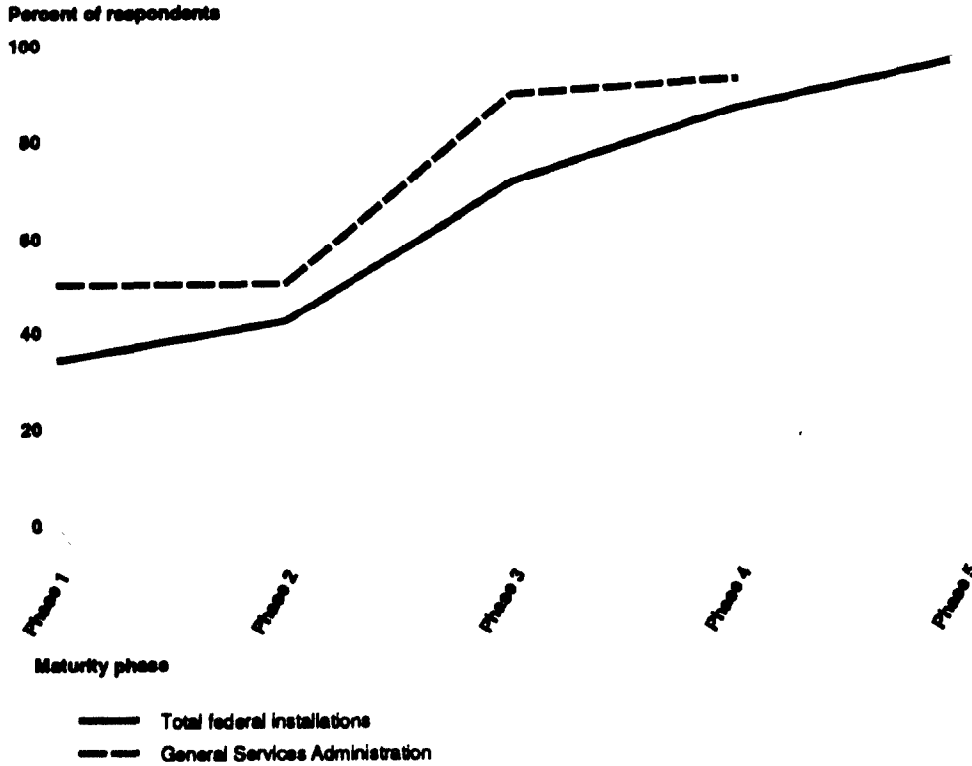
Figure 4: Impact of TOM on Performance



Reported benefits increased as maturity increased. We compared the composite index of responses on external benefits with maturity phases and learned that more mature installations reported greater benefits. Figure 5 shows, by maturity phase, the percentage of total federal respondents and GSA respondents reporting somewhat positive to very positive benefits. Again, we found GSA results to be similar to, but more positive than, the total federal results.

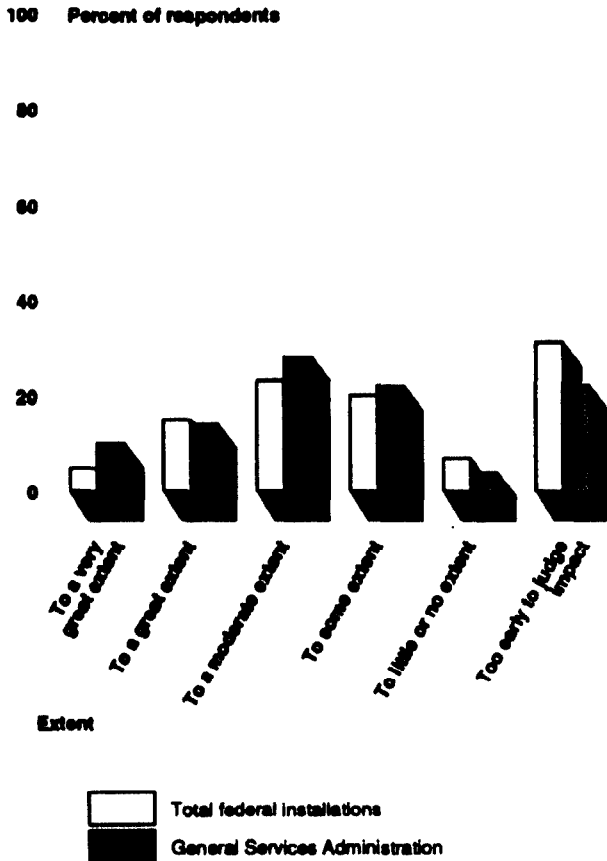
B-249779

Figure 5: Respondents Reporting Increased Organizational Performance



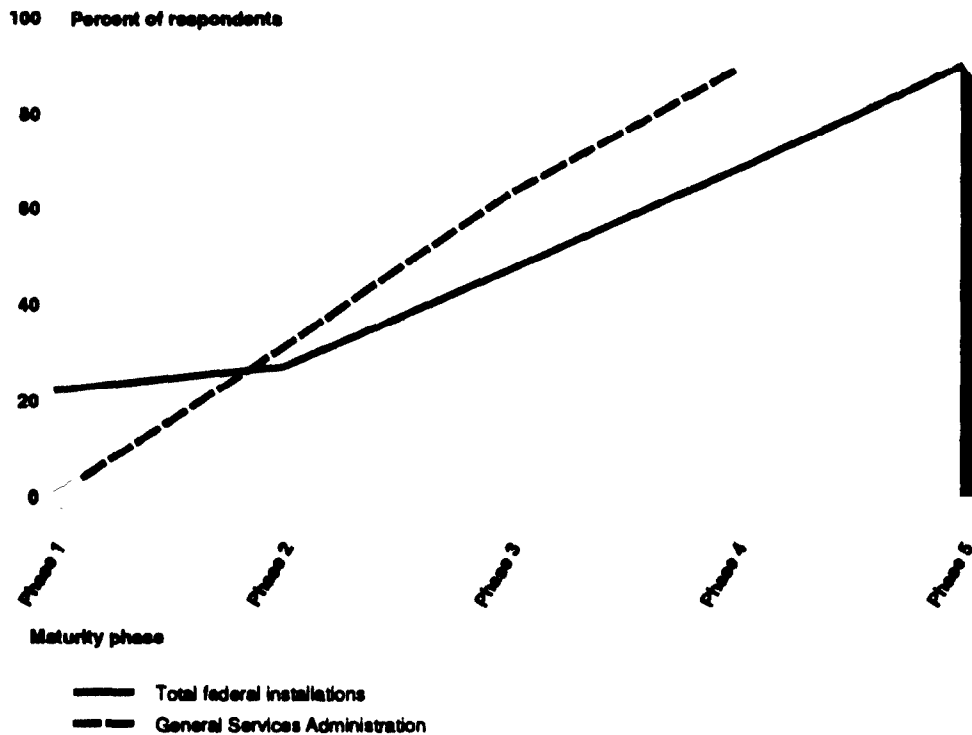
For internal operating conditions, we asked the installations to identify the impact of TQM on each of 13 internal operating conditions, such as communications and labor-management relations. To illustrate the benefits, we developed an index in the same manner as for the organizational performance indicators. Figure 6 compares the GSA and total federal responses and once again shows that GSA installations generally reported somewhat higher benefits than the total of all surveyed federal installations. Fifty-two percent of the GSA installations implementing TQM reported TQM activities had a positive impact on internal operating conditions from a moderate to a very great extent--this is somewhat better than the 42 percent response for the total federal survey.

Figure 6: Extent of Positive Impact on Internal Operating Conditions



In a manner similar to the overall organizational benefits, we compared the composite index of benefits with maturity phases and noted that reported internal conditions improved as maturity increased. Figure 7 shows the percentage of respondents reporting a moderate to very great positive impact, by maturity phase, for both GSA and the total federal respondents. In Phases 2 through 4, reported GSA benefits exceeded total average benefits.

Figure 7: Respondents Reporting Positive Impact on Internal Operating Conditions



BARRIERS TO TQM

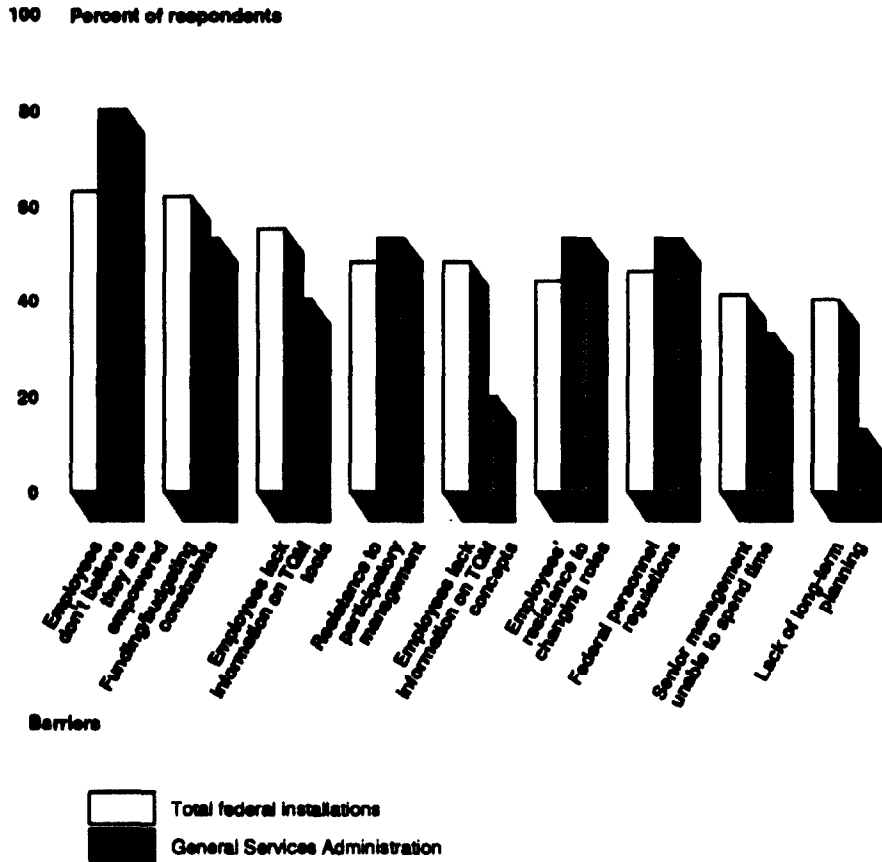
We asked all the federal installations we sent our recent survey to about the significance of 21 potential barriers to implementing TQM that had been identified through our research. Nine barriers were said to be moderate to very major problems by 39 percent or more of the total federal respondents. GSA respondents concurred with seven of the nine top barriers but did not rank them in the same order as the total federal survey respondents in terms of the impact of these barriers. Of particular note is that 80 percent of the GSA respondents reported "employees do not believe they are empowered to make changes" as the greatest barrier, which is significantly higher

B-249779

than the total federal survey average. On the other hand, for the two barriers "employees lack information on TQM concepts" and "lack of long-term planning," GSA respondents reported these as substantially less difficult barriers than the average of the federal survey respondents.

Two barriers in the GSA respondents' top nine that were not in the total federal survey top nine were "commitment to change not communicated," which was identified as significant by 40 percent of the GSA respondents; and "management unfamiliar with measurement," which was identified as significant by 27 percent of the GSA respondents.

Figure 8: Respondents Reporting Barriers Are Moderate to Very Major Problems to Implementing TQM



Both GSA and total federal respondents reported that the barriers were less significant as organizations matured. For example, 2 of 5 (40 percent) of the combined Phase 1 and 2 GSA installations reported that employees' lack of information on TQM concepts and theory was a significant barrier; whereas for the combined Phase 3 and 4 installations, 1 of 10 (10 percent) respondents saw this barrier as significant.

B-249779

SUMMARY

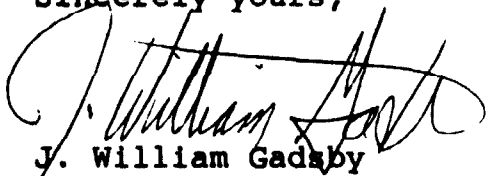
Our survey of federal TQM efforts indicated that as installations invested more time and effort in TQM activities, they matured in the implementation of TQM, found that the barriers became less difficult, and reaped greater benefits. Although some differences were reported between GSA's TQM experiences and those of all federal respondents, overall GSA respondents' message generally appeared to be similar.

- - - - -
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

(966574)