GAO

Quality Improvement Plan: Early Implementation

145402

November 1991

CONTINUOUS IMPROVEMENT
The Quality Challenge

GAO

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

Comptroller General
of the United States

November 1991

All GAO Employees

Attached is our plan for implementing quality management in GAO. It reflects the work of many people at all levels, and sets out our goals for the next several years.

Many of you have heard about this effort. Many of you are skeptical. Is this just another fad? Is GAO's leadership truly committed to changing the way we operate? Will this make my job easier? Where will I find the time to deal with it?

We don't have all of the answers. But I can tell you I am absolutely committed to improving our organization. GAO is already well respected and trusted. But if we are to be the world's leading organization in audit, evaluation, and public policy analysis, we must continue to improve, and we must be willing to make changes.

Over the years, many processes that slow our work and inhibit quality have crept into our operation. We must find better ways of doing things if we are to meet the growing demands of the Congress. We must rely on the people who do the work to identify problems and obstacles. And then we must find--and implement--solutions.

We hope that a quality management approach will help us to make these improvements. This approach is different from anything we have ever tried. We will need to look at how we work, and how GAO works, in an entirely new way.

This will not be easy. Adopting quality management will require significant resources and involve extensive training for all of us. Our productivity may level off while we rework and streamline our operations. But we will gain in the long run.

GAO's top management team is as strongly committed to this effort as I am. We know that success depends on intensive training, open and honest communication, and a dedication to excellence. With your participation, we will make quality management a way of life at GAO.

Sincerely yours,

Charles A. Bowsher

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Introduction

Quality management is a leadership philosophy that makes quality the primary goal of everyone in an organization and continuous improvement a way of life. To paraphrase Dr. W. Edwards Deming, our "destination is transformation"—the transformation of GAO into an organization that believes in and strives for continuous improvement in everything we do.

An organization's top leaders implement quality management by creating an environment where people at all levels are empowered to use their talents and skills to improve the organization's products and processes. Quality management emphasizes management by fact and focuses on processes as the source of problems rather than people. Quality management assumes that the people actually doing a job know better than anyone else how to improve the processes and products that are part of that job.

When implemented in an organization, quality management means that continuous improvement in all aspects of the organization becomes a way of life. This begins when top management sets a clear and constant vision of where the organization is going, communicates that vision to everyone in the organization, and then teaches people what their role is in accomplishing that vision and how to perform their role. Management communicates specific goals as part of its vision. These goals derive from customers' requirements interpreted in terms of the organization's mission and guiding principles.

Once employees understand their role in the broad context of what the organization is trying to achieve, and have the skills to perform that role, management empowers them to do their jobs with a wide range of discretion and decision-making authority. Everyone learns a rigorous problem-solving approach that requires data for all parts of the process. Quality management emphasizes management by fact because this problem-solving approach is key to the success of the whole effort. Once they are trained, people at all levels are then involved in quality improvement teams that are part of their regular work teams and regular work responsibilities. These teams produce most of the incremental improvements that will help make significant changes in major work processes.

Making continuous improvement a way of life at GAO will require both top down and bottom up efforts. During the past year, we have been involved in some of both. In April 1991, we established a GAO Quality Council chaired by the Comptroller General and made up of leaders of

the agency. They received training and then formed planning work groups to develop this implementation plan. They also developed a vision statement to focus GAO's future efforts, as well as a mission statement and set of guiding principles to frame them.

At the same time, the two pilot projects—NSIAD/TEF and GGD/Regional Offices—which began in 1990, trained their managers and executives, started some quality improvement teams involving staff at all levels, and trained team leaders and facilitators. These actions have helped prepare us to implement quality management in GAO.

Overview of the Plan

This plan lays out the first steps in implementation for a 2-year period ending November 1993. The plan begins by presenting vision and mission statements and guiding principles that set the context for our quality efforts. Next, it sets out three major emphases for the next 2 years:

- determining our customers' needs so that we can begin to define product and process quality in GAO;
- analyzing GAO-wide processes that are essential to meeting our customers' needs and that are causing the most pain to our people, in order to improve our ability to serve our customers and make the GAO work environment more enjoyable and rewarding for all of us; and
- expanding implementation beyond the pilots to as many units as possible.

The first two goals are primarily top down efforts, which the GAO Quality Council will lead. The third will lay the groundwork for bottom up activities to begin across GAO. Each major goal is described in more detail in the plan and the appendixes.

The plan also establishes seven other quality goals in key operational areas and presents a strategy for achieving them. We will

- develop a comprehensive education and training program that will support fully the implementation of quality management throughout GAO;
- develop a communication structure that permits the timely, effective sharing of the information necessary to implement quality management;
- determine what modifications may be required in our reward, recognition, and compensation programs to ensure their compatibility with the philosophy and principles of quality management at GAO;

- assess GAO's planning process to identify specific strengths, weaknesses, and gaps and to ensure that all key areas of quality management are effectively addressed;
- design and implement an employee suggestion system that encourages all employees to identify opportunities to improve GAO operations;
- develop a measurement approach that will support GAO's overall quality goals; and
- develop a benchmarking capability within GAO.

GAO's Vision, Mission, and Guiding Principles

In moving toward a philosophy of continuous improvement, it is important that we begin with a common understanding of where we are headed (i.e., our vision) and the "business" GAO is in (i.e., our mission). A clear statement of our vision and our mission should help unite us as an organization so that we are working toward a common goal. It should also provide the long-term perspective and constancy of purpose that are conducive to process improvement as well as individual product improvements.

It is equally important that, as an organization, we have commonly held principles to guide us as we attempt to accomplish our mission. The statement of the principles guiding GAO reflects our values and the underlying concepts of quality management that should become the fabric of the GAO culture in a quality management environment.

Producing quality products is GAO's primary objective. There are, however, some new concepts reflected both explicitly and implicitly in these principles. We are embracing a concept of quality that is much broader than product quality alone. We believe that process quality helps determine product quality, so we must begin to focus on and better understand our work processes.

We believe that the total involvement of our people is the key to continuous improvement. To make continuous improvement a way of life at GAO, we must create an environment where decisions are based on sound information and data, and where employees are encouraged to express their ideas. Managers must emphasize leadership and must teach, coach, and facilitate.

Figure 2.1: GAO's Vision, Mission, and Guiding Principles

Our Vision

We aspire to be the world's leading organization engaged in audit, evaluation, and public policy analysis.

Our Mission

We seek to achieve honest, efficient management and full accountability throughout government. We serve the public interest by providing members of Congress and others who make policy with accurate information, unbiased analysis, and objective recommendations on how best to use public resources in support of the security and well-being of the American people.

Our Guiding Principles

Commitment to quality is the single most important principle governing our work. We define quality as work that is

- objective and independently derived,
- accurate, timely, and meaningful, and
- presented in a way that is most useful to responsible officials.

We value our people and the diversity they bring. We are committed to continuing self-examination to achieve organizational, procedural, and individual improvement.

Quality Management Goals and Strategies November 1991 - November 1993

The writings of Dr. Joseph M. Juran emphasize that implementing quality management is a long-term process that involves several phases: deciding to change, preparing to change, beginning to implement the change, expanding implementation, and then integrating quality into all aspects of operations.

We decided to pursue quality management in December 1990 and are still in the preparation phase. This 2-year plan will help complete the preparation and carry us through early implementation.

Recognizing the long-term nature of this change process, we have identified three major goals that we want to accomplish during the next 2 years as well as a number of other goals and key activities that will position us to expand implementation of quality management during the following 2-year period, November 1993 to November 1995.

The following sections of the plan present a brief discussion of the goals and the strategies for meeting them. A summary schedule outlining goals, key action items, and milestones is contained in appendix I.

Major Goals and Strategies

The major goals for this 2-year period focus on surveying our customers, improving some of our key processes, and establishing an organizational structure that will allow us to expand the number of units and employees involved in quality management. Each of these major goals is discussed in the following sections of this plan.

Determine Customers' Needs

Understanding our customers' needs and expectations is the starting point for implementing a quality management philosophy at GAO. By customer, we mean anyone who uses or is affected by our products and services. This includes both external and internal customers. While we define quality in terms of our customers' needs and expectations, we must do so in the context of our vision, mission, and guiding principles. We cannot compromise our objectivity, our accuracy, or any of our other values without violating our integrity as an organization, and, ultimately, our usefulness to our customers.

Clearly, the Congress is our most important external customer. Other important external customers include other government organizations—in particular, executive branch agencies—and nongovernmental groups, such as the media, research organizations, and private companies.

The concept of customer-driven quality also applies to our internal customer/supplier relationships. All GAO employees have customers and suppliers within the organization. A clear understanding of this concept is essential to implementing a quality management philosophy at GAO, so that we can begin to break down the barriers that exist both within and between operating units.

Goal 1

Obtain a better understanding of the Congress' requirements and views on GAO's current products and services.

Strategy

We will conduct face-to-face structured interviews with Members of Congress. The structured interview instrument and approach will be pretested on a few Members, revised, and then piloted on about 20 to 25 Members. We will also send a questionnaire to the staff directors and minority staff directors of all congressional committees and subcommittees, and we will conduct structured interviews with a sample of the committee staffers.

Goal 2

Develop a better understanding of the needs of other major external GAO customer groups—in particular, executive branch agencies and media representatives.

Strategy

We will interview several members of each customer group, use the results to set up focus groups, and develop a survey instrument to be sent to samples of customers to provide statistically valid information about customer needs and expectations.

Goal 3

Increase understanding of the concept of internal customer/supplier relationships and begin to improve those relationships.

Strategy

As they begin to implement quality management, divisions, regions, and offices will identify their customer/supplier relationships and address in their implementation plans how to improve working relationships between

- customers and suppliers located within the same unit (e.g., an Assistant Director and his/her staff) and
- the unit ("supplier") and its key customers located in different GAO units.

In addition, the Customer Survey Work Group will develop a plan for conducting a quality climate survey of GAO staff.

Analyze GAO-Wide Processes

One of the principal approaches we will take to continuous improvement in GAO will be to analyze our key processes. By focusing on key processes, we recognize that process quality affects product quality. Therefore, by constantly improving our key processes, we expect to continuously improve the products and services we offer.

Goals

Analyze, within the next 2 years, the key processes that significantly affect our ability to provide quality products to our customers and begin to improve those processes. The three processes that we propose for analysis at this time are

- the report development process;
- the planning process (i.e., how we decide what to do and how to prioritize our work); and
- the reward, recognition, and compensation processes.

Strategy

In the future, we will select key processes for analysis based on our understanding of what gets in the way of providing quality products and services to our customers. This understanding will be obtained in large part from the surveys of customers and staff described above.

Since the results of these surveys will not be available for a few months, we will begin by analyzing a key process that we know causes pain to both customers and staff: the report development process. This process refers to the entire range of activities from job initiation to report issuance. Problems with the process cause some of our products to be late to our customers and create great frustration for our staff.

The second process we propose to analyze is the planning process. The focus will be on how we should decide what work to do. That is,

- how much of our work should focus on broad, high-impact issues (e.g., the budget deficit);
- how much should focus on more discrete issues; and
- what criteria should be used to make these decisions and set agencywide priorities.

The issues and strategy involved in the reward, recognition, and compensation processes are described in a later section of this plan.

Once we have the results of the customer and staff surveys, we will
revisit these three processes and revise our priorities, if necessary. At
the same time, we will establish an ongoing process for identifying the
key processes to be analyzed in the future.

Expand Implementation

To begin implementing quality management across GAO, we need to
establish structures for communication among and within units and to
support continuous improvement. In some cases, existing structures may
be used. For example, a unit's existing management committee should
take on the functions of a quality council. Where such a group does not
exist, it needs to be created. In the short term, we need an organizational
structure that will support the changes that result from early implemen-
tation of quality management. The long-term objective is to make
quality management an integral part of our regular operations and have
one structure that supports both. The GAO quality structure is shown in
appendix II.

Goals

Put in place an organizational structure that will help us take the first
steps toward achieving our vision of GAO in the future. This structure
will support the GAO Quality Council, the pilot projects, and the expan-
sion of quality management implementation to other units.

Develop a structure that will help us institutionalize continuous
improvement across all of GAO. This structure will evolve as we continue
to gain knowledge of and experience with quality management.

Strategy

Continuous improvement at GAO must come from the top down—leader-
ship, commitment, support, and policy deployment—as well as from the
bottom up—involving staff, primarily through quality improvement
teams, in reviewing our work processes and systems.

The GAO Quality Council was formed in April 1991 to provide overall
direction and leadership for quality management at GAO. Some of the
major roles and functions include approving GAO-wide policy; communi-
cating with our primary customer, the Congress; and identifying GAO-
wide processes to be reviewed. The complete listing of the roles and
functions of the GAO Quality Council appears in appendix II.

Currently, two organizations are in place to provide support to the GAO
Quality Council. The Design and Implementation Team was established
by the Comptroller General to ensure continuity over the long term and
to work as an extension of the Quality Council. The team's involvement

with the "nuts and bolts" of implementation allows the Quality Council to assume more of a policy-making role, similar to a board of directors. The Quality Management Group provides support for the Quality Council, the Design and Implementation Team, and GAO units by coordinating and promoting quality management activities and by providing expertise.

In addition, two pilot projects have been under way for more than a year: NSIAD's Trade, Energy and Finance Issue Area Pilot and the GGD/ Regional Office Pilot. The pilots have their own quality councils (GGD's are made up of issue area and regional office staff) and a number of quality improvement teams. The purpose of the pilots is to test quality management policies and practices and to provide experience ("lessons learned") that can be used by other GAO units as they begin to implement quality management.

During the next 2 years, we will expand quality management throughout GAO. First, task teams will be formed by the GAO Quality Council to begin reviewing the key GAO-wide processes discussed above. These teams will involve staff at different levels and from different functional areas across GAO.

In addition, the Quality Management Group will begin to work with those divisions, regions, and staff offices that are ready to start implementing quality management. In general, one of the first steps will be to establish a Unit Quality Council that will lead the unit toward continuous improvement as a way of life. Staff in the units will become involved through quality improvement teams. Using a structured, problem-solving methodology, teams will study the units' processes and recommend changes. The quality improvement teams at the unit-level will be functional and cross-functional teams. (See appendix II for definitions of these terms.)

In the early stages of implementation, we will encourage units to start small (i.e., just a few quality improvement teams), so that they can learn how to provide adequate support to these teams. In addition, we will encourage each division to work with one of its issue area's key regions—not part of the GGD/Regional Office pilot—to make sure that regions are included in the implementation.

Training will be a key element of the early phases of implementation. If we are to make significant improvements in our work processes and

products, all of us need to have a good understanding of the principles and problem-solving approaches of quality management.

Training to manage and support the quality process will be provided to managers and executives in each unit. Training in principles and techniques for implementing the problem-solving approach will be provided to those staff scheduled to lead or facilitate a quality improvement team. Team members will be trained by the team leader just before they begin to work on a team. As implementation proceeds and involves more and more of the unit, other staff will be trained. Eventually, all staff will be trained. (Appendix IV contains the suggested sequence for implementing quality management at the unit level.)

We will establish a Quality Network of persons from each unit to facilitate communication throughout GAO. One of the early steps for a unit beginning implementation will be to name a quality management representative for the unit. This person will work with the unit's leadership and staff to help implement quality management and to facilitate communication about quality management within the unit and with other units. The Quality Network will provide a means of sharing lessons learned and communicating opportunities, concerns, and issues to the Quality Management Group. We recommend that the Quality Network meet at least quarterly to realize its full potential.

After implementation has begun, some of the 11 planning work groups that developed this plan will continue to help implement the proposed activities. These work groups will be co-chaired by a member of the GAO Quality Council and a member of the Design and Implementation Team and will draw staff from throughout GAO.

Goals and Strategies for Other Key Operational Areas

As we begin to implement quality management throughout GAO, we must address a number of other issues, including how we

- educate and train ourselves in quality principles and methods,
- communicate throughout GAO,
- recognize and reward quality efforts,
- build quality concepts into our planning processes,
- use employee suggestions as a vehicle for continuous improvement,
- measure quality, and
- use benchmarking to learn from others as a way of improving our operations.

Goals and strategies in these areas are discussed in the following sections of this plan.

Education and Training

Education and training are critical elements in building a strong foundation for implementing quality management in GAO. If we are to make significant improvements in our work processes and products, all employees need to have a good understanding of the philosophy and principles of quality management. Education and training must be designed to develop internal capacities for innovation and develop skills for applying quality principles. Early success will be contingent largely upon providing education and training on a "just-in-time" basis (i.e., when the unit or staff is ready to apply the knowledge). Education and training in quality management should be viewed as an investment in GAO's future.

Goal

Develop a comprehensive education and training program that will fully support the implementation of quality management throughout GAO. To accomplish this, we must

- provide a clear, common understanding of the quality process, problem-solving, and other skills necessary to fully participate in the quality process;
- develop a capability within GAO to provide quality management awareness and skills training courses (based on an evaluation of the pilot training and the comprehensive training program); and
- review and revise existing curricula to incorporate quality management concepts.

Strategy

Two broad types of education and training will be provided. The first is intended to give an understanding of the quality concepts and principles, that is, to answer the question: "What is quality management?"

The second type of training focuses on quality skills. Such training answers the question: "How do we do it?" To address the range of skills required, this training will include courses that teach team leader/facilitator skills, problem solving, process analysis, and other specialized training.

During the remainder of calendar year 1991 and early 1992, both types of training will be provided to members of the Quality Council and the Design and Implementation Team. Beginning in 1992, a brief orientation on quality management will be offered to all units. It will provide an

overview of the principles of quality management and will describe what we are doing to implement it in GAO based on this plan.

Training will be provided to units, as resources permit, on a "just-in-time" basis as they initiate quality management. Training will continue to be provided to support the pilot projects.

Simultaneously, the Training Institute will begin to review GAO's existing training curriculum and will develop a plan to incorporate quality management concepts into supervision and management courses.

Communication

Quality improvement is realized through many people working together. People work best when they know they are valued and clearly understand how the work they are doing supports the overall aims of their organization. Quality leadership creates a communication environment that facilitates candid, respectful, and informative dialogue within and between all levels of the organization.

The challenge for GAO is to create a communication system that supports the sharing of information crucial to a successful quality management implementation and that also supports the broader goal of creating a healthy and productive culture in all aspects of our work. By examining and improving our existing communication channels and by incorporating the best practices of organizations that are recognized for excellence in communications, we can build a communication system that is fully consistent with the principles and practices of quality management at GAO.

Goals

Develop, within the next 2 years, a communication system that permits the timely, effective sharing of the information necessary to implement quality management.

Develop a continuous improvement approach to all aspects of communications, using the best practices of leading organizations and the best ideas of our talented employees.

Strategy

Working closely with the Quality Management Group and employees throughout GAO, the Communications Work Group will embark on a far-reaching effort to improve every aspect of internal communications. The Work Group will start by focusing on how to keep employees informed of all elements of the quality management effort, specifically

- the unfolding process of quality management implementation,
- the roles of the pilots,
- the need for quality training, and
- general expectations for all employees.

Information should also be provided concerning how the results of various external and internal surveys (e.g., customer survey, employee focus groups) will be incorporated into the implementation.

Over the longer term, the Communications Work Group will begin to identify and assess potential process and technology breakthroughs that could place GAO among the leaders in internal communications. This will require additional benchmarking and analysis of other organizations and familiarity with the "state of the art" in information technology. Creative and unbounded thinking in this area should be encouraged at all times.

Reward, Recognition, and Compensation

The importance of recognizing and appreciating staff performance in quality management is critical because employees' motivation, morale, confidence, and productivity are all intimately tied to their sense that their work is both appreciated and properly rewarded.

Goals

Determine what kinds of rewards and recognition are most valued and desired by GAO employees.

Develop a plan for modifying our existing reward, recognition, and compensation programs to ensure their compatibility with the philosophy and principles of quality management at GAO.

Strategy

Assuming that GAO employees are the best source of information about what kinds of rewards are meaningful to them, we have decided to survey all GAO employees about their views on reward and recognition programs. Toward this end, we have

- developed a paper describing the current system;
- reviewed other organizations' experiences after adopting quality management to determine whether and how they have modified rewarding, recognizing, and compensating staff; and
- conducted exploratory focus groups in GAO headquarters and regional offices—using a random selection process—to establish an initial list of preferred reward and recognition types (i.e., both monetary and nonmonetary).

Building on the work described above, we will survey all GAO employees in 1992. These survey results will guide our efforts to modify our systems.

Planning

Effective planning is critical to GAO's overall performance. Planning links the organizational vision and mission to the operational areas that will make quality management a reality. This will ensure that we do the right work with the right people as efficiently as possible.

Goals

Integrate quality management principles into our current planning processes during the next 2 years. Major goals for this period will be to

- assess GAO's existing planning processes to determine whether they are effectively linking the GAO vision to operational areas and
- incorporate information and data from other work groups into the planning processes to ensure that all key areas of quality management are effectively addressed.

Strategy

Modifications to the planning processes will build on the work we are doing to determine customer needs, to develop an approach to measurement and benchmarking, and to determine changes needed based on the results of our analyses of key processes. Data from these activities will be incorporated into changes we make in the planning processes to ensure that all key elements of quality are adequately addressed in how we plan our work and allocate our resources to achieve our mission.

A task team will be formed to assess the overall planning processes as they currently operate in GAO to determine whether they link our vision to our operations effectively. If the team finds these processes lacking, they will propose changes to make them effective.

Employee Suggestion System

An effective employee suggestion system is an integral part of a quality communication structure, allowing people to share their ideas to improve GAO's processes, products, and work environment. A suggestion system provides another opportunity—in addition to the quality improvement teams—for everyone to play a role in continuously improving GAO.

Goal

Design and implement an employee suggestion system that encourages everyone to identify and act on opportunities to improve GAO operations.

| Strategy | The Suggestion System Work Group will design an employee suggestion system based on information developed through studying what other organizations are doing in this area and through reviewing the expectations of GAO employees. |

Measurement

Quality measurement is focused on the continuous improvement of all key processes. We need to know at all times how we are doing and to be able to identify and address opportunities for improving these processes. This requires a reliable, useful system for measuring the quality of our key processes. While we currently have measures, they are generally used as a yardstick for assessing individual or unit performance rather than as a learning tool for understanding and improving our processes.

Goal

Develop a measurement approach that will support GAO's overall quality goals. This approach should be closely integrated into the other elements of GAO's quality management effort. At a minimum, we will

- identify all key external and internal customers of GAO's products and services,
- identify all key work processes that address the needs of these customers,
- identify measures that tell us how well we are performing these key processes, and
- develop a system to use these measures to continuously improve all key processes.

Strategy

The state of the art in quality measurement, especially in professional service organizations, is still in its formative stages. Virtually all organizations we studied told us that new thinking is needed in this area. This implies that GAO should experiment with alternative measurement approaches as we move into implementation.

We recommend that the GAO Quality Council create a Measurement Work Group, using some members of the existing Measurement Planning Group. This new group should then develop/enhance its knowledge of the best measurement practices of leading organizations in the corporate and public sectors and work to raise the level of knowledge within GAO regarding quality measurement. This group should also work with other work groups to determine how to use their findings to develop better quality measures.

At the end of 2 years, we anticipate that reliable and relevant measures will be in place to measure

- process quality,
- product/service quality,
- customer satisfaction, and
- employee satisfaction.

We also anticipate that the role of measurement in improving quality will be generally understood within GAO.

Benchmarking

Benchmarking is an important part of quality management because it provides an opportunity for an organization to understand and improve its key work processes. Benchmarking is a structured technique that generally includes the following steps:

- identifying a key work process requiring improvement,
- identifying another organization (a benchmark "partner") that excels in the selected process,
- gaining an understanding of your own and your partner's processes,
- identifying opportunities to improve your own process, and
- implementing process improvements.

Through benchmarking, GAO will have an opportunity to improve significantly in some key areas.

Goals

Develop a benchmarking capability within the next 2 years. This means that GAO will have documented key processes in need of improvement, identified possible benchmarking partners, conducted some preliminary benchmarking, and assessed the strengths and weaknesses of a benchmarking strategy.

Develop an "institutional memory" that includes an awareness of the theory and practice of benchmarking in other leading organizations. Specific benchmarking training will be provided to GAO employees who plan to use benchmarking applications.

Strategy

We recommend GAO-wide process improvement efforts use benchmarking as one technique for continuous improvement. Benchmarking should not be performed by any team or unit that lacks an understanding of its theory and application. A firm understanding of the system under review and the authority to implement changes once

the fieldwork is completed are <u>essential</u> for benchmarking to succeed at
GAO.

Closing Remarks

We are encouraged by the enthusiasm that many of you have already shown for quality management. At the same time, we are aware of the mistakes of other organizations that have tried to implement quality management too quickly, that is, before they possessed the necessary knowledge and commitment. Thus, in developing this plan we tried to balance the desire to get all of you involved as soon as possible with the need to proceed realistically, considering our overall resource and work load constraints. We realize that this plan does not contain all the answers, particularly about how and when each of you will be affected. We hope, however, that you will view the plan for what it is—a good-faith effort to chart the initial steps that we must take on what may prove to be a long journey.

We look forward to growing with you in a deeper understanding of quality management and what it means for GAO and to sharing in the excitement of those initial improvements that will begin to move GAO toward becoming the world's leading organization engaged in audit, evaluation, and public policy analysis.

GAO Quality Council
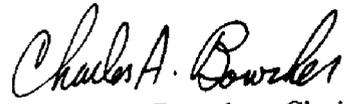
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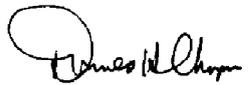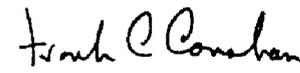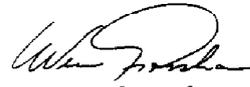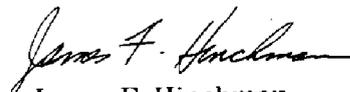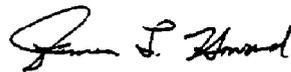
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J. Dexter Peach

Milton J. Socolar
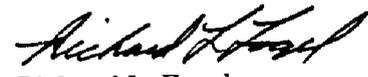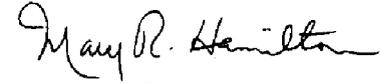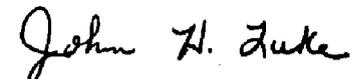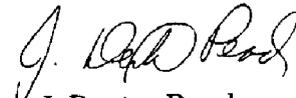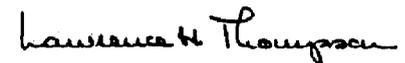
Lawrence H. Thompson

Summary Schedule of Major Quality Goals, Activities, and Milestones (January 1990 - November 1993)

Figure I.1: Summary Schedule of Major Goals, Activities, and Milestones

	Goals			
	Learn the concepts of quality management. Decide whether to adopt quality management in GAO.	Begin to build a quality structure. Establish role of pilots. Develop 2-year quality improvement plan.	Develop better understanding of customers' needs. Improve key processes. Develop/present first in-house quality training courses.	Develop quality measures based on customer needs. Strive to involve most GAO employees in quality improvement. Develop the next 2-year quality plan.
Key Activities	**Decide**	**Prepare**		**Begin Implementation**

Determine Customer Needs
- Survey the Congress. — 11/91–10/92
- Survey GAO's internal customer (employees). — 2/92–8/92

Analyze Key Processes
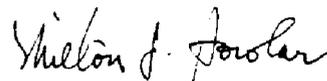- Identify first processes for review. — 1/92–5/92
- Establish and train first task teams. — 1/92–5/92

Expand Quality Implementation
- Establish and staff Quality Management Group. — 12/90–4/91
- Establish GAO Quality Council. — 3/91–4/91
- Establish Quality Network. — 12/91–4/92

Education and Training
- GAO executives visit quality companies. — 12/90–6/91
- Train pilots. — 6/91–12/92
- Brief all GAO employees on quality management fundamentals. — 12/91–6/92

Communications
- Develop communication system to implement quality management. — 11/91–4/93
- Establish and train task teams. — 1/92–4/92
- Determine the changes needed to improve GAO's internal communications. — 6/92–12/93
- Begin implementing changes. — 1/92–

Jan.–Apr. May–Aug. Sept.–Dec	Jan.–Apr. May–Aug. Sept.–Dec	Jan.–Apr. May–Aug. Sept.–Dec	Jan.–Apr. May–Aug. Sept.–Dec.
1990	1991	1992	1993

☐ Shaded areas indicate that the event has been completed (or has passed).

	Goals			
Key Activities	Learn the concepts of quality management. Decide whether to adopt quality management in GAO.	Begin to build a quality structure. Establish role of pilots. Develop 2-year quality improvement plan.	Develop better understanding of customers' needs. Improve key processes. Develop/present first in-house quality training courses.	Develop quality measures based on customer needs. Strive to involve most GAO employees in quality improvement. Develop the next 2-year quality plan.
	Decide	**Prepare**		**Begin Implementation**

Reward, Recognition, and Compensation

- Address concern raised by focus groups. — 11/91-3/92
- Survey all GAO employees on RR&C issues. — 2/92-12/92
- Develop organizational consensus on required changes. — 1/93-10/93

Planning

- Prepare draft Quality Improvement Plan. — 5/91-11/91
- Develop an approach to improve GAO's overall planning process. — 1/92-7/92

Employee Suggestion System

- Develop an employee suggestion system that will support quality management. — 12/91-4/92
- Present proposal to GAO employees for review and comments. — 5/92-7/92
- Implement new suggestion system. — 6/93-12/93

Measurement

- Establish and train the Measurement Committee. — 1/92-3/92
- Identify proposed measures. — 3/92-6/92
- Test measures. — 8/92-12/92

Benchmarking

- Develop benchmarking plan. — 12/91-4/92
- Begin benchmarking GAO's key processes against those of other organizations. — 5/92-10/92

Jan.-Apr.	May-Aug.	Sept.-Dec	Jan.-Apr.	May-Aug.	Sept.-Dec	Jan.-Apr.	May-Aug.	Sept.-Dec	Jan.-Apr.	May-Aug.	Sept.-Dec.
	1990			1991			1992			1993	

Shaded areas indicate that the event has been completed (or has passed).

Quality Structure in GAO

Listed below are the existing and proposed quality organizations. We have also included the names of their members, where applicable.

GAO Quality Council

The GAO Quality Council is responsible for providing overall direction and leadership for GAO quality management activities. Specific roles and responsibilities include

- developing GAO's Vision, Mission, and Guiding Principles;
- approving GAO-wide policy;
- setting organizational priorities;
- allocating resources for training and support activities;
- recognizing and rewarding process and product improvements;
- communicating with the customer (Congress) to
  - measure satisfaction,
  - determine needs, and
  - gain acceptance for GAO quality improvement efforts;
- identifying GAO-wide processes to be reviewed and establishing priorities for GAO-wide teams;
- chartering, supporting, and monitoring progress and results of these teams;
- modeling quality management approaches; and
- providing linkage to unit-level quality councils.

Figure II.1: GAO's Structure for Quality

Quality Council

Design and Implementation Team

Implementation Groups

Co-chaired by members of the Quality Council and the Design and Implementation Team.

Quality Management Group

Division Quality Councils

Regional Office Councils

Staff Office Councils

Quality Network
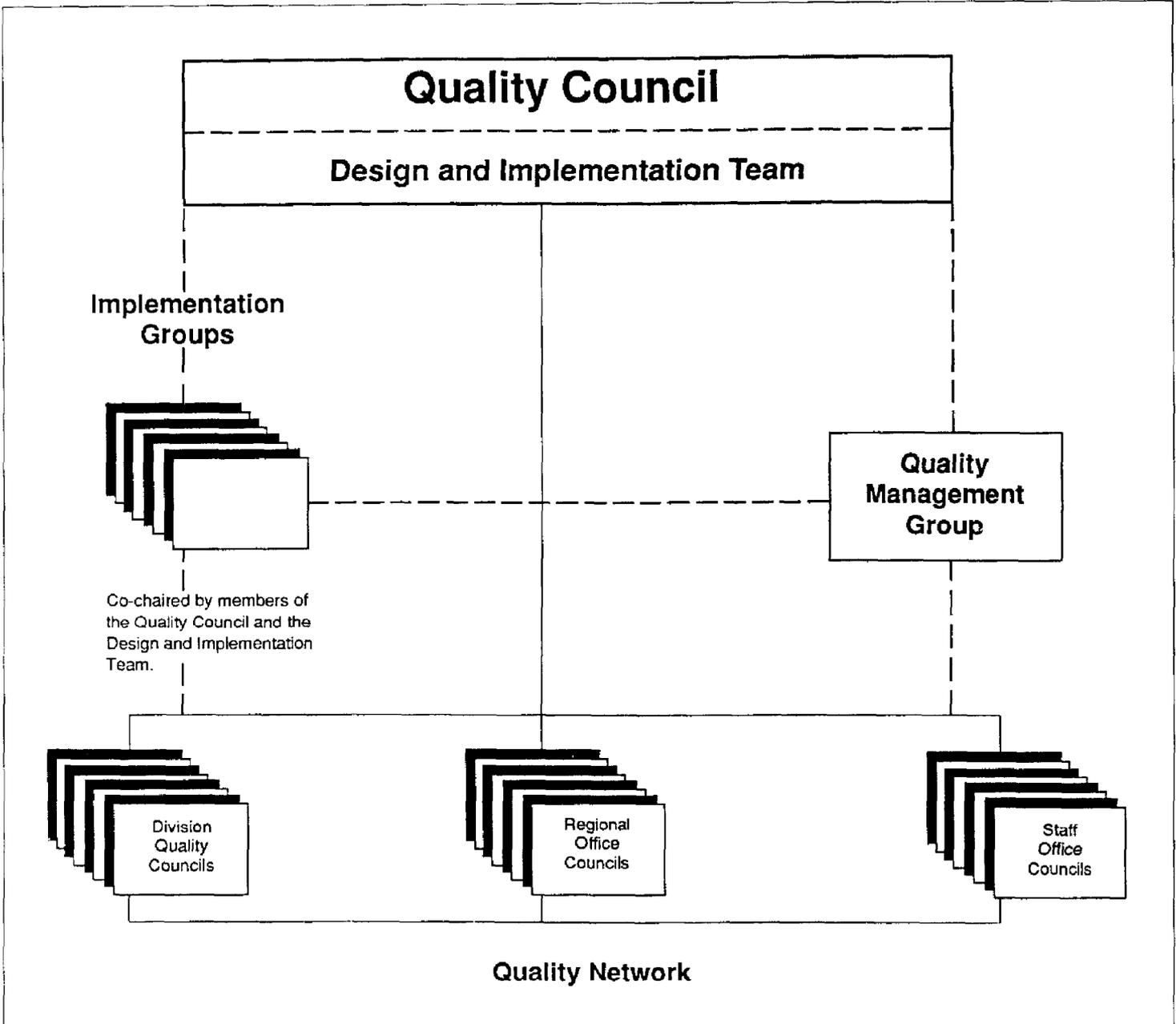
Members of the GAO Quality Council

Charles Bowsher, Chair	Ralph Carlone
Don Chapin	Eleanor Chelimsky
Frank Conahan	Dick Fogel
Werner Grosshans	Mary Hamilton
Jim Hinchman	Don Horan
Jim Howard	John Luke
Tim McCormick	Dexter Peach
Milt Socolar	Larry Thompson

A number of GAO executives and Employee Council representatives are invited as observers to all Quality Council meetings.

Permanent Observers

Kevin Boland	Dick Brown
Cleve Corlett	Tyra DiPalma
Joan Dodaro	Bill Gainer
Tom Hagenstad	Harry Havens
Terry Hedrick	Allan Mendelowitz
Tammie White	Paul Williams

Design and Implementation Team

The Design and Implementation Team was established to provide continuity and unit-level leadership for quality management and to provide a way to involve a range of senior executives in implementation activities. Team roles and responsibilities include

- supporting change at the unit level through leadership and example,
- coordinating quality activity across the organization, and
- participating directly in quality initiatives through involvement on implementation work groups.

Members of the Design and Implementation Team

Dick Fogel, Chair	Mary Hamilton, Vice-Chair
Kevin Boland	Gene Dodaro
Joan Dodaro	Judy England-Joseph
Frank Frazier	Keith Fultz
John Hill	Butch Hinton
Joan Hollenbach	Sally Jaggar
Barry Kaufman	Nancy Kingsbury
Jim Meissner	Allan Medelowitz
Paul Posner	Janet Shikles

Implementation work groups will be established and staffed as the implementation unfolds. Representation will be sought from throughout GAO.

Quality Management Group

The Quality Management Group (QMG) is a core group of full-time quality professionals who provide support and expertise to all GAO units and employees either involved with or contemplating involvement in quality management activities. QMG's roles and responsibilities include

- coordinating quality management activities throughout GAO;
- facilitating communications about quality management activities;
- supporting the Quality Council, the Design and Implementation Team, and the Quality Network;
- establishing and maintaining a quality management information resource center and clearinghouse; and
- working with the Training Institute to develop an education and training program that supports quality management.

Members of the Quality Management Group

Mary Hamilton, Director	Gil Mayhugh, Deputy Director
Graig Anderson	Terry Davis
Maureen Machisak-Herndon	Sandra McDonald
Catherine Myrick	Dennis O'Connor
Sylvia Posten	Darlen Bell (part-time)

Quality Network

Quality management will succeed only if we gain the trust, commitment, and enthusiasm of all of GAO's employees. Toward this end, a Quality Network will be established to make quality management accessible to all employees. Composed of facilitators from each unit involved in implementing quality management, the Quality Network will serve as a sounding board, a source of new ideas, and a channel for quickly transmitting important quality management information. Unit managers will

select a person who will be asked to serve as a liaison between unit management, unit employees, other units, and other elements of the quality organizational structure. The Quality Management Group will coordinate the overall Quality Network. We recommend that the full Quality Network meet at least quarterly as the quality management implementation unfolds.

Quality Management Pilots

Two quality management pilots have been under way during the past year, one in NSIAD's Trade, Energy, and Finance Issue Area (including the Economic Analysis Group and three regional offices) and the other, a joint GGD/Regional Office pilot (involving eight regional offices). The purpose of these pilots is to gain experience and knowledge about how best to implement quality management throughout GAO. Lessons learned from these pilots will be used by the GAO Quality Council to develop realistic approaches on a GAO-wide basis. It is envisioned that the pilots will eventually cease to exist as quality management principles and practices become institutionalized throughout GAO.

Quality management pilots will

- implement and test quality management practices,
- seek to improve products and services to better meet customer needs,
- enhance employees' problem-solving and communication skills,
- document and share lessons learned with other units, and
- keep the Quality Council informed of their status and progress.

Unit Quality Councils

Unit quality councils are responsible for leading the unit toward continuous improvement as a way of life. Unit quality councils should have as members the same people who are involved in managing the work of the unit. Within the unit, their roles and functions closely parallel those of the GAO Quality Council in that they

- ensure continuing education in quality management principles and skills;
- establish a system to communicate leadership's commitment to quality and the status of quality management;

- review and approve the charters of quality improvement teams;
- review and approve plans developed by the quality improvement teams to ensure consistency with major objectives and the overall GAO plan;
- recommend and request resources to implement quality management;
- monitor progress, success, and problems in implementing quality management;
- report results and recommendations to the GAO Quality Council; and
- create a total quality environment through active leadership.

Quality Improvement Teams

Quality Improvement Teams (QIT) will be established at all levels of the organization to study the processes used at GAO. Using a structured, problem-solving methodology, QITs will

- identify problems and obstacles to efficient operations,
- recommend solutions,
- work to implement solutions, and
- track the results.

The types of QITs that could become operational within GAO during the next 2 years are outlined below.

Functional Teams

Include people from a single functional area. In a division, for example, the functional area can be defined as the job staff or the entire group reporting to an assistant director within a specific issue area. The ideal size is six to eight members, and membership is normally voluntary.

Cross-Functional Teams

Include people from more than one functional area to work on improvement opportunities that cut across areas. Cross-functional teams can be GAO-wide or unit-wide. For example, in a division, a cross-functional team could include staff from different groups within the same issue area that may be affected by the same processes (e.g., site resources, location, operating practices/procedures). Team membership can be voluntary or management directed. As with functional teams, the ideal size is six to eight members.

Task Teams

Include employees from one or more functional area. They are formed to solve a specific problem or group of problems and disband upon completion of the task. Typically, management assigns members to the team

based on their background and experience. Task teams may be somewhat larger than functional or cross-functional teams, depending on the scope of the problem.

Quality Management Planning Groups

This plan was developed by many GAO employees working together. The overall planning process was broken out into a series of planning areas. Each planning area was addressed by a planning group chaired by a member of the GAO Quality Council. The planning groups, which are listed below, met over several months and sought to bring a wide range of viewpoints into the quality planning process.

Customer Survey and Analysis

Dexter Peach, Chair	Keith Bonney
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Brian Crowley	Terry Davis
Larry Dyckman, Group Facilitator	Vic Ell
Alice Feldesman	Julie Gerkens
Tom Hagenstad	Butch Hinton
Chris Hoenig	Ken John
Paul Posner	Vic Rezendes

Key Process Analysis

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Cheryl Donahue	Mary Hamilton

Barry Kaufman	Nancy Kingsbury
Bob Petersen	Nina Pfeiffer
David Turner	Bernie Ungar
Tammie White	Kelly Wolslayer

Organization for Quality

John Luke, Chair	Craig Anderson
Susan Burtner	Sharon Chamberlain
Gene Dodaro	Debbie Eichhorn
Frank Frazier	Harriet Ganson
Mary Hamilton	Shirley Hendley
Ray Rist	Janet Shikles

Education and Training

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Judy England-Joseph	Harriet Ganson
Terry Hedrick	Lee Ho
Jim Howard	Bill Moore
Catherine Myrick	Sue Snyder

Communications

Tim McCormick, Chair	Kevin Boland
Tom Brew	Kurt Burgeson
Clarence Crawford	John Hill
Jim Hinchman	Laura Kopelson
Steve Lord	Jim Meissner
John Needham	Dennis O'Connor
Mike Speer	Harry Taylor
Pam Vines	Sallie Warren

Measuring Quality Improvement

Jim Hinchman, Chair	Craig Anderson
Sara Denman	Johnny Finch
Keith Fultz	Bill Gainer
Mike Gryszkowiec	Rick Hillman
Wil Holloway	Don Horan
Art Kendall	Chris Kopocis
Fred Layton	Sid Winter

Reward, Recognition, and Compensation

Eleanor Chelimsky, Chair	Felix Brandon
Wil Campbell	Tyra DiPalma
Joan Dodaro	Frank Etze
Cliff Fowler	Ron Lauve
Marilyn Mauch	Allan Medelowitz
Catherine Myrick	Jagdish Narang
Kathy Sternberg	Dave Utzinger
Jim Wright	

GAO Planning Process

Dick Fogel, Chair	Dick Brown
Hazel Edwards	Bill Gainer
John Harman	Don Horan
Jim Martin	Gil Mayhugh
Jane Ross	

Employee Suggestion System

Werner Grosshans, Chair	Claudia Cooper
Terry Davis	Dave Hanna

JayEtta Hecker	Jim Howard
Sally Jaggar	Bob Shelton
Jane Trahan	Linda Watson

Benchmarking

Larry Thompson, Chair	Craig Anderson
Ralph Carlone	Mark Gebicke
Donna Heivilin	Tony Hill
Joan Hollenbach	Dave Jones
Ken Mead	Mort Myers
Rona Stillman	

Philosophy and Principles of Quality Management

Milt Socolar, Chair	Don Chapin
Jim Hinchman	Gil Mayhugh
Dexter Peach	

Chronology of Quality Management in GAO

Decision Phase

June 1990	Dr. W. Edwards Deming visits GAO to discuss his management philosophy with executives and staff.
July 1990	CG authorizes NSIAD/TEF pilot.
September 1990	CG authorizes the GGD/Regional Office pilot.
October 1990	CG kicks off the NSIAD/TEF pilot.
November 1990	At the annual GAO Management Conference, CG announces that he is considering adopting a quality management philosophy at GAO.
December 1990	ACG for Operations issues the Quality Management Scoping Study, which examines the possibilities of adopting a quality management philosophy at GAO. CG decides to adopt a quality management philosophy at GAO and appoints director of the Quality Management Group.

Preparation Phase

March 1991	CG and top executives participate in quality management training session presented by representatives from leading quality management companies.
April 1991	CG announces formation of GAO Quality Council to assist in leading the transformation to quality management.

	GAO Quality Council meets for the first time. CG shares his views on <u>why</u> quality management is important to GAO. A monthly speaker series on quality management topics begins.
May 1991	CG asks for a <u>Quality Improvement Plan</u> to guide GAO for the next 1 to 5 years.
June 1991	Quality improvement planning committees are formed. Each committee is chaired by a member of the Quality Council.
September 1991	CG appoints a high-level Design and Implementation Team to assist the Quality Council in planning and implementing quality management in GAO.
October 1991	Quality Council approves draft of GAO's <u>Vision, Mission, and Guiding Principles</u>.

Suggested Sequence for Implementing Quality Management at the Unit Level

Planning and preparation are key ingredients to the success of any endeavor, and this certainly applies to implementing a major change in management philosophy such as quality management. We expect that the units will go through a preparation phase very similar to that which GAO has experienced as an organization. The Quality Management Group will be available to consult with and assist the units as they prepare to pursue quality management. We recommend that each unit take the following steps as they prepare for and implement quality management.

- Meet with the Quality Management Group to discuss the process required to prepare for and implement quality management.
- Schedule a meeting with the GAO Quality Council to discuss general intent to proceed with quality management and to share concepts for doing so.
- Identify key staff and a unit focal point to begin developing an understanding of quality management principles. The key staff and focal point should attend awareness training to develop a foundation in quality concepts and principles.
- Meet with pilot groups and the Training Institute to factor in lessons learned and to develop an initial training plan.
- Establish a unit Quality Council, define its role and functions, and train its members.
- Conduct a unit "quality survey" to establish a baseline for measuring change.
- Charter and train a Design Team and prepare the unit implementation plan.
- Brief unit staff on the unit's implementation plan and its relationship to the GAO implementation plan. Incorporate staff comments into plan.
- Provide orientation on quality management to all unit employees.
- Train team leaders and facilitators on a "just-in-time" basis.
- Charter teams.

Key Terms in Quality Management

Benchmarking	A process used to identify the best practices from industry and government that may directly or indirectly relate to an organization. An organization doing benchmarking must first understand its own processes well enough to know what approaches from another organization might help improve its processes.
Charter	The official approval by the Quality Council of a team to undertake a project with a specific scope.
Constancy of Purpose	A philosophy that stresses consistent decision-making and focuses on the long-term perspective.
Cross-Functional Team	A team composed of employees from different units or functions who solve cross-cutting problems and formulate joint plans resulting in a solution or product affecting the organization.
Culture	The pattern of shared beliefs and values that gives the members of an organization rules of behavior or accepted norms for conducting business.
Customer	Anyone who uses or is affected by a product or process. Customers may be internal or external.
Facilitator	A trained individual who guides and supports quality improvement teams in using problem-solving techniques, developing and functioning as a team, and keeping the team on track.
Functional Team	A team composed of employees from a single functional area that may be a natural work unit who select their own project theme. Membership is voluntary, and the team is ongoing.
Quality Management	A leadership philosophy that demands a relentless pursuit of quality and the stamina for continuous improvement in all aspects of operations: product, service, processes, and communications. The major components of quality management are leadership, a customer focus,

continuous improvement, employee empowerment, and management by fact.

Quality Council	A group responsible for leading the effort to make continuous quality improvement a way of life in their unit. The GAO Quality Council is similar to a board of directors.
Quality Network	A group composed of individuals in each unit who work with the unit's leadership and staff to help implement and communicate quality management.
Task Team	A designated team that addresses specific problems identified by management. The members are appointed by management based on their position in the organization or on specific experience, skills, and viewpoints each brings to the task.
Team Leader	A person trained to lead any type of team. Duties include leading team meetings, leading the team through problem-solving processes, teaching and reinforcing the quality improvement techniques, and communicating with unit managers.

Commonly Asked Questions About Quality Management at GAO

Why Is GAO Adopting Quality Management?

GAO is an organization that has had a long-term commitment to constantly improving the quality of our work and products. Recently, in response to a congressional request, we studied the implementation of quality management in private-sector organizations. As we visited these organizations and met with their management and staff, we noted that they had significantly improved their quality while also improving their efficiency and customer responsiveness. They also featured healthy organizational cultures that drew on the skills and abilities of all their employees. The more we learned about their experiences, the more interested we became in trying quality management ourselves.

Currently, we face a situation in GAO where we have far more requests than we have the resources to address. We have worked very hard in recent years to improve our efficiency while maintaining our quality, and we have made some progress. However, we believe that in order to make significant progress, we are going to have to approach our work very differently.

Quality management offers a comprehensive approach to managing that has helped other organizations make significant changes in quality, efficiency, and effectiveness. One of the key strengths of quality management is involving all people in the organization in quality improvement efforts. Generally, the employees closest to the work processes are in the best position to recommend improvements. We believe quality management will allow us to provide much higher levels of service to all of our customers—both external and internal.

How Is Quality Management Different From Other Initiatives, Such as Teams, HWDOW, and OIP?

Quality management is far more comprehensive than these earlier initiatives and is based on the involvement and commitment of the full GAO work force. Quality management is also based on a management concept that has proved its power in organizations across the world: Empowered employees, knowledgeable of their customers' requirements and those of their job and supported by a culture that recognizes their self-esteem and dignity, will accomplish tremendous things for their organization. Quality management will force us to look at every aspect of how GAO works.

Why the Emphasis on Training Top Management? When Will the Rest of the Staff Be Trained?

Until top management thoroughly understands and adopts the new paradigm and approach, we really cannot practice quality management. Management alone has the authority to improve the systems that determine how well we work together. Only management can create the overarching values, priorities, processes, and procedures that will lead to a continuously improving GAO. All employees have valuable ideas on how to improve their work, but only management has the authority to create the systems that allow these ideas to take effect.

All employees will receive some form of quality management training. We will be developing a training approach over the next few months and phasing it in as individual units begin their quality management efforts. Meanwhile, we encourage you to take the initiative to learn as much as possible about quality management and its applications by reading articles and books, attending the speaker series, and watching tapes. The Quality Management Group has a list of articles, books, and other materials that will be helpful.

How Long Will Some of These Changes Take?

Organizations that have successfully transformed themselves tell us it takes at least 5 years to realize the full benefits of the changes in operating principles and philosophy. Intermediate benefits may be realized within a fairly short period, however. For example, a recent study of 20 companies that qualified as finalists for the Malcolm Baldrige National Quality Award revealed that these companies reported significant improvements in performance in less than 3 years. Of course, all organizations face unique challenges, and the experience of others cannot predict GAO's future.

What Is "Off Limits" for Quality Management?

As units form councils and begin to explore areas for improvement, anything within the realm of the particular unit should be a candidate for improvement. However, there may be issues that are cross-cutting and, therefore, require a GAO-wide team.

How Does Quality Management Affect Our Pay-for-Performance Process?

At this point, we do not know what aspects of the pay-for-performance process will be addressed. GAO's situation is not fundamentally different from that of other private- and public-sector organizations. Performance management is an evolving area that requires further research and empirical analysis.

During the next 2 years, we intend to make pay decisions using the existing PFP criteria. We also plan to assess the PFP system to see how it fits with our approach to quality management and to determine what changes may be necessary to support our quality management goals.

How Will We Determine That We Are Doing Quality Work?

One early step in quality management is to develop a practical definition of quality that can guide an entire organization. At GAO, we have a vague sense that "we do quality work already." Quality management will help us sharpen our knowledge in this area. We will begin to define quality through the eyes of our external and internal customers. We will then seek to create operational definitions of quality that will be used to modify the way we do our work to achieve higher quality.

The key point here is that we need to think broadly and creatively about new ways to change the processes that we use every day to do our work. Leaders in the field of quality say unequivocally that you can achieve significant improvement only by understanding and changing your current ways of doing things.

What Does GAO Expect to Get Out of Quality Management?

We hope ultimately to create a GAO that is more responsive to the needs of its customers and employees, that produces a higher quality of products and services, that has an environment of continuous improvement, and that provides a much more enjoyable and rewarding work environment. To accomplish these goals we need to rid ourselves of the barriers that prevent our working together in a productive, candid, and open manner.

How Will the Roles of Middle Managers Change Under Quality Management?

Other organizations have told us the importance of involving middle managers in quality management activities. These managers are often the key liaison between the employees involved with the day-to-day, front-line activities and the senior-level management that shapes the policies and procedures governing these activities. GAO's middle managers will be critical to the success of our quality management effort. As the effort progresses, role changes are likely to emerge for many of our

employee groups; it is too early to know the nature and extent of these changes with respect to middle management.

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