TQM for Local Governments

The

Principles

and

Prospects

Pat Keehley

66 **W**hy do we spend so much time and energy on quality management? Because it is the key to constantly improving the quality and efficiency of service to our customers: the citizens of Wilmington. That's what good government is all about."

William Harris, City Manager, Wilmington, North Carolina

Wilmington, North Carolina, is one of many local governments that has adopted Total Quality Management (TQM) as its new way of doing business. Other local governments using TQM include Austin, Texas, Madison, Wisconsin, Palm Beach County and Volusia County, Florida, Erie, Pennsylvania, and Brighton, Colorado. Each reports remarkable gains in services to citizens while reducing the costs of delivering these services.

Their success is welcome news during times of citizen discontent with government and tightening budgets. Says Tom Kelly, county manager of Volusia County, Florida, "The flow of dollars from federal and state government is drying up. Consequently, we have to work smarter—more efficiently and effectively. Quality management helps us do this."

What is Total Quality Management?

In TQM, quality is really a code word that means everything of value to a public service organization and the end users of its services. This includes the physical characteristics of the service, productivity, efficiency, ethics,

morale, safety, and wise use of resources.

Quality management is a set of principles, tools, and procedures that provide guidance in the practical aspects of ensuring quality in services. The word total is added to quality management to signify that it applies to all parts of an organization. Certain elements of TQM distinguish it from other management styles and are critical to its success.

Principles of TQM differ from those of the more traditional management style common to most private and public sector organizations. Figure 1 shows the differences in principles between the two management styles.

TQM's most important, yet often misunderstood, principles are customer focus, process, continuous improvement, and involvement of all personnel.

Customer focus: In TQM, the "customer" is anyone who receives information and services, regardless of their location within or outside an organization. Customers, not the people who serve them, define quality. Thus, TQM organizations spend much of their time determining customer expectations. This is done through formal and informal interviews, surveys, and frequent discussions with users of services. Most important, learning customer expectations is considered a routine and automatic part of running an organization.

In many local governments, managers assume they know what citizens want. These assumptions may come from past practices, or often a "gut feel" for what is best. Under TQM, objective information on customer expectations becomes the focal point of designing, delivering, and improving public services. For example, in Wilmington it was always customary to cover drainage ditches because managers assumed this is what citizens wanted. A survey of one neighborhood indicated residents were not concerned whether their new

Figure 1: Comparison of Traditional and TQM Management Principles

Traditional Management	Total Quality Management
Needs of users of products and services defined by specialists	Customer focus, where users of products and services define what they want
Errors and waste tolerated if they do not exceed set standards	No tolerance for errors, waste, and work that does not add value to products and services
Products and services inspected for problems, then "fixed"	Prevention of problems
Many decisions governed by assumptions and gut feelings	Fact-based decisions using hard data and scientific procedures
Short-term planning based around budget cycle	Long-term planning based on improving mission performance
Product or service designed sequentially by isolated departments	Simultaneous design of total product or service life cycle by teams from many functions
Control and improvement by individual managers and specialists	Teamwork among managers, specialists, employees, vendors, customers, and partner agencies
Improvement focused on one-time breakthroughs such as computers and automation	Continuous improvement of every aspect of how work is done
Vertical structure and centralization based on control	Horizontal and decentralized structure based on maximizing value added to products and services
Short-term contracts awarded based on price	Vendor partnership of long-term buyer/seller obligations, based on quality and continuous improvement

ditch was covered. The result was no ditch covers, with a savings of $250,000 in planned construction cost. Other surveys in Wilmington have helped focus neighborhood revitalization projects, while interviewing city employees aided in the design of work uniforms that were practical, comfortable, and attractive.

While citizens and end users are the most important customers of local government, most government employees seldom come into contact with them. Instead, they work with

"internal" customers, people or groups in one part of an organization who receive information and services from other groups within the organization. For example, in waste management, truck drivers are the customers of mechanics who service their trucks. In improving services to the drivers, the mechanics start by interviewing the drivers to determine their expectations on schedules, the type of work to be done, and so on. In turn, the mechanics are customers of the parts

and supplies department, which routinely ask them about their expectations for timely delivery of the right parts.

Public managers who start to apply TQM soon discover they have many customers—citizens, elected officials, environmentalists, developers, oversight agencies, unions, and other stakeholders. Balancing the expectations of each is not easy. TQM's emphasis on identifying and describing customers, then objectively listing their expectations is the starting point for this balancing act; other important elements of TQM follow.

A quality management organization strives for continuous improvement. Quality is considered a journey, not a destination. The objective of this journey is continuous improvement of how work is done. According to Patsy Davis, TQM coordinator in Wilmington, "It is a shift in thinking about the way you work. You constantly examine and critique what you do, to find better ways to do it." Quality management organizes this examination through use of special procedures and tools that enable every employee to make sound improvements.

Involving everyone in improvement: Everyone—management and employees—is involved in improvement. There is a mistaken notion that employee participation by itself is sufficient to ensure continuous improvement. TQM's position is that everyone involved in a process can and should take part in its improvement. This goes for managers *and* employees.

To ensure that improvements happen in the desired direction, managers set strategic goals and objectives based on research on customer expectations. Says Camille Barnett, the city manager of Austin, Texas, "We have developed a clear corporate agenda and vision for Austin, and our business plans are based on

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these. By communicating our goals and vision throughout operations, managers help ensure that everyone focuses their efforts on priorities."

A central concept of TQM is that, with training and management guidance, employees who work in a process are in the best position to improve it. According to Dr. Kelly, manager of Volusia County, Florida, "In any organization, there are a lot of people who can help you solve problems at every level. For example, some people in our mosquito control program can't read. But when I dropped in on a meeting where they were using quality improvement methods to solve a problem related to hitting power lines, they sounded

like management analysts." A related story on page 14 covers other instances of staff teamwork in Volusia County.

Underscoring how management motivates improvement, Dr. Kelly reports that, " ... one member of the mosquito control team told me, 'I thought that this was a bunch of nonsense, because no one used to listen to us. The fact that a manager dropped in showed me that what we are doing is important.'"

Empowering employees to make daily decisions also is an important part of TQM. The objective is to lower decision making to a level where people can take quick action to satisfy customers, handle problems, and make improvements. Empowerment is not easy. It results from giving employees management guidance, feedback on performance, training in basic job skills and improvement methods, and, after all this is done, authority and responsibility.

TQM encourages the involvement of customers and suppliers in improving processes. Customers may serve on improvement teams, offering advice and helping identify solutions. Outside vendors may sit beside employees and managers during problem-solving sessions, where once they were kept at arm's length.

Origins of TQM

Often mistaken as "Japanese-style management," TQM has solid roots in American management systems and theory. On the technical side, such basic TQM tools as statistical process control and scientific problem-solving methods were developed early in this century in organizations such as Bell Laboratories. American quality pioneers like W. Edwards Deming taught these systems in Japan after World War II. Other pioneers, including Joseph M. Juran and Armand V. Feigenbaum, also jour-

Major Results from Quality Management ...

Brighton, Colorado, Police Department Chief Robert Galloway reports that every month his department surveys a sample of three categories of its customers: crime victims, users of service-only (non-criminal) incidents, and traffic law violators. After two years of the department's Total Service Quality initiative, 98 percent of customers surveyed say the police do a good job serving the community. In addition, complaints to the council about Brighton's police dropped from 32 the first year to none. Employee turnover has dropped from 45 percent in 1988–89 to 3.5 percent in 1990.

The county government of Palm Beach County, Florida, suffered 10.6 percent increases in per capita operating costs each year between 1982 and 1986. In 1986, the county started a major management improvement initiative, with TQM as a driving force. Between 1986 and 1990, per capita operating cost increases were held to 1 percent per year, while fully funding capital needs. Since 1990, per capita costs have been reduced 8.8 percent, while those of neighboring counties have gone up about 10 percent. The county's current operating costs are about 20 percent lower than its neighbors'.

... And Minor Gains That Add Up

During the first seven years of its improvement effort, the Volusia County, Florida, government activated a total of 160 employee teams in nearly every county department. The teams have focused on continuous improvements in their work processes. While the improvements are small, collectively they have helped increase service quality, lower costs, and protect the public safety:

- A team of maintenance workers at the county airport looked for ways to speed the cleaning of aircraft parking areas. Team research identified a faster and more effective degreaser for oil spills, which saved labor costs and increased airport user satisfaction.
- A team of county correctional facility guards documented that inmates could eavesdrop on radio communications between officers. Based on team recommendations, the facility installed telephones at key locations, including the watchtowers, dormitories, and central control areas.
- Deputy sheriffs were responding to nonpolice-related calls, thus duplicating services available from other agencies. Team research documented $16,500 in labor savings if these calls could be redirected to appropriate service organizations. The team met with local service providers and researched the legal barriers and aids in developing suitable alternatives to delivering the services themselves. The result was the deputy sheriffs spending more time in law enforcement.
- A team of clerks from the Development and Code Administration simplified and partially combined residential and commercial zoning permits applications, reducing the total number of forms from five to three. The team also computerized the forms for ease and speed of input.

County Manager Tom Kelly points out, "Our highly structured team problem-solving approach has given us a good foundation. We now are moving into our next phase, and are starting to apply these skills to streamlining and redefining our major processes. As part of this, we're networking with industry leaders like IBM to learn from the new ways they process goods and services."

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neyed to Japan to teach their own modern approaches. Japanese management theorists and industrialists added their own tools and procedures to those of the American experts. They also taught quality methods to employees and literally forced outside suppliers to adopt the same methods.

North American companies began adopting and sometimes reintroducing these modern quality methods about 1972, focusing primarily on quality circles, small teams of employees trained to make improvements. Quality circles grew in number to several hundred thousand; without continued managerial support, however, most fell into disuse. About 1980, U.S. companies began to take a more comprehensive approach to quality management, including more customer focus and managerial action. Shortly there-

after, the federal government started experimenting with a new management system, and it was the U.S. Navy to first coin the term "Total Quality Management."

In 1992, most Fortune 500 companies are adopting all or parts of quality management as their new way of doing business. The federal government has mandated TQM for all its agencies, and state and local governments are starting to do the same. Both private and public sector organizations are discovering, however, that introducing TQM is a tough proposition. It represents a radical change from traditional management, one that requires a careful and comprehensive approach to implementation.

Other benefits of TQM

This article has focused primarily on the dollar-and-cents savings and improved citizen service that result from TQM. There are other benefits that set the stage for sustained improvement in local government services.

Betty Ledewitz, special assistant to Dr. Kelly, says, "In the process of introducing quality management, we've seen a lot of things we did not expect. These include increased understanding by employees as to where they fit in the overall system, networking among employees from different departments who before never talked with each other, and the ability to identify future leaders."

Dr. Kelly adds, "The quality movement has democratized the way we work, which helps us attract and retain bright and able employees. It's tough for county government to compete on wages alone, so this is important."

Finally, there is the personal reward that city and county managers get from seeing their people succeed. Says Dr. Kelly, "I always come out of employee improvement team meetings charged up—it's a real high for me." 𝗣𝗠

Pat Keehley is a managing associate at Coopers & Lybrand's Washington, D.C.-based Center of Excellence for Total Quality Management. This article is the first of several on quality management in local government. The articles will examine the basic concepts of TQM, how it is applied in local government, and the best ways to introduce this new management approach to administrators. TQM will be the subject of a preconference workshop and a session at the ICMA conference.