

# MAINE STATE LEGISLATURE

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State of Maine  
TQM Report  
1992-1994

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## INTRODUCTION

For the last decade, US businesses have been using TQM to improve their services, products and employee morale. Now the states are doing the same. Nearly every state is using TQM to bring needed change to government, although according to a national study, Maine is one of the few states which has legislation directing the implementation of TQM in all three branches of state government, according to the State Trends Forecasts published by the Council of State Governments (see appendices, section 1).

The trend in other states has been to pilot quality principles only in specific departments or agencies within the Executive branch of their state government. We lead the way by concurrently implementing TQM in all our state departments and agencies. Maine can be the example that shows TQM has the potential to achieve an efficient, productive service delivery system. This system will not only satisfy the customer, but will enable us to make the type of decisions we need to make to work within our economy.

Total Quality Management (TQM) provides an unparalleled opportunity for innovative, effective improvements in the public sector. Gaining employee commitment to organizational goals, streamlining work processes and continuous service improvements are critical components. TQM has unleashed in employees and management a spirit of collaboration and an energy and optimism that has created a shared vision for the future of Maine state government. Both hold the expectation that new leadership will endorse, encourage, and continue to develop this dynamic initiative. The frontier is limitless; the course for action will require progressive leadership for the future.

As with any attempt to achieve organizational change, there must be a commitment from executive management to provide the necessary human and

financial resources. The turn around for return on investment must be thought of in terms of long, not short, term. To date, the state quality initiative has enjoyed the requisite support and has positioned itself for a long-term commitment. Endorsements from department participants, union representation, and private sector council members have been received (see appendices, section 1) that recognize the accomplishments made to date and advocate the continuation of total quality management in state government.

## HISTORY

In early 1992, a restructuring study was conducted that resulted in a legislative mandate requiring each branch of Maine state government to implement TQM. The state's implementation process was guided by an independent consultant in conjunction with the state training director. Implementation began in February of 1993 with the formation of the Maine Quality Management Council (MQMC) which developed an aggressive implementation plan that included statewide training. From the onset labor has played an active role.

Additional legislation supporting TQM implementation was signed into law in July 1993 and April 1994. Some key highlights of the legislation include: council composition and responsibilities, employment security, expanding council membership to include classified employees, establishing the Office of State Quality Management and the funding mechanism which allocates 30 percent of department savings from the previous year to TQM related activities. Five percent of the departments' allocations is designated to the MQMC for statewide use. The legislation limits total funding to 2.5 million dollars. (See appendices, section 2.)

Early 1992	Restructuring study
April 1992	Legislative mandate- TQM in all 3 branches of government
December 1992	Executive branch hires TQM Consultant
January 1993	Implementation strategy adopted
February 1993	Maine Quality Management Council established
May 1993	MQMC "vision" and pilot PAT recommendations endorsed by MQMC
June 1993	Departments begin process

July 1993	TQM Legislation - LD 1542
August 1993	MQMC charters 2 pilot PATs
September 1993	MQMC "values"
November 1993	MQMC charters 3 PATs
December 1993	Mainly Quality newsletter to all employees on a regular basis
December 1993	Implementation schedule is developed
January 1994	2-Day Quality Team Orientation
Feb. - May 1994	1 day Statewide Awareness training for all employees
April 1994	Legislation adds Associate members to MQMC; an Office of State Quality Management; and 2 Total Quality trainers
May 1994	TQMU (a comprehensive training institute) is developed
	Pilot PATs recommendations reported
June-August 1994	Train-the-Trainers and statewide curricula developed
September 1994	1st round of Mid-Managers Team Leader training
December 1994	MQMC TQM Report and Transition Plan prepared; orientation proposed for new members
December 1994	Establish Blaine House Quality Awards Ceremony

(See appendices, section 2.)

## **COUNCIL COMPOSITION**

The MQMC membership is defined by legislation and consists of the Governor (serves as chair) who appoints the following members: representatives from each executive branch department (commissioners); representatives of other departments and agencies who choose to participate (department heads); representatives of each of the employee unions representing state employees as designated by each union. In addition the Governor determines other appropriate members including representatives of up to three (3) private sector businesses engaging in total quality management. In consultation with the Governor, the President of the Senate appoints one senator, and the Speaker of the House appoints one member of the House of Representatives. The Chief Justice of the judicial branch also serves as a member.

Each council member shall name one associate member, except that council members representing state employee unions may appoint one associate member to represent each union bargaining unit. Associate members serve at the pleasure of the appointing council member. Department quality councils will name a second associate member to the MQMC. This member must be a classified service employee of the department. One of the two department/agency members will also serve as the TQM coordinator (see appendix, section 3).

The change of administration will result in a number of council vacancies (commissioners and others who serve at the pleasure of the governor) to which the governor will need to make appointments.

Another issue which will require attention has been identified by the council - the need to reduce the size of the group attending council meetings. This could be accomplished by having the primary member and only one associate attend meetings, preferably the Commissioners and the TQM coordinators.



Maine Quality Management Council Composition

Governor (chair)	Department Commissioners (17)
Agency Heads (5 currently) & Associate	2nd Associates/Coordinators (17) 1st Associates (17)
Judicial (Chief Justice) & Associate	Maine State Employees' Assoc. Administrative Services Operations, Maintenance & Support Law Enforcement Professional & Technical Supervisory
Legislative: Speaker of the House & Associate	Maine State Troopers Association & Associate
President of the Senate & Associate	American Fed. State, County Municipal Employees & Associate
3 Private Organizations: L.L. Bean Central Maine Power Maine Medical Center	

## MODEL / STRUCTURE

The Maine Quality Management Council defines TQM as a “ **strategic, integrated management system for achieving customer satisfaction which involves all managers and employees and uses quantitative methods to continuously improve an organization’s processes.** ”

Organizations which have adopted TQM *focus on achieving customer satisfaction, seek continuous and long-term improvement* in all of the organization’s processes and outputs, and take steps to assure the *full involvement of the entire workforce in improving quality*. These three principles of TQM are incorporated in Maine’s definition of TQM. In addition to these three principles, key practices that have been identified as essential to the successful implementation of TQM are:

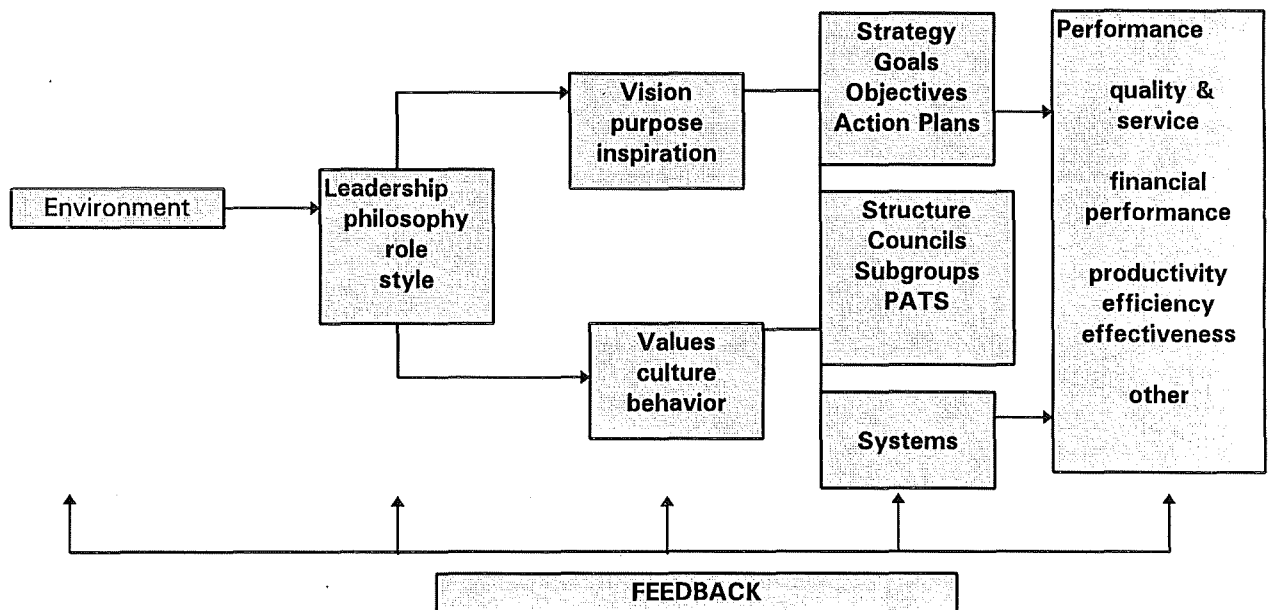
- Demonstrating personal leadership of TQM by top management,
- Strategically planning the short and long-term implementation of TQM throughout the organization,
- Assuring that everyone focuses on customers’ needs and expectations,
- Developing clearly defined measures for tracking progress and identifying improvement opportunities,
- Providing adequate resources for training and recognition to enable workers to carry the mission forward and reinforce positive behavior,
- Empowering workers to make decisions and fostering teamwork,
- Developing systems to assure that quality is built in at the beginning and throughout operations.

The model used initially presents a series of well defined, straightforward tasks that lead directly into the actions required in the subsequent steps. The improvement process is continuous, therefore, the procedure should be repeated as

necessary. Implicit in the model are multiple feedback mechanisms. To the maximum extent feasible, each step in the sequence should cause a review process to occur. This will result in improved performance including reduced cycle times, lower costs and increased innovation. This model spans the entire state TQM program starting at the council level and focuses on top management, greatly enhancing the possibility of success. Figure 1 portrays the model from a theoretical standpoint and figure 2 outlines the steps required to implement the theory.

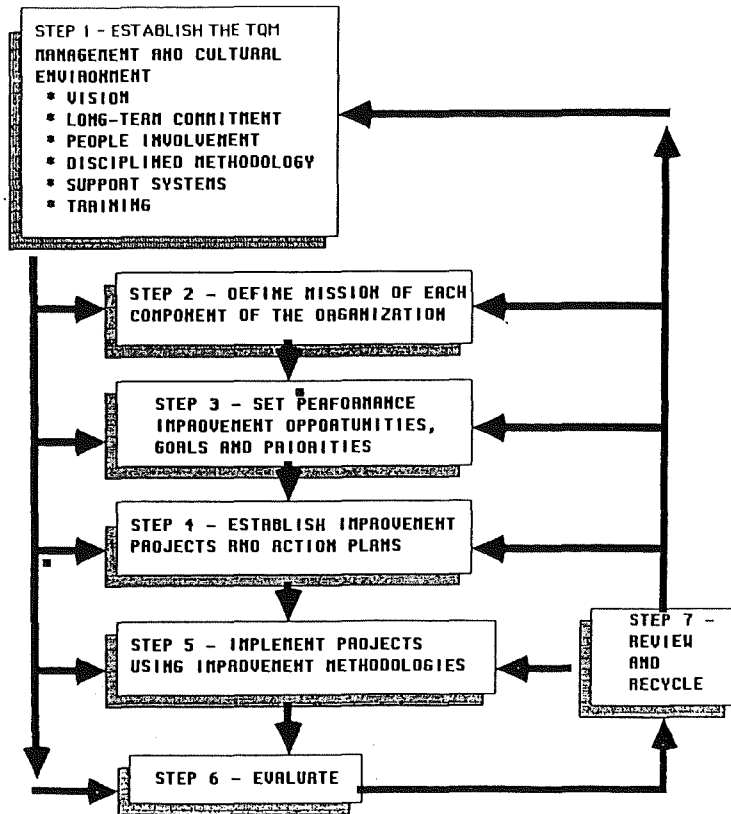
The TQM approach used in Maine state government draws heavily from several TQM experts including Juran, Conway and to some extent Deming (see appendix, section 4). This approach has allowed for the development of a model that is tailored to the needs of Maine state government: TQM methods are used by PATs chartered by councils as well as by work unit teams guided by their supervisors. The model will undergo further development as we move through the implementation process, which is generally described as taking 7-9 years in large organizations.

### MODEL OF THE THEORY



(figure 1-theoretical model)

## IMPLEMENTATION STEPS



(figure 2-implementation steps)

The MQMC provides the highest level of leadership and is chaired by the Governor and supported by staff from the Offices of State Quality Management and Training. The council is responsible for the statewide strategic oversight, initiation and development of TQM. Their major functions are to create a vision and values statement; develop and implement goals, strategy, training plans, budget structure; charter and oversee process action teams, and to review the state systems to achieve performance results, quality service and financial savings.

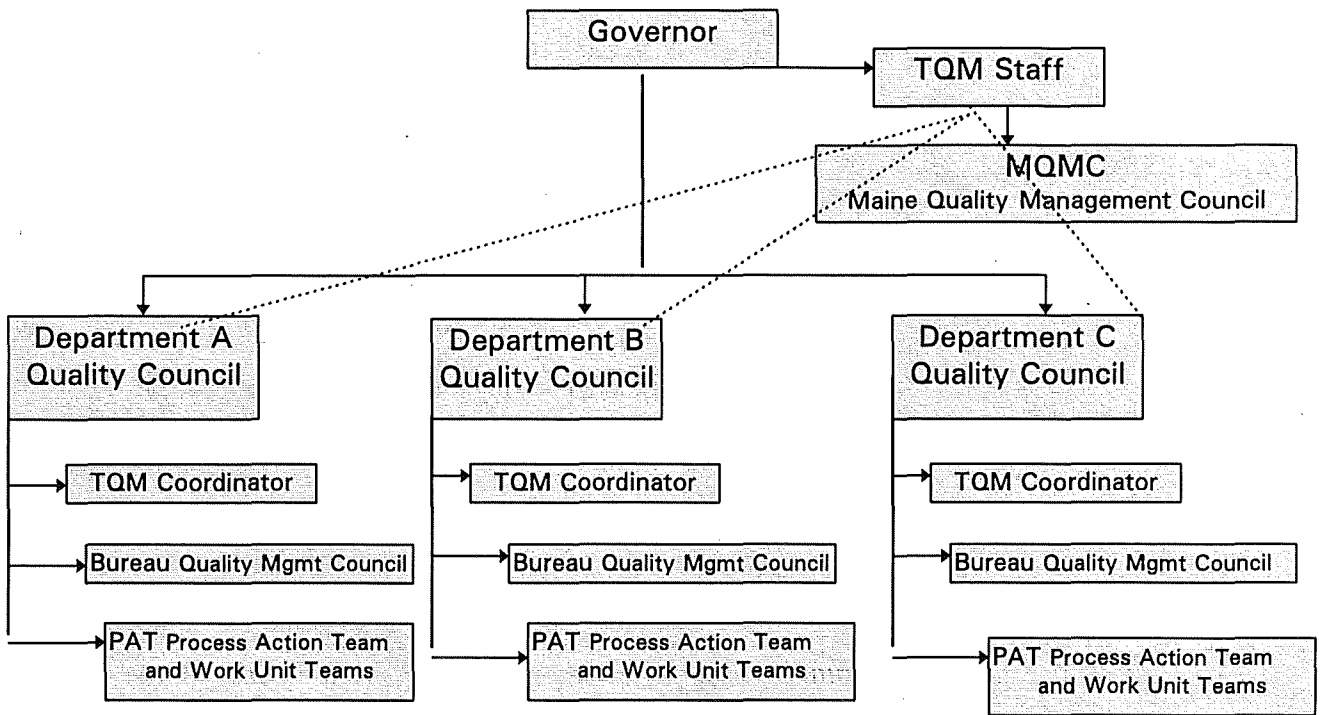
Department councils are also responsible for these tasks at the department level and for providing oversight and coordination between the councils within

their departments. Currently 28 agency and department councils have been formed. The establishment of most of these councils occurred at a rate that was comfortable for the various agencies to deal with, but within the time frame established for implementation. A few smaller agencies have worked at a slower pace and are still in the council forming stage. Department councils have developed vision and value statements that are in alignment with the MQMCs. All councils held TQM awareness training sessions for their employees and planned their strategy for the implementation process. During the past year, nine of the larger agency councils developed 52 of their own TQM sub-department or division councils.

Councils at all levels identify their own priorities and charter and oversee process action teams (PATs) comprised of stakeholders who usually represent different functional areas to examine and improve and/or streamline processes. In addition, supervisors lead their work groups in using TQM tools and methods to improve processes at their work unit level. Work unit teams differ from PATs in that they are not chartered by councils because they do not include members or stakeholders from outside the work unit. In many instances individual employees also have found these tools to be useful. Teams use a variety of statistical quality control tools to find areas where process variation exists, reduce the variation, and streamline the process.

TQM coordinators are individuals who represent agencies and serve as liaisons between the Offices of State Quality Management and Training, agency councils, PATs and employees. Councils at every level are linked by overlapping membership and the requirement to align their quality pursuits with those of the MQMC and their respective department quality councils. For example, Commissioners are always members of both the Statewide and their own department council.

**Maine State Government TQM Architecture  
(Structure)**



## ACCOMPLISHMENTS

The Maine Quality Management Council has served as the primary core for facilitating the cultural change that must occur in unison with an implementation effort. Development of a collaborative working relationship between employees and management, and creating an environment that promotes employee empowerment is be one of the most significant outcomes. The MQMC, in coordination with the Offices of State Quality and Training, has provided the vehicle necessary to accomplish these ends.

Certainly there are other management methodologies, but few have met with the overwhelmingly consistent success of TQM in both the public and private sector. The question then becomes, has TQM made a difference in Maine state government? The answer is most certainly affirmative.

The pool of department teams realizing savings and/or work process improvements is growing steadily and provides strong evidence of the difference made over the past two years. The Office of State Quality Management is in the process of assembling more detailed materials about individual agency accomplishments in both dollar amount and/or time savings. These materials may be found in the agency transition reports submitted to the Governor, and in the Quality office files we maintained on agency TQM activities. As with any business venture there has been a necessary outlay of capital to build a solid foundation. With this in place, state government is poised for leadership to spearhead breakthrough innovations.

Perhaps most noteworthy is the proactive relationship that has developed between labor and management. In the words of Roy Gallant, president of the Maine State Troopers Association: "Who could have anticipated that unions and the administration would work together for the betterment of Maine!" This

collaborative relationship has given state government the capability to identify issues and trends before they become adversarial, antagonistic “problems to be dealt with.”

The MQMC has focused on developing the framework for its TQM initiative with particular attention to the following areas:

- A Implementation Plan & Timeline
- B Visions & Values
- C Establishment of PATs
- D Training
- E Blaine House Quality Award
- F Customer Satisfaction Feedback
- G Tracking System Database



## **A) Implementation Plan and Timeline;**

In the first year, the MQMC developed and endorsed an implementation steps timeline. It was important for agencies to try to complete certain action steps by the end of 1994, ensuring that individual agencies would achieve alignment with the MQMC. A summary of those steps (see appendices, section 5a) included:

- forming department and sub-department quality councils in each agency;
- developing vision and value statements,
- completing employee TQM awareness training,
- providing training for councils,
- chartering pilot process action teams,
- planning and reporting strategy,
- involving 10% of the work force in process improvement participation.

An overall assessment (see appendices, section 5a) for this implementation steps timeline would indicate that agencies have reached the goal set for them by the MQMC. The agencies will continue to focus their efforts on identifying their individual priorities and developing strategies to meet them.

**B) Vision & Values, which have been completed by the MQMC, departments and agencies;**

The first working effort of the MQMC as a whole was to develop the vision statement for the state of Maine. This undertaking began with the Governor bringing his vision to the MQMC. The council spent considerable time in this endeavor and ended with a vision statement that was arrived at through consensus. All council members took ownership of this vision. The MQMC then turned their attention to developing a value statement that supports the vision. Again, the whole council came to agreement through consensus and took ownership of the values by which we provide customer service. The Vision and Values statement (see appendices, section 5b) is prominently displayed in the various workplaces of all agencies. True to the implementation steps timeline, the department and sub-department councils have also developed vision and value statements that reflect the mission of the individual agencies. These statements align themselves with the vision and values of the MQMC. Councils revisit their vision and value statements to adjust the alignment as the process continues.

**C) Establishment of PATs working on process improvement;**

Process action teams are an integral piece of the TQM model. Pilot teams were chartered by the MQMC and trained by the State Training Unit. These teams met on a regular basis for several months. Successfully using the process tools and techniques, the teams collected their data.

Two of the statewide PATs, the Workers' Compensation Return To Work and the Open Market Purchasing, have prepared extensive reports outlining their findings, recommendations, implementation strategy and projected benefits. The MQMC accepted these reports and endorsed their recommendations.

**The Reduction of Workers' Compensation Lost Time Process Action Team**

made the following recommendations:

- 1) The State as a whole will be considered the employer.**
- 2) The State will create a position titled Return-To-Work Coordinator within the Bureau of Human Resources.** The exclusive job responsibility of the position will be to assist injured workers in returning to jobs within their department, or elsewhere in state government.
- 3) Each department will develop, with union representation, W.C. Return To Work Teams.** The teams' primary function will be to assist injured workers in the resolution of workers' compensation claims, speedy recovery and expedited return to work or transitional employment.
- 4) Each department will develop an Early Intervention Program.** This program will ensure that injured employees are given immediate and best possible care enabling them to return to a whole, productive life.

- 5) Each department will develop a plan to identify the potential need for Transitional Duty Positions based on projected utilization and to establish such positions within appropriate budgetary considerations.
- 6) Each department will mandate that their supervisors participate in a Workers' Compensation Training Program.

An implementation strategy established the time schedule for the recommendations and projected benefits were determined. In the first 18 months there is a projected savings of approximately \$582,592 and lost time reduction of 8,507 days (see appendices, section 5c).

The Open Market Purchasing Process Action Team also reported significant recommendations and projected benefits that included:

- 1) Elimination of the current Open Market Purchase Order requirement.
- 2) Establishment of a credit card system for small purchases.
- 3) Installing an automated purchasing system with agency access.
- 4) Reviewing the internal approvals to eliminate duplication.
- 5) Providing an instructional information booklet and training to vendors

As with the Return To Work PAT, the Open Market team also established their implementation strategy and projected benefits. The state can realize an annual savings of \$158,162 from the elimination of the current Open Market Purchase Order, and \$98,935 from the use of the credit card system for a total projected savings of \$257,097 (see appendices, section 5c).

There are three other PATs continuing their work and plan to bring their recommendations to the MQMC early in 1995.

**The Environmental Permit Review Process Action Team** began work on this process in the spring of 1994. The review process is complicated by the fact that it requires action by the Departments of Transportation, Inland Fisheries and Wildlife, and Environmental Protection's Bureau of Land & Water Quality. The way in which each of these agencies handles their portion of the review can significantly impact the timeframe of a given review.

The team identified major factors affecting review time, information, process, staff, communications, and computerization. Significant factors agreed upon by the PAT were:

- inadequate applications
- applicant failure to identify significant issues prior to filing applications
- applicant/consultant delay in responding to agency comments
- agency workload

The first three factors are primarily influenced by applicant/consultant action, the fourth is affected by Department of Environmental Protection actions. Specifically, agency review delays are within the control of the Department of Environmental Protection. Agency delay can be attributed to two basic factors:

- 1) inadequacy of application information and
- 2) agency workload ( a now mandatory pre-application meeting has had a significant positive impact on application quality.)

This PAT has two recommendations:

- 1) Improve the quality of applications. This will reduce review times, eliminate the need for subsequent reviews, and reduce agency workload. A

department PAT (internal to DEP) is working on this process. The Permit Review Team recommends that their work be monitored and their final recommendations be considered where they apply specifically to site law applications.

2) Agency review is the second most significant factor in processing delays. Assuming current efficiencies are at or near optimal the PAT recommends: authorization and hiring of additional technical staff, as detailed in the team report. The team recommends delaying hiring additional staff until the Application Quality PAT has implemented and evaluated their recommendations. It is anticipated that effective implementation may reduce technical reviews/involvement negating the need for additional staff (see appendices, section 5c).

### **The Communication Process Action Team**

In late June 1994, the MQMC approved the revision of the charter and mission statement of the Communication Process Action Team. The revised mission statement provides that the Communications PAT “will identify the types and the distribution process of various statewide mailings distribution to all employees, and make recommendations to ensure a timely, cost-effective, and reliable process which will result in an effective delivery system to all employees.”

Since that time, the Communication PAT has made steady and significant progress in fulfilling its mission. The team developed a work plan to collect data from a variety of sources. After flowcharting the perceived methods of distribution, the team conducted a series of interviews with key central distributors of information. While this provided a valuable foundation, the team determined that selected individuals in the line agencies play an integral role in the distribution process.

Agency personnel (generally human resource and payroll staff ) supplied the team with a thorough understanding of how communication materials are distributed to employees in the Capitol area, as well as field offices. These interviews enabled the team to construct a cause and effect ( fish bone ) diagram to identify potential problems in statewide distribution.

While the data collected to that point provided the team with a much clearer picture of how the process was designed to work, the team required the input of one crucial element in the communication process- the employees who receive the information. The team naturally concluded that eliciting responses from employees would allow the team to measure the effectiveness of the current process and to consider alternative methods. The team developed a series of questions, the responses to which could be readily displayed via Pareto charts. This enabled the team to construct and refine a survey document. The survey instrument was field tested to ensure clarity and ease of completion for respondents.

The survey instrument was further refined as was an introductory letter accompanying the questionnaire. A representative sample of over 300 employees was selected and the survey was mailed directly to employees on December 9, 1994. The team requested that responses be completed and returned by December 21, 1994 and plans to complete its analysis of the survey responses by mid-January 1995.

Following a thorough analysis of the survey responses and the data which had been collected earlier, the team fully expects to submit a final report and recommendations to the MQMC in February 1995. The team is confident that it will be able to offer recommendations which will improve the delivery of communication materials to employees statewide (see appendices, section 5c).

## **Indoor Air Quality PAT**

This process action team began its work in January of 1994. The team realized immediately the complexities of the issue based on the wide variety of perceptions, and the general lack of scientific data to clarify the issue.

As an example, it was only beginning to be understood in the beginning of 1994, that some of the energy conservation measures of the 70s had negative impacts on buildings, and deferred maintenance exacerbated the situation. However, the group concentrated its efforts on:

- 1) Defining the existing process.
- 2) Developing a refined ability to gather data from consulting reports that had already been done ( and to eliminate money spent without solid guidance from facilities managers on “air quality”).
- 3) Utilizing all of the above to help move indoor air quality forward in an overall agenda of improving working conditions for state employees.

Concurrent with the work of the PAT, the Federal Environmental Protection Agency published Building Air Quality, a manual for building owners, which made the following recommendations:

- 1) Investigate each complaint using questionnaires and collate the results in a data base.
- 2) Define and list potential causes, approaching each facility holistically.
- 3) Focus on awareness education in a cooperative goal with all the people who have a stake in the building.
- 4) Develop a protocol including operating procedures and maintenance requirements.



These teams are continuing their work and plan to bring their recommendations to the MQMC shortly.

In addition to the statewide PATs, agency councils at the department and sub-department level have also established 100+ teams with 10% of the work force participating in process improvements (see appendices, section 5c).

## **D) Training:**

- TQM orientation for all employees,
- process action teams training in tools and methods,
- team leader training for mid-managers,
- instructor and facilitator training.

Implementation of TQM in an organization that has the size and complexity of state government requires a well-planned, comprehensive training effort. Under the direction of the State Training Division, a variety of curricula was developed and listed in the TQMU Training Catalog to meet the needs of employees at each level of the organization (see appendix, section 5d).

To launch the introduction of TQM to state government, a one-on-one briefing with the Governor was conducted to outline the recommended model, structure and composition. With this accomplished, members of the cabinet were briefed as well. Formation of the MQMC followed. The council was trained and almost immediately began work on a state vision and values statement.

The next step in the implementation strategy meant beginning an awareness training that incorporated the initial implementation strategy. This was delivered to all state employees primarily through their departments. Information on the restructuring study, enabling legislation, the establishment of the MQMC, the beginning of the department process, the piloting of process action teams (PATs), and the completion of a state vision and values statement were included in this overview.

Department councils and TQM Coordinators were the next infrastructure components to be trained. Department councils provide a link between the efforts of the MQMC and employees at an agency level. The TQM coordinators serve as

a liaison to the MQMC and the department council. They coordinate training within the department, and in some cases, the bureau and division level as well. They attend both MQMC and department council meetings, and participate in a coordinators' network that is run by staff from the Training Division.

Process action teams (PATs) were designed with the intent of examining work processes that impact a broad range of employees whether at the state, department, bureau or division level. Once stakeholders are identified and selected for team membership, these individuals attend a three-day workshop that focuses on: creating an understanding of TQM principles, the state implementation strategy, PAT functions, start-up procedures, team member roles and responsibilities, conducting effective meetings, group development, TQM tools and techniques, applying the process improvement model and clarifying and fulfilling the team charter.

With a staff of three, providing training to approximately 13,000 employees proved a logistical challenge. Accomplishing this goal meant recruiting and training a cadre of trainers from agencies throughout state government. Approximately 50 individuals were trained as process action team trainers. This pool of talented individuals has enabled the Training Division to reach teams in every department and agency.

While the process action teams provided improvement opportunities for employees, and councils were providing new leadership opportunities for top management, the critical support of mid-managers had been overlooked. To address this oversight, a team leader curriculum was designed in cooperation with Conway Quality, Inc., of Nashua, NH. A consultant from Conway Quality trained a cadre of 37 trainers, and with management by the Training Division staff, delivered this curriculum to approximately 1200 mid-managers between September 20 - November 17 1994. Designed to provide mid-managers with the

skills and tools necessary to implement improvements at a work unit level, the curriculum included; team management skills, group problem solving, identifying and quantifying waste, quality planning process, helping teams select projects, and an overall personal development plan. The response to this training from cadre and participants alike has been overwhelming, and a second session is being planned for the spring of 1995.

With approximately 140 state and departmental teams established, a new training need was identified. Facilitators who could be available to work with teams and councils would need to be recruited and trained. A standard curriculum was developed and a number of existing cadre members were trained, adding another valuable dimension to their skills repertoire.

The majority of teams, both PATs and work unit, receive training in statistical tools, i.e., flow charts, pareto and cause & effect diagrams as part of their team training. However, because of the intensity of these three-day workshops, team members provided feedback that demonstrated a need for a one-day, stand-alone tools workshop that could serve as a refresher for teams actually beginning work on their processes. Not all teams need this support, but find the existence of a refresher course greatly reduces the anxiety of team members who are not entirely comfortable with using quantitative mathematical methods.

A critical component of any training program that is so broadly targeted is a feedback mechanism that permits for evaluating the level of service provided and success of the program. Formal and informal mechanisms were designed and implemented and two primary issues came to light. First, there was a call for more definition regarding the distinction between process action teams and work unit teams. Secondly, the fact that TQM training had all but superseded other state training, there was a call for finding a way to balance the need for delivery of both.

As target audiences became familiar with the training materials presented, they also began to ask about the differences between the process action team training and team leader training. Aimed at two different segments (employees - process action teams, and managers - team leader training), the intent of this approach was to create an infrastructure capable of supporting the comprehensive design of the state model. Sequentially training organizational tiers accomplished this end.

While some skepticism remains, the overall climate has been optimistically receptive. Agencies and individuals who have not yet become involved are, in large part, waiting to see what direction new leadership takes. It is imperative that the training component of this effort not lose its momentum. In an attempt to avert this, training priorities have been identified for 1995:

- Establish agency-wide training standards,
- Conduct an assessment of training,
- Develop agency- wide training plans,
- Conduct additional trainer and facilitator training,
- Orientation and training for new council membership and department councils,
- Consultant orientation,
- Develop an employee development “institute”

This list is intended as a point of reference for the MQMC as they begin formulating their goals and objectives for the upcoming year.

**E) Recognition: Establishment of the Blaine House Quality Award:**

The TQM focus is on customer satisfaction. The state's TQM model recognizes that employee involvement is critical to process improvement. One way to support this important aspect is to incorporate employee recognition into the program. It is no wonder that many of the agencies have established Employee Recognition as one of their pilot PATs. Those teams are either improving or designing a process that will recognize the activities of employees in the organization's quality service effort.. Therefore, the MQMC took the step of establishing the Blaine House Quality Award. This monthly reception at the Blaine House, hosted by the Governor, will recognize teams nominated by their agency councils (see appendix, section 5e). A subgroup representing the MQMC established criteria that must be met. The agencies' TQM councils have the responsibility to ensure that the nominations display a use of the TQM process and tools in meeting at least three of the five following criteria:

- 1) Effective Teamwork- the result was better because of teamwork rather than individual effort.
- 2) Customer service improvement.
- 3) The group's accomplishment was beyond the scope of the individuals' responsibilities or job descriptions.
- 4) A quantifiable reduction in waste, cost, or processing time.
- 5) The solution was not readily apparent and required imaginative or creative problem solving.

## **F) Customer Satisfaction Feedback**

The state's TQM model incorporates a closed systems approach. Essential to this methodology is regular feedback. By designing feedback into the model, we can assess the on-going success of our TQM program. In order to gauge the delivery of services to the public, a subgroup of the MQMC designed a pilot project that would measure customer satisfaction with the use of a questionnaire card (see appendices, section 5f). Over 10,000 cards have been distributed by multiple agencies. The MQMC decided that the goals of this initiative are to:

- provide a "temperature read" on the public's perception of the quality of services it receives from state government,
- inform the public, both internally and externally, of state government's interest in and focus on providing high quality services and their role in the process of continuous improvement,
- offer an indication of improvement in service quality over time,
- serve as a precursor to more in-depth feedback tools.

The customer satisfaction feedback card initiative shows promise in achieving both broad public education goals and quality improvement goals. The card can help identify specific process improvements and measure customer satisfaction. An example of this can be found in the report from the Bureau of Human Resources (see appendices, section 5f).

An array of agency experiences in this pilot phase can provide valuable guidance for improving its effectiveness both from a government-wide perspective and at the agency and service-specific level. These experiences should be examined and a report to the MQMC should be developed directing the implementation of a full-scale customer feedback card initiative.

## **G) Tracking System Database**

By the summer of 1994, the MQMC realized they needed to have a picture of what was happening with TQM statewide. The only way this could be accomplished was to develop a systematic tracking process that encompassed all levels of activities. Representatives from the MQMC met to make recommendations for what information the MQMC wanted to track. The Department of Administrative and Financial Services' Bureau of Information Services (BIS) formed a team to provide the design for a pilot project and to execute the technical components of its development. At that same time, all agencies were requested to submit information pertaining to their Departmental and Sub-departmental Councils; their TQM Coordinators; and information on their PATs and contacts to the Office of State Quality Management. The MQMC also decided it was essential to coordinate this information and assigned the Office of State Quality Management to oversee the project.

In October, a report was made back to the MQMC explaining the progress the team had made. The submitted data was entered into a database and the raw material generated rough drafts of various reports that the agencies took to review. The agencies were asked to screen and identify any errors and note any additions, deletions, or changes they needed to make to the reports and return them to our office for data updating. At the same time, we met with the agency TQM coordinators to begin a process of determining any report enhancements identified as needs of the user agencies or Councils.

The next step is to work with the BIS team to implement any enhancements we may decide to incorporate into our system design. We also need to develop the training curriculum that will allow this office and the agency TQM coordinator to access the system for on-line inquiry and updating capabilities. We anticipate having that piece completed within the next two to three months.



Once that training has been completed, individual agencies will be able to continuously update any changes to their Councils and PATs or when they charter new PATs. Employees, at any given time, will be able to see what is occurring with TQM within their own agencies. Other agencies can use this information to network with each other as resources and share learning experiences. This tracking system will be an extremely valuable and necessary tool. (See appendix, section 5g).

## RECOMMENDATIONS TO THE ADMINISTRATION

The Maine Quality Management Council (MQMC) strongly supports the continuation of the current TQM effort in state government. TQM offers an important opportunity for government as a whole to focus on its customers. The following recommendations focus on immediate activities important to a smooth and successful transition. Longer term goals can be established with the leadership of the new MQMC chair, Governor Angus S. King, Jr. The successful future of TQM will require:

- Active support and promotion of the organizational and cultural change that has brought about a collaborative labor/management relationship and that has focused on incorporating service improvements in the everyday activities of state employees. Many employees and managers are awaiting formal communication from the Governor concerning his plans for the future of TQM.
- Demonstrated leadership, support and a “take hold” approach by the Governor and his Cabinet. Specifically, the council would benefit from the Governor leading the MQMC meetings and Commissioners doing the same within their departments.
- Working with the MQMC and the Offices of State Quality and Training staff to coordinate TQM transition activities and insure continuity. Regular meetings between the Governor, his staff and the Quality Director are needed to plan and execute a vigorous and productive transition.

Participation in State Quality Office TQM orientation and training for the Governor, the transition team, Cabinet and others new to state government. This requires scheduling specific sessions for each group.

- Establishing goals and objectives, and working with the MQMC to develop strategies for implementation. The total quality process, including working with the MQMC, provides an unparalleled opportunity to introduce, gain support for, and implement action plans throughout the organization to achieve goals.
- Continue the development of statewide training plans with a standard curriculum for use by all agencies. As more employees become involved in the TQM initiative, the challenge of maintaining the integrity of our model increases.
- Establishing TQM coordinator positions in each agency. Currently, each agency has designated a coordinator who performs these TQM duties on a volunteer basis. Most agencies have recognized the need for full-time coordinator positions for which LD 1761 provides authorization.
- Active support for team leader/manager training for the spring. The MQMC trained half of the State managers in the fall and plans to complete training for the remaining 1200 managers in the spring. It is planned that this training will be funded from each departments' budget.
- Development of benchmarking and measurements. To date, the implementation plan focused on gaining acceptance through council development, awareness training and PAT participation. At this point, it is important to expand the implementation goals to include the development of benchmarks and measurements in order to track progress.

The emerging collaboration between employees and management has been instrumental in agencies developing the capability to routinely deliver exceptional service to customers. Labor/management teams that have a shared understanding

of work processes and the steps necessary to achieve task alignment for continuous process improvement are essential to developing the foundation upon which we can build a genuine learning organization. Management that understands the intricacies of organizational change recognizes the paradox of directing non-directive change processes and will specify a core organizational direction without dictating specific solutions.

An organization that focuses on process as well as content, that recognizes change as an agency-by-agency process as opposed to an organizational program, and supports a persistent, long-term approach to goal attainment versus the “quick fix” will enable state government to meet the changing needs and demands of its citizenry through both continuous improvement of work processes and continuous renewal of the organization itself.

The program stands at a critical crossroad - the new leadership will have the opportunity to lead this organization toward becoming a highly efficient, competitive provider of exceptional services.

# **APPENDICES**

<b>1</b>	<b>Introduction</b>
<b>2</b>	<b>History</b>
<b>3</b>	<b>Council Composition</b>
<b>4</b>	<b>Model/Structure</b>
<b>5</b>	<b>Accomplishments</b>
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## **Introduction**

> Endorsements

> Council of State Governments-State Trends  
Forecasts

## **ENDORSEMENTS**

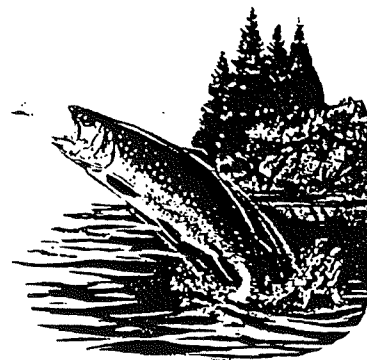




**L.L.Bean** INC  
FREEPORT, MAINE 04033

*Outdoor Sporting Specialties*

TEL. (207) 865-4761



December 5, 1994

The Honorable Governor-elect Angus King  
P. O. Box 15010  
Portland, ME 04101

Dear Governor-Elect King:

I am writing you to endorse State government's efforts in Total Quality Management. I have had the good fortune over the last couple of years to be a member of the Maine State Quality Council, reflecting the experience of private industry in general, and L. L. Bean in particular.

At L. L. Bean we have been involved in Total Quality since 1989. The effort, which is on-going, has played a vital role in reshaping our strategies and our company as we moved from the high growth 80s to meet the challenges of the intensely competitive and cost conscious 90s. Total Quality has, quite simply, changed the culture of our company making it a better, more fulfilling workplace. It has brought us closer to our customers, enhanced our quality and reduced costs. Our basic philosophy has been to fully involve our people and to improve our work processes (recognizing that those closest to the work are in the best position to deliver quality and to see and make improvements). The results have been significant:

- Our Manufacturing Division in Brunswick, which won the Margaret Chase Smith Maine State Quality Award a year ago, has shown that quality and productivity need not be mutually exclusive goals, but are attainable simultaneously. The financial return for the Division has increase by more than 200%, costs related to poor quality are down more than 50%. We have seen a 10 fold decrease in defects, and work in process cycle time has gone from more than three weeks to four days.
- A Total Quality process redesign of our catalog creation process has resulted in savings of more than a million dollars annually. It has reduced the time it takes us to create a catalog, improved worker morale by 25% as measured by a climate survey, and delivered a higher quality catalog evidenced through customer research, and reduced returns related to the catalog.

*An Outdoor Tradition Since 1912*

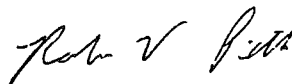
The Honorable Governor-elect Angus King  
December 5, 1994  
Page 2

At Bean, and elsewhere in industry, there are countless examples of this kind of success from Total Quality. Although government faces additional challenges in implementing Total Quality, I believe that similar successes are likely from continued efforts in Maine state government. I would urge you to look into what has happened to date in State government. I applaud the efforts, and believe there is room to improve and expand on them.

Total Quality is not a quick fix, but a long term commitment to change the way an organization does business. It requires hard work, time, new behaviors, and the personal involvement of senior leadership. It provides a way to unleash the untapped talents of state employees and to provide higher quality services for our citizens at lower costs through effective processes. It provides both an opportunity to unite divergent factions around a single vision for the State of Maine, and a vehicle to make the lasting contribution of a more effective government.

If I or anyone at L. L. Bean can be beneficial in helping you or your new team learn more about Total Quality please do not hesitate to ask.

Sincerely yours,



Robert V. Peixotto  
Vice President, Total Quality  
and Human Resources

RVP:ss



November 30, 1994

The Honorable John R. McKernan, Jr.  
Governor of State of Maine  
State House Station #1  
Augusta, ME 04336

Re: Endorsement for Total Quality in Maine State Government

Dear Gov. McKernan:

Consumers around the country are "getting back to basics". They are looking harder for value when buying cars, insurance, computers and even energy! Successful companies over the long haul will be those that anticipate and meet their customer expectations of value, have financial stability and an excellent competitive position.

American businesses, governments, and public institutions all face similar issues: diminishing revenue growth, rising costs, and globalized competition. In response, many are using quality principles to be more efficient and responsive to customers. At Central Maine Power, we believe the philosophy and principles of Total Quality Management (TQM) will enable us to be successful in this new and changing competitive environment. It demands that each of us strives and maintains the highest standard of service for our customers, whether they be internal or external, and fullest utilization of our workers' capabilities. TQM enables us to do that through teamwork and continuous improvement.

Maine will prosper if we all work together to make our state more competitive. I strongly encourage Maine State Government to continue its quality journey and learn and practice the principles of TQM. They are the principles that will guide all of us through the challenging times ahead.

Yours truly,

David T. Flanagan  
President & CEO



STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
SPEAKER'S OFFICE  
AUGUSTA, MAINE 04333-0002

DAN A. GWADOSKY  
SPEAKER

December 9, 1994

**RE: MAINE STATE GOVERNMENT AND TOTAL QUALITY MANAGEMENT**

*Total Quality Management, an all-inclusive process to develop, by consensus, a vision, goals, and the means to achieve the vision and goals, is the ideal example of democracy in action. Through trust and cooperation, the creativity of many people with diverse ideas and perspectives can be applied in a highly positive manner to problems and opportunities with outstanding results.*

*In the spirit of generating more efficient and productive government and a better business climate for Maine, Maine state government has adopted total quality management in all three branches of government. It is encouraging and significant that Maine state government is implementing a theory of human motivation, production and management that was initially developed for the private sector. Meeting the needs of Maine citizens and providing quality services are the essential elements of this new approach in state government, and the results are impressive.*

*For example, in recent months, total quality management has been a key factor in reducing environmental licensing and permitting times. It has also played a significant role in the Department of Mental Health and Mental Retardation with respect to "down-sizing" and implementing the Court Consent Decree. The Bureau of Human Resources, the State's personnel agency, has changed its testing procedures as the result of questionnaires it used to determine the degree of customer satisfaction with the agency's testing policies and procedures.*

*There are many other examples of improvements in state government that are the product of total quality management, and many more will be implemented in the future, particularly as this new approach "takes off." The Legislature has also experienced a number of successes with total quality management. A comprehensive orientation system for new legislators has been implemented, and the Legislative budget process is currently under review. Training for committee chairs will be implemented to enable committees to function more smoothly and to address committee issues more effectively.*

*The significant number of improvements, along with improved employee morale, point to the success of total quality management. While these successes are limited with respect to the entire scope of state government, the potential for improvement is immense. It is most important to realize that total quality management is a continuous review and self-analysis process that promotes continuous improvements. By constantly rejuvenating itself as times change, Maine state government will not only be efficient, it will effectively meet the needs of Maine people and help improve their lives.*



*Office of the Secretary of State*

G. William Diamond  
Secretary of State

Janet E. Waldron  
Assistant Secretary of State

November 30, 1994

RE: Total Quality Management


The Department of the Secretary of State is a strong supporter of quality management and the State's Total Quality Management initiative.

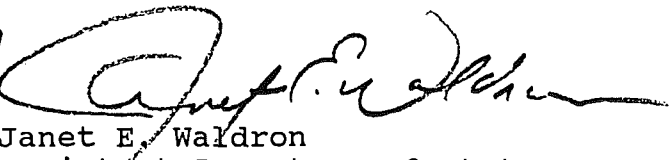
While the Department has long practiced the tenets of TQM and believes the results are evident in our improved customer service, our quality management efforts have gained strength from the State's Program.

The statewide program is providing a common framework for all state agencies and has reaffirmed the values of providing employees with the tools and training necessary to do the best job. We have been active participants in all State training programs and look forward to additional training opportunities. We strongly endorse the benefits of bringing labor and management together to analyze and improve processes. Further, the funds and protection for employees offered by the enabling legislation are critical to the success of TQM.

We believe that a strong commitment to Total Quality Management, coupled with the benefit of the State's dedicated, capable and creative workforce, can help make dramatic and measurable improvements in the services provided to all customers of State Government.

Sincerely,

  
Bill Diamond  
Secretary of State

  
Janet E. Waldron  
Assistant Secretary of State



STATE OF MAINE  
SUPREME JUDICIAL COURT  
AUGUSTA, MAINE 04330

DANIEL E. WATHEN  
CHIEF JUSTICE

MAILING ADDRESS:  
Kennebec County Courthouse  
95 State Street  
Augusta, Maine 04330  
Tel: (207) 623-1735  
Fax: (207) 623-1808

November 28, 1994

Maine Quality Management Council  
State Office Building  
Augusta, Maine 04333

Re: TQM Program

I understand that you are assembling some material for the transition team of Governor-elect King. I would ask that you include my endorsement of the TQM effort and my recommendation that it continue to be supported.

In the judicial branch, we began our own TQM effort by working on two specific improvement projects with the assistance of volunteers from Bath Iron Works and UNUM. We had some success, we have expanded, and a recent survey of our employees suggest that we are on the right track. We are at the point where it is possible to check whether our teams are performing by either reducing the cost of providing a service or increasing the quality of a service without any increased expenditure.

Although we are a small part of state government and have been largely following our own course, we have benefitted from participating with the rest of state government in the Maine Quality Management Council. I see many opportunities for shared training and improvement projects that extend across all three branches.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Daniel E. Wathen', written over a horizontal line.

Daniel E. Wathen  
Chief Justice

DEW/lm



Maine  
Quality  
Center

Margaret Chase Smith Library  
Norridgewock Avenue  
P.O.Box 3152  
Skowhegan, Maine 04976  
(207)474-0513

QF #4252  
December 6, 1994

Honorary Chairs :

James F. Orr III  
UNUM

Kirk P. Pond  
National Semiconductor

Duane Fitzgerald  
Bath Iron Works

The Honorable Angus King  
15 Potter Street  
Brunswick, ME 04011

Dear Mr. King:

In early September 1994, I wrote to you seeking your support in continuing the implementation of Total Quality Management in Maine State Government. This profound change in organizational management is good for Maine and our nation. It stresses service to customers, achievement of excellence, stewardship of resources, and fulfillment of human potential. There is an economic and ethical need to continuously improve products and services in Maine. As I noted in my previous letter, Maine is leading the nation in its effort to imbue the values, principles, and practices of Total Quality in all three branches of state government. It was interesting to read in your book that you, too, share our belief that Total Quality is a powerful tool which can be focused on improving productivity and creating a better environment in state government.

The Maine Quality Center, which numbers several state government agencies among its member organizations, fully supports the continued implementation of Total Quality in state government and volunteers its resources to assist you in this effort. Maine Quality Center members have assisted the Judiciary, Department of Transportation, Public Utilities Commission, the Governor's office, and numerous other departments to date. You can contact me at 207-442-2882 or Nancy Werner, the MQC Program Administrator, at 207-474-0513.

Good luck in your new journey.

Sincerely,

Paul H. Fenton, President

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# MAINE MEDICAL CENTER

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January 6, 1995

The Honorable Angus S. King, Jr.  
Governor of Maine  
Augusta, ME 04333

Dear Governor King:

Several years ago I met you at a conference at Sugarloaf, that was sponsored by Maine Development Foundation, that promoted the employment of process improvement techniques and tools to maximize Maine's industry. Much has happened since then, particularly for you, and now you are responsible for leading Maine and helping us achieve the State's true potential.

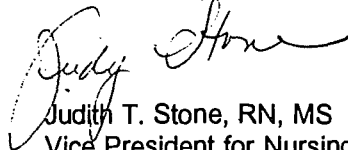
Process improvement is still critical to attainment of the outcomes we seek and the values embodied in quality improvement are essential for stakeholders to embrace change. The quality improvement initiative within State government has been far more successful during its short existence than I could have imagined. Clearly, the adoption of the principles has been highly variable, however, there has been visible improvement in labor/management relations and certain procedural or systems work.

I write only to suggest that the State's effort in quality improvement is still young in its development, exciting in terms of its potential, and promising as evidenced by early results. I hope that you see value in continuing that initiative as you seek to improve State government.

I believe there are countless opportunities to improve work processes, plenty of talent to make the necessary changes, and benefits that will accrue to Maine's citizens.

I wish you well as you begin your journey and am eager to be supportive as you lead our beautiful State.

Most sincerely,



Judith T. Stone, RN, MS  
Vice President for Nursing/  
Patient Services

/aeh  
asking.ltr  
1/6/95



# State Trends FORECASTS

Volume No. 3, Issue No. 2

October 1994

## Highlights

# Total Quality Management

*State Trends & Forecasts* alerts state leaders and senior managers about long-term structural and institutional changes in state governments and offers policy and management options based on recent trends and expert forecasts.

#### Previous issues:

- State Executive Branch Reorganization
- State Campaign Finance Reform
- Privatization in State Government
- State Business Incentives

Future issues will deal with a variety of topics on state government capability, including:

- Health Care Administration
- Human Services Administration
- Education Governance
- Environment and Waste Management
- Foresight and Strategic Planning
- Budget and Fiscal Management
- Government Growth and Employment
- Central Management and Administration
- State Legislatures and Legislators
- State Court Systems and Decisions
- State-Federal-Local Relations
- State Initiatives and Referenda
- Corrections Administration
- Infrastructure Management
- Housing and Community Development
- Natural Resources and Energy Management
- Technology Management
- International Trade and Investment
- Transportation Management

During the last two to three years, a majority of the state governments, either on a statewide or agency-wide basis, have initiated a variety of quality management efforts to improve the way they manage agencies and deliver services to both internal and external customers.

Many state officials are asking how other states are doing with quality management initiatives and pondering the best ways of dealing with the TQM issue in their agencies. Based on recent trends and forecasts in state quality management efforts, five broad options may be considered by state officials:

- No interference. States may not want to initiate TQM efforts in favor of traditional management tools. TQM is not for state agencies that are not ready to provide employee empowerment and customer-focused services.
- Quality management initiatives by agency managers. State agency directors or managers can initiate TQM efforts on their own in less integrated ways, without gubernatorial directives or legislative mandates. Many agency-based TQM initiatives have been launched, using the talent of front-line workers in management decision-making.
- "Talk the Talk" or "Walk the Walk." Governors or other top state executives, with or without their personal or organizational commitment, can promote the adoption of the TQM concepts and principles. Governors in many states have been the initiators of quality management efforts.
- Full implementation of TQM in the executive branch. Governors and agency heads can implement TQM throughout the executive branch of state government in either pure or hybrid form. TQM needs to be embraced and practiced at the highest levels of state government, including the governor and cabinet.
- Transformation of government culture. TQM principles may be applicable to certain areas in all three branches of state government. Several states have taken initial steps toward improving decision-making practices to satisfy their customers.

A number of practical issues arise when implementing TQM in state government. Among these are: overcoming resistance; training; recognition and awards; measuring successes and failures; and the question of sustenance.

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# TQM in State Government: Options for the Future

by Keon S. Chi

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## *CSG Survey on State Total Quality Management Activities, 1994*

*A national survey on "Total Quality Management in State Government" was conducted by The Council of State Governments (CSG) in February and March 1994. A structured questionnaire with some open-ended questions was sent to governors' chiefs of staff and the directors of administration and personnel agencies in the 50 state governments. All 50 states returned the survey questionnaires (in various stages of completion), some with pertinent documents, including gubernatorial executive orders and speeches, press releases and special reports on TQM activities.*

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## Introduction

Total Quality Management is the most recent management philosophy introduced in state government. During the last two to three years, a majority of the 50 state governments, either on a statewide or agency-wide basis, initiated a variety of quality management efforts to improve the way they manage state agencies and deliver services to the public.

Unlike traditional management approaches, characterized by hierarchical structures and centralized and control-oriented decision-making, TQM emphasizes horizontal decision-making with employee empowerment and teamwork, customer-defined quality and continued improvement. In particular, TQM focuses on improving systems (policies, rules, regulations and procedures) under the assumption that most problems in state agencies are systemic, rather than individual, problems.

However, many state officials are asking whether TQM is just another management fad or something that has sustaining power. They are asking if and how they can translate TQM principles, which were developed in the private sector, to state agencies. They also want to know what other states are doing with the new management approach and are pondering best ways of dealing with the TQM issue.

This report offers five broad options for state officials — governors and agency managers, legislators and staff, judges and court administrators — to consider when faced with making decisions on what to do with TQM in their states and agencies. It incorporates findings of a recent 50-state survey of quality management efforts in state government conducted by The Council of State Governments and the results of brainstorming sessions conducted with experts on state quality management efforts.

State quality management efforts bear a variety of names: quality management, quality leadership, quality partnership, quality service, quality initiative and quality through participation. In this report, the label of Total Quality Management is used broadly, encompassing various quality management efforts.

- *Option 1 — No Interference.* Do not interfere in ongoing state agency operations with another management tool.
- *Option 2 — TQM Initiatives by Agency Managers.* Individual agency directors or managers initiate TQM projects on their own in less integrated ways.
- *Option 3 — "Talk the Talk" or "Walk the Walk."* Governors or other top state executives, with or without their personal or organizational commitment, promote the adoption of TQM concepts and principles.
- *Option 4 — Full Implementation in the Executive Branch.* Implement TQM throughout the executive branch of state government.
- *Option 5 — Transformation of Government Culture.* Apply TQM principles to all three branches of state government to seek a total transformation of government culture.

The past decades witnessed several waves of government reform, with Total Quality Management being the most recent management philosophy introduced in state government. Top executive officers in some states, including governors and agency heads, however, tend to regard TQM merely as another management fad. This perception is likely to persist in state agencies, especially where traditional styles of management are well in place.

### Traditional Management Approaches

As of the first half of 1994, six states reported that they did not adopt a statewide or agency-wide TQM project or process. Leaders and managers in these states may have been indifferent toward TQM or may be taking a wait-and-see attitude until they are convinced the new management approach is truly different and more effective compared with traditional management and productivity improvement efforts, by whatever names.

Traditional management approaches certainly are not without value and may have quite useful consequences under appropriate circumstances, such as genuine political support and long-term time horizons. In fact, some state agencies have reported encouraging outcomes of such traditional approaches, while others have yet to realize measurable management improvement. But the principal difficulty with traditional management and productivity improvement approaches, according to TQM proponents, is that they are either detached from daily management and/or result in piecemeal changes. In addition, none of them have a comprehensive philosophy of management that is linked to a method of process improvement and changing organizational culture.

### Traditional Management Versus TQM

Proponents of TQM also say that traditional management approaches — characterized by hierarchical structures, authoritarian and centralized decision-making, and control-oriented management efforts — have become almost dysfunctional. As pointed out in a recent report on state management improvement by the National Governors' Association: "The rigidity of state personnel and procurement systems and the gross centralization of governmental decision-making process, with remote central service agencies making most critical decisions, clearly present challenges more serious than those faced by any but the most outdated private corporation."

One frequently-asked question in considering the new management philosophy is, "Is TQM old wine in new bottles?" Proponents of TQM assert that it is designed to change government culture with a focus on horizontal, decentralized decision-making, cooperation and teamwork, continued improvement and, perhaps most importantly, customer-defined quality (see Table 1 on page 4 and Table 2 on page 5). Although TQM is defined in various ways (see "What is TQM?" on page 6) — as a philosophy, approach, tool, process, system, method, set of guiding principles or procedures, or an array of organizational behavior — its proponents tend to share at least one underlying assumption: management

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## Option 1 No Interference

*Do not interfere in ongoing state agency operations with another management tool.*

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### Brainstorming Sessions on Total Quality Management

*The brainstorming sessions on Total Quality Management in State Government were held March 4-6, 1994 in Lexington, Ky., the location of The Council of State Governments' headquarters office. Members of the expert panel were:*

*Judd N. Adams, Publisher and Editor of Quality Government and TQM Trainer; Boulder, Colo.*

*Timothy L. Boncoskey, Director; Office for Excellence in Government; Phoenix, Ariz.*

*James S. Bowman, Professor; School of Public Administration; Florida State University; Tallahassee, Fla.*

*Don Giek, Deputy Director; Governor's Office of Employee Relations; Albany, N.Y.*

*Billy Hamilton, Deputy Comptroller; Office of the Comptroller of Public Accounts; Austin, Texas*

*Melanie A. Kennedy, Arkansas State Quality Coordinator; Little Rock, Ark.*

*Joseph Sensenbrenner, President; Sensenbrenner Associates, Inc.; Madison, Wis.*

*For more information on the panel of TQM experts, see Appendix D on page 39.*

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**Table 1**  
**Comparison of Traditional Management and TQM Principles**

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

*Source: Adapted from David K. Carr and Ian D. Littman. Excellence in Government: Total Quality Management in the 1990s, Coopers & Lybrand, 1990, p.4.*

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*According to quality management proponents, most problems that an organization confronts are self-inflicted and usually created by management. They maintain that more than 85 percent of the problems in an organization are systemic problems.*

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problems in an organization are primarily due to systems, not employees. According to quality management proponents, most problems that an organization confronts are self-inflicted and usually created by management. They maintain that more than 85 percent of the problems in an organization are systemic problems. Management creates the systems (policies, rules, procedures, training, legislation, rewards, and information and financial systems) and, therefore, it is management's job to improve the systems so that people can work more effectively in the system. TQM supporters also argue that the new management philosophy versus traditional management philosophy is an issue of rate of change to some extent. Traditional management sets goals incrementally — e.g., less than 5 percent improvement per year — while TQM offers the possibility and some examples of “breakthrough” improvement — e.g., 10 percent, 15 percent or 20 percent per year.

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*Table 2*  
**Components of State TQM Initiatives**

*Most state quality management activities, by whatever name, contain the following eight elements (in order of the frequency of mention):*

- 1. Greater efforts to satisfy customers (clients, constituents and workers in other agencies)*
- 2. New leadership commitment to achieving management excellence*
- 3. Greater emphasis on employee empowerment and participation in decision-making*
- 4. Greater emphasis on process, product and service-measurement tools (data-based)*
- 5. Streamlined work procedures (shorter chain of command, less paperwork, etc.)*
- 6. Strategic, long-term plans to improve the quality of products or services*
- 7. New organizational and work environment to improve employee morale*
- 8. More flexible operational systems (personnel, purchasing, etc.)*

*Source: CSG survey on state TQM activities, 1994.*

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Why are management reformers calling for TQM in state government now? Reformers contend taxpayers and customers of government services are forcing state policy-makers to rethink how they operate. In the wake of budget shortfalls, many state governments have been implementing strategic planning, restructuring their executive branch agencies, and conducting cost control and efficiency studies to improve management and service delivery. But the ultimate goal of TQM is to close the gap between what customers expect to receive and what they actually get from state government. TQM customers in state government include both internal customers (workers in state agencies) and external customers (clients and constituents) (see "Customers of State TQM Activities" on page 7). If government stays constant and does not adopt what is becoming the standard in the private sector (customer friendliness, flexibility, speed, individualization, etc.), it may appear to fall behind. TQM proponents say, "The bar is being raised, we must follow or look more the fool."

Also, it should be added, the rapid increase in privatization activities in state agencies across the nation in recent years poses an added challenge to traditional management approaches. Unless a radically different management philosophy, like TQM, is introduced, the use of the private sector in management and service delivery in state government is likely to gain a more widespread acceptance in the near future, with all the uncertainties that accompany privatization. According to a 50-state survey conducted by CSG in 1993, more than 85 percent of state auditors, budget directors and comptrollers predicted increased privatization during the next five years, as did a majority of the respondents from health, mental health and social service agencies. ("Privatization in State Government: Options for the Future," *State Trends & Forecasts*, November 1993)

In applying TQM concepts, however, there is a very real danger of confusing disagreement over what government does with how well it does it. Polls show that people do not trust government. This distrust may be a result, in part, of poor performance by government agencies. However, it also may be partly a byproduct of the ongoing struggle to redefine government's role in modern society.

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*If government stays constant and does not adopt what is becoming the standard in the private sector, it may appear to fall behind. TQM proponents say, "The bar is being raised, we must follow or look more the fool."*

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## What is TQM?

*Total Quality Management is broadly defined as a new management approach that changes traditional organizational decision-making practices to produce products or deliver services for its customers in more effective and efficient ways. In essence, TQM is a management system designed to meet and exceed public expectations. It accomplishes this through determining what constitutes excellence in customer service by empowering employees to a never-ending search for quality improvement in every aspect of work. TQM, initially developed and used in the private sector, has been defined variously in state government. The following is a sample of definitions of TQM used in selected states.*

*"The mission of the Total Quality Management program in Colorado state government is to continuously improve service to customers of state agencies through a structured process that will recognize the talents of all employees and enhance productivity and efficiency. ... The key concepts of TQM that will form the basis for the development of both the state and department plans are: senior management involvement, teamwork (empowerment in decision making at all levels), goal setting and performance evaluation, customer focus (both internal and external), defect and error prevention, continuous work systems improvement, data-based decision making, long-range thinking, ongoing training and employment development, and communication of quality requirements to suppliers." (Colorado)*

*"Total Quality Management is a process designed to give workers and managers the tools to improve the way they work and the power to make changes that will benefit the customers they serve." (Maine)*

*"Total Quality Management is a strategic approach to achieve customer satisfaction. TQM begins with top management commitment and vision and involves all employees using quantitative and qualitative problem-solving methods to improve continuously and forever an organization's process." (Massachusetts)*

*"Total Quality Management is an operating philosophy that stresses establishing and meeting standards through determining customer needs, developing work teams, identifying and analyzing work processes, targeting areas of improvement, implementing corrective action. The purpose is to meet or exceed customer needs." (Missouri)*

*"Quality through Participation (QtP) is a major initiative to implement Total Quality Management in New York State Government. ... QtP's goal is to improve the capacity of New York State Government to deliver quality services to the public by introducing the principles and methods of total quality management, and demonstrating that those principles and methods can be successfully adapted to the governmental context and result in more effective operations." (New York)*

*"TQM is a philosophy that focuses on customer satisfaction, decisions based on data, employee involvement, reward and recognition, and continuous improvement." (Texas)*

*Source: CSG survey on state TQM activities, 1994.*

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### **Implications and Recommendations for Policy Option 1**

In considering the option of not adopting TQM, state policy-makers will want to give attention to the following:

- TQM is not for agencies that are not ready to undertake some organizational and personal changes.

Diagnostics should be the first step to start TQM. Agencies are not ready to undertake TQM, for example, if: their budget crisis is too great, employee unions are strongly resisting, or workforce layoff is imminent. More importantly, state leaders and managers who are not

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## Customers of State TQM Activities

*"Who are the customers of state government? Everyone. Everyone who receives the information, service or product you provide either directly or indirectly. A customer is anyone who receives or uses what you produce or whose success or satisfaction depends on your actions. How do you determine which customer is important? Look to your agency mission. For example, customers of health and human services may include physicians as well as the tobacco lobbyist; customers of the judiciary include victims and perpetrators. ...A customer is the next person in line who receives your work. A chain of customers exists inside an organization and a chain of customers, outside the organization. Each customer is important. Quality service is delivered through a series of transactions that involve many internal customers before reaching the final customer. A series of middlemen or 'pass through agencies' contribute to the quality of service the final customer receives. TQM helps orchestrate the internal and external relationship so that the customer doesn't fall through the cracks."*

*Source: Commonwealth Quality Improvement Council, Massachusetts, 1993.*

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prepared to give higher priorities to customer service, process improvement and employee empowerment should not use TQM as their management approach. Under TQM, sincere and thorough efforts are required to provide customer-focused services. Customer focus, however, must be balanced with sound public policy.

- Option 1 may be suitable for state agencies in favor of the status quo or under stress.

Reasons for considering the zero-option include: maintaining the status quo out of fear of change; higher priorities in areas other than introducing a new management approach; the need for time and space to breathe from recent management improvement efforts or major organizational trauma; executives' limited ability to control management situations; no real personal interest in management on the part of top executives; or management and labor strife. However, once a little time has passed, recently completed budget cuts or layoffs can offer a good springboard for change with appropriate transition activity.

- Option 1 may have some negative implications for state agencies.

Such implications include: permitting barriers to be built or to continue between agencies; agency likely to stagnate or even get worse as other agencies improve their processes and make progress; no strategic vision to align government operations (i.e., staying in a crisis management mode); the "if it ain't broke, don't fix it" attitude becoming part of the problem; further loss of public confidence and trust; potential positive press coverage missed; and potential embarrassment.

### *Trends and Forecasts*

*During the past few years, executive agency heads across the states initiated a variety of TQM efforts to improve agency management or to undertake cross-functional projects by multiple agencies. More agency heads and mid-level managers are likely to implement TQM in the next few years.*

### **Agency-wide Initiatives**

The TQM survey conducted by CSG identified more than 30 states where individual executive agencies have adopted most or all TQM prin-

## **Option 2 TQM Initiatives by Agency Managers**

*Individual agency directors or managers initiate TQM projects on their own in less integrated ways.*

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ciples to improve management and service delivery without gubernatorial directives, formal or informal.

In Hawaii, the state Department of Personnel Services in 1992 initiated a TQM project, which is now being implemented in several other agencies, including transportation, education, and the state library system. Under Iowa's Continuous Quality Improvement, five agencies are implementing TQM pilot projects: the departments of Employment Services, Transportation, Personnel and Economic Development as well as the Department for the Blind.

In Pennsylvania, TQM projects also have been initiated on an agency-to-agency basis, not as a centralized statewide effort. Such projects are being implemented in the state's departments of Transportation, Commerce, Labor and Industry, Fish and Boat, Revenue, Environmental Resources and State Police. Similar agency-based TQM projects have been initiated in Utah, Vermont and Washington state. Under New Mexico's Quality Management Institute initiated in 1993, employees from several state agencies are starting "grassroots, unofficial TQM efforts" with assistance from the Office of the Lieutenant Governor.

Other examples of agency-initiated TQM projects include Delaware's purchasing division, Idaho's administration department and Virginia's employment commission. In 1990, the Delaware Division of Purchasing decentralized its decision-making so individual state agencies and schools can purchase items under \$1,000 without central control, reducing the number of employees in the Document Processing section from 10 to five. In 1993, the Idaho Department of Administration initiated what they regard as successful agency-wide TQM practices. Also in 1993, the Virginia Employment Commission allocated resources to implement the Continuous Quality Improvement (CQI) program, designed for "satisfying customers by improving processes and products through [its] commitment to agency values." The five elements of the CQI vision statement are: 1) a high level of trust among agency employees; 2) a continuous, systematic quality improvement process; 3) employees who work in partnership with each other and with customers; 4) a better quality of work life for employees; 5) and a higher level of satisfaction for customers. Agency-wide quality improvement projects have been implemented recently in other agencies in Virginia: the Department of Mental Health, Retardation and Substance Abuse Services and the Department of Economic Development's Human Resources Division. Although the outcomes of the Virginia agencies' pilots are not conclusive, all of these agencies said their TQM activities are likely to increase during the next five years.

These agency-based TQM initiatives have been launched for very much the same reasons cited by statewide TQM coordinators: "to do more with less," to use the talent of front-line workers in management decisions and to improve employee morale, skills and productivity (see Table 3).

### **Inter-Agency Initiatives**

Although most statewide TQM efforts began within the last two years, agencies in a few states worked together to begin quality management programs much earlier. For example, the Minnesota Quality Initiatives, one of the first TQM efforts in state government, was initiated in 1987 by "grassroots people" concerned about introducing quality management principles into their work units. One Minnesota respondent to the CSC survey commented, "Our program is intentionally unstructured. ... Our

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*According to statewide TQM coordinators, TQM initiatives have been launched "to do more with less," to use the talent of front-line workers in management decisions and to improve employee morale, skills and productivity.*

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**Table 3**  
**Reasons for Initiating State TQM Efforts**

*State TQM activities have been initiated for the following reasons (in order of the frequency of mention):*

1. *To reduce costs of management and delivery of state services ("to do more with less")*
2. *To use the talent of front-line employees in management and decision-making*
3. *To enhance images of the state or agency*
4. *To improve employee morale, skills and productivity*
5. *To change traditional management style (hierarchical, centralized, control-oriented, etc.)*
6. *To deal with complaints from customers (clients, constituents and other agency workers)*
7. *As part of strategic planning activities*

*Source: CSG survey on state TQM activities, 1994.*

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annual quality conference has grown dramatically each year. In 1993, 1,200 state employees participated in the quality management conference and the conference host had to turn people away."

In South Carolina, several state agencies began their quality improvement efforts in 1988 with the assistance of the state Division of Human Resources Management. In 1990, a group of eight agencies established the South Carolina State Government Quality Network as a cross-section of state agencies working together to increase awareness of quality management and to promote total quality principles. The network now includes 31 state agencies. The five areas of growth, according to the inter-agency network, are inter-agency cooperation, sharing of resources, conferences and training, recording of successes, and development of public and private partnerships.

### **Multiparty Teams**

In addition to collaboration among state agencies, organizations from state government, the federal government and the private sector have joined forces on TQM. For example, Colorado state regulators (the Department of Health's Radiation Control Division and the Department of Natural Resources), a private sector uranium milling corporation (Cotter Corporation), and two federal agencies (the Environmental Protection Agency and the U.S. Geological Survey) have used TQM principles since 1992 to formulate environmental cleanup plans cooperatively, resolve technical issues of license renewal and develop plans for eventual site decommissioning. The Total Quality Environmental Management team in Colorado reached agreements within a year — agreements which had not been reached during the prior decade — in the areas of solids management, liquids management and the process for decontaminating buildings and equipment among the parties involved.

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*Organizations from state government, the federal government and the private sector have joined forces on TQM.*

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## Interstate Cooperation

State agency managers might not need to develop their own TQM program. Instead, they can learn from their counterparts in other states. A model for interstate cooperation in promoting TQM is the States' Quality Forum. The first States' Quality Forum, called "Investing in Real Improvement," was held for four days in May 1993 in Columbia, S.C. The conference drew 45 participants from 15 states and included topics on performance evaluation and the employee union role in the development of statewide TQM programs. More than 250 state workers from South Carolina attended the final two days of the forum to learn about other states' quality management practices.

The second States' Quality Forum, called "Thriving on Change," was held in Little Rock, Ark., in April 1994 to discuss broad areas of concern to statewide and agency quality coordinators. Seventy-five state quality coordinators and facilitators from more than 20 states attended the States' Quality Forum. The three-day conference concentrated on various topics such as: the pros and cons of quality awards; diagnostics and measures of continuous improvement; working with the legislature; reward and recognition of innovations; self-directed work teams in a government environment; building upper-level commitment in the agency career service; and the challenges to TQM with a new governor. Quality management success stories highlighted at the conference include: "Success in Arizona State Government"; New York's redesign of a state service delivery system; South Carolina's "Making Lemonade from Lemons"; "Governor's Quality Partnership" in California; Oklahoma's "Reinventing a Public Resource Center for Individuals with Developmental Disabilities Using Quality Techniques"; "Implementing Quality Oklahoma with the A-Team"; and Ohio's "On the Right TRACT."

The successful second States' Quality Forum concluded by documenting how each state started its quality initiative and what each state was doing in regard to using quality principles for training, performance evaluations and partnering with other agencies, suppliers and customers to deliver services. "We learned from each other how [we] are going about implementing quality management in [our] states," said Melanie Kennedy of the Arkansas Quality Advisory Council. In addition, the conference designated four regional alliances for continuous quality improvement coordination across the states. The third States' Quality Forum is scheduled for September 1995 in Minnesota.

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*Agency directors are a significant driving force in TQM. Agencies often use mid-level implementation teams and facilitators to achieve early successes, and real change agents often are mid-level managers.*

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### *Implications and Recommendations for Policy Option 2*

State officials choosing TQM on an agency or project basis should consider the following points:

- This option may be especially appropriate for decentralized state agencies.

A decentralized environment exists in a state where the governor does not have much direct managerial control or does not want direct control, where governors or agency heads won't give more than "lip service" to TQM or where subordinates need to make their own decisions voluntarily.

- Under this option, each agency basically fends for itself.

Agency directors are a significant driving force in TQM. Agencies often use mid-level implementation teams and facilitators to achieve early successes, and real change agents often are mid-level managers.

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Change is often motivated by a sense that the values inherent in better practices are consistent with the initiator's values. However, it is important to keep in mind that pioneer change agents remain effective only within their limited sphere of influence.

- TQM implementation requires appropriate "agency infrastructure."  
TQM needs to be "rolled out" by building a quality infrastructure which supports the process in each agency. To meet the unique needs of each state agency, an infrastructure must have the required support, oversight and empowerment. Within the context of the agency infrastructure, key elements of the process can be built into the agency structure to provide policies, assurance of quality strategic planning, well-defined goals and objectives, and organization-wide priorities and responsibilities. Additionally, this structure should provide employees with the support, skill set and incentives to become successful in the new agency culture. The support system should include all levels of the organization and be built through vertical and horizontal linkages.
- Option 2 may be considered by state agencies for some good reasons. These include: some limited experimentation in management improvement; no need for formal directives or a mandate from the governor or the agency head; limited resources allocated to obvious problems; customer-focused service delivery in selected service areas; desire for relatively painless experiments and targeted gains; employee acceptance/readiness for expansion; use as a cultural wake-up call; fast payoff; accomplishment without "heavy TQM infrastructure"; greater diversity in management approach without risk or catastrophic failure; and avoidance in overselling TQM statewide.
- Option 2 may have some negative implications. Such implications include: not taking advantage of statewide training resources; no linkage with statewide strategic planning; no sustained statewide management improvement; low aggregate impact; not addressing underlying problems in state management, such as human resources management, information technology and procurement; and no genuine transformation of government culture.

### *Trends and Forecasts*

*TQM is used by governors and top state executives, especially when considering "running government like a business" or establishing partnerships with the private sector. State leaders are most likely to continue to talk about values of TQM with the hopes of seeing more agency managers and employees embrace this management approach.*

### **Governors' Initiatives**

Some governors are "talking the talk" (rhetorical support), while others are "walking the walk" (taking actions to implement TQM). In either case, governors in many states have become the most visible spokesperson for transferring successful private sector TQM practices into state governments. According to the CSG survey, governors were cited as TQM initiators in at least in 25 states, and agency heads were named as initiators in 13 states. Governors' speeches given recently in Nebraska, North Carolina and Tennessee are illustrative of TQM efforts by state chief executive officers:

### **Option 3 "Talk the Talk" or "Walk the Walk"**

*Governors or other top state executives, with or without their personal or organizational commitment, promote the adoption of TQM concepts and principles.*

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Nebraska Gov. Ben Nelson said, "Prior to my being elected governor, I served on the board of directors of large and small companies. I saw how we and the corporations with whom we did business had to be farsighted to compete in the new global marketplace. Without a vision, without a commitment to customer service, these companies would submerge rather than emerge. They learned to do more with less. ...In the public sector, taxpayers rightfully create pressures for improved services without additional money."

North Carolina Gov. James B. Hunt said, "To start our campaign for change, we are forming the 'Partnership for Re-engineering Government,' an alliance between the private sector and North Carolina State Government. It is heartening to know there is so much interest in TQM principles. Making state government efficient and effective is one of the top priorities of my administration. And I believe if we adopt the same total quality principles that have helped bring Ford Motor Company and other corporations back to prosperity, we can provide world-class service to our customers — the citizens of North Carolina."

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*The CSG survey identified 27 states with quality management councils, steering committees or task forces designed to undertake statewide TQM efforts.*

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Tennessee Gov. Ned McWherter said, "The purpose of this conference is to introduce you to the concepts of our Quality Management program. ...Adopting a quality management approach will require us to think about our jobs in new ways. Managers may be asked to give up some control and incorporate the suggestions of employees into decision-making. Our front-line employees will be asked to make more decisions instead of always depending on managers for guidance and all of us will have to work more closely together to find ways of doing a better job at our jobs."

### **TQM Task Forces**

Governors in many states have moved from "talking the talk" to "walking the walk" by establishing task forces and then coordinating committees. The CSG survey identified 27 states with quality management councils, steering committees or task forces designed to undertake statewide TQM efforts (see Table 4). Their names, size and roles vary; most have private sector representatives as members or consultants appointed by governors. Examples of such task forces are those in Texas, Tennessee and California.

In October 1992, Gov. Ann Richards issued an executive order (AWR 92-11) to establish the Texas State Government Quality Committee to assist state agencies in providing "legendary" customer service. The committee of 25 members was charged with facilitating the utilization of TQM throughout state government.

In Tennessee, a TQM task force appointed by the governor concluded that the successful implementation of a quality management process in state government could create a "win-win situation" for state employees and citizens who receive the products and services of the state. As a result, the Office of Quality Development was created in 1993 to serve as a central coordinating agent for the quality management initiative. Implementing the task force's recommendations is a central focus and responsibility of the Office of Quality Development. The office was charged with helping to initiate, support and oversee the implementation of a statewide quality management process.

**Table 4**  
**Statewide TQM Councils, Steering Committees or Boards**

Arizona	Office for Excellence in Government
Arkansas	Arkansas Quality Advisory Council and the Quality Management Board
California	Governor's Task Force on Quality Government
Colorado	State Quality Council
Florida	Total Quality Leadership
Georgia	Quality Service Council
Illinois	Governor's Quality Council
Kansas	Kansas Quality Management Council
Kentucky	Governor's Commission on Quality and Efficiency
Maryland	Total Quality Initiative
Maine	Maine Quality Management Council
Massachusetts	Commonwealth Improvement Council
Michigan	Michigan State Government Quality Forum
Minnesota	Minnesota Quality Initiative
Missouri	Commission on Management and Productivity
Nebraska	Emerge
New Hampshire	Quality Council
New Mexico	TQM Advisory Board
New York	State Quality through Participation Steering Committee
Ohio	Quality Service through Partnership Steering Committee
Oklahoma	Governor's Quality Council
Oregon	Oregon Quality Initiative
Pennsylvania	Statewide Total Quality Advisory Council
South Carolina	State Government Quality Network
Tennessee	Quality Management Council
Texas	Texas Quality Service Steering Committee
West Virginia	Inspire

Source: CSG survey on state TQM activities, 1994.

In June 1993, California Gov. Pete Wilson signed an executive order (W-47-93) to establish the volunteer Task Force on Quality Government, consisting of members from private business, labor, and state and local government. The task force is charged with advising the governor and his cabinet on quality management policy and implementation. One of the task force's first responsibilities was the selection of "pioneer projects" within volunteer state departments. The departments of Personnel, Finance and General Services were instructed to view pioneer project requests for modification from existing regulations to the extent legally permissible. By the December 1993, a total of 24 pioneer projects were selected for TQM.

### Public-Private Partnerships

Many governors and top state executives initially learned about TQM from large and nationally known private corporations. By mid-1994, at least 17 states had established a variety of public-private partnerships for design, training, facilitation, implementation, monitoring and evaluation of TQM (see Table 5 on page 14). Countless state agencies also have been involved in partnerships with corporations in their states.

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*By mid-1994, at least 17 states had established a variety of public-private partnerships for design, training, facilitation, implementation, monitoring and evaluation of TQM.*

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**Table 5**  
**Selected State Partnerships with Corporations to Implement TQM**

<i>Arizona</i>	<i>Partnerships with nine companies</i>
<i>California</i>	<i>Xerox, AT&amp;T, Unisys, Sprint</i>
<i>Georgia</i>	<i>Xerox, Digital, IBM</i>
<i>Illinois</i>	<i>Motorola, IBM, Xerox</i>
<i>Iowa</i>	<i>Texas Instruments</i>
<i>Kentucky</i>	<i>General Electric, Toyota Motor Manufacturing, Bell South</i>
<i>Louisiana</i>	<i>Dow Chemical Co.</i>
<i>Maryland</i>	<i>Westinghouse, Motorola</i>
<i>Nebraska</i>	<i>Union Pacific Rail Road</i>
<i>New York</i>	<i>American Express, AT&amp;T, Carrier, Corning, IBM, Kodak, MetLife, Xerox</i>
<i>Ohio</i>	<i>Xerox</i>
<i>Oklahoma</i>	<i>Xerox</i>
<i>South Carolina</i>	<i>Westinghouse</i>
<i>Tennessee</i>	<i>Dobbs International Services, Saturn, Federal Express</i>
<i>Texas</i>	<i>Xerox</i>
<i>Utah</i>	<i>AT&amp;T Universal Card</i>
<i>Vermont</i>	<i>IBM, NYNEX</i>
<i>West Virginia</i>	<i>General Electric</i>

*Source: CSG survey on state TQM activities, 1994.*

In Nebraska, for example, several state agencies, including the departments of Social Services, Military/National Guard, Health Care, Labor and Corrections, established partnerships with private companies to advance the state's TQM Program. Nebraska's quality management program, called "Emerge," uses employee ideas and talents to reinvent and improve state government. Emerge's goals are: to empower state employees to identify ways to improve the quality and productivity of their workplace, to get rid of unnecessary paperwork and procedures, to encourage alternatives to filling job vacancies, to eliminate unproductive meetings and useless authorizations, to provide incentives for employees to save rather than spend and to make Nebraska state government a model high-performance organization.

In New York, senior vice presidents for quality from eight corporations have been paired with individual agency heads for one-on-one consultation in leading a quality improvement effort. In addition, the contribution of corporate expertise and resources is coordinated through a committee of corporations providing the quality management pilot agencies and the statewide effort with the best of what the corporations have to offer.

### **Transferability of TQM**

State policy-makers and managers have been asking if private TQM principles can be successfully transferred to state agencies. The pertinent

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**Table 6**  
**W. Edwards Deming's 14 Points for Management**

1. Create and publish to all employees a statement of the aims and purposes of the company or other organization. The management must demonstrate constantly their commitment to this statement.
2. Learn the new philosophy — top management and everybody.
3. Understand the purpose of inspection — for improvement of processes and reduction of cost.
4. End the practice of awarding business on the basis of price tag alone.
5. Improve constantly and forever the system of production and service.
6. Institute training.
7. Teach and institute leadership.
8. Drive out fear. Create trust. Create a climate for innovation.
9. Optimize toward the aims and purposes of the company the efforts of teams, groups, staff areas.
10. Eliminate exhortations for the work force.
11. Eliminate numerical quotas for production. Instead, learn and institute methods for improvement. Eliminate management by objectives. Instead, learn the capabilities of processes and how to improve them.
12. Remove barriers that rob people of pride of workmanship.
13. Encourage education and self-improvement for everyone.
14. Take action to accomplish the transformation.

Source: W. Edwards Deming (January 1990 revision).

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question is how should state managers translate a private sector model into one which would work for state government. For instance, can state agencies adopt W. Edwards Deming's 14 points for management (see Table 6) or those of other TQM gurus, such as Phil Crosby, Joseph M. Juran and Kaoru Ishikawa? Despite the obvious differences between the public and private sectors — such as frequent turnover of elected and appointed state officials and lack of personal and financial rewards for management improvement in state government — state TQM coordinators tend to believe that the quality management philosophy can be adopted in the public sector. For example, when the CSG survey asked a question to state TQM coordinators or facilitators about the transferability of TQM to state government, their response was almost unanimously affirmative. Thirty-three of the 35 states that responded to the survey question said TQM can be implemented in state government as effectively as in businesses and non-governmental organizations. It is not clear if these coordinators' opinions are representative of state managers or employees in their agencies.

#### **Implications and Recommendations for Policy Option 3**

State leaders considering this option should note the following:

- Option 3 may be considered for some practical reasons.

By "talking the talk," the governor can stay out of trouble because nothing has been promised. Pro-TQM speeches can make a CEO look good for the moment while they allow change champions to point to the governor's support.

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*Can state agencies adopt W. Edwards Deming's 14 points for management or those of other TQM gurus? Despite the obvious differences between the public and private sectors, state TQM coordinators tend to believe that the quality management philosophy can be adopted in the public sector.*

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- For TQM to be effective, governors need to “walk the walk,” not merely “talk the talk.”

The governor can provide either rhetorical support or personal and organizational commitment to quality efforts. The governor’s supportive words can precipitate activities throughout the state or at least in a few agencies. However, front-line or union workers might not readily provide reciprocal activity. They have weathered past upper-management fashions, so their “let’s wait and see if this lasts” attitude is understandable. This phase can last years. Therefore, true commitment and action steps by high-level officials is critical to the success of the quality process. Even after naming task forces or steering committees, however, TQM efforts can fail unless management reform initiators are serious about their roles and persistent in implementation.

- Only careful application of TQM can reap real success to benefit both employees and citizens as customers.

Past management innovations were often oversold and their program implementation was frequently flawed. TQM must be applied sensibly in agencies, functions and processes that have predictable, manufacturing-like activities such as accounting, document printing and distribution, entitlement programs, motor pool operations, supply management and tax collection. Grandiose programs launched without resources can invite cynicism and failure.

- TQM is not a panacea.

For example, the National Performance Review Panel, chaired by Vice President Al Gore, was designed to deal simultaneously with four deficits confronting the federal government: “the budget deficit, the investment deficit, the performance deficit, and the trust deficit.” But some observers of TQM contend that policy-makers should not pour their ultimate and final confidence in TQM to fix these deficits. TQM won’t make people like certain programs any better. Other people will never see the value of making government more effective at what it does. Moreover, better management has real limits in dealing with the structural deficits that are a part of modern government revenue and expenditure systems, under which revenues grow rapidly in good economic times and expenditures grow rapidly during poor economic conditions.

## Option 4 Full Implementation in the Entire Executive Branch

*Implement TQM throughout the executive branch of state government.*

### *Trends and Forecasts*

*TQM has been implemented mostly within the executive branches of state government to improve internal agency management and service delivery for customers. During the next few years, the new management philosophy is likely to be embraced by more executive branch agencies across the states. All but one respondent that returned the CSG survey questionnaire said TQM activities in their states were likely to increase during the next five years. Reasons for the anticipated increase cited by the survey respondents include successful TQM activities in their states or in other states. TQM experiences in federal or local governments were not cited as a contributing factor to increasing state TQM experiences.*

### **Executive Branch-wide TQM Efforts**

According to the CSG survey, TQM, either in pure or hybrid form, has been initiated in selected executive branch agencies in approximately 40



states. These states have initiated their TQM efforts under gubernatorial executive orders (13 states); agency head's directives without gubernatorial executive orders (11 states); special legislation (two states) or by other means (13 states, including agencies not under governors' direct jurisdiction).

Implemented either on a mandatory or a voluntary basis, state TQM efforts bear a variety of names: quality management, quality partnership, quality leadership, quality service, quality initiative and quality through participation. All but two of the states that participated in the CSG survey are using the term "quality" in their management improvement practices (see Table 7). The label "Total Quality Management" is formally used in only three states. Executive branch-wide TQM efforts are being implemented with the assistance of statewide coordinators housed in designated state agencies, such as the Governor's Office for Excellence in Government in Arizona, the Governor's Office of Employee Relations in New York and the departments of finance and personnel management in many other states. Agencies implementing TQM on their own generally use team leaders and facilitators.

**Table 7**  
**Names of State TQM Efforts (Year of initiation)**

Arizona	Office for Excellence in Government (1992)
Arkansas	Quality Management in Arkansas State Government (1990)
California	Governor's Quality Partnerships (1993)
Colorado	Total Quality Management in Colorado Government (1989)
Florida	Total Quality Leadership (1992)
Georgia	Quality Service Georgia (1992)
Iowa	Quality Government (1991)
Kansas	Kansas Quality Management (1992)
Kentucky	Governor's Commission on Quality and Efficiency (1993)
Maryland	Total Quality Initiative (1990)
Massachusetts	Total Quality Management (1992)
Michigan	Michigan State Government Quality Forum (1994)
Minnesota	Minnesota Quality Initiative (1987)*
Missouri	Total Quality Management/Service (1993)
Nebraska	Emerge (1992)
Nevada	Total Quality Management (1994)
New Mexico	Quality Management Initiative (1993)
New York	Quality through Participation (1991)
Ohio	Quality Services through Partnership (1992)
Oklahoma	Quality Oklahoma Initiative (1992)
Oregon	High Performance (1988)
South Carolina	South Carolina State Government Quality Network (1988)*
Tennessee	Tennessee Quality Management (1993)
Texas	Texas Quality Service (1992)
Washington	Service Quality Washington (1994)
West Virginia	Inspire (1993)

Key: \* — Inter-agency initiatives.

Source: CSG survey on state TQM activities, 1994.

*State TQM efforts bear a variety of names: quality management, quality partnership, quality leadership, quality service, quality initiative and quality through participation. The label "Total Quality Management" is formally used in only three states.*

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## Pilot Projects in Pioneer Agencies

Statewide TQM activities normally begin with pilot or "pioneer" projects in "prototype" agencies. In Arizona, of the 35 agencies reporting to the governor, all but six agencies are implementing quality management projects. The Office for Excellence in Government developed a Total Quality Pilot program, an agency-driven program of internal teams working on improvements which would show quantifiable savings or improved customers. The office has reported actual savings of more than \$43 million in 12 agencies under the Statewide Long-Term Improvement Management Project (Project SLIM), as of December 1993.

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*In Maine, gain-sharing is used as an incentive to initiate TQM projects. Approximately 30 percent of an agency's funds that lapse at the end of a fiscal year are carried forward to be used for TQM purposes. Gain-sharing in Maine provides an incentive for TQM, a framework for expected savings due to TQM and early funding for TQM implementation.*

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In Illinois, 26 departments are engaged in some level of TQM efforts. Of that group, 16 have adopted formal TQM models from private industry, government or education and implemented these models through the use of outside consultants and/or training. Plans are under way for full implementation of TQM statewide.

In Michigan, nine departments are in the process of implementing TQM initiatives: Transportation, Natural Resources, Military Affairs, Corrections, Social Services, Mental Health, Civil Service, Commerce and Education. Each department is allowed to determine when and how the quality management process should be structured. In addition, eight state agencies are currently exploring or beginning the development of quality management programs: the departments of Agriculture, Treasury, State Police, Labor, Public Health, and Management and Budget as well as the Michigan Jobs Commission and the Michigan Employment Security Commission.

In New York, which began its Quality through Participation program in 1989, 11 "prototype" agencies (accounting for approximately 60 percent of executive branch employees) are now part of the management improvement initiative: the departments of Education, Motor Vehicles, Social Services, State and Transportation; the divisions of Criminal Justice Services, and Equalization and Assessment; and the offices of General Services; Mental Health; Mental Retardation and Developmental Disabilities; and Parks, Recreation and Historical Preservation. In addition, the state's central agencies (the Division of the Budget, Department of Civil Service, Office of the State Comptroller and Office of Regulatory and Management Assistance) assist the effort by pursuing systemic changes to the state's personnel, budgetary and administrative practices. For the 1994-95 biennium, the executive budget includes \$1.95 million to support statewide QtP activities.

Pilot TQM projects in state government are designed to improve management and service delivery by reducing process time and the number of customer complaints, eliminating administrative steps and unnecessary work, and reducing costs. In some states, gain-sharing is used as an incentive to initiate TQM projects. When Maine began its TQM initiatives, for example, Gov. John R. McKernan introduced a bill to put in place gain-sharing for departments participating in TQM. Approximately 30 percent of an agency's funds that lapse at the end of a fiscal year are carried forward to be used for TQM purposes. Gain-sharing in Maine provides an incentive for TQM, a framework for expected savings due to TQM and early funding for TQM implementation. Also, in order to ensure that employees were not wary of TQM because of potential cost sav-

ings, the legislation also guaranteed that no jobs will be eliminated due to TQM. When cost savings are identified, employees will be guaranteed training and retraining so that they can enter employment at the same or higher level in state government. The legislation was supported by the administration as well as legislative and union leaders.

### **Employee Empowerment**

One important element of TQM is employee empowerment — direct employee participation in agency decision-making processes. One example for this effort is West Virginia's statewide quality management initiative known as "Inspire." It is a process that empowers state employees to identify ways to improve continually the quality and productivity of their workplace. Under Inspire, state workers are brought together in two- to three-day workshops involving 30 to 60 people from all levels of an agency. At these workshops, small groups of eight to 12 people focus on one problem or one set of problems at a time. Each of these groups then develops recommendations with timetables, secures endorsement of the entire group, presents those recommendations to a management team and designates from their own ranks a "champion" to ensure that all approved recommendations are implemented. The Inspire program is designed to get rid of unnecessary paperwork and procedures, eliminate unproductive meetings and useless authorizations, tackle complex interdepartmental issues and address other problems that keep state employees from being as effective as possible. In the first six months of the program, 3,000 state workers from every state department have been trained in the process to improve the quality of state government service. State officials reported continuous progress and success stories.

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*The governor and cabinet should create the vision, mission and quality policy with strategic objectives for all executive branch agencies. Once the "path" to quality is established, achieving the agency vision must be mandated.*

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### **Hybrid TQM Projects**

Some state agencies are implementing TQM in a hybrid form. In Texas, Gov. Ann Richards has declared TQM to be a central concept to be used by all agencies. However, given the diffused nature of Texas state government, the results have varied widely. Some agencies use a "pure" TQM approach, others use hybrid approaches that emphasize many of the same qualities but also use other approaches, and others simply continue with older styles of management. For example, a management improvement initiative launched by the state Comptroller's office, called "Renaissance," has many of the same TQM components: customer-service focus, processes of re-engineering, etc.

### ***Implications and Recommendations for Policy Option 4***

Governors and agency heads considering this option should bear in mind the following:

- Gubernatorial vision and leadership commitment are essential for branch-wide TQM implementation to be successful.

TQM needs to be embraced and practiced at the highest levels of state government, including the governor and cabinet. The governor and cabinet should create the vision, mission and quality policy with strategic objectives for all executive branch agencies. Once the "path" to quality is established, achieving the agency vision must be mandated. Alignment of each agency toward the vision is best. In Maine, for example, the governor is responsible for overall guidance and direction of the state's TQM efforts. He is the key player in establishing

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the vision and serves as the head of the State Quality Management Council.

- Gubernatorial executive orders may be necessary for full TQM implementation.

The governor can issue an executive order which describes the rationale and benefits of using TQM as a management process, with phase-in over several years. Models of executive orders include: Arkansas (93-02), Arizona (92-32), California (W-47-93), New York (No.164) and Texas (AWR 92-11). Initial efforts may begin on a voluntary basis to minimize the inevitable resistance to change, but the executive order states a clear expectation that TQM will become standard operating procedure in the near future. In Arkansas, governors' directives to agency heads preceded a formal executive order in 1993. Colorado's TQM efforts began first on a pilot basis in several departments, then was emphasized by a gubernatorial executive order.

- TQM may be implemented in two ways.

Once a statewide commitment to TQM is made by the governor, one of two approaches can be used: 1) a highly-publicized, campaign-style kickoff, or 2) a more low-key, build-on-success effort. The risk with the first may be the development of unrealistic expectations while the risk with the second may be insufficient momentum. The risk common to both may be the demand for short-term results.

- TQM may be initiated in selected, less integrated functional areas.

Each state has critical areas where it is essential to have good results to meet the needs of the customers of state services. The governor and his or her cabinet identify these areas, such as economic development, education, environment, health and public safety. Then each agency head identifies the areas where the agency spends most of its time and resources. The cabinet heads meet together and strategically plan how they can best work together to continue meeting the needs of the customers while at the same time achieving their mission in their newly-defined key areas. For example, in Arkansas, the education cabinet heads and their representatives have the mission of meeting state and national educational goals through collaborative TQM efforts among agencies.

- Take TQM statewide with a strategic business plan.

New York is an example of a state with such a plan (see Figure 1). New York quality management officials recommend that agency managers devote 20 percent of their time to quality management; never miss an opportunity to talk about quality management; modify human resources practices for flexibility and set up and/or realign rewards and recognition systems and practices (including promotion criteria and compensation methodologies to support quality); set up measures for employee satisfaction and morale and customer satisfaction; enhance work processes and improve both the processes and outcomes; be prepared to remove barriers, which may include modification of traditions, procedures, policies, rules and regulations, laws and perhaps the state constitution; be prepared to modify access and control in current fiscal and information management systems to support quality; participate in decentralized decision-making; and invent reasons and ways to celebrate.

- Option 4 may be considered by states or state agencies for several reasons.

Executive branch-wide TQM efforts can build in constancy of purpose with career state employees; can build ownership in the process

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*Once a statewide commitment to TQM is made by the governor, one of two approaches can be used: 1) a highly-publicized, campaign-style kickoff, or 2) a more low-key, build-on-success effort. The risk with the first may be the development of unrealistic expectations while the risk with the second may be insufficient momentum.*

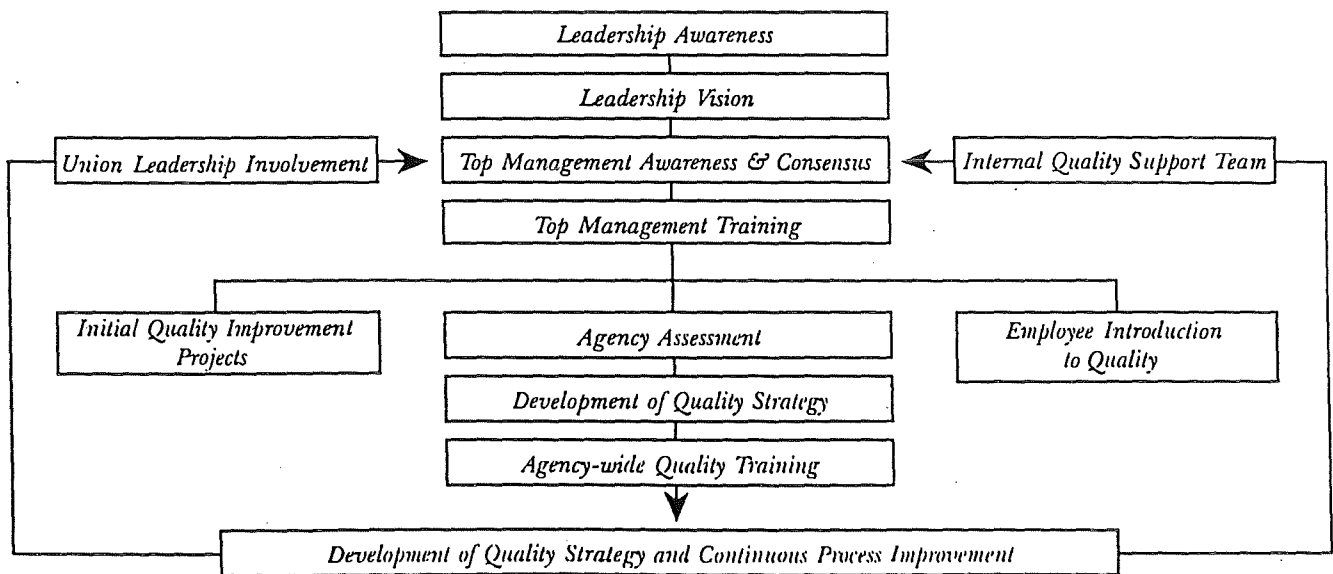
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with agency leaders; has probability of big payoffs; creates a "cultural shift" and common approaches; and can have many more stakeholders on board. However, the implementation process can be long and frustrating, and building trust with elected and appointed officials and career civil servants may be difficult.

- Centralized coordination may not be a guarantee for successful TQM implementation.

Florida's experience with Total Quality Leadership is instructive. At its inception in 1992, the TQL effort was assigned to the Department of Administration, which was to develop the training materials and implementation strategies for other agencies. In addition, Gov. Lawton Chiles appointed a central steering board, composed of public and private sector executives with experience in quality management, to oversee the implementation of TQL in Florida state government. But the centralized implementation effort was complicated by a merger of the Department of Administration with the Department of General Services to create the new Department of Management Services. The steering committee, unsure of the direction for this new agency, slowly dissolved. In response to the CSG survey, one Florida quality manager wrote, "We now have a decentralized effort, with the primary responsibility for implementation resting on the individual agency heads of the executive branch agencies." Massachusetts is another state where ambitious TQM initiatives began with Gov. William Weld's blessing, but most pilot projects initiated two years ago have been more or less stalled despite a statewide, centralized process.

**Figure 1**  
*New York's QtP Installation Process*



Source: New York Governor's Office of Employee Relations

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## Option 5 Transformation of Government Culture

*Apply TQM principles to all three branches of state government to seek a total transformation of government culture.*

### *Trends and Forecasts*

*The trend appears to be toward a widespread implementation of TQM principles in only the executive branch of state governments across the nation during the next few years. Currently, only one state is in the process of implementing TQM principles in the three branches. Yet it is likely that more states might want experiment with TQM in the legislative and judicial branches.*

### Statewide TQM

Can TQM change the way the three branches of state government operate? State officials who responded to the CSG survey expressed a very optimistic view on the possibility of TQM implementation not only in the executive branch but also in the other two branches. Thirty-three of the 37 survey respondents who answered the question of the transferability of TQM to state government agreed that TQM can be successfully implemented in the legislative and judicial branches of state government. This finding is somewhat surprising in view of the nature of much of the work of the legislative and judicial branches lends itself nicely to process improvement.

### TQM for Legislatures

Traditionally, state legislators have not been particularly interested in management issues; their interests lie primarily in policy issues and their work often is crisis-driven. State legislators' attitude toward TQM in most states is no exception. Some states have been able to implement their quality management efforts with legislative support, mostly through appropriation of funds necessary to implement such efforts.

In New York, there has been outreach to legislative members and staff to develop receptivity and support within the Legislature for Quality through Participation and, in particular, for systemic changes that may require legislation. The focus has been on developing a basic appreciation of the importance of quality methods and how QtP would reinvent government to produce better constituent satisfaction. In addition to a number of staff contacts and briefings, agency heads and corporate partners have been directly meeting with a legislative leader to discuss government reform.

Massachusetts' Commonwealth Quality Improvement Council was designed to be a joint quality management process between the executive and legislative branches. The council was chaired by Gov. William F. Weld and co-chaired by Rep. John McDonough with Sen. Robert Wetmore serving as a member of the Council. McDonough, Speaker Charles Flaherty and Rep. Warren Tolman initiated a pilot TQM project in the House of Representatives to reduce the number of bills filed for consideration in the 1992 legislative session by 15 percent. Another pilot project is designed to eliminate unnecessary steps in the process of retrieving information on bills. This project was necessary because obtaining written summaries of bills can involve walking to 17 dispersed locations within the Statehouse. When a customer reaches their destination, the committee staff must manually retrieve and make a photocopy of the bill summary. Approximately 20 legislative service agency staff participated in each of the two projects. Despite their carefully drawn joint efforts, however,

Massachusetts has not realized measurable results yet. Commenting on the status of the state's TQM efforts, McDonough said, "Some positive spinoffs, but no spectacular results. Many other TQM pilot projects are dead right now due to other priorities."

### TQM for Courts

TQM principles have been successfully applied to several groups in the Idaho Supreme Court clerk's office and in at least in two counties (Boise and Cassia), according to Mary Ann Hurt, a judicial assistant to Idaho Supreme Court Justice Byron J. Johnson. Beginning in 1990, Hurt, with the support of the justice, began using TQM principles in several judicial offices to facilitate and begin Total Quality Justice programs. "TQJ enables court officials to set standards toward an error-free work product — a product that is the best product that the group can produce," said Hurt. "In each of these offices, we worked to create a more usable model for many of the work products. We defined, discussed and changed work products. We identified our partners and customers and agreed to ask others how to improve our products."

Thus far, Idaho's experiments dealt with problems such as traffic tickets, small claims forms, dispute resolutions, answering requests, juvenile support and preparing calendars. According to the recently-initiated Idaho Total Quality Justice newsletter, benefits of quality management to employees include: increasing job satisfaction, encouraging decision-making at the most appropriate level, improving communications, promoting teamwork, providing for personal growth and development, developing leadership skills, recognizing employees' knowledge and skills, and providing opportunities for employees to understand how their contributions support agency goals. Hurt said, "The Idaho judiciary is coping with the changing times by involving TQJ in their court management processes. Too often those people who are processing the work are not involved in the management decisions nor are their ideas ever considered. Through Total Quality Justice, our court employees are involved on an equal basis."

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*"Too often those people who are processing the work are not involved in the management decisions nor are their ideas ever considered. Through Total Quality Justice, our court employees are involved on an equal basis."*

— Mary Ann Hurt  
Judicial Assistant  
Idaho Supreme Court

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### TQM in Three Branches

In Maine, TQM is being implemented in the three branches of state government. In 1991, the Maine Legislature passed a resolve mandating the implementation of TQM in the three branches of government. (Chapter 73, Resolves 1991, Sec. 4, effective April 9, 1992: "Total Quality Management in the Legislature and Judiciary. Resolved that the Legislature and the Judicial Department shall adopt plans by September 1, 1992 for the use of total quality management in their operations. Plans adopted by the Legislature and the Judiciary must address all total quality management issues specified under section 3.")

Members of the Maine Quality Management Council, which oversees TQM across state government, include one state senator and one representative appointed by the senate president and the speaker of the house, respectively. The chief justice of the State supreme Court also sits on the council.

Currently, TQM training is a number-one priority in Maine, and by December 1994, at least 10 percent of the state workforce is expected to

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complete TQM training and serve on "pilot process action teams." In addition, initiatives by the Legislature include developing a new legislative budget process centered on TQM principles and completing TQM training for new legislators and legislative chairs.

### *Implications and Recommendations for Policy Option 5*

State leaders considering this option should keep in mind the following points:

- Active legislative participation is essential.

Option 5 provides a multibranch commitment to TQM and accountability which has been lacking in traditional management improvement efforts. Legislators must help in the establishment of the state's vision and must be able to ensure support in the legislative and appropriation processes. In Maine, the executive branch is required by law to report to the joint standing committee of the Legislature regarding TQM initiatives. Additional benefits occurring from multibranch efforts include positive financial incentives for successful programs; long-range budget planning, which will support quality management efforts; and early consensus on statewide visions, missions, goals and strategies for completion.

- TQM may be adopted for select legislative branch activities.

Such activities may include bill drafting, bill summaries, some information issues, staff development, performance audits and case work. State legislators and legislative service directors might want to learn lessons from Massachusetts and Maine. To implement successful TQM initiatives in the legislative branch, Massachusetts Rep. John McDounaugh recommends three essentials: 1) total commitment from legislative leadership (house speaker and senate president), 2) total commitment from staff, and 3) adequate financial resources.

- TQM principles can be applied to courts.

State judicial branch officials might want to learn lessons from Idaho's experiences. Besides Idaho, the TQM concept has been introduced in some legal circles in Arizona, including county tax administration (tax judges), changes in appeals, bar association customer orientation and law firms. In New York, application of the TQM concept has been discussed in the state bar association.

- Statewide TQM may be implemented in cooperation with local governments and community organizations as well.

Statewide Quality Management Education and the Training Task Force in Arkansas, for example, are trying to link states, local governments and community groups through collaborative efforts. The state's quality management efforts provide a basic framework of quality management education and training through universities, community colleges, technical colleges, vocational and technical schools. The state also utilizes local chambers of commerce to coordinate a community effort of quality awareness. Private and public sectors collaborate to improve their key result areas locally such as in economic development, education, environment, health and public safety.

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*To implement successful TQM initiatives in the legislative branch, Massachusetts Rep. John McDounaugh recommends three essentials: 1) total commitment from the house speaker and senate president, 2) total commitment from staff, and 3) adequate resources.*

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- Expecting cultural transformation in the three branches may sound unrealistic.

Some critics say this option will become a reality only if there is extraordinary leadership by officials holding top positions in the three branches. When the governor or the legislative leadership changes, this approach could become history, largely because it is too weighty to be supported on a continuing basis across the government. Other critics say the risk of failure is high, especially in view of the democratic electoral process.

## Issues in Implementing TQM

A number of practical issues arise when implementing TQM in state agencies. Among these are overcoming resistance and barriers; training; recognition and awards; measuring successes and failures; and the question of sustenance.

- **Overcoming Resistance and Barriers**

State managers and employees must be convinced that TQM is not a fad. Over the years, they have been subjected to every new management fad that has been introduced in state government. Many state workers tend to regard TQM as just another craze, thinking that this will also eventually go away. But, as Joseph M. Bress, director of the New York Governor's Office of Employee Relations, said, "Focus on the customers. Doing things right the first time, making processes work for you, not against you, and never being satisfied with the status quo are as essential to the future success of government as they are for the private sector. These concepts are here to stay and we must discover how to make our institutions of government responsive to them."

To carry out effective and successful TQM efforts, initiators and supporters must overcome resistance from state agency executives, mid-level managers and often employee organizations that all tend to favor traditional management approaches or the status quo. Because management improvement efforts have a major impact on the workings of state employees, organized labor has an important role to play in shaping the directions of TQM in state government. Also, governors and agency heads must address structural barriers to TQM implementation, such as civil service systems and multiple layers of hierarchy, to create a new environment for change.

According to TQM expert Joseph Sensenbrenner, "A Third Revolution has taken place in some locations. The sheer growth in government and increasingly critical skills of front-line workers has lengthened the effective distance from the top officials to those in the front lines. ...Now, workers charged with the responsibility to provide a public service initiate the most important organizational activity. ...This revolution is based upon continuous civil improvement by those who serve the citizens, a practice which lies at the core of American values. (Improvement activities include: customer focus, surveys, partnerships, renewal, reinventing and total quality.)"

- **TQM Training**

Training represents an investment of resources and time in the people who will actually carry out the change within any organization. It assists

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*"Focus on the customers. Doing things right the first time, making processes work for you, not against you, and never being satisfied with the status quo are as essential to the future success of government as they are for the private sector."*

— Joseph M. Bress, Director  
New York Governor's  
Office of Employee Relations

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## Total Quality Training Curricula in Arizona

### Foundation Training

- Customer services
- Executive awareness
- Instructor/facilitator skills
- Team training
- Total quality awareness

### Tools Training

- Basic quality tools
- Benchmarking
- Business process improvement
- Cycle-time reduction
- Managing effective meetings
- Performance measurement
- Project management
- Statistical process control
- Systematic problem solving

### Interpersonal Skills Training

- Assessment instruments
- Employee participation
- Interpersonal dynamics
- Management diversity
- Partnership workshop

### Management Development

- Designing team-based organizations
- Employee empowerment
- Leadership effectiveness
- Management change
- Organizational assessment
- Strategic quality planning

Source: Arizona Governor's Office for Excellence in Government.

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in promoting an understanding of the vision, mission and goals of the initiative while promoting buy-in to process change. As many as 37 states reported that they have used business executives and outside management consultants, as well as state TQM coordinators and facilitators (29 states), to train state managers and employees. (For an example of a state training program, see "Total Quality Training Curricula in Arizona.")

In general terms, four models may be considered by state agencies: 1) no formal training; self-education to each person; 2) formal, decentralized training; up to each department; 3) formal, centralized training; model for all departments; and 4) multistate or intergovernmental (federal-local-state) strategy. In particular, interstate quality management coordinators' conferences held in South Carolina and Arkansas (as well as the third conference to be held in Minnesota in 1995) are an excellent way to learn how other states are implementing quality management in their state agencies.

### • Quality Awards Programs

One component of the states' TQM initiatives is a quality awards program. Most of the 15 statewide quality awards programs identified by the CSG survey (see Table 8) are patterned after the Malcolm Baldrige National Quality Award, which was designed for private corporations. Numerous state agencies also have agency-wide recognition and reward programs. Criteria used to select successful quality management projects or employees slightly vary among the states.

In 1993, Arizona Gov. Fife Symington presented "Spirit of Excellence" awards to seven state agencies, 50 teams and more than 1,500 state employees. The Arizona awards program selects winners based on eight categories and a total of 600 points: identification of problem or opportunity for improvement (50 points), methodology (75), accomplishment (75), customer focus (75), results (75), leadership (100), communication (75) and elimination of barriers (75). New York's "Excelsior Award" program selects winners from the private, education and public sectors. The selection criteria used in the public sector are based on seven categories and a total of 1,000 points: leadership (170 points), information and analysis (50), strategic quality planning (50), human resources excellence (240), management of process quality (100), quality and operational results (150), and customer/constituent focus and satisfaction (240).

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**Table 8**  
**Selected Statewide Quality Award Programs**

Arizona	<i>Spirit of Excellence; Governor's Quality Award and Pioneer Award</i>
Florida	<i>Governor's Sterling Award</i>
Iowa	<i>Governor's Quality Awards</i>
Maryland	<i>Governor's Quality Awards</i>
Massachusetts	<i>Massachusetts Quality Awards</i>
Michigan	<i>Michigan Quality Leadership Award</i>
Missouri	<i>Governor's Awards</i>
Montana	<i>Governor's Employee Recognition Award</i>
New Mexico	<i>New Mexico Quality Award</i>
New York	<i>Governor's Excelsior Award</i>
Oklahoma	<i>State Quality Award</i>
Oregon	<i>Quality Initiative Award</i>
Tennessee	<i>Tennessee Quality Award</i>
Texas	<i>Texas Quality Award</i>

Source: CSG survey on state TQM activities, 1994.

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The objective of such quality awards programs is to give greater public visibility to successful TQM practices with the hope that award recipients will share information about their successful strategies with other state agencies. Unless carefully conceived and carried out, however, such an awards program can have unanticipated negative consequences — preoccupation with publicity, competition rather than cooperation among agencies and individuals, low morale or cynicism of non-award recipients, and the question of sustenance of selected “best practices.”

#### • Measuring Successes and Failures

How do we measure successes or failures of state TQM efforts? Should we include, for example, TQM training or quality awards programs in measurement criteria? When should we determine if a TQM project has been successfully implemented? Within a few months of implementation or a few years? Like any other program evaluation, it is not easy to document successes or failures. However, many state agencies have reported initial success stories (see Appendix A).

The CSG survey instrument included several questions about TQM successes or failures. Of the 37 states that responded to the survey question regarding their TQM successes and failures, 15 states said their programs have been perceived as successful in “doing more with less” (cost-savings); 15 states, in satisfying customers; and 14 states, in empowering employees. Only 9 of the 37 (or 24 percent) said they were successful in decentralizing decision-making systems in their states or agencies.

The three most important factors that might have contributed to successful TQM efforts, according to the CSG survey, are leadership and management commitment, partnerships with the private sector and training (see Table 9). The three factors that might have contributed to unsuccessful TQM experiments include traditional organizational culture; lack of understanding, communication and training; and political and administrative changes (see Table 10 on page 28). However, it should be noted, 24 of the 37 states (or 65 percent) said it was too early to assess the program.

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*The three most important factors that might have contributed to successful TQM efforts, according to the CSG survey, are leadership and management commitment, partnerships with the private sector and training.*

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**Table 9**  
**Factors that Contributed to the Success of TQM (rankings):**

1. Effective leadership and management commitment
2. Partnerships with businesses
3. TQM training
4. TQM coordinators and facilitators\*
4. Use of outside TQM consultants\*
4. Extra resources for TQM implementation\*
7. Quality awards programs

Key: \* – Tie

Source: CSG survey on state TQM activities, 1994.

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*Table 10*  
*Factors that Contributed to*  
*Unsuccessful Experiences with TQM (rankings):*

1. *Traditional organizational and government culture*
2. *Lack of understanding, communication and training*
3. *Political and administrative changes and turnovers\**
3. *Lack of leadership commitment\**
5. *Resistance from agency managers*
6. *Resistance from employees and employee organizations\**
6. *Lack of measurable outcomes\**

Key: \* — Tie

Source: CSG survey on state TQM activities, 1994.

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• **Sustaining TQM**

Last, but not least, TQM initiators and others need to address if and how TQM practices can be sustained on a long-term basis. Does TQM have staying power in state government? In order to maintain sustainable TQM activities in state governments, some experts of TQM practices propose four areas of consideration by state officials: 1) an ongoing external board to advise on strategic vision, key result areas, financial/in-kind support, accountability and media visibility; 2) career civil servant buy-in; 3) infrastructures, such as a recognition/reward program, human resource management, and recruitment and selection of internal training capacity; and 4) strategic experiments to test and refine the TQM process (volunteers in different areas to report results and to recommend process improvements and select key results for “roll out”).

Additional strategies may include: constituency support (client groups and unions); institutionalization of the quality process through statutes, rules and regulations; depoliticizing the quality process; selling the quality process, not the label; courting legislatures and oversight organizations; conducting continuous training programs reflecting new culture and long-term changes in the labor force; protecting and nurturing institutional memory; and grooming candidates for succession in elective state offices and emphasizing the quality process in transition documents.

Of these areas, however, the attitudes and decisions of senior agency managers may be the most crucial. After pro-TQM governors leave, for instance, top civil servants and mid-level managers will determine the fate of TQM. Two crucial questions arise: How can we make top civil servants more aware of these quality management practices? And, how might we get these folks to decide for continuous quality improvement and to sustain their efforts over time?

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*Two crucial questions arise: How can we make top civil servants more aware of these quality management practices? And, how might we get these folks to decide for continuous quality improvement and to sustain their efforts over time?*

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## The Prospects

Based on the survey of state quality management experiences and expert brainstorming sessions conducted by CSC, the following five points should be reiterated in implementing successful TQM efforts in state government:

- Total leadership commitment to providing customer-oriented quality services is essential. Such top-level commitment, with necessary resources, should come from agency directors, governors, legislative leaders or judges. They should create the vision, mission and quality policy with strategic objectives. Once the "path" to quality is established, achieving the vision should be mandated.
- State leaders and managers should require a customer-service focus for all quality improvement teams prior to their formation. State agencies should function as efficient and effective entities that are responsible to their customers. Unless state leaders and managers give a high priority to customer-focused management improvement, TQM efforts are not likely to have measurable results.
- TQM can be successful only when governmental systems (such as human resources, purchasing and information technology) are changed to have a quality emphasis. Cross-agency and cross-functional thinking are critical to the development of such new systems.
- State leaders and managers should find out how they can get best advice and training to implement TQM principles at the least cost. They should be the first ones to learn more about the management philosophy. Without sufficient knowledge and investment in quality management, top state leaders and managers are not likely to perform their roles in improving management and service delivery.
- Both elected and appointed state officials should review how organizational changes occur in state agencies, who the important actors are, how they can motivate those actors for positive change and how they can have lasting organizational changes for customer satisfaction. They should make sure senior civil servants and mid-managers "buy into" TQM from the initial stage and implement it on an ongoing basis.

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*Appendix A*  
*Quality Management Success Stories\**

**Cost Savings**

- Arizona Gov. Fife Symington's administration started the Statewide Long-Term Improved Management Project (Project SLIM) in 1991 to focus on improving processes and enhancing the quality of services while at the same time reducing the cost of government. To achieve the cost savings, the state adopted Total Quality Management. TQM was linked with the diagnostics of Project SLIM in continuing commitment to improvement and excellence in the state. Twelve original Project SLIM agencies were evaluated. The review indicated that as of December 31, 1993, actual savings totaled \$43.1 million; revenue enhancements, with no tax increases, totaled \$12 million; and cost avoidance through implementation of Project SLIM recommendations was \$13.5 million.  
Source: Tim Boncoskey, Director, Arizona Office for Excellence in State Government, (602) 542-7546.
  
- Through quality management efforts, the Arizona Department of Public Safety (DPS) realized savings of nearly \$4.7 million in cost avoidance during fiscal year 1993. Examples of these improvements include a new tracking system for criminal investigation reporting, giving DPS management a better grasp of the activities and effectiveness of the Criminal Investigations Bureau. Increased productivity should result in an increase in services to the state while avoiding the hiring of additional officers, a cost avoidance equivalent of more than \$1.14 million. Additionally, improvements in the tracking system of non-field-related assignments, such as meetings and temporary assignment of office duties, will allow DPS management to reduce such activities by 50 percent. Approximately 64,234 working hours will be freed annually, resulting in avoided costs of close to \$1.55 million. The DPS also has implemented a recommendation which reduces the necessary time involved in investigating accidents. Currently, the department realizes a reduction of 12 percent in investigation time, leading to a savings of \$95,000.  
Source: Tim Boncoskey, Director, Arizona Office for Excellence in Government, (602) 542-7546.
  
- "The Arkansas Revenue Department is saving approximately \$43,000 per year sending driver's license renewal notices as postcards instead of letters."  
Source: Melanie A. Kennedy, State Quality Coordinator, (501) 682-5343.
  
- "In the Wellesly Island and Wescott Beach State Parks [in New York], a team effort allowed the construction of facilities by using existing employees rather than more costly public works contracts. These structures would have cost between \$180,000 and \$200,000 to construct under contract, but Parks built them at half that cost, while retaining better project control, improving flexibility for changes during construction and improving quality control. The approach also enabled retention of employees who might otherwise have faced layoffs."  
Source: New York Governor's Office of Employee Relations, (518) 474-5457.
  
- "The New York Office of General Services has been using quality tools and techniques in the Food Purchasing Project. This project involved the work of a cross-functional team created to improve the procurement process. ...The savings from the new 'fast tract' and 'opportunity' purchasing are up to 36 percent off the costs of using traditional processes. ...Beyond this, there have been many 'spin-offs,' one case resulting in revised specifications for the purchase of trash bags, which reduced costs by 71 percent, saving nearly \$100,000 annually."  
Source: New York Governor's Office of Employee Relations, (518) 474-5457.

- 
- A team in the South Carolina Department of Revenue and Taxation recognized that deposits were not being made in a timely manner, particularly during peak workload cycles. Because of the delayed deposits, the state was not realizing as much interest on deposits as possible. Several initiatives were taken to improve the process. First, the work units were reorganized to simplify internal communication. Secondly, the agency implemented an electronic filing process for sales taxes. Third, the number of process steps were reduced to eliminate unnecessary delays. Lastly, the team set up a regular monitoring process for deposits. Deposit time was reduced from an average of 2.16 days to 0.67 days. The implementation of the quicker deposit process has earned an additional \$2.26 million in interest income for the state.

Source: South Carolina Department of Revenue and Taxation, (803) 737-9850.

- A legislation routing and review team, formed in South Carolina's Department of Revenue and Taxation developed procedures for routing and reviewing proposed legislation, amendments and approved bills, both from inside and outside the agency. Team members established guidelines and responsibilities for newly created coordinator positions for each division of agency, developed a legislative solicitation and tracking process, and conducted training in the process. As a result, the agency has reduced hard copies of legislation, saving \$70,000 annually.

Source: Nathan Strong, South Carolina Division of Human Resource Management, (803) 737-0910.

### Improved Service

- "The Office of Motor Vehicles through the Arkansas Department of Computer Services established a 24-hour, toll-free information line to allow citizens to call and receive information about vehicle licensing."

Source: Melanie A. Kennedy, State Quality Coordinator, (501) 682-5343.

- In Colorado, the Workers' Compensation Adjudication Section of the Division of Administrative Hearings team redesigned the case docketing system to ensure that all cases docketed for a specific date and time would be heard as scheduled. Previous docketing procedures placed cases on a "trailing docket" — setting several cases at the same specific time in the morning and several cases at the same specific time in the afternoon each day. Attorneys, expert witnesses and all other parties involved suffered needless inconvenience due to an inefficient docketing system. After soliciting input from the division's internal and external customers, the team added two additional starting times for dockets each day and scheduled fewer cases for each time slot. New policies and procedures ensure that all cases are heard promptly and are concluded in a timely manner. The number of cases bumped since implementing these new procedures has decreased by 7 percent, and preliminary feedback from customers is positive.

Source: Morgan Rumler, Administrative Law Judge, Division of Administrative Hearings, Department of Administration, (303) 764-2954.

- "Through the statewide quality management program, the Colorado Mental Health Institute of Pueblo within the state Division of Mental Health reduced patient complaints, improved timeliness of patient mail delivery and improved patient-staff communication."

Source: Christian E. Hinz, (303) 546-4148.

- "In the Southern District Tier Office of the New York Office of Vocational Land Educational Services for Individuals with Disabilities, a team is working to improve the current process so that requests from employers for job candidates are responded to within 48 hours, thereby increasing job placements for individuals with disabilities."

Source: New York Governor's Office of Employee Relations, (518) 474-5457.

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- "Improvement teams in 25 district offices of the New York Department of Motor Vehicles were charged with the mission of reducing waiting time for DMV customers. Of the 25 offices, 12 accomplished substantial wait time reductions in each of three months (March, April and May of 1993), measured as compared to the same month in 1992. Seventeen offices had reductions in March, and 23 had reduced waiting times in April. In May, wait times were impacted by a series of computer system outages, but despite those events, 13 offices achieved reductions during May. Overall, wait times were 28 percent to 74 percent shorter than they were prior to this effort."

Source: New York Governor's Office of Employee Relations, (518) 474-5457.

- During 1993, New York made a special investment in reinventing the Department of Motor Vehicles. New services include: establishing toll-free telephone services; "Early Bird" photos for licenses — taking pictures at work sites to avoid office visits; offering mail-in renewal options; on-site processing of registrations for four large rental fleets; opening "License X-press" offices to handle license renewals; installing "take a number" queuing systems in the 10 busiest offices; and implementing a credit-card payment system for custom plates. The department will continue its customer-service commitment by increasing the toll-free service, opening more convenient offices and increasing the use of credit cards.

Source: New York Governor's Office of Employee Relations, (518) 474-5457.

- A Quality Service through Partnership team improved the process for reinstating driver's licenses. Rather than make Ohioans with suspended licenses drive to Columbus for reinstatement, they piloted an experiment to perform the service in the field. The pilot was in Toledo, and many customers took advantage of the service. So far, Toledo has collected a total of \$441,442 in fees, clearing 6,741 licenses and issuing 1,868 drivers' abstracts. It has saved the crowded Columbus public service area from serving an additional 6,000 people, received good customer feedback and positive press.

Source: Steve Wall, Office of Quality, (614) 644-5154.

- To address the problem of incorrectly transferred calls, which aggravated employers and callers alike, team members of the South Carolina Department of Revenue and Taxation decided to install an automated attendant transfer system which directs callers to the most frequently called sections. With an initial investment of \$3,500, the number of calls handled by receptionists was reduced by 47 percent over a three-month period. In addition, written call-handling procedures were established, taxpayers were made aware of the system and encouraged to use it (they can now check the status of their refund electronically), the agency phone directory was reorganized by tax type, the name of a contact person is always included in outgoing correspondence, and a directory of most frequently called numbers is included in individual income tax booklets.

Source: South Carolina Department of Revenue and Taxation, (803) 737-9850.

- Management of workers' compensation records in West Virginia has been improved through the use of a master tracking system for microfiche, a secured file area with controlled access and weekly meetings. A structured training process complete with instructional manual has been developed.

Source: West Virginia Governor's Press Office, (304) 558-6345.

- "The Traffic Accident Section of the Wisconsin Division of Motor Vehicles implemented a new scannable accident report in January 1994, the result of over 18 months of development. The effort, based on active customer involvement in all phases of the project, included representatives of the enforcement community; prosecuting and defense attorneys; local, state and federal highway engineers; highway safety specialists; and the insurance industry. Data accuracy, completeness and availability have been greatly enhanced while reducing costs."

Source: Gary Wentz, Traffic Accident Section, (608) 266-1077.



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## Time Savings

- Examples from Arkansas' Quality Management program: the Revenue Division team reduced by four weeks the time required to process a tax refund; and another team reduced the time for vehicle licensing by mail from 2 1/2 weeks to two to three days.  
Source: Melanie A. Kennedy, State Quality Coordinator, (501) 682-5343
- "Staff from the Department of Motor Vehicles' Title Bureau, along with key contributors from other parts of the agency, worked to reduce the turnaround time for title issuance, eliminate backlogs and improve responsiveness to customers. Where it used to take about 90 days for DMV to issue a title, it now takes only about two weeks."  
Source: New York Governor's Office of Employee Relations, (518) 474-5457.
- A Quality Service through Partnership team from the Public Utilities Commission of Ohio improved their travel expense reimbursement process. The team found it took 27 days from the date the internal customer signed the report to the date the warrant was issued. The team was able to reduce complexity by streamlining the process from 44 steps to 25. During a three-month trial, they were able to reduce the processing time to 17 days.  
Source: Steve Wall, Office of Quality, (614) 644-5154.
- A team from the Ohio Department of Transportation's Bureau of Purchasing improved the bid process for purchasing materials or contracting services. On average, the process took 12 weeks from requisition submission to purchase award. The delay in buying salt, pipes, batteries, etc., or contracting for copier repair or computer services was caused by an overly complex system. Using the Quality Service through Partnership process and tools, the team identified methods to streamline the process that reduced the average time needed to process a request for bid to 5 1/2 weeks.  
Source: Steve Wall, Office of Quality, (614) 644-5154.
- In South Carolina, audits of corporate returns and allocations of overpayments were not being completed in a timely manner. As a result, revenue projections in some categories were being distorted. A team developed an audit priority system for corporate returns, allowing approximately 50,000 new returns to be audited per year. The establishment of audit priorities reduced the backlog of the prior year returns by 56 percent, and the data base from which revenue projects are made was improved.  
Source: Nathan Strong, South Carolina Division of Human Resource Management, (803) 737-0910.
- The Texas Department of Mental Health and Mental Retardation's contracts management project, a grass roots effort, simplified the contracting of services for 35 community centers. The process of contracting out almost \$150 million per year in services was inefficient, and it took up to 45 days to process a contract. A small team was assembled and mapped out a flow chart of the existing contract process, which covered eight pages. The team then worked on making the process more efficient and simplified. The result was a contract process that can be charted on a letter-size sheet of paper and is accomplished in only one day.  
Source: Dave Wanser, Texas Department of Mental Health and Mental Retardation, (512) 206-4533.
- A worker's task was cut by three hours when a commissary employee suggested changing the way commissary items are distributed to prisoners. ...Now, a mobile commissary with a built-in counter, stocked with the necessary items, delivers the orders to each cell. This eliminates the need for order forms and the filling, emptying and delivery of bags. The process now takes one hour each day. This idea will be used in all regional jails."  
Source: West Virginia Governor's Press Office, (304) 558-6345.

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- "After a three-month evaluation, the Bureau of Driver Services, Wisconsin Division of Motor Vehicles, now provides direct inquiry into the automated accident records and uninsured motorist data bases to approved account holders. Using the Advantis communications network, the program was the result of a cooperative effort between the Traffic Accident Section and American Family Insurance. Access to the information has substantially reduced written and telephone contacts between the two organizations."  
Source: Gary Wentz, Traffic Accident Section, (608) 266-1077.

### Recognition

- Texas Quality Exchange was an effort designed by a project team to celebrate the many teams throughout the Texas Department of Mental Health and Mental Retardation service system that were engaging in quality improvement efforts. The one-day celebration was attended by more than 500 people, with most of the top managers in attendance. Project teams applied to exhibit their work at the Texas Quality Exchange. In order to be eligible to apply, the team had to have used the seven-step problem-solving strategy that the department had adopted. The department received almost 50 applications — a number that far exceeded expectations. The exhibitors presented their work in booths and also held intensive 45-minute workshops on their improvement projects.  
Source: Maurice Kubena, Quality Consultant, Texas Department of Mental Health and Mental Retardation, (512) 206-4675.

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\*These success stories were compiled from the CSG survey on state TQM activities, 1994.

*Appendix D*  
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## **History**

- > Executive Order -  
an order creating the Maine Quality  
Management Council
  
- > Employee Newsletter,  
Mainely Quality, Vol. 1-1 thru 1-5
  
- > Legislation



OFFICE OF  
THE GOVERNOR

NO. 8 FY 92/93  
DATE May 18, 1993

AN ORDER CREATING  
THE MAINE QUALITY MANAGEMENT COUNCIL

WHEREAS, Maine State Government exists to provide services and programs to the citizens of the State of Maine; and

WHEREAS, it is incumbent on state employees to provide the best service to citizens of Maine and other "customers" of state government in the most efficient and effective manner possible; and

WHEREAS, while providing quality service it is important that every state worker have a stake in the success and improvement of state government; and

WHEREAS, it is important that state government and its managers recognize the talent and experience of front-line workers; and

WHEREAS, it is important that labor and management work together to ensure a more secure work environment of mutual respect, support and trust; and

WHEREAS, both private and public sector organizations have found success in the Total Quality Management approach to customer service and management, resulting in a more motivated and productive workforce, as well as efficiencies and cost savings; and

WHEREAS, the 115th Maine Legislature mandated that both management and labor adopt a total quality approach in state government; and

WHEREAS, Total Quality Management efforts in state government need coordination, oversight and direction to accomplish the above goals;

NOW, THEREFORE, I, JOHN R. MCKERNAN, JR., Governor of the State of Maine, do hereby formalize and establish the Maine Quality Management Council, the structure and function of which shall be as follows:

Purpose

The Council shall serve as the organization which will guide Total Quality Management in Maine State Government. The purpose of the Council is to prepare a vision statement for state government, which has been accomplished as of this date; and, now, to oversee the implementation of Total Quality Management in state government.

The Council shall guide Maine State Government in providing the leadership and service necessary to make Maine an even better State for future generations. In addition, the Council shall work to deliver quality services to customers of state government, and to empower every state worker in addressing the challenges and responsibilities of state government.

The Council shall coordinate the work of individual quality councils in state departments and agencies, as well as Process Planning Teams and Process Action Teams which may be established to target specific problems and recommend and oversee implementation of improvements.

#### Membership

The Governor shall invite the head of each Executive Branch department and agency; the Constitutional Officers; representatives of the State's employee unions; the Maine State Legislature; and Maine businesses; to participate on the Council.

Membership on the Maine Quality Management Council may include:

- A. The Governor of the State of Maine;
- B. The Constitutional Officers of Maine, including the Attorney General, the State Auditor, the Secretary of State and the State Treasurer;
- C. The Commissioners of the Departments of Administrative and Financial Services, Agriculture, Conservation, Corrections, Defense and Veterans Services, Economic and Community Development, Education, Environmental Protection, Human Services, Inland Fisheries and Wildlife, Labor, Marine Resources, Mental Health and Mental Retardation, Professional and Financial Regulation, Public Safety, and Transportation, or the successors to those departments;
- D. The Director of the Bureau of Human Resources in the Department of Administrative and Financial Services;
- E. The Director of the State Planning Office in the Executive Department;
- F. The Executive Director of other major state agencies, as designed by the Governor, including but not limited to: Maine Waste Management Agency, Finance Authority of Maine, Maine State Retirement System, and Maine State Housing Authority;
- G. The President of each of the employee unions representing Maine State Employees;
- F. Two (2) representatives of the Legislature, including one from the Maine House of Representatives and one from the Senate of Maine, including one member from each political party; and
- G. Three (3) representatives of Maine businesses which are implementing Total Quality Management, as appointed by the Governor.

Officers

The Governor shall serve as the Chairman of the Maine Quality Management Council.

Terms of Members

Executive Branch members and state employee representatives of the Maine Quality Management Council shall serve terms coincident with the terms of their appointments to the positions qualifying them for the council.

Private sector members shall serve at the pleasure of the Governor.

Associate Members

Each member of the Council shall name one associate member, except that Council members representing the state employee unions may appoint one associate member to represent each union bargaining unit.

Associate members shall attend and participate in Council meetings, and represent the Council member in the event of the member's absence.

Associate members shall serve at the pleasure of the Council member.

Administration

The Department of Administrative and Financial Services shall provide staff support to the Council from within the Bureau of Training and Development.

The Council may organize such sub-committees and ad hoc committees as the membership deems appropriate.

Meetings

The Council shall meet on a monthly basis at the call of the Chairman. A majority of members shall constitute a quorum.

Functions and Duties

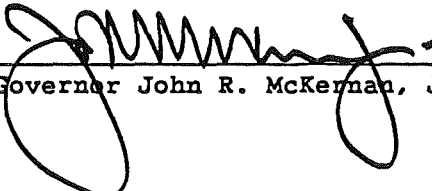
1. Develop a joint vision, values and tenets for state government.
2. Provide policy guidance and direction to the Governor on the quality management process.
3. Coordinate implementation of quality management in state government.
4. Coordinate and oversee Process Planning Teams and Process Action Teams, which may be formed to address specific problems and challenges in state government.

5. Raise state employee awareness of Total Quality Management in state government.
6. Assist the Governor in developing goals, objectives, milestones and resource requirements to promote and improve quality and productivity in state government.
7. Identify critical processes inherent in state government that are common to departments and need priority attention, and provide direction for achieving improvement in these processes.

Funding

Members of the Council shall serve without compensation. Funding for Council activities shall be absorbed by the agencies and organizations involved.

The effective date of this Order is May 18, 1993.

  
Governor John R. McKernan, Jr.



# MAINELY QUALITY

A newsletter for employees of the State of Maine about Total Quality Management

December 1993 Volume 1-1 Publication of Maine Quality Management Council

## TQM - What's In It For Me?

by Carol Fleury - Department of Human Services

In the ten years I have been a Maine State employee, talk of doing things differently has come and gone numerous times. Things have always stayed business as usual, with management identifying and then trying to fix the problems it thought we faced in providing public services. So why is this time around with Total Quality Management any different, and what is in it for me?

I, like many other employees, have reservations about TQM. But my skepticism is offset by the hope that this will be the time for change. Right from the start, I have seen management's willingness to allow for inclusion - at all levels. There is the expectation that anyone who wishes to, may participate. Employee empowerment from the bottom up turns talk into action. It will now give us the process of delivering services to both internal and external "customers".

This should also mean developing an environment of teamwork. Sharing in decision-making at the

workplace should mean increasing employee influence over the way work gets done. People who are the most knowledgeable about the work that needs to be done have always wanted to share in finding ways to improve the way we deliver services. Teamwork could decrease frustration, make jobs more enjoyable, and result in improved productivity. Providing services at a better cost could also enhance State Government's image with our citizens.

TQM must mean that management is ready to make a long-term commitment to and investment in new forms of training and technologies designed to fuel continuous improvement. With training and the tools to do the job, we can put TQM to work.

TQM in the workplace cannot happen unless Maine State employees return to an atmosphere of trust and mutual respect. I hope to see, through visible support from management, that they are ready for this change. Working together on mutual problem areas is a win-win solution for all of us.

## Process Action Team Update

by Dick Thompson - Division of Purchases

I am certainly not an expert about TQM, and to say I was a little nervous when the work that my co-workers and I do was to be reviewed by a Process Action Team is an understatement! There were plenty of questions and few answers.

It has been nearly three months now since our team was put together and our training began. We represent a broad cross section of state government, from central agency accounting, clerical staff, regional organizations and institutional agencies. Our task was and is to review the open market purchasing process and make recommendations that will help agencies statewide. We have worked very hard to become a cohesive team that openly shares information and experience to ensure that we are successful in developing worthwhile changes.

We are also reaching out to others, as the real experts in how any department makes purchases are the workers, supervisors and staff responsible for those decisions. We are trying to survey across state government so that all facts and methods can be found, with an eye towards using the best that each offers to make a cumbersome process much better.

Although we are not finished, I think my partners

would agree that we have a much better understanding of TQM and what it can do for state government. For sure, it has allowed me to meet some very interesting people and taught me to listen to them. The information shared is not always what I would like to hear, but it has made me more aware of who I work for and just how important our work is.

I believe TQM is a positive experience, not without hard work, effort and struggle, but definitely worth the time. If we work at it, keep it in perspective, and trust ourselves that we can make a difference, we can be successful. The greatest value I have received is the open communication and genuine friendships that have developed.

Look for us and our work. Brenda Kaler - Division of Purchases, Phil Henry - Department of Transportation, Ted Collins - Department of Human Services, Larry Larson - BMHI, Jay Carlson - Department of Corrections, Kathy Latulippe - Department of Environmental Protection, Karen Michaud - Department of Conservation, Nat Berry - Department of Inland Fisheries & Wildlife, and myself. Any one of us would be glad to share what we have learned, listen to your input about the purchasing process or help out in any way we can.



## Be Our Guest

# Snapshot of TQM at Central Maine Power

by Raymond J. Pomerleau  
CMP Director of Quality Performance

Business is built on customers. Without them, there is no bottom line. At CMP we know a customer orientation has limited value unless it is imbedded in every fiber of the organization - at all levels, and at every place that directly or indirectly involves the customer. At its core, CMP'S TQM approach focuses on achieving and sustaining quality performance to serve our customers better. Our guiding TQM principles are: **Customer Satisfaction, Management by Fact, Respect for People, and Continuous Improvement.**

Teamwork is a key success factor for achieving bottom-line results. The value of employing teams to solve business problems and improve processes is clear - better decision-making is made by empowering employees who are closest to the problem and the customer. Employees are empowered to analyze their own work, to determine their own recommendations, and to advocate for their choices or measures. The team approach also allows participants to learn more about their work, about each other, and about how their efforts affect customers. In this way, the team experience can both directly and indirectly improve the productivity of all partici-

pants in their daily activities.

Since 1990, over 200 teams of various types have been created throughout the company to tackle opportunities of all sizes. Working with facilitators, those teams have identified and implemented improvements that have significantly enhanced customer service and process efficiency. For example, teams have developed improvement recommendations to:

- reduce the time required to develop new internal computer programs by 23%;
- streamline the installation and removal of a special protective covering on distribution lines and save up to \$498,000;
- redesign the new service installation process and save up to \$251,000.

These examples dramatize our belief that the key to achieving a higher level of performance at CMP is to understand our customers' expectations, establish goals, make performance improvements, measure the results, and keep up the cycle of improvements and measurement over time.

The Maine Quality Management Council was established by Executive Order on May 18, 1993. The Council is drawn from every state department and major agencies, as well as the Legislature, private sector businesses and representatives of each state employee union bargaining unit. The Council sets the overall direction for TQM in state government, and charters individual process action teams to target specific challenges in state government. The Council has developed a shared vision and broad values for state government.

TQM is spreading rapidly throughout state government. Find out when the orientations are in your department and plan on attending.

### What Do Your Customers Want?

Nobody buys a quarter-inch drill, a car stereo, or a cash management account. They buy the expectation of a quarter-inch hole, beautiful sound, or convenient money management. The more complex the product or service, the more help a buyer needs to meet his or her expectations.

Total Customer Service - The Ultimate Weapon by  
Davidow and Uttal



# **VANTAGE POINTS - From Where I Sit**

## **Union Takes Active Role In TQM Introduction**

**by Dan Glidden - President,  
Maine State Employees Association**

In 1992, the Maine Legislature responded to a McKernan Administration initiative by passing a resolution calling for implementation of a new management theory in Maine State Government. Total Quality Management (TQM), already in practice in the private sector, emphasizes "service to the customer" - in our case, Maine people using state services - and increased frontline employee influence over the way the work gets done. The Administration hired a consultant to introduce TQM and set up the Maine Quality Management Council to oversee its implementation.

With the arrival of TQM, MSEA strongly believed that to protect employee job security and rights, the union must be active in shaping the process from top to bottom. Many state workers anticipated the introduction of TQM in departments and agencies with ambivalence, especially as it coincided with a continuing fiscal crisis and hundreds of layoffs. The union successfully pushed for legislation guaranteeing that no jobs be lost to TQM.

MSEA also sought and gained broad employee  
(Continued on next page)

## **Commitment Is A Two-Way Street**

**by Jay Carlson - AFSCME Representative, TQM**

I feel that the Maine Quality Management Council will be an asset to Maine State employees. Many state employees have no faith in Governor McKernan and the Legislature for the pay cuts, furloughs and short work weeks that have been imposed on us during hard economic times. State employees feel they have paid more than their share.

We cannot stand still anymore. We have to be willing to change if we want to keep ahead of the times. If state employees want to fight privatization, we have a tool. That tool can be Total Quality Management.

The Governor says he is committed to TQM. The legislation passed, establishing the Maine Quality Management Council, ensures that if an employee's position is eliminated by TQM, he or she will be provided employment opportunities elsewhere in state government taking in such factors as qualifications and geographic location.

Every state worker will have the opportunity to have  
(Continued on next page)

## **Committed To Service**

**by John R. McKernan, Jr. - Governor**

The last few years have been difficult for state governments - not only Maine - as the nation was hit by a deep prolonged recession. Almost 40 of the 50 states saw deep drops in revenues. We've had to re-evaluate every aspect of state government services and the way we do business. I know how difficult this has been, and can understand the skepticism about turning now to a whole new way of doing business.

This kind of change would be difficult in good times. It's even more challenging when the times have been tough. That is why I am so proud and encouraged by the start we have made together in TQM. It reinforces what I have always believed - that we are all here to do the best we can for our customers, the people of Maine.

After years of working on the job, you've learned that there may be better ways of doing things - quicker methods that help you better serve citizens, or new procedures that can help you do your job better. Maybe set rules keep you from doing things in the way that makes the most sense.

TQM gives you the opportunity to change the way we do business - to really make an impact in government. Although TQM is fairly new to government, private  
(Continued on next page)

## **What Is Total Quality Management . . . Really?**

**by Roy Gallant - President,  
Maine State Troopers Association**

As a union leader I need to be an optimist, realist, and on some occasions, a skeptic. When the idea of TQM was introduced into Maine State Government, I was certainly all of the above.

When John McKernan called me to consider joining him, his cabinet and other labor leaders in a joint venture of TQM, I was truly a skeptic. I asked myself what he and they really wanted and what the hidden agenda was.

I viewed TQM as an equal partnership and realized that consensus would have to be reached in every step of this process. Being a realist, I recognized that Troopers had no obligation other than to do their jobs for the people of Maine, but I felt I should listen.

As an optimist, I thought there could be a positive change to make government run better. Employees would actually have input and administrators would have enough vision to let workers do their jobs  
(Continued on next page)

## **Union Takes Active Role In TQM Intro**

(Continued from previous page)

representation on the Quality Management Council: labor and management are equals at the Council level. The MSEA President and members representing each of the union's five bargaining units serve on the Council, sharing the tasks of policy-making and planning.

MSEA members are significantly represented on each department and agency quality management council and implementation team, playing a co-equal role with management as TQM is applied to problem-solving at the workplace.

MSEA is committed to the protection of employee rights as their role in the management and functioning of state government increases. With the union's participation, the Quality Management Council has developed a vision statement which emphasizes a work environment of mutual respect, support and trust. If TQM is to succeed and make a real difference in the way state government delivers service to Maine citizens, then it must start with a recognition of the most important resource . . . its workforce. □

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## **Commitment Is A Two-Way Street**

(Continued from previous page)

a stake in the success and improvement of state government. We as state employees have the opportunity to be heard, to get involved in the way state government works. We are here to provide services for all the people of Maine.

Both sides must be committed to forming a team with trust and cooperation. We must do away with manipulation and fear. Each department in state government will have it's own Departmental Quality Council that will receive training and work together to improve services.

We can work together. Management without labor support is nothing, and labor without management support is nothing. Together we can build a more efficient way to serve and improve our way of life as well as provide the best services for the people of Maine.

The Maine Quality Management Council has chartered several Process Action Teams. I am a member of one of the teams, "Open Market/Contract Release Process Action Team." We are in the process of collecting data from state employees to help us evaluate the process so we can make positive recommendations to improve the system for all employees.

Process action teams are made up of management and employees. The teams will receive training together and will work together on specific projects. These projects will grow into many teams so all state employees will be able to participate if they choose. □

## **Committed To Service**

(Continued from previous page)

businesses have been practicing quality principles for a generation. I believe that quality management can give employees a bigger stake in their jobs - and the chance to make a difference.

Over the past nine months, the Maine Quality Management Council - made up of representatives of almost every department, the private sector, and of our state employee unions - has developed and distributed a state vision. Yours should have arrived with your paycheck several months ago, but if it did not, feel free to contact my office for a copy. Departments, and even some bureaus, are doing the same with their own quality councils.

That is where you come in. You have a lot to offer TQM in your department. You know how things work, what could be improved, the processes that if changed will make your job a little easier. The key to success is focusing on the "customer", whether it is a citizen who needs your help, your supervisor, or a fellow employee. Our goal is to make sure that every "customer" is satisfied, and to meet challenges head-on to improve both our jobs and our work environment. Hopefully, improved process will free workers from the tedious aspects of the job and allow them more time to do the most important things.

I know some workers are worried. If we improve quality and services, and cut costs, couldn't that mean that some people will lose their jobs? No. Under the legislation that mandates TQM for state government, no employee will lose their job because of cost savings that occur from the TQM process. The Quality Council is committed to improving service, not cutting jobs.

I hope that each of our employees will seize TQM as a real opportunity to improve their jobs - and keep our focus on serving the citizens of Maine. □

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## **What Is Total Quality Management ... Really?**

(Continued from previous page)

without micro-management.

Reality tells us that in some forums, such as contract negotiations, it is still "us" against "them". But for these circumstances, it should be all of "us" for "our bosses", the public.

In closing, I pose the question to you that I asked my Board of Directors, "Are there any of you who haven't always wanted a say in what goes on in state government, be recognized for your intelligence and effort, be allowed to do things better at less expense, and have a better work environment?"

If there has ever been an opportunity for overall improvement, it is with TQM, and I feel we owe it to ourselves and the public to try. □

# MAINELY QUALITY

A newsletter for employees of the State of Maine about Total Quality Management

January 1994 Volume 1-2 Publication of Maine Quality Management Council

*"When we are doing work that 'we' decide what to do,  
we are top management."*

Bill Conway, Augusta, Maine, Jan. 3, 1994

## 1300 Workers Trained By TQM Guru

by Elaine Trubee - Department of Administrative and Financial Services  
Brian Warren - TQM Consultant

Maine state employees charged with implementing TQM enjoyed a week of training in early January from Bill Conway, one of the original American disciples of Dr. W. Edwards Deming, the father of TQM.

Conway, who as Chairman of Nashua Inc. was credited with being the first CEO to implement TQM in the United States, is now a TQM consultant and President of Conway Quality Inc.

State and Departmental Quality Councils have been developing the foundation for TQM implementation for almost a year. Conway's presentation was designed to bring training to a larger group for immediate implementation.

The goal of the training is to encourage workers and supervisors to return to their workplaces and begin to implement TQM in coordination with their respective Departmental Quality Management Councils. After training, the supervisors will return to work, meet with their staffs, and examine the processes within their own work areas. Ultimately, this process will allow these supervisors and other employees to identify, quantify, and eliminate the waste in their areas.

Process Action Teams (PATs) do the same kind of work but with processes that cross office or organizational lines. As mentioned elsewhere in this newsletter, PATs have already targeted problem areas of state government.

Conway and his team gave two groups of 125 supervisors each about two days of training. The week-long training also included two briefing sessions on Wednesday, January 5th, that reached an additional 1,100 employees to raise awareness of the TQM process.

A morning session for Augusta-area employees was held in the Augusta Armory for about 700 employees. Later that same day, a second session was conducted by interactive television originating from the University of Maine at Augusta. Employees at more than 20 receiver sites were able to

take part in the training.

The group will also be meeting with Governor McKernan and the statewide Maine Quality Management Council (MQMC) sometime in the next month or two to assess the training, discuss new learning, and identify barriers and obstacles to implementing TQM.

An initial assessment of the written evaluations of the two day sessions was overwhelmingly positive. Responses included:

*What I liked best ...*

"The confidence I got from Bill Conway that individual employees of state government can make a difference, no matter what level of state government you work in."

"Participating with employees from other departments."

"I can use much of the training in helping to bring about more positive relationships between a group of employees and their supervisors."

"Opens one's eyes to how to analyze work."

"Excellent ideas, presentation and alternative to complacency. TQM has a definite positive *direction*."

"The Governor further added credibility, support and commitment to TQM by making a presentation."

Kennebec Journal reporter Gary Remal may have summed it up best: "Conway said the central job called for by anyone attempting Total Quality Management is to identify waste, quantify it and eliminate it through continuous improvement. He defined waste in an organization as: 'the difference between the ways things are now and the ways things could be and should be if everything was done right.'"

In addition to this exciting training, there have been other significant TQM activities including the development of Department Quality Management Councils (DQMCs), and the formation of Process Action Teams (PATs) in areas such as:

- workers compensation (specifically return to work issues)
- open-market purchasing,
- communications
- indoor-air quality (AMHI Campus); and
- environmental permitting.

In the coming months we look forward to councils being formed below Department level, one day of awareness training to all employees and the creation of many more PATs as employees begin to identify waste and make improvements in State Government.

*What I liked best ...*

*"The confidence I got from Bill Conway that individual employees of state government can make a difference, no matter what level of state government you work in."*

*Conway Seminar  
Participant  
Jan. 4, 1994*



# TQM Overview

by Ray Dzialo – Department of Corrections

*As Maine State Government begins its quest to implement the principles centered upon Total Quality Management, it must fully involve all workers in the fulfillment of the Vision for Maine State Government.*

*Employee involvement must include all levels of the State workforce, from front-line workers through management staff. They will share in the training and experience leading to effective, ongoing problem-solving and decision-making in order to assist in providing a more efficient system of delivery for state services. Employee participation in the TQM process will take place in the context of employee empowerment, teamwork and personal responsibility for the final outcome. More importantly, if savings are found through TQM, by law, employees are assured of their job security.*

*At the Maine Quality Council, both labor and management have worked together in the formulation and development of the vision and value statements for the Quality Management process in State Government. The Council is also engaged in the formulation of an implementation strategy of Total Quality Management to involve all employees of the State of Maine.*

*As these developments continue to occur, rank and file employees will all have the opportunity to have a meaningful role in establishing the Total Quality Management process at every level of service delivery.*

*To date, the problem-solving mechanism found in the TQM process can be seen by observing two of the pilot projects chartered by the Council. These pilot projects have brought rank and file employees as well as management together in Process Action Teams (PATs) to address specific problems in the areas of Open Market Purchasing and Return To Work (Workers Compensation). The empowerment of employees is also evident at this early stage by following the development of Quality Councils at the department and agency levels.*

*The empowerment of state employees will provide the opportunity for the work force to utilize their experience and expertise to offer a new definition of how State Government will work – experience and expertise that can only be obtained from providing the services to the public on a consistent basis.*

*The successful implementation of Total Quality Management will provide a State Government based on quality, innovation, and teamwork to benefit all of the citizens of Maine.*

The Maine Quality Management Council was established by Executive Order on May 18, 1993. The Council is drawn from every state department and major agencies, as well as the Legislature, private sector businesses and representatives of each state employee union bargaining unit. The Council sets the overall direction for TQM in state government, and charters individual process action teams to target specific challenges in state government. The Council has developed a shared vision and broad values for state government.

## Conway Briefing Video Tapes

Video tapes of Bill Conway's briefing session are available. If interested, please call your TQM coordinator for more information.

# Vision and Values

*The following are the Vision and Values statements that were developed by the  
Maine Quality Management Council:*

## ***Vision for Maine State Government***

We believe that Maine should be the best place to live, work and pursue individual, family and community aspirations.

Our vision of a Maine State Government that provides the leadership and service necessary to make Maine an even better State for future generations, where we in public service:

- Recognize that State Government exists to serve the people because they are our customers;
- Respond to the needs of the people and provide services of the highest quality;
- Strive to increase opportunities for all Maine people;
- Merit public confidence and respect;
- Work together to ensure a more secure work environment of mutual respect, support and trust; and
- Promote leadership, teamwork, innovation, partnership and initiative.

***Maine Quality Management Council  
May 5, 1993***

***For more information about TQM activities in your department/agency, please feel free to contact your department/agency TQM coordinator. TQM coordinators are listed on page 4 by department, along with their address and telephone number.***

## ***Values for Maine State Government***

**We in State Government Value ...**

### ***... Pride in Our Work***

We take pride in providing the highest possible level of customer service and satisfaction.

### ***... Quality in Our Service***

We hold our work to the highest standards of quality.

### ***... Personal Responsibility***

We take responsibility for personal integrity, individual contribution and the highest level of performance in our service.

### ***... Continuous Improvement***

We vigorously strive for excellence, and continuously seek to improve our performance.

### ***... Diversity***

We encourage mutual respect and recognize the contributions diversity brings to job performance and creativity.

### ***... Empowerment***

We will participate fully in decisions and explore innovative solutions.

### ***... Teamwork***

We promote teamwork by providing a cooperative work environment that fosters:

- open and honest communication,
- personal and professional growth, and
- the best use of our resources.

***Maine Quality Management Council  
October 28, 1993***

# Maine TQM Implementation Steps Timeline

	Dec 93	Jan 94	Feb 94	Mar 94	Apr 94	May 94	Jun 94	Jul 94	Aug 94	Sep 94	Oct 94	Nov 94	Dec 94
1. All Department Quality Management Councils (DQMC) formed	X												
2. Council training completed		X											
3. Conway training completed		X											
4. The Maine Quality Management Council (MQMC) first iteration of strategy		X											
5. 'Visions' completed by all DQMC			X										
6. 'Values' completed by all DQMC				X									
7. Workforce completes 1 day of awareness training			X 60%	X 75%	X 90%	X 100%	Ongoing	for new	employees				
8. All DQMCs charter Pilot PATs				X									
9. All appropriate Sub-Department QMC's formed						X							
10. DQMCs complete strategy & brief to MQMC								X	X	X			
11. DQMCs charter PATs								X	X	X	X	X	X
12. 10 % of the work force serving on PATs											X	X	X
13. Annual Report on accomplishments from each department													X

## Total Quality Management Coordinators

Carla Prescott Station #24	Admin. & Fin. Services Tel. 287-4756	Alan Clark Station #41	Inland Fish & Wild. Tel. 287-5265	Denise Lord Station #154	Maine Waste Management Tel. 287-5300
Carl W. Flora Station #28	Agriculture Tel. 287-3871	Rolanda Klapatch Station #54	Labor Tel. 287-2411	Janet Waldron Station #148	Secretary of State Tel. 626-8406
Debbie Phillips Station #22	Conservation Tel. 287-2211	Richard E. Record, Jr. Station #21	Marine Resources Tel. 624-6567	Charles Jacobs Station #18	Public Utilities Commission Tel. 287-3831
Carol Michel Station #22	Conservation Tel. 287-2211	Nancy DeSisto Station #40	MH&MR Tel. 287-4210	Lila Ware Station #89	Maine State Housing Authority Tel. 626-4600
Major Rob Carmichel Station #33	Defense & Veterans Serv. Tel. 626-4595	Dr. Walter Lowell Station #80	MH&MR Tel. 287-7340	Dana Baggett New Meadow Road, RR#1, Box 310 West Bath, ME 04530	Justice Department Tel. 442-0227
Col. Ron Sailor Station #33	Defense & Veterans Serv. Tel. 626-4248	Donald DeMatteis Station #35	Prof. & Fin. Regs. Tel. 582-8713	Marcy Kamin P. O. Box 4280 Portland, ME 04112	Justice Department Tel. 882-0792
Joan Cook Station #59	Economic & Comm. Dev. Tel. 287-3166	Michelle D. van Haagen Station #34	Prof. & Fin. Regs. Tel. 582-8707	Marlene McMullen-Pelsor Station #159	Office of Substance Abuse Tel. 287-6330
James E. Watkins, Jr. Station #23	Education Tel. 287-5841	Paul Plaisted Station #42	Public Safety Tel. 624-7062	Jim Bernard Station #38	State Planning Tel. 287-3261
Debrah Richard Station #17	Environmental Protection Tel. 287-2812	Stephan Bunker Station #42	Public Safety Tel. 624-7004	John Wipfler Station #102	Health Care Finance Tel. 287-3006
Ann Twombly Station #11	Human Services Tel. 287-3488	Helen Wieczorek Station #16	Transportation Tel. 287-3551		
Shelby Rafter Station #11	Human Services Tel. 624-5373	John Nichols Station #16	Transportation Tel. 287-3551		



# MAINELY QUALITY

A newsletter for employees of the State of Maine about Total Quality Management

June 1994 Volume 1-3 Publication of Maine Quality Management Council

## What Will Happen to TQM?

by Governor John R. McKernan, Jr.

The question regarding TQM that I hear most often is "What will happen to TQM when a new Governor takes office?" I also often hear "Why bother getting involved? When you're gone, TQM will be gone too."

To ensure that TQM continues into the next Administration and longer, the Maine Quality Management Council (MQMC) has taken several steps to make sure that TQM is not "just a fad."

By summer all state employees will have attended one day of awareness training. Also, the Council's goal is to have 10% of the workforce serving on a Process Action Team (PAT) by the end of 1994 — that's approximately 1,300 people heavily involved in reviewing processes to try to make those processes more efficient and effective.

As many of you already know, if your current workload is reduced because of time savings found through the TQM process, you do not need to worry about losing your employment as a result of TQM initiatives. It is written in law that no state employee will lose employment in state government because of TQM.

Also, at the end of this past legislative session, the Legislature removed the sunset on the provision that allows for

30% of year-end balances in a department's budget at the end of a fiscal year to be put into TQM-related activities such as training, resources, etc. (25% to the department and 5% to the MQMC).

The Legislature also created four new positions that will be funded with TQM dollars. These positions include two TQM trainers in the Bureau of Human Resources and an Office of TQM staffed by a TQM Executive Director and Assistant.

Another important part of the legislation that was passed this past spring includes adding a second layer of Associates to the Maine Quality Management Council. These new Associates must be classified employees, therefore ensuring continuity on the Council when a new Governor and, most likely, new Cabinet are in place.

The MQMC and I feel that these are positive "giant steps" that will make TQM a way of life for state employees.

So next time you hear a fellow employee say TQM won't last, you can answer with "Yes, it will — it's the law."

This newsletter highlights a few of the "success" stories from TQM. I hope you get involved and enjoy the positive results that it will bring to your work environment.

## TQM Awareness Program

### in the Department of Administrative & Financial Services

by Dale Doughty and Linda Harvell

The most diverse of all the major state departments, the Department of Administrative and Financial Services (DAFS), has nearly completed its ambitious effort to provide a day of TQM orientation to each of its 1,000 employees. Lottery ticket sales representatives, custodial workers, tax examiners, computer specialists, budget analysts, contract negotiators, painters, account clerks, workers' compensation specialists, architects — all have come together at one of the five sessions held in May.

The objectives of the Awareness Program are to:

- provide information about TQM;
- give employees the chance to see that many of their colleagues are already involved in TQM and to hear about their experiences firsthand;
- answer questions about TQM;
- let employees know that TQM takes time and that, even if TQM hasn't directly involved or affected them yet, there is a considerable effort underway;
- introduce the Department TQM Council; and
- give people a chance to meet their fellow employees that they might not otherwise have had the chance to meet.

The DAFS program includes the showing of "Hidden Assets," a film about the TQM experience of the City of Austin, Texas, presentations from Process Action Team members, a dynamic 90-minute presentation on what is TQM, an introduction of the entire DAFS TQM Council, a questions and answer period, an overview of the DAFS implementation strategy, and lunch.

At the end of the day, employees are asked to comment on the program and to rate it according to whether their questions were answered, whether the program was informative, and whether they thought it should have been longer or shorter. The ratings have been strongly positive, and the comments have been very revealing of the range of attitudes, doubts, and enthusiasms that characterize this stage of implementation of TQM. The DAFS TQM Council feels that these sessions are accomplishing their objectives.

In addition, the Department has, with support and encouragement of Governor McKernan, made a commitment to further training in Total Quality Management. The training began on April 5th with a full-day session for the Department

*continued on page 4*



# Bureau of Identification Conway 2-Day Training Team Reports

by Dorothy Morang  
Director  
State Bureau of Identification  
Maine State Police

As a director managing a statewide program and 15 staff persons, there is never enough time in the day to get everything done and to give proper attention to the staff. Often training needs and questions get set aside for days in order to handle crises. The Total Quality Management concept and especially the Conway training gave me a new perspective on managing.

The old way of managing required that I oversee the program and all of its processes and make changes when necessary to keep things working as smoothly as possible. Oftentimes little problems started to surface within a process but did not come to my attention until action needed to be taken. Things were not done as efficiently as they could have been because of the time it took to discover the problems.

The people closest to the individual processes, and more involved with the details of that process on a day-to-day basis, are more apt to detect little things that are not working well before they become major problems. By giving them the tools, empowerment and amnesty to challenge the way things have always been done when they see things not working well, it gives me very valuable information that allows me to be able to make more informed decisions and affect the efficiency with which the program is run.

Major benefits have been: improved morale, more timely responses to persons' questions, and time for increased training. Persons in all areas of the program have become more aware of each other's job and the effect their work has on it. Through facts and figures kept on charts for all of the office to see and review, it has taken the opinions and guesswork out of decisions and processes and has fostered an environment of cooperation and teamwork which significantly enhances the service to our customers.

The Maine Quality Management Council was established by Executive Order on May 18, 1993. The Council is drawn from every state department and major agencies, as well as the Legislature, private sector businesses and representatives of each state employee union bargaining unit. The Council sets the overall direction for TQM in state government, and charters individual Process Action Teams to target specific challenges in state government. The Council has developed a shared vision and broad values for state government.

# Why State Employees Feel Positive About TQM

by Roger J. Mercier  
Identification Spec II  
State Bureau of Identification  
Maine State Police

Speaking about TQM as a front-line employee who has put TQM to use where I work, I was a bit uncomfortable with this "latest management gimmick" to solve the state's problems with regard to work output. After being selected to attend the 2-day Conway training seminar along with my supervisor, I came away as excited about it as she was. On the drive back we discussed how to try and get this across to the rest of the office. We decided that we would share with them our understanding of the ideas we had been exposed to.

After gathering the office staff together, we explained that TQM is about a *process* of doing value-added work, and shows us what tools to use and how to use them; for instance, various charts like flow charts, Ishikawa (Fishbone), Pareto, etc. help us to gather data and analyze that data to make decisions that are based on facts and not opinions or feelings. (With proper TQM training, you, too, will be equipped with the "tools.")

It shows us that work is a process that can and should be controlled, not chaotic or just sort of reacting to whatever happens.

We showed them that an essential part of TQM is that they are *empowered* to allow them to contribute in the decision-making about their work, that they have input, and that they will be heard.

Another important aspect of TQM is *amnesty*, which tells the employee that if problems arise (and they surely will) that the process is at fault and not the employee. That helps take the pressure off them and encourages them to take part.

It has also helped us to understand that from now on it has to be *US*, and not "us against them." We will either all succeed or all fail together, so we must all be heading for the same destination, satisfying our customers (the taxpayers of our state).

And finally, not the least accomplishment of TQM is that it enables us as employees to believe in ourselves and what we can do if given the proper tools and training. It helps us feel good about coming to work, not just showing up. Understanding this process is *powerful* stuff that can help us do what we do, better, for ourselves and for the ultimate people we work for, the taxpayer.

*If you know a state employee who didn't receive this newsletter, please pass yours on to them, or have them call the Governor's Office at 287-3531 for a copy.*

# OMPO Team Reports!

The Open Market Purchase Order Process Action Team made its report and recommendations to the Council in early March. Three major recommendations were to:

- Make the open market purchase order form optional;
- Establish a credit card system for small purchases;
- Computerize the purchasing process.

The Council endorsed the first two immediately, but asked for a benefit analysis on the computerization. That analysis is currently underway.

Team members were thrilled with the response from the Council and other state employees. Comments range from "It's about time!", "Are credit cards available now?" to "When can we start?!!"

Larry Larson of BMHI, a team member, summarized the team's work well: "It got the entire state involved in the process. People are aware a change is in the works. They've been asked for input and the change won't be something unexpected." In fact, agencies are anxious for the changes to begin. The first milestone happened in early May when the purchase order form became optional.

The team prospered as a group, too. "All classes of employees can work together ..." states Brenda Kaler, the labor

representative on the team. "If all PATs could obtain the cohesiveness that I felt in our team, the state would be in a win-win situation."

The team has agreed to work through implementation to ensure these recommendations are carried forward. Jay Carlson's comments reflect the attitude of the whole group. "Be willing to change and be part of an ongoing project. ... Together we can build a framework to improve services to all in the state."

Watch for these changes and the positive effects they will have on the state's open market purchasing process.

If you would like to learn more about the Open Market Purchasing team's recommendations, feel free to contact any of the team members listed here: • Nat Berry, Inland Fisheries & Wildlife, Gray • Jay Carlson, Maine State Prison, originally, job

change to: Division of Purchases, Central Warehouse • Ted Collins, Dept. of Human Services • Phil Henry, Dept. of Transportation • Brenda Kaler, Div. of Purchases, representing Labor • Larry Larson, BMHI • Kathy Latulippe, Dept. of Environmental Protection • Karen Michaud, Dept. of Conservation • Richard Thompson, Div. of Purchases



Larry Larson of BMHI presenting Open Market Purchasing PAT report to Maine Quality Management Council members, from left: Jane Sheehan, Commissioner of Human Services; Ray Dzialo, Vice President, MSEA; and Wayne Hollingworth, President, MSEA.

## TQM Works ... for All of Us!

*The following is a summary of the Open Market Purchase Process Action Team's work to date:*

**THE PROBLEM:** The state's cumbersome and expensive open market purchasing process.

**THE TQM PROCESS:** The Process Action Team assembled and was chartered. The Team had team training and group development sessions. The Team did a survey to find out what the actual open market purchasing process was. Once the Team gathered all the information needed, they reviewed it and recommended a way to improve the process.

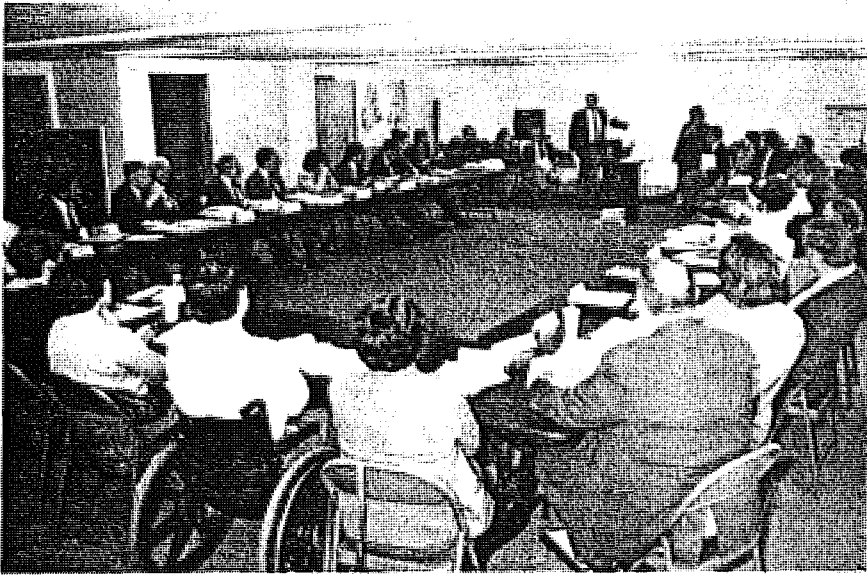
**THE TEAM'S RECOMMENDED SOLUTION:** Eliminate the open market purchase order forms.  
Establish a credit card system.  
Automate the purchasing system for small purchases.

**THE SAVINGS will include:**

**MONEY: 50% SAVINGS!** The Team will save \$ by eliminating purchase order forms and issuing credit cards for small purchases.

**TIME PER ORDER: 15 MINUTES SAVED ON EACH ORDER!** The Team will save time by eliminating purchase order requirements and simplifying payment procedures.

**REDUCE PROCESSING DELAYS: 71% SAVINGS!** The Team will reduce delays by eliminating purchase order requirements (15%), use credit cards for small purchases (32%), and automate the purchasing system (24%).



The Open Market Purchasing PAT presenting their recommendations to the Maine Quality Management Council.

Brenda Kaler, Administrative and Financial Services, presenting Open Market Purchasing PAT report to Governor John R. McKernan, Jr.



## TQM Awareness Program in the DAFS

*continued from page 1*

ment's Management Team conducted by Bill Conway, President of Conway Quality, Inc. Further training for Department personnel is presently in the planning stages.

The employees of the Department of Administrative and Financial Services recognize the numerous ways in which we interact with other state agencies. Many of the processes used in the supportive, regulatory, and communication roles at the Department are now being carefully analyzed in an effort to improve our focus on customer service. The Department hopes to apply the TQM principles acquired through

the state awareness/orientation and the Conway training experiences to undertake a vigorous agenda of Process Action Team activities with the goal of serving all state government better: using a customer service attitude in the most efficient and non-threatening manner possible. The Department realizes that there exists a multitude of subjects which potentially could become the subject for these Process Action Team activities.

The Department and Bureau Quality Management Councils are now evaluating projects for Process Action Team activities. The Department encourages other agencies in state government to suggest topics for Process Action Team consideration. We see as our primary mission providing services to other state agencies in a manner which allows all of state government to provide services to the public with a minimum of bureaucratic complications. To this end, we welcome your comments and recommendations.

# MAINELY QUALITY

A newsletter for employees of the State of Maine about Total Quality Management

August 1994 Volume 1-4 Publication of Maine Quality Management Council

## Let's Hear It for the Reduction of W.C. Lost Time Process Action Team!

In mid-August of 1993, the Maine Quality Management Council chartered a Process Action Team whose mission statement was to provide recommendations and an implementation strategy that would result in ongoing improvements in the overall workers' compensation process by returning injured workers to an appropriate level of work and thereby achieve a maximum reduction in time lost by June 30, 1994 and in future years.

The task was daunting and, at times, almost overwhelming. The team met weekly. We looked into all aspects of the Workers' Compensation Program. We had our ups and downs but with determination and perseverance our mission is accomplished.

The Return To Work Process Action Team began its work on August 31, 1993 after completing four days of intensive training. We reviewed the relevant data and received an explanation of the entire workers' compensation process. The first task was the preparation of the Macro Flow Chart. Following several brainstorming sessions, we developed a Micro Flow Chart and our Fishbone.

As we reviewed our Fishbone Chart, the question arose — "What are the most significant causes of Return To Work problems?" In October 1993, the Team decided that we needed to survey our injured workers. After a shaky start and with the financial support of the Maine Quality Management Council, we worked with the Maine Health Information

Center to develop and issue a survey form to 571 injured workers, 164 supervisors and 35 W.C. Designees. The survey was designed to query workers, their supervisors and the W.C. Designees in a positive, non-judgmental format on what keeps injured workers from getting back to work.

The information retrieved from this survey in May 1994, clearly demonstrated where improvements need to be made. The team's recommendations were as follows:

1. Recognize that the State as a whole will be considered the employer.
2. Create a position titled "Return-To-Work Coordinator" (hired by August 29, 1994).
3. Develop return-to-work teams.
4. Develop early intervention programs.
5. Develop plan to identify potential need for transitional

### *Reduction of Workers' Compensation Lost Time Process Action Team (PAT) Members*

*Isabella Tighe — Workers' Compensation Division*

*Earle R. Pease — Workers' Compensation Division*

*Doug Howe — MSTA + Return to Work Employee*

*John Nichols — Department of Transportation*

*Joe Suga — Department of Corrections*

*Donald Williams — Department of Mental Health & Mental Retardation*

*Gregg Dewitt — MSEA*

*Laurie Sheive — AFSCME*

*Judy Williams — Human Services/Income Maintenance*

*John Hinkley — MSEA*

duty positions.

6. Supervisors participate in mandatory workers' compensation training program.

The projected benefits would be as follows:

1. Reduction of days lost — new injuries.
2. Reduction of potential long-term claims.
3. Reduction of existing long-term claims.

The benefits could return an initial savings of \$582,592.

If you have any questions about the work of the Process Action Team, please call any member of the Team (see box).

## Associate Members Established for Maine Quality Management Council

The Governor, in an effort to provide consistency and long-term stability for Total Quality Management, established by executive order the Maine Quality Management Council.

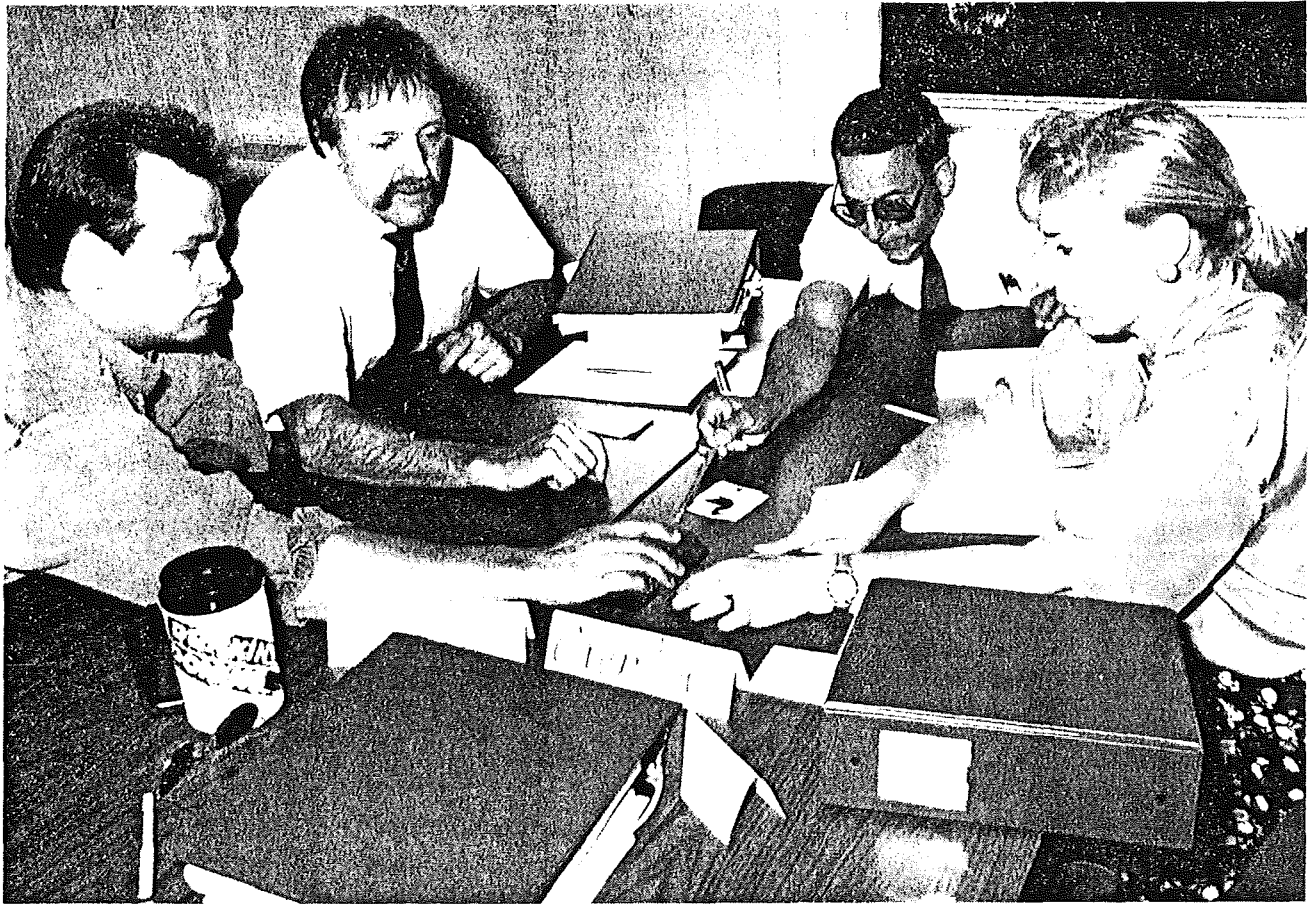
Each department and agency in State Government shall in turn establish their own total quality management council

and, from that, there will be an associate member named to the Maine Quality Management Council. The associate member must be a classified service employee of the department.

The newly appointed members have attended an orientation and regularly attend the Maine Quality Management

*Continued on page 4*





"The square piece is connected to the round piece, the round piece is connected to the ..." Process Action Team (PAT) members: Ted Kegelman, Darrell Brown, Frank Antonucci, and Charlene Daniels participate in a team building exercise during a recent PAT training session at the Nash School.

## What's New? "TQMU"

by Jane Desaulniers, Department of Administrative and Financial Services

The State Training and Development Division was created twelve years ago to meet the adult learning needs of employees throughout State government. Besides the obvious, like New Employee Orientation, course offerings included a management development series, professional development courses, and a variety of additional resources ranging from employment opportunities to employee assistance programs. In 1987, organizational development and management consulting services were added to the Division's responsibilities.

It was natural, therefore, for the Division to take a lead role in working to implement the legislative mandate that brought Total Quality Management to State government. With the mandate for the implementation of TQM came the

need for new and innovative training and services that would enable employees and managers throughout Maine State government to make the transition to this new way of doing business.

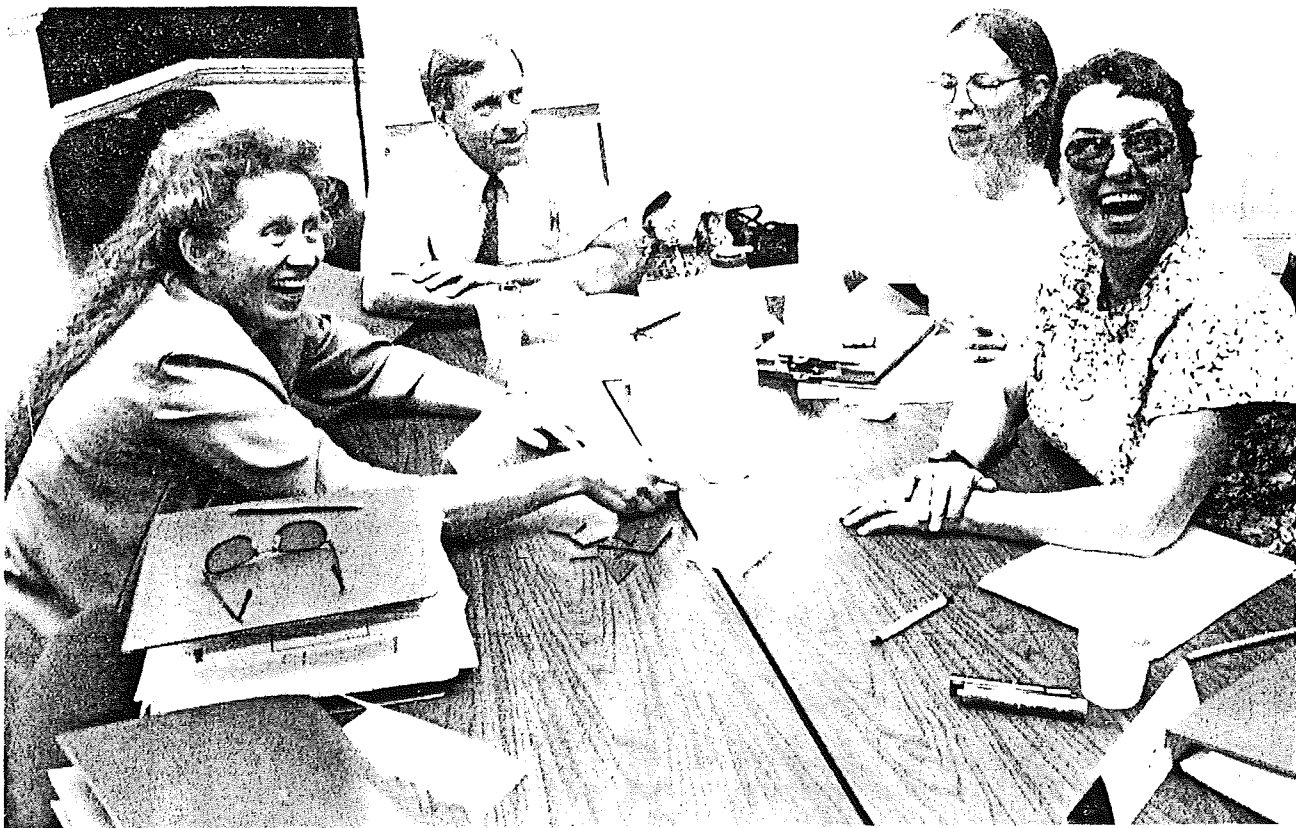
In April of this year, the Training and Development team took to the drawing boards and created new curriculum and a new look for the State Training Catalog. Designed in the spirit of total quality, the new training and services bring an innovative and inspirational quality to adult learning. And so "TQMU" was born.

"TQMU" is made up of three components: a Core Institute with courses for employees, a Leadership Institute which is designed to provide training for managers and supervisors, and a Service Institute that will provide agencies throughout State government with support for customized

*Continued on page 4*

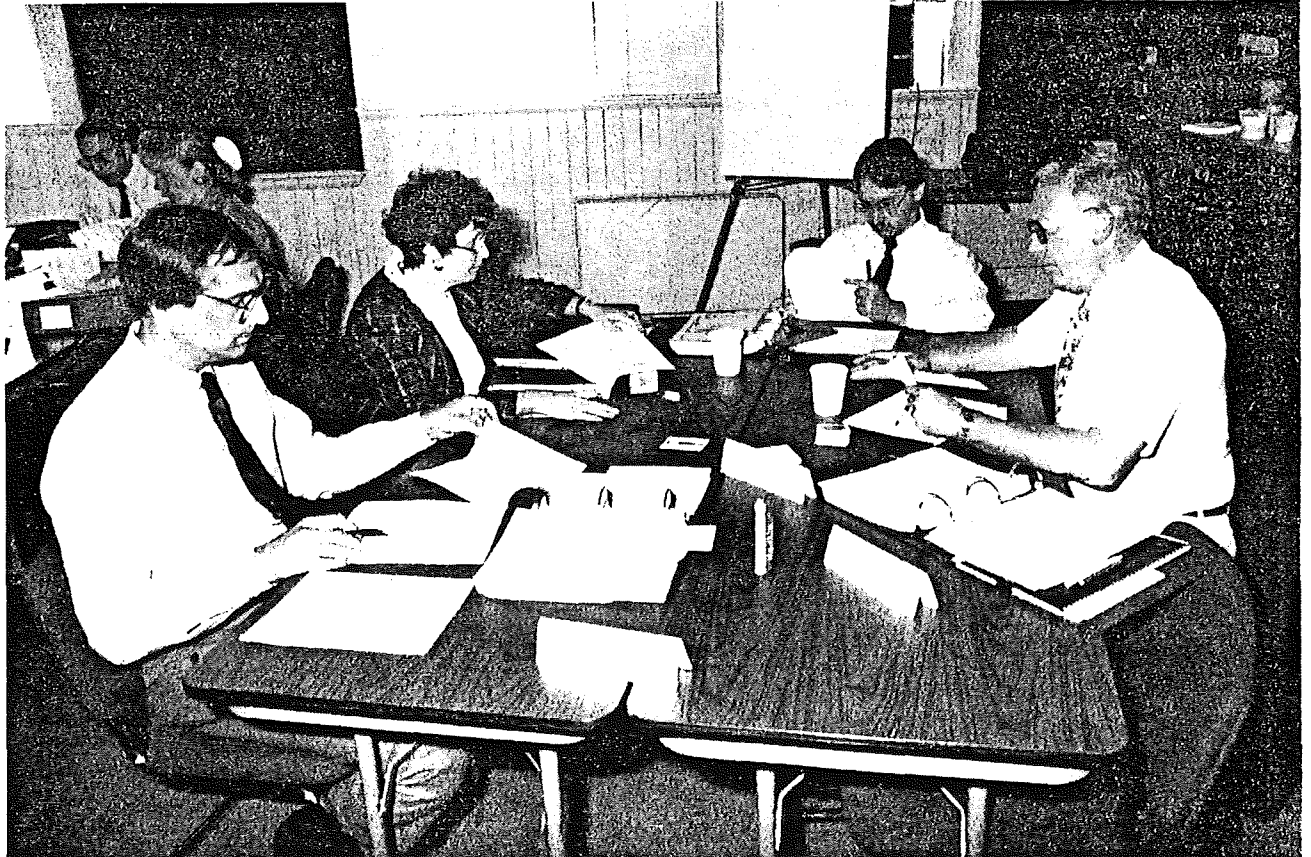
The Maine Quality Management Council was established by Executive Order on May 18, 1993. The Council is drawn from every state department and major agencies, as well as the Legislature, private sector businesses and representatives of each state employee union bargaining unit. The Council sets the overall direction for TQM in state government, and charters individual Process Action Teams to target specific challenges in state government. The Council has developed a shared vision and broad values for state government.

*If you know a state employee who didn't receive this newsletter, please pass yours on to them, or have them call the Governor's Office at 287-3531 for a copy.*



"Eureka! Four heads are better than one!" PAT members Tari Austin, Art Jacobsen, Susan Parks and Nancy Worcester show their enthusiasm during a team building exercise.

Below: "Let's get down to business ..." BIS team members Dave Ellis, Carolyn Haskell, and Darcy White collaborate with Education's David Fish during a segment on conducting effective meetings during PAT training at the Nash School.



# TQM Tools

by Chris Boudreau, Department of Labor

Have you ever tried to change a tire without a jack? Is it easy to cook on a stove that doesn't heat up properly? Having and using the right tools means the difference between success and failure. The success of a Process Action Team (PAT) also depends on having and using the right tools.

The PAT that I am on is called Improving Communication Within Our Division. Without the TQM tools we would not have been able to complete the task that we were assigned by our Departmental Quality Council.

Choosing and using the right TQM tools to improve something as personal as communication can be difficult. It is difficult to measure how well one communicates to another without observing each conversation or reviewing each piece of paper they write. Analysis of group communication is equally difficult.

Our PAT needed tools for problem identification and for problem analysis. The tools we used for identification were brainstorming, surveys and nominal group technique. The tools we used for analysis were pareto charts and cause and effect diagrams.

The PAT started by working on identifying the problem and possible causes of the problem. We asked the questions "What types of communication do we experience?" and "Where are the breakdowns in communication occurring?" The PAT brainstormed on these two questions and created a list of major types of communication along with subcategories to each major group. We also surveyed our division to determine if others had ideas where improvements in communication could be made, and to make sure that nothing was missed in brainstorming.

The next step for the PAT was to come to a consensus on the communication issues and where improvements need to be made. The PAT first needed to determine what communication issues the division felt needed improvement. To do this the PAT used the nominal group technique. This tool provides a way to give everyone in the group an equal voice in problem selection. Each person in the Division had an equal say in what problems were to be worked on by the PAT.

The PAT then began to determine what the root causes of our communication issues were. We asked our Division to break into small groups to work on cause and effect diagrams and search for the root causes of these issues. The PAT reminded the Division that when working on cause and effect diagrams they should always be asking "Why does this happen?"

With all of this information in hand our PAT was finally ready to begin to work on solutions. We rank-ordered the communication issues on a pareto chart to see which issues were the most important to our Division. The PAT then used the pareto charts to show us the root causes and we developed our solutions to address these root causes.

The PAT was made up of our director and members of our professional and support staffs. We arrived at all of our solutions by consensus and our Council supported all of our recommendations without any changes. We all had ideas about the communication issues in our Division, but we would not have been able to complete our tasks or achieve consensus without the TQM tools.

# MQMC New Associate Members

*Continued from page 1*

Council meetings. They are listed below for your reference and would welcome any discussion regarding the Maine Quality Management Council.

Name	Dept./Agency	Phone #
Linda Harvell	Admin/Fin. Services	287-4427
Ed Karass	Admin/Fin. Services	624-7806
Linda Pistner	Attorney General's Office	626-8800
Brenda Williams	Attorney General's Office	626-8800
Dorothy Morang	Public Safety/SBI	624-7009
Cindy Boyd	DHS	287-3105
Walter Lowell	MH&MR	287-7200
Sterling Pierce	DEP	287-4868
Mary Gingrow-Shaw	Audit	287-2201
Frank Hampl	Econ. & Comm. Dev.	287-3166
Joan Cook	Econ. & Comm. Dev.	287-3166
Kimberly Elis	Corrections	287-4383
Frank Soares	Education	287-5841
Chris Boudreau	Labor	287-3788
Deborah Garret	DEP	287-2812
Debra Phillips	Conservation	287-2211
Col. Donovan	DVS	626-4595
Michael Montagna	State Planning Office	287-3261
Aline LaChance	State Planning Office	287-3261
Michelle van Haagan	Prof. & Fin. Reg.	582-8770
Rick Record	Marine Resources	624-6567
Nancy Wasson	FAME	287-2183
Marianne Ringel	Health Care Finance	287-3006
Shirley Foster	Me. State Housing Auth.	626-4600
Fred Hurley	IF&W	287-5252

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## "TQMU"

*Continued from page 2*

training, coordination with consultants, and facilitation for TQM Councils and Process Action Teams (PATs) on an as-needed basis.

With the support of a volunteer cadre representing every department and agency, Training & Development will reach approximately 1200 supervisors with training by the end of November of this year. In addition, PAT training is ongoing at department, agency, bureau, and division levels.

With the institution of TQMU, we continue on our journey towards making total quality more than a passing fad in State government. Managers and employees who make use of the new course offerings will find themselves to be a better equipped work force for the State of Maine.

So pick up a copy, enroll in some courses, and become part of the quality change that is sweeping throughout State government. If you would like to receive a copy of "TQMU" please call the State Training Division at 287-4400.



## **MQMC Sponsors Quality Management Training for 1200 Managers**

by Governor John R. McKernan, Jr.

As many of you know, the Maine Quality Management Council (MQMC) is sponsoring Team Leader Training for managers in Maine State Government. This series is designed for managers and supervisors, who hold the key to unleashing the potential for excellence in government service, and will include an in-depth, hands-on look at quality theory, application, and tools for group problem-solving and process improvement.

The MQMC and the State Training Division have worked collaboratively over the past several months to formulate a curriculum that would meet the needs of managers and, ultimately, their employees. The training focuses on ways that managers can assist and guide their employees in identifying unnecessary or "re-" work in an effort to focus

attention and resources on the most important aspects of their work.

Organized into two phases, the sessions will enroll groups of approximately 1200 managers, with the first session having commenced September 20th and concluding November 17th. The Council has committed to holding a second session in the spring of 1995 so that all managers will have an opportunity to attend this important training. If you are a manager and were not able to attend this fall, please talk with your supervisor to enroll in the spring.

As always, I encourage all state employees to become involved in TQM. Find out what is going on in your department, and the effect that it will have on you, your work unit, and your department.



*"Helps me to look at some of my old behaviors and to think about changing some of them."*

*—Frank Antonucci, Education*

Also in photo: Jennifer Mills, Public Safety; Duncan Bond, Administrative & Financial Services



*"This has been very interesting — this time"*

*— Sandy Weeks, Administrative & Financial Services*

Also in photo: Carroll Ayer, MII&MR; Nate Berry, IF&W; Lloyd Keast, Education; and Bonnie Russell, P&FR



# Tools for Participatory Management

by Michelle D. Van Haagen, Bureau of Insurance; P&FR

What can the approximately 1200 supervisors who have recently begun or will shortly begin Conway training look forward to learning? And, even more important, what can those of us in their departments expect when they return?

First, they and we will notice a shift away from an exclusive emphasis on the more theoretical issues of TQM and their application to areas of statewide concern. Rather than, say, exploring TQM's value in addressing such matters as the reduction of losses in productivity caused by employee illness and injury — a problem that knows no departmental boundaries — the new training will concentrate on TQM's application to smaller units of state government: for example, excessive case loads, or backlogs, or the more efficient use of space, time and resources in individual departments. Accordingly, supervisory personnel will undergo training in such TQM tools as Pareto charts, brainstorming, and "imagineering," which has been defined as "visualizing how things would be if everything were perfect."

Beyond being trained in the use of such tools, though, supervisors will be encouraged to develop and employ new behaviors in the management of human resources. Where their "old-style" practice might have been to see themselves as responsible for problem analysis, solution-finding, and its implementation ("Here's what our problem is, and this is what you are going to do about it!"), they will now be encouraged and expected to involve department co-workers in the entire process of problem determination, analysis, and solution, whether through team participation, department-wide brainstorming sessions, or through individual insights and suggestions, per-

haps unsolicited, but respected. Supervisors will be expected to "enable, empower, and entrust" the people in their departments, sharing with them both information and responsibility.

Although this brave new world will not occur overnight, or simultaneously in all areas, the hope is that the new Conway training of supervisors will accelerate the pace of transition. It can be expected to do this, not simply by encouraging the development of new techniques and attitudes, but also by alleviating much of the anxiety that often accompanies change. Workers now can anticipate support and encouragement for their efforts to apply what they have learned, and supervisors who might otherwise be concerned that this "new way" would mean a diminishing of their power and prestige will find that their roles will in fact be enhanced and expanded. Any parent who has been through Parent Effectiveness Training, which is essentially learning to respect, enable, empower and entrust one's children, will testify that they have gained rather than lost effectiveness and prestige; that their role as encourager and guide is at once more demanding, more fulfilling, and more rewarding than the "parents know best" routine.

This is even more the case in the workplace, where supervisors are working with adults with years of valuable experience to contribute. Supervisors who are learning to stimulate and encourage the people in their departments through respecting, enabling, empowering, and entrusting them with information and responsibility will find the result will be a more harmonious, dedicated, and productive work force. None of us need have any anxiety over that prospect.

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## Quality ... What's in It for ME (Maine)?

by Jane W. Desaulniers, Bureau of Human Resources; DAFS

Around the world and across the nation, in the private and public sector alike, organizations are struggling with the issue of quality. Maine is home to an array of businesses that are committed to success in the global economy. Over the last several years, we have seen and heard of the value and importance of quality and continuous improvement as it relates to private industry, so why does government need to come on board as well?

Quite simply, the stakes are extremely high for business, for employees, and the communities they call home. Their ability to compete in an ever-expanding global arena is directly related to their own innovativeness and productivity, but is also heavily influenced by the ability of government to be responsive to the service requirements of its customers — the citizens of Maine. Untimely or unresponsive services critically impair businesses and the individuals they employ from competing for their share of the international market. Ultimately, citizens are denied full use and access of the services to which they are entitled.

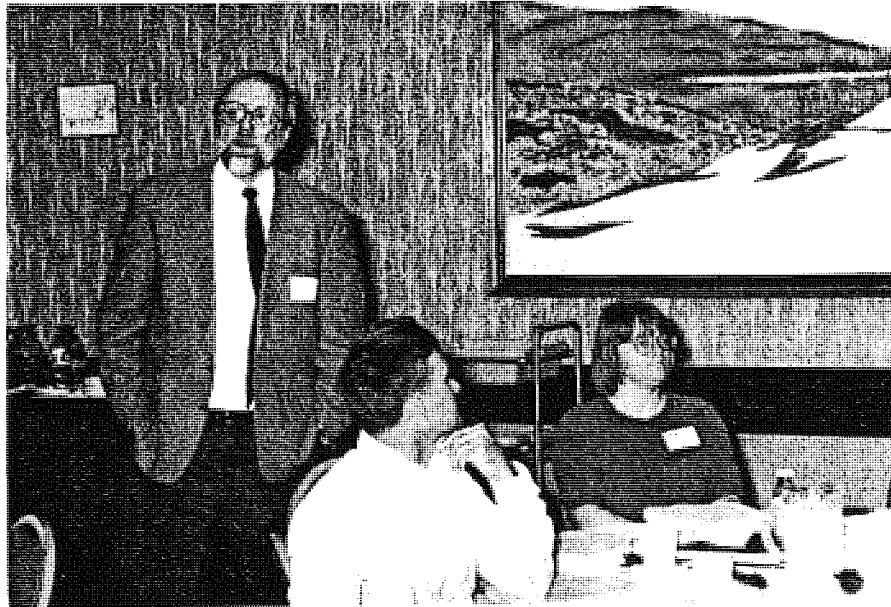
The goal is to incorporate quality in every aspect of our work. Accomplishing this goal, from the largest department to the smallest work unit, requires training — training that is both practical and theoretical in nature; training that is designed to provide management and employees with the skills and means to routinely deliver superior service.

Maine State Government has launched the first phase of a training initiative that is geared to accomplishing that goal. Over the past several months, approximately 35 state employees participated in an intensive program designed to give them the necessary skills to provide instruction for a team leader/facilitator curriculum to 1200

managers representative of virtually every department and agency. The curriculum for this program is based on material provided by Conway Quality, Inc., an internationally recognized consulting firm specializing in total quality implementation. September 20th signaled the start of this intensive program, which has been met with overwhelmingly positive reviews. The 1200 individuals who have been enrolled represent approximately half of the people who will eventually receive this training. Having completed this program, managers will return to their work areas equipped to train and lead employees in their efforts to apply quality tools and continuous process improvement methods to all aspects of their work.

For many in state government this is not a new way of conducting business. As individuals, we are skilled and dedicated to delivering our best each and every day. This program will provide managers with the tools and skills they need to shift from an authoritarian, bureaucratic style of management to one that genuinely develops employees. Empowering employees to respond directly to customers, to take risks, to be creative in their delivery of service will foster an environment that will enable employees to take pride in their work and accomplishments, reflect positively on the managerial ability of their supervisors and directors, and ensure that our customers — the citizens of Maine — receive the best service each and every time.

The commitment must be long-term, since change is not something that occurs naturally or quickly. However, the results can, and will, be dynamic — a citizenry that recognizes the talents and dedication of its employees, and supports our endeavors to consistently routinely deliver exceptional services.



*“People will start practicing TQM only after they understand. This 3-day training provides that understanding.”*

*— Jim Watkins, Education*

Also in photo: Jamie Waterbury, MHMR; Bob Ouellette, Labor

During the first twelve workshops, more than 350 participants provided valuable feedback. A sampling of comments is listed below.

*— Good session — nice to meet with people from other departments*

*— Excellent presentation and organization*

*— Good stuff!*

*— Although I believe in the concept of TQM, I dreaded attending this session. However, I was pleasantly surprised, found the information both useful and interesting and am looking forward to the next session. The trainers were great.*

*— Instructors worked extremely well together and were well prepared. GREAT JOB! Let's hope TQM survives!!*

*— Liked the group problem-solving, wasn't boring*

*— Group leaders respect participants*

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# A Special "Thanks!" to Our Trainers

## Statewide TQM Cadre Trainers

Terry Bourgoin	Agriculture	Linda Harvell	Administrative & Financial Services	Kelly Osmer	Transportation
Laura Boyett	Labor	Patti Hayden	Administrative & Financial Services	Tom Perron	Corrections
E. Shippen Bright	Conservation	Rosalie Howes	Professional & Financial Regulations	Robert Plummer	Agriculture
Stephen Bunker	Public Safety	Frank Johnson	Administrative & Financial Services	Tim Poulin	State Department
Rob Carmichael	Defense & Veterans Services	Peter Johnson	Defense & Veterans Services	Carla Prescott	Administrative & Financial Services
Kate Carnes	Human Services	Ed Karass	Administrative & Financial Services	Shelby Rafter	Human Services
Terry Cloutier	Administrative & Financial Services	Alicia Kellogg	Administrative & Financial Services	Richard Record	Marine Resources
Joan Anderson	Economic & Community Development	Rolanda Klapatch	Labor	Valerie Seaberg	Education
Cook	Defense & Veterans Services	Michael Lahti	Education	Joe Shaw	Administrative & Financial Services
Allyson Cox	Services	Denise Lord	Waste Management Agency	Frank Soares	Education
Nancy DeSisto	MH&MR	Walter Lowell	MH&MR	Richard Thompson	Administrative & Financial Services
T. Kathleen Dunford	Labor	Mary Myers	Administrative & Financial Services	Ann Twombly	Human Services
Barbara Estes	MH&MR	John Nichols	Transportation	Janet Waldron	State Department
Lee Giroux	Administrative & Financial Services			Ed Wheaton	Maine State Archives
Becky Greene	MH&MR			Helen Wiczorek	Transportation
Margaret Greenlaw	Transportation			John Wipfler	Health Care Commission
Kerry Halterman	Administrative & Financial Services			Glenda Winn	Administrative & Financial Services

## Department PAT Trainers

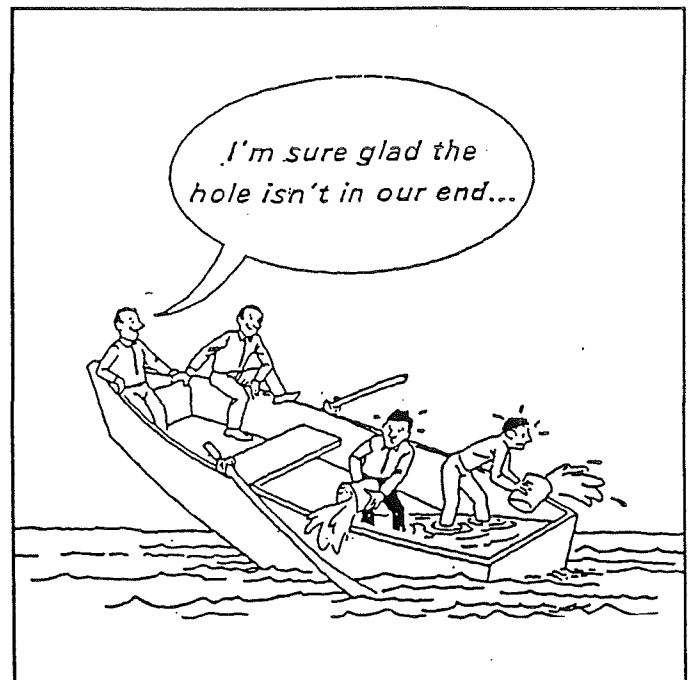
Wes Andrenyak	Corrections	Larry Farrington	Corrections	Jon Marks	MH&MR
Simone Ayotte	State Department	Norman Farrington	Corrections	Roger Mercier	Public Safety
David Blocher	Waste Management	Ben Fielder	Agriculture	Kathleen Roberts	Attorney General
Delores Brown	Administrative & Financial Services	Laura Fisher	MH&MR	Craig Schuler	Human Services
Deborah Chambers	MH&MR	Joyce Fontaine	MH&MR	Bruce Thomas	Health Care Finance Commission
Daniel Cram	MH&MR	L. Clif Graves	MH&MR	Gwendolyn Thomas	Attorney General
Jeff Crawford	DEP	Ric Hanley	Corrections	Sarah Roberts Walton	Attorney General
Daniel Deforge	MH&MR	Carol Harvey	MH&MR	Lila Ware	State Housing Authority
Lei Duarte	MH&MR	John Jeffers	Corrections	Drexell White	Public Safety
David Edwards	Corrections	Carol Kroyer	MH&MR	Debbie Wing	State Housing Authority
Peter Eichel	MH&MR	Jeff Lee	Marine Resources	Pam Waite	Attorney General
		Pam Mancuso			

## State Training and Development Staff

Elaine N. Trubee, Director  
 Carol Cochran, Secretary  
 Judith A. DeAngelis, Staff Development Specialist  
 Jane W. Desaulniers, HR Development Consultant  
 Kathleen Lincoln, HR Development Consultant

### After-Training Resources

Help is available to managers who return to work to find obstacles to implementation of the quality methods and tools. Managers are encouraged to contact cadre or staff trainers for assistance. Managers are also encouraged to continue developing their skills through additional training, reading, and practicing TQM methods in their workplace.



STATE OF MAINE

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-TWO

S.P. 907 - L.D. 2327

**Resolve, to Implement Total Quality Management Procedures  
in State Government**

**Emergency preamble.** Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** total quality management procedures offer the State an opportunity to immediately improve the efficiency and productivity of State Government; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

**Sec. 1. Legislative findings. Resolved:** That the Legislature finds that the customers of State Government are the recipients or beneficiaries of state services; that internal purchasing, personnel, space, budgeting and accounting systems all serve those customers and must all be improved to respond more effectively and efficiently; and that State Government has not given adequate attention to the potential for using the talents, skills, experience and commitment of its employees in improving the organization, cost-efficiency, cost-effectiveness and quality of state services; and be it further

**Sec. 2. Definition. Resolved:** That as used in this resolve, "total quality management" means a management system that emphasizes total customer satisfaction and the importance of front-line, rank-and-file workers in the improvement of production or services within an organization; and be it further

**Sec. 3. Total quality management in the executive branch. Resolved:** That the Governor shall develop and implement a plan for application of total quality management principles and methods in the executive branch. The plan for introduction of total quality management, including a description of its elements and a timetable for implementation, must be prepared and released by September 1, 1992. The plan must implement total quality management essentials of customer-driven work; results-oriented strategic planning; use of pertinent data; seeking continuous improvement; and emphasizing rank-and-file employee participation; and be it further

**Sec. 4. Total quality management in the Legislature and Judiciary. Resolved:** That the Legislature and the Judicial Department shall adopt plans by September 1, 1992 for the use of total quality management in their operations. Plans adopted by the Legislature and the Judiciary must address all total quality management issues specified under section 3; and be it further

**Sec. 5. Implementation. Resolved:** That all 3 branches of government shall implement the total quality management plans adopted under sections 3 and 4 no later than December 31, 1992; and be it further

**Sec. 6. Employees. Resolved:** That in developing plans under this resolve, each branch of government shall involve rank-and-file employees in devising total quality management programs that improve internal operations and making state operations less bureaucratic, more customer-oriented and more competitive with the private sector.

**Emergency clause.** In view of the emergency cited in the preamble, this resolve takes effect when approved.

## § 49. Maine Quality Management Council

The Maine Quality Management Council, as established by section 12004-I, subsection 77-A and referred to in this section as the "council," is created to guide total quality management in the executive branch of State Government, to promote the delivery of quality services to customers of State Government and to empower state workers in addressing the challenges and responsibilities of State Government.

1. **Membership.** The Governor is a member of the council and serves as the chair of the council. The Governor shall appoint the following members to the council:

- A. Representatives of each executive branch department;
- B. Representatives of other departments and agencies of State Government that choose to participate;
- C. Representatives of each of the employee unions representing state employees as designated by each union; and
- D. Other members the Governor determines appropriate, including representatives of up to 3 private sector businesses engaging in total quality management.

In addition, in consultation with the Governor, the President of the Senate shall appoint one Senator and the Speaker of the House of Representatives shall appoint one member of the House of Representatives.

2. **Terms of members.** Members serve terms coincident with the terms of the appointments to the positions qualifying them for the council, except that private sector members serve at the pleasure of the Governor.

3. **Associate members.** Each member of the council shall name one associate member, except that council members representing state employee unions may appoint one associate member to represent each union bargaining unit. Associate members serve at the pleasure of the appointing council member.

4. **Meetings.** The council shall meet on a monthly basis at the call of the chair. A majority of members constitutes a quorum and decisions of the council must be achieved through consensus.

5. **Duties.** The council, in accordance with Resolve 1991, chapter 73, shall:

- A. Develop a joint vision, values and tenets for State Government;
- B. Provide policy guidance and direction to the Governor on the quality management process;
- C. Coordinate and oversee implementation of quality management in State Government, including the work of individual quality councils in departments and agencies;
- D. Determine guidelines for submission of quality management proposals by state departments and agencies to the council and criteria and procedures for approval of those proposals;
- E. Coordinate and oversee process planning teams and process action teams, which may be formed to address specific problems and challenges in State Government;
- F. Raise state employee awareness of total quality management in State Government;
- G. Assist the Governor in developing goals, objectives, milestones and resource requirements to promote and improve quality and productivity in State Government;
- H. Identify processes of State Government that are common to departments and need priority attention, and provide direction for achieving improvement in these processes; and
- I. Undertake other responsibilities determined appropriate by the council to implement total quality management in State Government.

**§ 50. Employment protection with implementation of total quality management**

The Maine Quality Management Council shall develop procedures that ensure that any employee who has achieved permanent status and whose position is eliminated as a direct result of improvements sanctioned by the council is provided an employment opportunity elsewhere in State Government. The procedures must be consistent with applicable civil service laws and collective bargaining agreements and must take into account such factors as qualifications, comparability of positions, geographic locations of employees whose positions may be eliminated, retraining requirements and other transition factors. The procedures, when submitted to the Bureau of Human Resources, must be adopted by the bureau as its own rule. Nothing in this section prevents an employee from seeking and accepting employment outside of State Government. If such employment is secured by an employee, the obligation created in this section is dissolved.

1993, c. 476, § 1, eff. July 13, 1993.

**§ 52. Departmental Total Quality Management Coordinator; positions established**

Notwithstanding any other provision of law, if any position or positions in a department or agency account are determined unnecessary as a direct result of total quality management in accordance with section 50, the personal services savings for one or more of these former positions may be used in the Personal Services line category within the account where the savings exist or in another account in the same fund and department or agency to establish a total quality management coordinator position for the department or agency following the abolishment of the unnecessary position or positions and the identification of permanent funding.

1993, c. 707, § BB-1, eff. April 15, 1994; R.R.1993, c. 2, §§ 2, 3.

**Historical and Statutory Notes**

**Codification**

Laws 1993, c. 707, § BB-1, enacted 5 M.R.S.A. § 51, relating to the Departmental Total Quality Management Coordinator, without reference to Laws 1993, c. 675, § A-1, which enacted another 5 M.R.S.A. § 51, relating to payment of interpreters.

Revisor's Report 1993, c. 2, §§ 2, 3, renumbered 5 M.R.S.A. § 51, enacted by Laws 1993, c. 707, § BB-1, to be 5 M.R.S.A. § 52.

**§ 1589. Appropriations and allocation balances**

At the end of each fiscal year, unencumbered appropriation and allocation balances lapse into the appropriate fund or account balance and are not available unless authorized by law, or as provided for in subsections 1 to 5. Encumbered balances may not be carried forward more than once at the end of a fiscal year.

1. Carry-forward and transfer authorized. The funds from the following accounts must be carried forward each fiscal year to be transferred and used as follows.

A. At the end of each fiscal year, 30% of the available balances remaining in each General Fund account after the deduction of all expenditures, encumbrances, commitments or outstanding payment obligations that would otherwise lapse by law, must be carried forward each fiscal year to be transferred and used as provided for in subsections 2 to 5, except that at no time may the amount available from General Fund available balances exceed \$2,500,000 in the aggregate.

B. At the end of each fiscal year, 30% of the available balances remaining in each Highway Fund account after the deduction of all expenditures, encumbrances, commitments or outstanding payment obligations that would otherwise lapse by law, must be carried forward each fiscal year to be transferred and used as provided for in subsections 2 to 5, except that at no time may the amount available from Highway Fund available balances exceed \$500,000 in the aggregate.

C. Notwithstanding any other provision of law, upon the approval of the department or agency head, non-General Fund and non-Highway Fund accounts may contribute resources on an allocated basis to an administrative account for the support of department-wide or agencywide total quality management efforts.



2. General Fund statewide account; Highway Fund statewide account. The State Controller shall transfer the available balances carried forward in accordance with subsection 1 in each General Fund account as follows: 83½% into a General Fund departmentwide account established by the State Controller in the same department or agency; and 16½% into a General Fund statewide account established by the State Controller. The State Controller shall transfer the available balances carried forward in accordance with subsection 1 in each Highway Fund account as follows: 83½% into a Highway Fund departmentwide account established by the State Controller in the same department or agency; and 16½% into a Highway Fund statewide account established by the State Controller.

2-A. Nonlapsing. Any unencumbered balances transferred to carry out the purposes of this section do not lapse, but must be carried forward for continued use in accordance with subsections 3 to 5.

2-B. Interdepartmental transfers authorized. Notwithstanding section 1585, the transfer of funds between a statewide account and a departmentwide account within the same fund is authorized to carry out proposals in accordance with subsections 3 to 5.

APPROPRIATIONS  
Ch. 145

5 § 1589

3. Total quality management initiatives. Except as provided in subsection 3-C, available balances transferred into each departmentwide and statewide account in accordance with subsection 2 must be used for the payment of nonrecurring expenditures representing total quality management initiatives in the same department or agency or on a statewide basis, respectively.

3-A. Office of State Quality Management General Fund account established. There is established in the Executive Department a General Fund account entitled Office of State Quality Management to receive and expend funds in accordance with subsection 3-C and chapter 523.<sup>1</sup>

3-B. General Fund positions; legislative count established. There is established in the Office of State Quality Management General Fund account in the Executive Department 2 legislative count positions to provide for the establishment of 2 full-time, permanent positions authorized by section 20094. There is established in the Human Resources General Fund account in the Department of Administrative and Financial Services 2 legislative count positions to provide for the establishment of 2 full-time, permanent training positions for total quality management training and coordination.

3-C. Transfer of funds authorized. Notwithstanding any other provision of law, funds may be transferred in each fiscal year from the Statewide—Total Quality Management General Fund account in the Department of Administrative and Financial Services to the Office of State Quality Management General Fund account in the Executive Department established in subsection 3-A and the Human Resources General Fund account in the Department of Administrative and Financial Services to be allotted by financial order upon the approval of the Governor for the personal services, all other and capital expenditures requirements for 2 positions in the Office of State Quality Management authorized by section 20094 and 2 training positions in the Bureau of Human Resources to be established for total quality management training and coordination.

4. Copies of proposals to Bureau of the Budget and Office of Fiscal and Program Review. Copies of each approved proposal for the expenditure of funds transferred into each departmentwide and statewide account in accordance with subsection 2 must be submitted from each department's or agency's quality management council and the Maine Quality Management Council, respectively, to the Bureau of the Budget and the Office of Fiscal and Program Review.

5. Payments in accordance with allotments. Payments from each departmentwide and statewide account established in accordance with subsection 2 representing expenditures in support of approved proposals submitted to the Bureau of the Budget in accordance with subsection 4 will be authorized by the State Controller on the basis of allotments approved by the Governor in accordance with established law.

6. Report required. The Department of Administrative and Financial Services and the Maine Quality Management Council shall report to the joint standing committee of the Legislature having jurisdiction over state and local government matters annually no later than February 1st, the following:

A. The total amount authorized for transfer, by department, under subsection 1;

B. A description of initiatives submitted under subsection 4; and

C. A recommendation from the Maine Quality Management Council and the Department of Administrative and Financial Services on any changes in the transfer amount authorized under subsections 1 and 2.

7. Repealed. Laws 1993, c. 707, § BB-6, eff. April 15, 1994.

1993, c. 476, § 2, eff. July 13, 1993; 1993, c. 707, §§ BB-2 to BB-6, eff. April 15, 1994.

15 M.R.S.A. § 20090 et seq.

### Historical and Statutory Notes

#### Amendments

1993 Amendment. Laws 1993, c. 707, § BB-2, repealed and replaced subsec. 1, which prior there-  
to read:

expenditures, encumbrances, commitments or outstanding payment obligations that would otherwise lapse to each fund by law must be carried forward each fiscal year to be transferred and used as provided for in subsections 2 to 5."

Laws 1993, c. 707, § BB-3, added subsecs. 2-A and 2-B.

Laws 1993, c. 707, § BB-4, in subsec. 3, made provisions subject to subsec. 3-C.

"1. Carry-forward and transfer authorized. At the end of each fiscal year, 30% of the available balances remaining in each General Fund and Highway Fund account after the deduction of all

Laws 1993, c. 707, § BB-5, added subsecs. 3-A, 3-B, and 3-C.

Laws 1993, c. 707, § BB-6, repealed subsec. 7, which related to a sunset provision which stated that authorization for this section expired on July 1, 1995.

## CHAPTER 523

### OFFICE OF STATE QUALITY MANAGEMENT

#### Section

20090. Office established; purpose.

20091. Definitions.

20092. Implementation and administration.

#### Section

20093. Powers and duties.

20094. Executive director, administrative assistant.

### Historical and Statutory Notes

#### Codification

Laws 1993, c. 707, § BB-7, eff. April 15, 1994, enacted Chapter 523, Office of State Quality Management.

### OFFICE OF QUALITY MANAGEMENT Ch. 523

5 § 20093

#### § 20090. Office established; purpose

The Office of State Quality Management is established within the Executive Department. The office is directly responsible to the Governor and, through the Governor, provides direction and leadership to the Maine Quality Management Council and departmental total quality management councils.

1993, c. 707, § BB-7, eff. April 15, 1994.

## § 20091. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Departmental total quality management council. "Departmental total quality management council" means the quality management council specific to each department that is composed of managers of the department, union representatives and state employees of the department.

2. Maine Quality Management Council. "Maine Quality Management Council" means the Maine Quality Management Council as established by section 12004-I, subsection 77-A and having membership as defined by section 49.

3. Office. "Office" means the Office of State Quality Management.

4. Process action team. "Process action team" means an action team that is established to study and make recommendations on a state government process or service that has been selected by a departmental total quality management council or subcouncil for improvement. The process action team is composed of a subset of employees from the same or different departments who are knowledgeable of the process or service under review.

5. Total quality management. "Total quality management" means the process chosen by State Government for motivating employees at all levels of the organization to volunteer their individual expertise and skills for the improvement of state government programs and services.

1993, c. 707, § BB-7, eff. April 15, 1994.

## § 20092. Implementation and administration

Each department and agency in State Government shall establish a departmental total quality management council. The departmental total quality management council shall name a 2nd associate member to the Maine Quality Management Council. The 2nd associate member must be a classified service employee of the department. One of the associate members shall serve as the total quality management coordinator for the department or agency.

1993, c. 707, § BB-7, eff. April 15, 1994.

## § 20093. Powers and duties

The office shall:

1. State Government. Establish, in joint cooperation with the Maine Quality Management Council, the statewide plans, policies, objectives and priorities for total quality management in State Government;

2. Coordination. Oversee the statewide implementation of total quality management programs and coordinate total quality management programs of the individual departments and agencies;

3. Training programs. Work with the State Development and Training Division of the Bureau of Human Resources to orient and train state employees in total quality management and to develop the team building skills needed to ensure the success of total quality management efforts; and

4. Reports. By January 15th of each year, report to the Legislature on the total quality management accomplishments of the past year's programs, the progress towards obtaining the goals and objectives of its total quality management plans and other pertinent information.

1993, c. 707, § BB-7, eff. April 15, 1994.

## § 20094. Executive director, administrative assistant

The Governor shall appoint an executive director of the office. The executive director shall serve at the Governor's pleasure. The executive director must be qualified by training and experience in the techniques and purpose of total quality management. The executive director shall exercise the powers of the office and is responsible for the execution of its functions.

The executive director may appoint an administrative assistant. The administrative assistant must be appointed and salaried in accordance with the Civil Service Law<sup>1</sup> and rules.

1993, c. 707, § BB-7, eff. April 15, 1994.

<sup>1</sup>See 5 M.R.S.A. § 7039.

## **Council Composition**

> Membership Listing

**MAINE QUALITY MANAGEMENT COUNCIL**  
**Membership Listing**

<u>ORGANIZATION</u>	<u>NAME, TITLE</u>	<u>E-Mail</u>	<u>ADDRESS &amp; PHONE #</u>
<b>Executive</b>			
Governor, Chair			SHS #1, 287-3531
<b>Admin. &amp; Fin. Svcs.</b>			
Primary Member	H.Sawin Millett, Jr., Commissioner	ASHMILL	SHS #78, 624-7800
Associate	Ed Karass	DAEKARA	SHS #78, 624-7806
Coordinator	Carla Prescott	TMCPRES	SHS #24, 287-4756
<b>Agriculture</b>			
Primary Member	Bernard Shaw, Commissioner	AFBSHAW	SHS #28, 287-3871
Associate/Coord.	Carl Flora	AFCFLOR	SHS #28, 287-3871
Associate	Henry Jennings		SHS #28 287-2731
<b>Attorney General</b>			
Primary Member	Andrew Ketterer, Attorney General (As of 1/10)		SHS #6, 626-8800
Associate/Coord.	Linda Pistner		SHS #6 626-8800
Associate	Brenda Williams		SHS #6, 626-8800
<b>Audit</b>			
Primary Member	Rodney Scribner State Auditor		SHS #66, 287-2201
Associate	Mary Gingrow-Shaw		SHS #66, 287-2201
Associate/Coord.	Terrance E. Brann, Jr.		SHS #66, 287-2201
<b>Conservation</b>			
Primary Member	Edwin Meadows, Commissioner	CNEMEAD	SHS #22, 287-2211
Associate	Debra Phillips		SHS #22, 287-2211
Coordinator	Shippen Bright	CNSBRIG	SHS #22 287-4902
<b>Corrections</b>			
Primary Member	Don Allen, Commissioner	CODALLE	SHS#111, 287-4360
Associate/Coord.	Kimberly Ellis		SHS#111, 287-4383
Associate	Peter Tilton		SHS#111, 287-4383
<b>Defense and Veteran Services</b>			
Primary Member	Gen. Nelson Durgin Commissioner	CDNDURG	SHS #33, 626-4595
Associate/Coord.	Maj. Rob Carmichael	CDRCARM	SHS #33, 626-4595
Associate	Lt. Col. Donovan G. LaJoie		SHS #33, 626-4220
Co-Coordinator	Col. Ron Sailor	CDRSAIL	SHS #33, 626-4248
<b>Economic and Community Development</b>			
Primary Member	Michael Aube, Commissioner	SDMAUBE	SHS #59, 287-2656
Associate/Coord.	Joan Cook	SDJCOOK	SHS #59, 287-3166
Associate	Frank Hample		SHS #59, 287-3166

**Maine Quality Management Council**

Membership Listing

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<u>ORGANIZATION</u>	<u>NAME</u>	<u>E-MAIL</u>	<u>ADDRESS &amp; PHONE #</u>
<b>Education</b>			
Primary Member	Leo Martin, Commissioner	EDLMART	SHS #23, 287-5800
Associate	Jim Watkins	EDJWATK	SHS #23, 287-5841
Associate/Coord.	Frank Soares	EDJWATK	SHS #23, 287-5857
<b>Dept. of Environmental Protection</b>			
Primary Member	Debrah Garrett, Acting Commissioner	EIDRICH	SHS #17, 287-2812
Associate/Coord.	Sterling Pierce		SHS #17, 287-4868
Associate	Brooke Barnes		SHS #17, 287-2812
<b>Finance Authority</b>			
Primary Member	Timothy Agnew, Chief Executive Officer		SHS #94, 623-3263
Associate	Stephen Canders		SHS #94, 623-3263
Associate/Coord.	Nancy Wasson		SHS #119, 287-2183
<b>Health Care Finance</b>			
Primary Member	John Wipfler, Executive Director		SHS #102, 287-3006
Associate	Marianne Ringel		SHS #102, 287-3006
<b>Bureau of Human Resources</b>			
Primary Member	Nancy Kenniston, Director	PPNKENN	SHS #4, 287-4459
Associate	Linda Harvell	PPLHARV	SHS #4, 287-4427
<b>Human Services</b>			
Primary Member	Jane Sheehan, Commissioner	HWJSHEE	SHS #11, 287-2736
Associate/Coord.	David Winslow	HWDWINS	SHS #11, 287-2736
Associate/Coord.	Cindy Boyd	HWCBOYD	SHS #11, 287-3105
Coordinator	Shelby Rafter		SHS #11 624-5373
<b>Inland Fisheries &amp; Wildlife</b>			
Primary Member	Ray Owen, Commissioner	FGROWEN	SHS #41, 287-3371
Associate/Coord.	Alan Clark	FGPWILD	SHS #41, 287-5265
Associate	Fred Hurley	FGFHURL	SHS #41, 287-5252
<b>Labor</b>			
Primary Member	Rolanda Klapatch, Acting Commissioner	LIRKLAP	SHS #54, 287-3788
Associate	Chris Boudreau		SHS #54, 287-3788
Coordinator	Rolanda Klapatch	LIRKLAP	SHS #54, 287-2411
<b>Marine Resources</b>			
Primary Member	William Brennan, Commissioner	MRWBREN	SHS #21, 624-6550
Associate	Penn Estabrook	MRPESTA	SHS #21, 624-6550
Coordinator	Rick Record	MRRRECO	SHS #21, 624-6567

**Maine Quality Management Council**

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<u>ORGANIZATION</u>	<u>NAME</u>	<u>E-MAIL</u>	<u>ADDRESS &amp; PHONE #</u>
<b>Maine State Housing Authority</b>			
Primary Member	David Lakari, Director		SHS #89, 626-4600
Associate/Coord.	Lila Ware	HALWARE	SHS #89, 626-4600
Associate	Shirley Foster		SHS #89, 626-4600
<b>Maine Waste Management</b>			
Primary Member	Sherry Huber, Executive Director	WMSHUBE	SHS #154, 287-5300
Associate/Coord.	Denise Lord	WMDLORD	SHS #154, 287-5300
<b>Mental Health and Mental Retardation</b>			
Primary Member	Sue Davenport, Commissioner	MHSDAVE	SHS #40, 287-4223
Associate/Coord.	Nancy DeSisto	MHNDESI	SHS #40, 287-4210
Associate	Dr. Walter Lowell	MHWLOWE	SHS #80, 287-7200
<b>Professional and Financial Regulations</b>			
Primary Member	Jane Titcomb, Commissioner		SHS #35, 582-8718
Associate/Coord.	Al Iuppa		SHS #35, 582-8707
Coordinator	Michelle D.vanHaagen	BRMVANH	SHS #35, 624-8421
<b>Public Safety</b>			
Primary Member	Alfred Skolfield, Commissioner	PSASHOL	SHS #42, 624-7000
Associate	Dorothy Morang		SHS #42, 624-7009
Associate/Coord.	Stephan Bunker	PSSBUNK	SHS #42, 624-7004
<b>Public Utilities</b>			
Primary Member	Charles Jacobs, Admin. Director	PUCJACO	SHS #18, 287-3831
<b>Transportation</b>			
Primary Member	Alden Small, Acting Commissioner	DTDCONN	SHS #16, 287-2551
Associate	Jane Lincoln	DTJLINC	SHS #16, 287-2551
Associate/Coord.	Helen Wieczorek	DTHWIEC	SHS #16, 287-3551
Coordinator	John Nichols	DTJNICH	SHS #16, 287-3551
<b>Secretary of State</b>			
Primary Member	William Diamond, Secretary of State	SSGDIAM	SHS #148, 626-8400
Associate	Janet Waldron	SSJWALD	SHS #148, 626-8406
Coordinator	Ed Wheaton		SHS #148, 626-8406
<b>State Planning</b>			
Primary Member	Steve Adams, Director	PPSADAM	SHS #38, 287-3261
Associate/Coord.	Michael Montagna		SHS #38, 287-3261
Associate	Aline LaChance		SHS #38, 287-1485

<u>ORGANIZATION</u>	<u>NAME</u>	<u>E-MAIL</u>	<u>ADDRESS &amp; PHONE #</u>
<b>Treasury</b>			
Primary Member	Samuel Shapiro, State Treasurer		SHS #39, 287-2771
<b>Judicial Branch</b>			
Primary Member	Daniel Wathan, Chief Justice		95 State St Augusta, Maine 623-1735
Associate	James Glessner		Admin Office of the Courts PO Box 4820 Portland, 04112 822-0710
<b>Legislative Branch</b>			
Primary Member	Dan Gwadosky, Speaker of the House of Representatives		SHS #2, 287-1430
Associate	Ted Potter		SHS #2, 287-1430
<b>Legislative Branch</b>			
Primary Member	Jeff Butland, President of the Senate Senate		SHS #3, 287-1505
<b>American Federation of State County and Municipal Employees (AFSCME)</b>			
Primary Member	Jay Carlson, Representative		Dept. of Admin/Fin. Central Warehouse SHS #9 287-2923
<b>Maine State Employees Association (MSEA)</b>			
Primary Member	Wayne Hollingworth, President		65 State Street Augusta, Maine 622-3151
<b><u>Law Enforcement</u></b>			
Bargaining Unit Representative	Ray Dzialo P.O. Box 429 Saco, ME 04074		284-9665
<b><u>Supervisory</u></b>			
Bargaining Unit Representative	Richard A. Hodgdon		Dept. of Labor P.O. Box 343 Biddeford, ME 04005 286-1540
<b><u>Operations/ Maintenance Services</u></b>			
Bargaining Unit Representative	Lucille Gardiner		SHS #26, 596-2237



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<u>ORGANIZATION</u>	<u>NAME</u>	<u>E-MAIL</u>	<u>ADDRESS &amp; PHONE #</u>
<u>Professional/</u> Technical Bargaining Unit	Michelle D. vanHaagen		SHS #35, 624-8421
<u>Administrative</u> Services Bargaining Unit	Vacant		
<b>Troopers Assn.</b> Primary Member	Jean Poirier, President (Effective 1/1/95)		P.O. Box 23 West Road Belgrade, ME 04917 Home: 495-3520 Work: 624-7000-Troop C
Associate	Roy Gallant		RFD#1, Box 871F Belgrade, ME 04918
<b>Central Maine Power</b> Primary Member	Ray Pomerleau		Edison Drive Augusta, Maine 04336 623-3521
<b>LL Bean</b> Primary Member	Robert Peixotto		Casco Street Freeport, ME 04033 865-4761
<b>Maine Medical Center</b> Primary Member	Judy Stone		Nursing Services 22 Bramhall St. Portland, ME 04102 871-2751
<b>Offices of State Quality Management and Training</b> Executive Director	Elaine N. Trubee		SHS #4 Augusta, Maine 04333 287-4400

\* Vacancies will occur in the primary member position (except in the Judicial, Legislative and Employee Unions). The Governor will need to make appointments to the primary member positions. (See pg. 2 of the Executive Summary for more information). The department commissioner will need to appoint the 1st associate position. The department council will need to appoint any vacancies in the 2nd associate position (classified employee position).

## **Model/Structure**

> **Federal Total Quality Management Handbook:**  
**"America's Quality Coaches"**

# America's Quality Coaches

## W. Edwards Deming

Dr. W. Edwards Deming is the 85 year-old statistician best known for setting Japanese business upon the course that has made them number one in quality throughout the world. In 1950, he went to Japan to help the U.S. Secretary of War conduct a population census, and was invited to lecture to top business leaders on statistical quality advice. The rest is history, and today the highest quality award in Japan is named after Deming. He has been called the "founder of the Third Wave of the Industrial Revolution," and often sounds like a crusader for quality with statements such as, "it is time to adopt a new religion in America."

He estimates that it will take the United States 30 years to accomplish what the Japanese have done to improve quality because "a big ship, travelling at full speed, requires distance and time to turn." He warns that "people who expect quick results are doomed to disappointment."

According to Deming, good quality does not necessarily mean high quality. It is, rather, "a predictable degree of uniformity and dependability, at low cost, and suited to the market." He recognizes that the quality of any product or service has many scales, and may get a high mark on one scale and a low mark on another. In other words, quality is whatever the customer needs and wants. And since the customer's requirements and tastes are always changing, the solution to defining quality in terms of the customer is to constantly conduct customer research.

Deming's basic philosophy on quality is that productivity improves as variability decreases. Since all things vary, he says, that is why the statistical method of quality control is needed. "Statistical control does not imply absence of defective items. It is a state of random variation, in which the limits of variation are predictable," he explains.

There are two types of variation: chance and assignable, and says Deming, "The difference between these is one of the most difficult things to comprehend." It is waste of time and money to look for the cause of chance variation, yet, he says, this is exactly what many companies do when they attempt to solve quality problems without using statistical methods. He advocates the use of statistics to measure performance in all areas, not just conformance to product specifications. Furthermore, he says it is not enough to meet specifications; one has to keep working to reduce the variation as well.

Deming is extremely critical of U.S. management and is an advocate of worker participation in decision making. He claims that management is responsible for 94 percent of quality problems, and points out that it is

management's task to help people work smarter, not harder. "The first step is for management to remove the barriers that rob the hourly worker of his right to do a good job," he says.

He also knocks motivational programs, in which he includes zero defects, and says that everyone simply doing their best is not the answer because it is also necessary that people know what to do. And, he asks, "How can a man do it right the first time when the incoming material is off gauge, off color, or otherwise defective, or if his machine is not in good order?"

Deming cites the following as a typical letter from a supplier in response to an inquiry on its quality: "We are pleased to inform you that quality is our motto. We believe in quality. You will see from the enclosed pamphlet that nothing goes out of this plant until it has been thoroughly inspected. In fact, a large portion of our effort in production is spent on inspection to be sure of our quality." This he says, "is a true confession of ignorance of what quality is, and how to achieve it."

Inspection, whether of incoming or outgoing goods, is, according to Deming, too late, ineffective, and costly. "Inspection does not improve quality, nor guarantee it," he says. Moreover, inspection is usually designed to allow a certain number of defects to enter the system. For example, a company that buys items with an acceptable quality level of three percent is, in effect, telling the vendor that it can send three bad items out of every 100. "The vendor will be pleased to meet these requirements," says Deming.

He says that judging quality requires knowledge of the "statistical evidence of quality," and that companies dealing with vendors under statistical control can eliminate inspection. "You will note from the control charts that came along with the product, far better than any inspection can tell you, what the distribution of quality is, and what it will be tomorrow." In this way, quality is predictable, and one can also safely predict that the vendor's quality will improve over time. "One of the first steps for managers of purchasing to take is to learn enough about the statistical control of quality to be able to assess the qualifications of a supplier, to be able to talk to him in statistical language," says Deming.

Deming also points out that simply checking the specifications of incoming materials may not be enough if the material encounters problems in production. "Specifications cannot tell the whole story. The supplier must know what the material is to be used for," he says. He is critical of most producers for qualifying vendors on quality because once qualified, the vendor "has discharged his responsibility, and the purchaser accepts whatever he gets." The only effective way to qualify vendors is to see if their management abides by his 14 points, uses statistical process control, and is willing to cooperate on tests and use of instruments and gauges.

The best recognition one can give a quality vendor, according to Deming, is to give that vendor more business. He points out that requiring statistical evidence of process control in selecting vendors would mean, in most companies, a drastic reduction in the number of vendors they deal with simply because not that many vendors would qualify. Nevertheless, he says, this is the only way to choose vendors, even if that means relying on a single source for critical items. In fact, Deming advocates single sourcing. "A second source, for protection, for every item purchased is a costly practice," he says. The advantages of single sourcing include better vendor commitment, eliminating small differences between products from two suppliers, and simplifying accounting and paperwork.

As to the fact that relying on a single source can often mean paying a higher price, Deming says. "The policy of forever trying to drive down the price of anything purchased, with no regard to quality and service, can drive good vendors and good service out of business. The ways of doing business with vendors and customers that were good enough in the past must now be revised to meet new requirements of quality and productivity."

Deming works as a private consultant to dozens of firms in the United States. It is said that he will simply stop working with a client who does not show total commitment to quality.

### Deming's 14 Points for Management

1. Create constancy of purpose toward improvement of product and service.
2. Adopt the new philosophy. We can no longer live with commonly accepted levels of delays, mistakes, defective materials, and defective workmanship.
3. Cease dependence on mass inspection. Require, instead, statistical evidence that quality is built in.
4. End the practice of awarding business on the basis of price tag.
5. Find problems. It is management's job to work continually on the system.
6. Institute modern methods of training on the job.
7. Institute modern methods of supervision of production workers. The responsibility of foremen must be changed from numbers to quality.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments.
10. Eliminate numerical goals, posters, and slogans for the workforce, asking for new levels of productivity without providing methods.
11. Eliminate work standards that prescribe numerical quotas.
12. Remove barriers that stand between the hourly worker and his right to pride of workmanship.
13. Institute a vigorous program of education and retraining.
14. Create a structure in top management that will push every day on the above 13 points.

## America's Quality Coaches

### Joseph M. Juran

Joseph M. Juran was born 81 years ago in Rumania, and came to the United States in 1912. After studying electrical engineering and law, he rose to chief of the inspection control division of Western Electric Co. and professor of New York University. Juran, like Deming, is credited with part of the quality success story of Japan, where he went in 1954 to lecture on how to manage for quality. He is the author of numerous books on quality and management, as well as editor of the 'Quality Control Handbook.' In 1979, he founded the Juran Institute, which conducts quality training seminars.

According to Juran, there are two kinds of quality: "fitness for use" and "conformance to specifications." To illustrate the difference, he says a dangerous product could meet all specifications, but not be fit for use.

Juran was the first to deal with the broad management aspects of quality, which distinguishes him from those who espouse specific techniques, statistical or otherwise. In the 1940's, he pointed out that the technical aspects of quality control had been well covered, but that firms did not know how to manage for quality. He identified some of the problems as organization, communication, and coordination of functions — in other words, the human element. According to Juran, "An understanding of the human situations associated with the job will go far to solve the technical problems; in fact such understanding may be a prerequisite of a solution." For example, an inspector may incorrectly interpret the specifications and thus subvert quality control efforts, or worse, he may knowingly protect favored operators or suppliers.

Juran talks about three basic steps to progress: structured annual improvements combined with devotion and a sense of urgency, massive training programs, and upper management leadership. In his view less than 20 percent of quality problems are due to workers, with the remainder being caused by management. Just as all managers need some training in finance, all should have training in quality in order to oversee and participate in quality improvement projects. And top management should be included because, "all major quality problems are interdepartmental." Moreover, pursuing departmental goals can sometimes undermine a company's overall quality mission, he says.

Companies should avoid "campaigns to motivate the workforce to solve the company's quality problems by doing perfect work," says Juran, because these "exhortation only" approaches and slogans "fail to set specific goals, establish specific plans to meet these goals, or provide the needed resources." He notes, however, that upper managers like these programs because they do not detract from their time.

Juran favors the concept of quality circles because they improve communications between management and labor. He also recommends using statistical process control, but warns that it can lead to a "tool-oriented" approach. Juran does not believe that "quality is free." He explains that because of the law of diminishing returns, there is an optimum point of quality, beyond which conformance is more costly than the value of the quality obtained.

He recognizes purchasing's important role in quality improvement. "A company cannot produce greater precision in *vacuo*; it must secure greater precision for its suppliers." Juran also recognizes purchasing's task can be much more complex than ordinarily assumed. For example, he addresses the problems of assessing the quality of contractors competing for big one-of-a-kind projects, as well as how to deal with unexpected changes in specifications.

Typical of his penchant for looking at the "big picture," Juran points out that at the same time that buyers are recognizing the need for better communications with suppliers, more and more of these suppliers are foreign firms. This puts up potential barriers to communications due to language and other cultural differences. He also points to different technological standards throughout the world and the fact that international standardization is lengthy and slow.

Juran is not in favor of single sourcing for important purchases, which he defines as product-related items such as raw materials or components. "For important purchases it is well to use multiple sources of supply. A single source can more easily neglect to sharpen its competitive edge in quality, cost, and service," he says.

Training for purchasing managers should include techniques for rating vendors, according to Juran, and he adds that rating vendors is only half of the process. The customer must also "make the investment of time, effort and special skills to help poor vendors to improve."

To qualify vendors on quality, purchasing needs to do a formal survey to insure that the vendor can consistently manufacture to specifications. Comparing U.S. and Japanese vendor qualifying practices, Juran says those in the United States are not as effective. "To predict vendor adequacy, U.S. firms studied the suppliers' systems — organization, written procedures, manuals, audits and so on. The Japanese firms looked at quality control training, and quality of prior deliveries." He is critical of arms-length and adversary relationships with vendors, and says they should be part of the team.



The Juran Institute teaches a project-by-project, problem-solving, team method of quality improvement, in which upper management must be involved. "The project approach is important. When it comes to quality, there is no such thing as improvement in general. Any improvement in quality is going to come about project by project and no other way," says Juran.

#### Juran's 10 Steps to Quality Improvement

1. Build awareness of the need and opportunity for improvement.
2. Set goals for improvement.
3. Organize to reach the goals (establish a quality council, identify problems, select projects, appoint teams, designate facilitators).
4. Provide training.
5. Carry out projects to solve problems.
6. Report progress.
7. Give recognition.
8. Communicate results.
9. Keep score.
10. Maintain momentum by making annual improvement part of the regular systems and processes of the company.

# America's Quality Coaches

## Philip B. Crosby

Philip B. Crosby is the 59 year-old quality expert best known for coming up with the concept of zero defects in the 1960's when he was in charge of quality for the Pershing missile project at Martin Corp. In 1965, he went to ITT as director of quality, and left in 1979 to form Philip Crosby Associates. He got into consulting and writing because "I was tired of hearing how the United States was going down the chute." His book, 'Quality is Free,' has sold more than one million copies.

According to Crosby's definition, quality is conformance to requirements, and it can only be measured by the cost of non-conformance. "Don't talk about poor quality or high quality. Talk about conformance and non-conformance," he says. The approach means that the only standard of performance is zero defects.

If he had to sum up in a single word what quality management is all about, Crosby says the word would be "prevention." Whereas the conventional view says quality is achieved through inspection, testing, and checking, he says that prevention is the only system that can be utilized. And when Crosby says "prevention" he means "perfection." There is no place in his philosophy for statically acceptable levels of quality. "People go to great elaborate things to develop statistical levels of compliance. We've learned to believe that error is inevitable, and to plan for it." But, he says, "There is absolutely no reason for having errors or defects in any product."

Crosby talks about a quality "vaccine" that firms can use to prevent non-conformances. The three ingredients of this vaccine are determination, education, and implementation. He points out that quality improvement is a process not a program, saying, "Nothing permanent or lasting ever comes from a program."

He says quality is management's responsibility, and that "We have to be as concerned about quality as we are about profit." He is doubtful, however, that this change in attitude will occur in this generation because most companies continue to compound quality problems by "hassling" their employees, which renders them demotivated by the "thoughtless, irritating, unconcerned way they are dealt with." Crosby says a committed management can obtain a 40 percent reduction in error rates very quickly from a committed workforce, while eliminating the remaining error takes a little more work.

One misconception concerning Crosby is that he is primarily advocating producing (sic) workers into performing better. He explains the root of this misconception, saying, "Unfortunately, zero defects was picked up by industry as a 'motivation' program." In 1964, the Japanese adopted zero

defects, and Crosby says they were the only ones who correctly applied it — as a management performance standard rather than a motivation program for employees.

Crosby says that in purchased items, at least half of quality problems are caused by not clearly stating what the requirements are. Since defects are defined as deviations from the published, announced, or agreed-upon requirements, a lot of effort and thought should go into those requirements. In this, he points to the example of Japan, where “they treat the supplier as an extension of their own business.”

As it is now, he says. “Half of the rejections that occur are the fault of the purchaser.” For this reason, Crosby recommends rating buyers as well as vendors. “In tracking purchasing agents you find that they have a built in defect rate,” he explains.

Visiting a potential supplier to conduct a quality audit is next to useless, according to Crosby. “Unless the vendor is a complete and obvious disaster area, it is impossible to know whether their quality system will provide the proper control or not.”

Philip Crosby Associates offers company-wide training through its Quality College, and is now expanding from management training to supplying training materials and training instructors.

#### Crosby's 14 Steps to Quality Improvement

1. Make it clear that management is committed to quality.
2. Form quality improvement teams with representatives from each department.
3. Determine where current and potential quality problems lie.
4. Evaluate the cost of quality and explain its use as a management tool.
5. Raise the quality awareness and personal concern of all employees.

6. Take actions to correct problems identified through previous steps.
7. Establish a committee for the zero defects programs.
8. Train supervisors to actively carry out their part of the quality improvement program.
9. Hold a "zero defects day" to let all employees realize that there has been a change.
10. Encourage individuals to establish improvement goals for themselves and their groups.
11. Encourage employees to communicate to management the obstacles they face in attaining their improvement goals.
12. Recognize and appreciate those who participate.
13. Establish quality councils to communicate on a regular basis.
14. Do it all over again to emphasize that the quality improvement program never ends.

## America's Quality Coaches

### William E. Conway

William E. Conway is a relative newcomer to the quality game. Born 60 years ago, he graduated from Harvard and the U.S. Naval Academy before beginning a business career that would lead him to the top as president and chairman of Nashua Corp. In 1979, he invited Dr. Deming to Nashua Corp. to help improve the firm's quality. The visits lasted three years, and in 1983, he founded Conway Quality, Inc. Because of his close association with Deming, he is sometimes described as a "Deming disciple," but Conway has developed his own plan for quality improvement.

He does not talk in terms of a specific definition of quality per se. Instead, he incorporates that into his broad definition of quality management, which he says is "development, manufacture, administration, and distribution of consistent low cost products and services that customers want and/or need." Quality management also means constant improvement in all areas of operations, including suppliers and distributors, to eliminate waste of material, capital, and time. The wasting of time is, by far, the biggest waste that occurs in most organizations, according to Conway. Excess inventory is another important form of waste because, he says, 60 percent of the space commonly used is not needed, yet a company must pay for it, pay to maintain it, and pay taxes on it.

Taking the view of the man who has been there at the top of a corporation, Conway talks about the "right way to manage" rather than simply how to improve quality. He says the biggest problem is that top management is not convinced that quality increases productivity and lowers costs. Furthermore, they feel they don't have time to deal with the problem. "The bottleneck is located at the top of the bottle."

What is required is the creation of a new "system of management," whose primary task is continuous improvement in all areas. This, he says, is the most important change, and means changing all the unwritten rules in a company, and giving people positive reinforcement. "People work *in* the system, management works *on* the system. Workers will welcome the change," promises Conway. And while critical of U.S. management, he recognizes that "management wants and needs real help—not destructive criticism."

Conway is a strong advocate of using statistical methods to achieve quality gains, and says that one of the greatest handicaps lies in attempting to deal with productivity and quality in generalities. "The use of statistics is a common sense way of getting into specifics," he says, adding, "Statistics don't solve problems. They identify where the problems are and point managers and workers towards solutions."

He distinguishes between simple and sophisticated statistical techniques, which he calls "tools." The simple statistical tools are run charts, flow charts, fishbone charts, Pareto charts, histograms, and correlation charts. Surveys of customers are one of the most important tools because they tell a firm what to work on. According to Conway, these simple techniques can be used to solve 85 percent of a company's problems, while more complicated statistical process control methods are needed only about 15 percent of the time.

Furthermore, Conway points out that once a process is in control, the people responsible for it become more creative in eliminating variations because they know that they are personally capable of improving the system. In fact, people at the bottom make the most improvement because they learn "how to be logical all the time." Conway says this also applies to R & D operations, and since the United States is still the world leader in creativity and innovation, he is optimistic about its future.

Conway says it is possible to continually improve the productivity and quality performance of everyone in a firm on a monthly basis. "In less than one year, you ought to be able to perform miracles," he predicts. This miracle has already been performed by the Japanese, who have caused what Conway terms a "paradigm shift" in the way the world views quality. This shift is comparable to the discovery, centuries ago, that the earth was round.

In his talks, Conway does not dwell for long on purchasing or any other function because he believes his principles apply to all areas. Focusing efforts on one area is not sufficient to change the management "system" of a company. He says, however, that the creation and implementation of the new system is intended to be customized for each department. In fact, it is not necessary to wait for someone at the top to start the change; they can be shown by example the "right way to manage."

Conway's call for constant improvement in all areas of operations is intended to include a company's suppliers, and here, too, the key to success is the use of statistics. "It is just as vital to achieve statistical control of quality from your vendors as it is to have it internally," he says.

Overspecification, another form of waste in Conway's view, is not solely the responsibility of engineers. Purchasing managers and anyone connected with the design of a product are also responsible. He warns that specifications—like work standards—sometimes "cap" improvements.

In addition to working closely with clients, Conway Quality also provides training materials and furnishes a three-month implementation plan for management, called the "Gold Plan," which is a step-by-step plan for improving quality and productivity.

#### Conway's 6 Tools for Quality Improvement

1. Human relations skills—the responsibility of management to create at every level, among all employees, the motivation and training to make the necessary improvements in the organization.
2. Statistical surveys—the gathering of data about customers (internal as well as external), employees, technology and equipment, to be used as a measure for future progress and to identify what needs to be done.
3. Simple statistical techniques—clear charts and diagrams that help identify problems, track work flow, gauge progress, and indicate solutions.
4. Statistical process control—the statistical charting of a process, whether manufacturing or non-manufacturing, to help identify and reduce variation.
5. Imagineering—a key concept in problem solving, involves the visualization of a process, procedure, or operation with all waste eliminated.
6. Industrial engineering—common techniques of pacing, work simplification, methods analysis, plant layout and material handling to achieve improvements.

## **ACCOMPLISHMENTS**

### **A. Implementation Plan & Timeline**

Steps

TQM Implementation August 1994

### **B. Vision & Values**

### **C. Establishment of PATs**

Workers' Comp.PAT Report

Open Market/Contract Release PAT Report

Environmental Permit Review PAT Report

Communications PAT Status Report

Indoor Air Quality PAT Interim Report

### **D. Training**

TQMU Training Catalog

### **E. Blaine House Quality Award**

Nomination Package

### **F. Customer Service Feedback**

Questionnaire Card and Report

Customer Service Questionnaire BHR Pilot Report

### **G. Tracking System Database**

Sample Tracking System Report of  
Agency/Departmental Councils and PATs



IMPLEMENTATION STEPS TIMELINE

November 30, 1993

	Dec 93	Jan 94	Feb 94	Mar 94	Apr 94	May 94	Jun 94	Jul 94	Aug 94	Sep 94	Oct 94	Nov 94	Dec 94
1. All Department QMCs (DQMC) formed	X												
1a. Council training completed		X											
2. Conway training completed		X											
3. MQMC completes first iteration of strategy		X											
4. 'Visions' completed by all DQMC			X										
5. 'Values' completed by all DQMC				X									
6. Workforce completes 1 day of awareness training			X 60%	X 75%	X 90%	X 100%	Ongoing	for new	employ	ees			
7. All DQMC's charter Pilot PATs				X									
8. * All appropriate Sub-Department QMC's formed						X							
9. DQMCs complete strategy & brief to MQMC								X	X	X			
10. DQMC's charter PATs								X	X	X	X	X	X
11. **10 % of the work force serving on PATs											X	X	X
12. ***Annual Report on accomplishments from each department													X

\* Departments are requested to use the Implementation Steps Timeline as a model to track Sub-Departmental QMC development processes and include accomplishments in Annual Report

\*\* For example: assuming a PAT has approximately 7 members on a team;  
 a Department with 700 employees would have 10 PATs up and running by Dec 94 (determined by multiplying 700 x 10% = 70, then dividing 70 by 7 [number of members on a PAT] = 10 PATs)

\*\*\* Informal reports to MQMC are also recommended. Volunteers to present at subsequent meeting would be solicited for 5 minute free form reports with brief written handouts

Department/Agency	Initial Plan	IS*	QMC	AT*	Vision	Values	Pilot PAT	PAT	Sub-Departmental QMCs	Vision	Values	Pilot PAT	PAT
DOT	X	X	X	X	X	DRAFT	3	3(JUL94)					
									Project Development (Aug 94)				
									Maintenance & Operations (Aug 94)				
									Finance & Administration (Aug 94)				
IFW	X	X	X	X	X	X	1	5(AUG)	N/A				
LABOR	X	X	X	X	X	X	1	3					
									Job Service	X	X		25
									Administrative Services	X	X		2
									Economic Analysis & Research	X	X		3
									Unemployment (Jul 94)				1
									Job Training Direct Delivery (Aug 94)				
MAR	X	X	X	X	X	X	2	2					
									Boothbay (Aug 94)				
MHMR	X	X	X	X	X	Aug 94							
									AMHI	X	X	2	
									BMH	DRAFT			
									BMHI	DRAFT			
									BCSN	DRAFT			
									DMR (Aug 94)				
									Pineland				
PUC	X	X	X	X	X		2	4	N/A				
PFR	X	X	X	X	X	X	6		N/A				
PS	X	X	X	X	X	X	2	2					
									State Police	X	Jul 94		
									EMS	X			
									Capitol Security	X			
									DEA	X			
									Administration				
									Fire Marshall				
									Criminal Justice Academy	X			
									Liquor Enforcement	X	X	1 (Jul 94)	
									Safety	X			
SPO	X	X	X	X	X	X			N/A				
WASTE MGT	X	X	X	X	X	X		4	N/A				
MSH	X	X	X	X	AUG	SEP			N/A				
SEC of STATE	X	X	X	X									
AUDIT	X	X	X	X	X		1		N/A				
ATTORNEY GENERAL	X	X	X		DRAFT			2					
MCFIC	X	X	X	X	JUL				N/A				
<b>TOTALS:</b>			<b>25</b>				<b>31 (1)</b>	<b>35 (8)</b>	<b>42 (15)</b>			<b>9 (3)</b>	<b>46</b>
* IS = Implementation Strategy													
* AT = Awareness Training													
<b>NOTE 1: There are 67 QMCs</b>													
<b>NOTE 2: There are 121 Pilot PATs/PATs chartered with another 12 planned</b>													
<b>NOTE 3: By December 1994 Maine should have 82 QMCs (Councils) &amp; possibly more (Dept of Education)</b>													

Department/Agency	Initial Ping	IS*	QMC	AT*	Vision	Values	Pilot PAT	PAT	Sub-Departmental QMCs	Vision	Values	Pilot PAT	PAT
Admin & Fin Svcs	X	X	X	X	X	X	2	3					
									General Services	X	X	1	
									Fin & Pers Svcs	X	X	1	
									Budget	X	X		
									Taxation	DRAFT	DRAFT	3	
									Info Svcs	X	X	1	
									Human Resources	DRAFT	DRAFT	1(Aug94)	
									Employee Relations	X	X	1	
									Alcohol Beverages	X	X	1(Aug94)	
Agriculture	X	X	X	X	X	x	2						
Conservation	X	X	X	X	X	Jul 94	1		Aroostook County(Aug 10, 19 94)				
									Parks & Recreation				
									Geology (Aug 94)				
									LURC (Aug 94)				
									Admin Svcs (Nov 94)				
									Public Lands (Nov 94)				
									Forestry (Dec 94)				
Corrections	X	X	X	X	X	X		4					
									Probation & Parole				1
									Maine Youth Center				4
									Maine State Prison				3
									Maine Correctional Center				
									Charleston Correctional Facility				
									Downeast Correctional Facility				
Def & Vet Svcs	X	X	X	X	X	X		1					
									Executive Council	X	X		3
									Army & Air Council	X	X		
									Army Council	X	X		4
									Air Council	X	X		
DECD	X	X	X	X	X		1						
Education	X	X	X	X	X	X	1	2					
									Rehabilitation	X	X		
FAME	X	X	X	X	X	X	1(Aug 94)						
DEP	X	X	X	X	X	X	4	5					
DHS	X	X	X	X	X	X	2	3					
									Rehabilitation(Moved to Dept of Education)				
									Elder & Adult Services				
									Health Planning				
									Management & Budget				
									Income Maintenance				
									Child & Family Svcs (Aug 94)				
									Medical Services				
									Health (Aug 94)				

## VISION FOR MAINE STATE GOVERNMENT

We believe that Maine should be the best place to live, work and pursue individual, family and community aspirations.

Our vision is of a Maine State Government that provides the leadership and service necessary to make Maine an even better State for future generations, where we in public service:

- \* Recognize that State Government exists to serve the people because they are our customers;
- \* Respond to the needs of the people and provide services of the highest quality;
- \* Strive to increase opportunities for all Maine people;
- \* Merit public confidence and respect;
- \* Work together to ensure a more secure work environment of mutual respect, support and trust; and
- \* Promote leadership, teamwork, innovation, partnership and initiative.

MAINE QUALITY MANAGEMENT COUNCIL  
May 5, 1993

## VALUES FOR MAINE STATE GOVERNMENT

### We in State Government Value:

#### Pride in Our Work

We take pride in providing the highest possible level of customer service and satisfaction.

#### Quality in Our Service

We hold our work to the highest standards of quality.

#### Personal Responsibility

We take responsibility for personal integrity, individual contribution and the highest level of performance in our service.

#### Continuous Improvement

We vigorously strive for excellence, and continuously seek to improve our performance.

#### Diversity

We encourage mutual respect and recognize the contributions diversity brings to job performance and creativity.

#### Empowerment

We will participate fully in decisions and explore innovative solutions.

#### Teamwork

We promote teamwork by providing a cooperative work environment that fosters:

- \* open and honest communication,
- \* personal and professional growth, and
- \* the best use of our resources.

MAINE QUALITY MANAGEMENT COUNCIL  
October 28, 1993



**EXECUTIVE  
SUMMARY**

MAY 31, 1994



**RETURN TO WORK PROCESS ACTION TEAM**

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**REDUCTION OF WORKERS'  
COMPENSATION LOST TIME  
PROCESS ACTION TEAM (PAT)**

**MEMBERS**

<b>Isabella Tighe</b>	<b>-</b>	<b>Workers' Compensation Division</b>
<b>Earle R. Pease</b>	<b>-</b>	<b>Workers' Compensation Division</b>
<b>Doug Howe</b>	<b>-</b>	<b>MSTA + Return To Work Employee</b>
<b>John Nichols</b>	<b>-</b>	<b>Department Of Transportation</b>
<b>Joe Suga</b>	<b>-</b>	<b>Department Of Corrections</b>
<b>Donald Williams</b>	<b>-</b>	<b>Department of Mental Health &amp; Mental Retardation</b>
<b>Gregg DeWitt</b>	<b>-</b>	<b>MSEA</b>
<b>Laurie Sheive</b>	<b>-</b>	<b>AFSCME</b>
<b>Judy Williams</b>	<b>-</b>	<b>Human Services/Income Maintenance</b>
<b>John Hinkley</b>	<b>-</b>	<b>MSEA</b>

## **BACKGROUND**

**In mid August of 1993, the Maine Management Council chartered a Process Action Team whose mission statement was to provide recommendations and an implementation strategy that would result in ongoing improvements in the overall workers' compensation process by returning injured workers to an appropriate level of work and thereby achieve a maximum reduction in time lost by June 30, 1994 and in future years.**

**The task was daunting and, at times, almost overwhelming. The team met weekly. We looked into all aspects of the Workers' Compensation Program. We had our ups and downs but with determination and perserverence our mission is accomplished.**

**We respectfully submit this report and our recommendations for your approval. We believe our findings are significant and have tested the methodology established by the Council, proving it sound.**

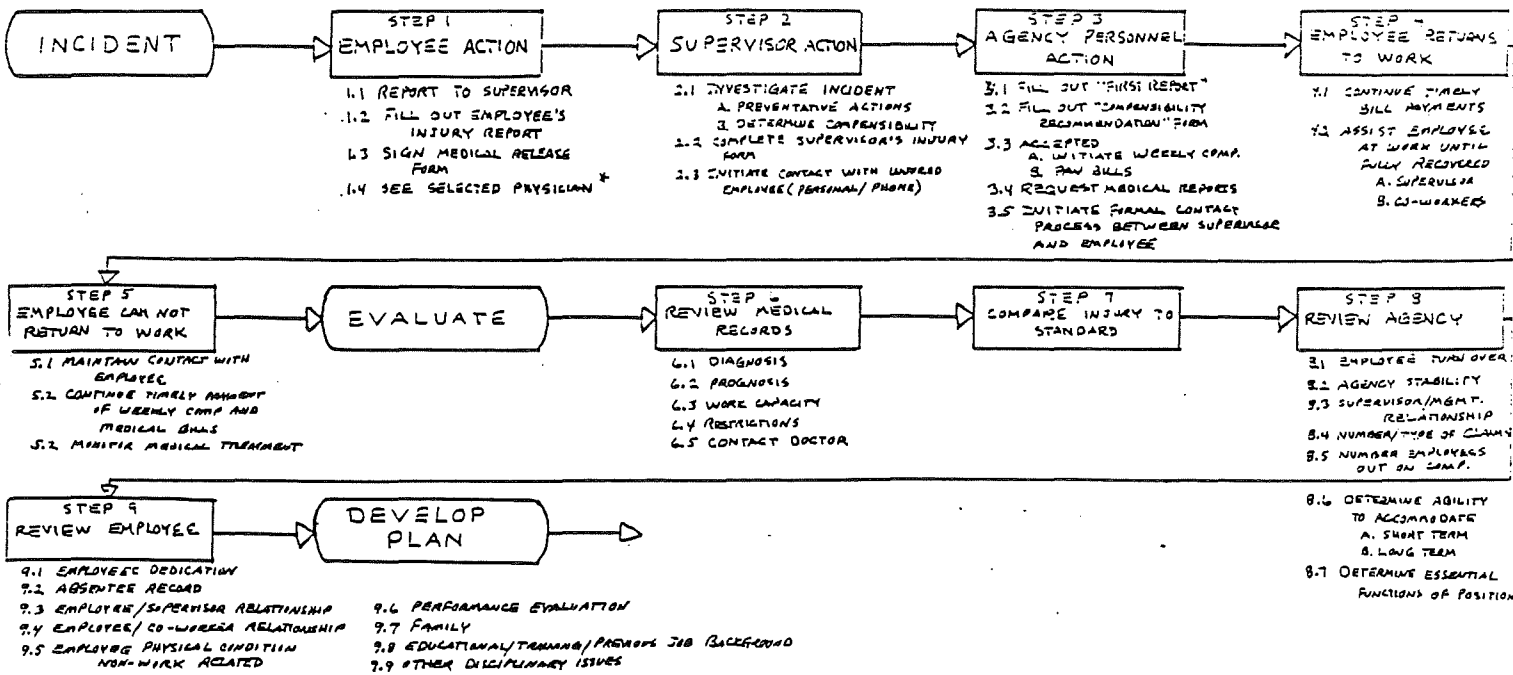


## METHODOLOGY

The Return To Work Process Action Team began it's work on August 31, 1993 after completing four days of intensive training. We reviewed the relevant data and received an explanation of the entire workers' compensation process. The first task was the preparation of the Macro Flow Chart (# 1.) Following several brainstorming sessions, we developed a Micro Flow Chart (#1) and our Fishbone (#2).

As we reviewed our Fishbone Chart, the question arose - "What are the most significant causes of Return To Work problems?". In October 1993, the Team decided that we needed to survey our injured workers. After a shaky start and with the financial support of the the Maine Quality Management Council, we worked with the Maine Health Information Center to develop and issue a survey form to 571 injured workers, 164 supervisors and 35 W.C. Designees. The survey was designed to query workers, their supervisors and the W.C. Designees in a positive, non judgmental format on what keeps injured workers from getting back to work. Response rates were high for supervisors and W.C. Designees and low on workers (23%). No systematic bias was found comparing workers surveys with all workers responding.

The information retrieved from this survey in May 1994, clearly demonstrated where improvements need to be made. The recommendations became evident.



\*ORDER MAY VARY DEPEN UPON SEVERITY INJURY

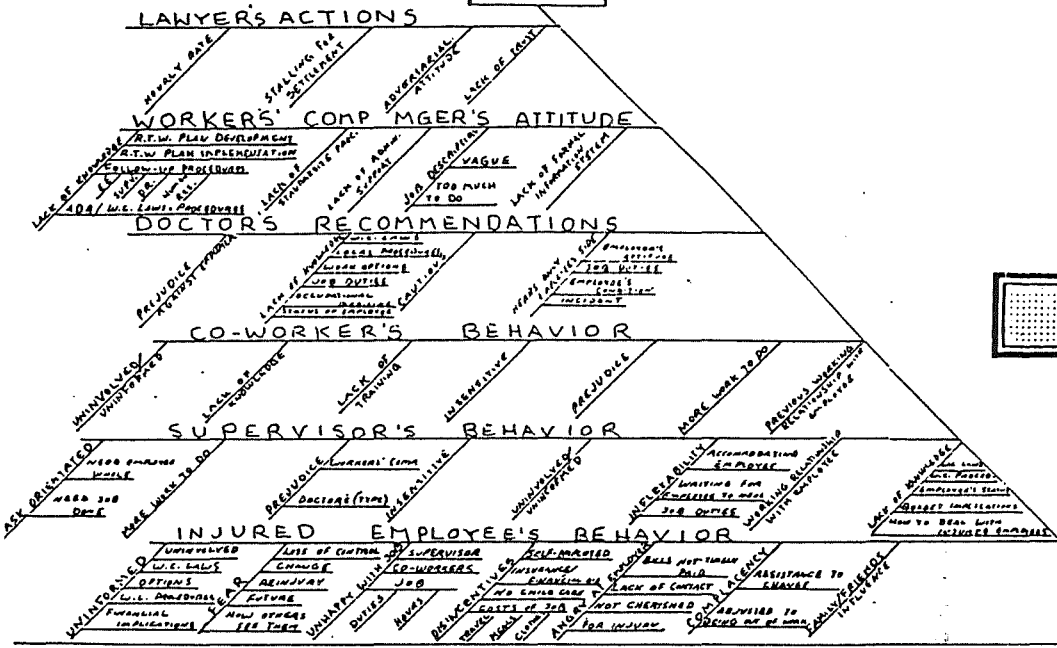
PEOPLE

MAINE QUALITY MANAGEMENT COUNCIL'S

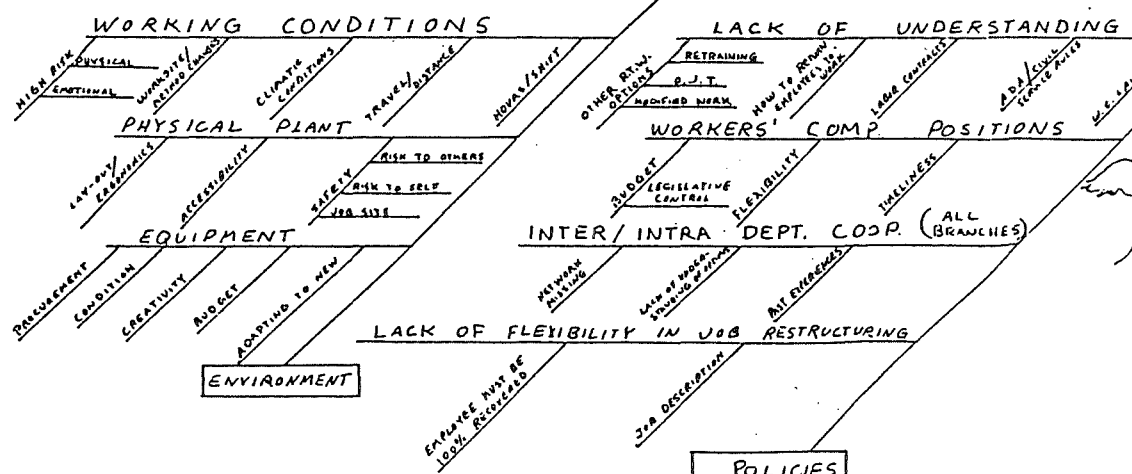
First Process Action Team on Workers' Compensation

SPECIFIC CHARTER : RETURN TO WORK

CHARTERED JULY 1993



EMPLOYEE DOES NOT RETURN TO WORK



POLICIES AND PROCEDURES



Maine Workers' Compensation System  
Annual Expenses By Year of Injury  
All Departments  
Authorized Expenditures - Indemnity

Fiscal Year Of Payment	Year of Injury										Totals
	<=1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	
1983-84 Amount	3,156,113	0	0	0	0	0	0	0	0	0	3,156,113
1984-85 Amount	2,842,317	488,976	0	0	0	0	0	0	0	0	3,331,294
1985-86 Amount	2,973,227	607,368	417,187	0	0	0	0	0	0	0	3,997,702
1986-87 Amount	2,997,709	612,703	482,945	439,739	0	0	0	0	0	0	4,533,095
1987-88 Amount	3,173,899	716,039	554,020	570,034	538,572	0	0	0	0	0	5,552,564
1988-89 Amount	3,061,876	748,506	524,395	408,742	587,435	565,865	0	0	0	0	5,896,819
1989-90 Amount	3,064,178	691,127	633,790	394,538	543,983	693,855	561,918	0	0	0	6,583,388
1990-91 Amount	3,095,792	713,898	570,422	402,268	563,055	540,905	876,688	708,122	0	0	7,471,150
1991-92 Amount	2,891,058	533,859	443,569	319,260	531,885	560,368	653,100	800,373	525,866	0	7,259,337
1992-93 Amount	3,034,957	491,687	465,385	309,493	546,735	568,678	708,529	738,106	793,567	550,448	8,207,506
Totals	30,291,124	5,604,164	4,091,713	2,844,074	3,311,664	2,929,671	2,800,235	2,246,601	1,319,432	550,448	55,989,127

**STATE EMPLOYEES WORKERS' COMPENSATION SYSTEM  
300 DAY HISTORY: LOST TIME AND WEEKLY INDEMNITY EXPENSES**

<u>FISCAL YEAR</u>	<u>LOST TIME CLAIMS*</u>	<u>TOTAL INDEMNITY</u>	<u>AVE/CLM</u>	<u>DAYS LOST</u>	<u>AVE/CLM</u>
1988-89	404	\$707,147	\$1,750	14,739	36.5
1989-90	414	721,028	1,754	14,496	35.3
1990-91	380	756,487	1,991	14,702	38.7
1991-92	328	697,183	2,126	12,632	38.5
1992-93	270	593,492	2,198	9,634	35.7

\* Missed at least one day more than waiting period.

**STATE EMPLOYEES WORKERS' COMPENSATION SYSTEM  
300 DAY HISTORY: EMPLOYEE OUT ON 300th DAY**

<u>FISCAL YEAR</u>	<u>LOST TIME CLAIMS*</u>	<u>OUT ON 300th DAY</u>	<u>COST OF THESE CLAIMS WITHIN 300 DAYS</u>	<u>DAYS LOST WITHIN 300 DAYS</u>
1988-89	404	46	\$383,144	7,724
1989-90	414	53	377,123	7,519
1990-91	380	46	302,376	6,010
1991-92	328	23	229,953	3,944
1992-93	270	28	208,503	3,416

\* Missed at least one day more than waiting period.

## EMPLOYEES WITH A DATE OF INJURY SINCE 7-1-89 WITH WORK CAPACITY

<u>DEPARTMENT</u>	<u>TOTAL NO. EMPLOYEES OUT</u>	<u>EMPLOYEES WITH WORK CAPACITY</u>	<u>ANNUAL COMP</u>	<u>ONGOING COMP</u>	<u>PDV -</u>
MH & MR	58	47	\$ 471,221	\$ 42,206,905	\$ 9,483,718
* AMHI	10	5	47,416	5,306,857	1,005,108
* BMHI	20	17	149,472	10,312,620	2,746,442
* Pineland	24	21	238,689	23,687,694	5,030,320
* Levinson Ctr.	4	4	35,644	2,899,734	701,848
Transportation	19	12	124,059	11,882,899	2,308,578
Human Services	14	10	142,737	10,424,621	2,778,941
Admin. & Fin. Serv.	16	9	100,995	7,027,603	1,673,269
Corrections	6	2	494,540	45,399,457	10,060,594
Public Safety	4	3	52,483	4,089,171	999,432
Judicial	3	2	29,524	4,180,935	745,983
Labor	3	2	29,410	2,372,296	597,353
Conservation	3	2	24,487	1,614,359	461,224
Inland Fish & Wildlife	2	1	2,770	719,587	76,721
Def. & Vet. Services	2	1	445	65,062	11,583
P.U.C.	1	1	13,484	647,238	174,202
Marine Resources	1	0	-	-	-
Sec. of State	<u>1</u>	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>133</b>	<b>92</b>	<b>\$1,486,165</b>	<b>\$130,630,133</b>	<b>\$29,371,598</b>

## CONCLUSIONS

The Return To Work Process Action Team analyzed the data and concluded the following to be of significance in determining our recommendations:

- \* The State of Maine spent 12 million eight hundred thousand dollars on injured employees during fiscal year 1993.
  - Ninety five percent of the costs went to employees injured in six departments.
  - Ninety percent of the costs were on claims filed by employees injured prior to fiscal year 1993.
  
- \* There are currently 463 employees out of work receiving weekly compensation benefits (long term claims).
  - We will spend approximately 6 million dollars on this group for weekly benefits during this fiscal year.
  - The present day value for these claims is over 100 million dollars.
  - If these claims run their course, we will spend in excess of 350 million dollars in weekly benefits alone.
  - The average lifetime cost per claim is \$218,000.
  
- \* There are currently 133 employees out of work receiving weekly compensation benefits in our target group (employees injured in the last 5 years). Ninety-two of these employees have some work capacity.
  - 69% have some work capacity.
  - We will spend the following on these individuals with work capacity (if left unresolved):
    - . \$1,486,165 on weekly benefits during this fiscal year.
    - . Present Day Value of \$29,371,598.
    - . Ongoing weekly benefits for the lifetime of these claims is \$130,630,133.



\* **The injured employees, their supervisors and the managers (designees) felt the following to be most significant in successful return to work efforts:**

- **The injured employee needs the option of not doing those tasks that bother the injury most.**
- **Supervisors need to be more flexible in accommodating their needs.**
- **W C Designees/W C Managers need to be able to restructure jobs so workers can come back to work.**

\* **The injured employees, according to the survey were:**

- **Happy in their job prior to the injury**
- **Afraid of reinjury**
- **Worried about the reaction of co-workers if work performance was limited in some way because of an injury**

\* **There is a major discrepancy in who the primary contact person is:**

- **Most supervisors felt they were the primary contact person**
- **Most designees felt they were the primary contact person**
- **Most workers listed “no one” as the primary contact person**

\* **The larger categories of narrative comments on the survey were:**

- **Negative attitudes, lack of understanding, support and respect**
- **The need to allow workers to work within their restriction, restructure and change jobs if necessary**
- **More preventive measures and safer work environments are needed**
- **The need for more cooperation and communication among all those parties involved.**

## RECOMMENDATIONS

**The Return To Work Process Action Team makes the following recommendations:**

- 1. The State as a whole will be considered the employer.**
  - \* Every effort will be made to assist injured employees with work capacity in returning to suitable employment.**
  - \* All departments will assist injured employees in returning to work regardless of which department they worked for at the time of the injury.**
  - \* Injured employees will have access to all positions they are qualified for immediately after consideration of employee on lay-off status and agency promotional candidates.**
  
- 2. The State will create a position titled Return-To-Work Coordinator within the Bureau of Human Resources. The exclusive job responsibility of the position will be to assist injured workers in returning to jobs with their department or somewhere else in State Government. The Coordinator's responsibilities also include the coordination of:**
  - \* Early Intervention Programs within the Departments.**
  - \* Mandatory supervisory training.**
  - \* The creation of Transitional Duty positions within the departments.**
  - \* Programs within the departments for the appropriate resolution of their long term claims.**
  - \* The development and training of Return-To-Work Teams as necessary.**

- 3. Each department will develop with union representation W.C. Return To Work Team(s) . The team's structure will be determined by the department and union members (i.e. membership, frequency of meetings - formal or informal, responsibilities.) The teams primary function will be "to assist injured workers in the resolution of workers' compensation claims, speedy recovery and expedited return to work or transitional employment."**
- 4. Each department will develop an Early Intervention Program. This program will ensure that injured employees are given immediate and the best possible care enabling them to return to a whole, productive life. Elements include:**

  - \* Programs for immediate and ongoing contact with injured employees.**
  - \* Creation of Transitional Duty Positions.**
  - \* Training in the development of Occupational Plans.**
- 5. Each department will develop a plan to identify the potential need for Transitional Duty Positions based on projected utilization and to establish such positions within appropriate budgetary considerations. These positions should be used for those situations where injured employees are not currently able to return to their permanent positions even with accommodations, but have some work capacity. Transitional Duty Positions should incorporate functions that are of value to the state agency and are functions such as administrative/supportive which must normally be performed within the agency by staff. Transitional Duty Positions will be reviewed on a mandatory basis every six months by the department, that review to be initiated by the Return-To-Work Coordinator who will participate in the review process and assist the agency in implementing the revised plan. The long range goal for injured employees still remains the return to a permanent job placement.**

- 6. Each department will mandate that their supervisors participate in a Workers' Compensation Training Program. This training will include: a comprehensive review of the entire RTW Program. The committee recognized the fact that Supervisor's are the "most important group" in influencing a positive conclusion to any return to work effort. The Supervisor is:**

- \* The individual most likely to maintain contact with the injured employee during periods of incapacity.**
- \* The individual most able to accommodate any restrictions the employee might have while recovering from an injury.**
- \* The individual most able to influence co-workers attitudes while the employee is out and during that period of time from when the employee first returns until they have fully recovered.**

## IMPLEMENTATION STRATEGY

The Return To Work Process Action Team considers the following time schedule for recommendation implementation:

- \* The Return To Work Coordinator will be hired 90 days from program approval.
- \* The criteria and procedures for the Statewide Alternative Employment Program will be completed within 60 days of approval. The program will start up within 90 days of program approval.
- \* The department management and union representative will have completed awareness training for the Return To Work Team concept within 90 days of program approval. Team members will be selected and trained by December 31, 1994.
- \* An Early Intervention Program will be developed by each department within 90 days of program approval. Appropriate departmental personnel will be trained by December 31, 1994.
- \* A Supervisory Training Program will be developed within 90 days of program approval. Trainers will be selected and trained by 120 days from approval. One hundred and fifty supervisors will be trained by December 31, 1994 (test model). From January 1, 1995 and on 150 supervisors per trainer will be trained each month.

## PROJECTED BENEFITS

Results will be measured against the following criteria:

1. REDUCTION OF DAYS LOST - NEW INJURIES.
2. REDUCTION OF POTENTIAL LONG TIME CLAIMS.
3. REDUCTION OF EXISTING LONG TIME CLAIMS.

### 1. REDUCTION OF DAYS LOST - NEW INJURIES

The purpose of the early intervention program is to get involved as quickly as possible and in so doing, reduce the length of time an individual is out with a work related injury. For the purpose of establishing a criteria by which we could measure ourselves, we collected data on all the lost time claims that occurred over the past five years. There were a total of 1796 claims where the individual was out at least one day beyond the waiting period (3 days for injuries prior to 1-1-93, 7 days after that time.) In order to get an equal picture of these claims, we traced the events during the first 300 days of each claim. We found the period of incapacity averaged 36.9 days at a cost of \$1,935.

We are predicting, over the next 18 months, we will be able to reduce the days/dollars of injuries occurring during that period of time by 30%. The average number of injuries occurring during that period of time will be 539 (based upon the five year history). This will result in a cost savings, in weekly benefits, of \$312,890 and a lost time reduction of 5,967 days.

### 2. REDUCTION OF POTENTIAL LONG TERM CLAIMS

A second and equally important reason for an early intervention program is to, once we have returned the employee to work, keep them there or find alternative options (jobs) when necessary. Of the 1796 lost time injuries described in number 1 above, 196 injured employees were still receiving weekly benefits - whole or partial, on the 300th day of their claim. The average cost of the claims (weekly compensation paid during the 300 day period) was \$6,638. The average length of time lost was 146 days. We are predicting, over the next eighteen months, we will be able to reduce these days/cost of injuries occurring during that period by 20%. The number of employees over that period of time will be 58, again, based upon our history. This will result in a lost time reduction of 2540 days and a cost savings, in weekly compensation benefits of \$115,501.

### 3. REDUCTION OF EXISTING LONG TERM CLAIMS

The third area, dealing with long term claims, has the greatest potential for savings. It is also the area that is the most difficult to achieve results. The odds of returning an individual to work after he or she has missed 6 months of work is very slim; after a year, next to impossible. We feel, however, our recommendations and the inclusion of the Americans with Disability Act gives us an opportunity for success. Removing the barrier of access to jobs within the state as a whole plus a Return To Work Coordinator used exclusively to aggressively find job matches for as many of our long term claims as possible can work.

We have determined there are 133 individuals with an injury date since July 1, 1989 (the past five fiscal years). We have targeted this group of individuals as the most likely for success. We have determined there are 92 individuals in the group of 133 that have some work capacity, indeed, some are currently in some form of light duty situation. We are predicting we will be able to resolve 15% of these claims over the next eighteen months. The average annual comp (weekly benefits) for this group is \$11,174. If the employee continues to stay out for the life time of the claim, it will cost the State an average of \$1,419,893. The 15% reduction will give us a savings of \$154,201.

The total savings from our program, during the first eighteen months is \$582,592.



## RESOURCES

MAY 31, 1994





# RESOURCE BOOK

## RETURN TO WORK PROCESS ACTION TEAM

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# REDUCTION OF WORKERS COMPENSATION LOST TIME PROCESS ACTION TEAM (PAT) CHARTER

## MISSION STATEMENT

The Reduction of Workers Compensation Lost Time Process Action Team (PAT) will provide recommendations and an implementation strategy that will result in ongoing improvements in the overall Workers Compensation process for affected employees to return them to an appropriate level of work and thereby achieve a maximum possible reduction in time lost by June 30, 1994 and in years thereafter. Lost time due to work-related injury is a cause of deep concern which has negative effects on employees and management. Workers often feel as if they are not allowed or welcome to return to work or are allowed to return to work only if they can function as full-time employees. There are indications that costs associated with this issue are significant.

## TEAM AUTHORITY

The team is authorized to gather necessary data from all available sources. It is empowered to meet as often as necessary, but no less than two hours weekly, to complete its task. The team may conduct surveys, interviews, sampling and implementation under the guidance of the Maine Quality Management Council.

REDUCTION OF WORKERS  
COMPENSATION LOST TIME  
PROCESS ACTION TEAM (PAT)  
CHARTER

SIGNATURES OF THE MEMBERS OF THE  
MAINE QUALITY MANAGEMENT COUNCIL



John R. McKernan, Jr.

Chair, Maine Quality Management Council

Paul Scibbe  
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Paul Fleming  
James E. Pitt  
Harvey J. Pitt

STATE OF MAINE  
Total Quality Management  
Workers' Comp Survey

Data Prepared by the  
Maine Health Information Center  
May, 1994

**STATE OF MAINE  
TOTAL QUALITY MANAGEMENT/WORKERS' COMPENSATION SURVEY**

**Executive Summary**

A survey was conducted of 1) WC designees 2) workers who had lost time and collected workers' compensation in 1993 and 3) supervisors. Response rates were high for supervisors and designees and low for workers. In spite of a low response rate, no systematic bias was found comparing workers surveyed with all workers responding.

At least half of all workers and an even larger percentage of supervisors and designees agreed that workers may be able to get back on the job faster if:

- >>> They had the option of not doing those tasks that bother the injury most
- >>> Their supervisor was more flexible in accommodating their needs

When looking at all three respondent groups, the reason most often rated as the most important in assisting injured workers return to work faster was if:

- >>> WC designee/WC manager was able to restructure jobs so workers could come back to work

The majority of workers, supervisors and designees agreed that workers:

- >>> Were happy in their job prior to the injury
- >>> Fear reinjury
- >>> Worry about the reaction of coworkers if work performance is limited in some way because of an injury

When looking at who the primary contact person was:

- >>> Most supervisors felt they were the primary contact person
- >>> Most designees felt they were the primary contact person
- >>> Most workers listed "No One" as the primary contact person

Over 250 narrative comments were entered and coded into 12 categories. The largest number indicated:

- >>> Negative attitudes, lack of understanding, support and respect
- >>> The need to allow workers to work within their restriction, restructure and change jobs if necessary
- >>> More preventive measures and safer work environments are needed
- >>> The need for more cooperation and communication among all those parties involved

## Objectives and Methods

The objective of the Workers' Compensation Survey was to obtain more information on what factors influence an injured workers' ability to return to work as soon as possible. A brainstorming session of the Back-to-Work TQM team was held and ideas on what these factors might be were generated. These ideas were used to develop the initial questions and topic areas.

A survey was designed to query workers, supervisors and designees in a positive, non judgmental format on what keeps workers from getting back on the job as soon as possible. Questions fell into several areas: Work Environment, Supervisor/Manager, WC Designee, Third Parties, Other and Demographics. Multiple choice "closed ended" questions (from the original brainstorming session) formed the base of the questionnaire allowing a quantifiable assessment of most probable factors. "Open ended" questions were included to allow respondents to give non structured narratives about any other factors that affect employees return to work.

In addition, to get an idea of the relative strength of various factors, respondents were asked to indicate what they considered to be the most important factor in several sections, including both those listed (e.g. closed ended) and their narrative ideas (e.g. open ended), in assisting workers return to their jobs promptly.

Surveys were sent or distributed to three groups: workers, supervisors and designees. Workers were sent surveys by the Maine Health Information Center with follow up postcards sent several weeks after the original mailing. The WC management identified and distributed surveys to both supervisors and designees.

## Results

### *Workers*

Workers were identified through the State of Maine-Workers Compensation Database and fit one of the following criteria:

- Had lost time of more than 14 consecutive days in 1993
- Had lost time of more than 14 partial days in 1993 (Partials)

The number of surveys sent and received is as follows:

	Sent	Recd	Response Rate
Workers-Out	311	51	16%
Workers-Returned	165	47	28%
Workers-Partial	95	36	38%
Total	571	134	23%

### *Supervisors*

A total of 164 surveys were received back from supervisors. This is about 95% of all supervisors.

### *Designees*

A total of 35 surveys were received back from designees, representing about 70% of the total.

## Results by Area

### **Work Environment Factors**

In the Work Environment section, 59% of workers worried that working conditions may be unsafe while 49% of supervisors responded positively to the same question. Since about half of all respondents, regardless of group, answered positively, there is consensus that working conditions are often felt to be unsafe, and workers perceive it more of a problem. A number of narrative comments mention preventive measures, safety programs and dangerous work environments (especially those where injury has already occurred) further demonstrating that safety and preventive measures should be given more emphasis.

Although the percentage of respondents that listed this factor as the *most* important was low, there were still 3 times as many workers indicating it was the number one factor compared to supervisors.

Workers, supervisors and designees all agree that workers may be able to return to their jobs faster if they had the option of not doing those tasks that bother the injury most. In addition, this reason was ranked as the most important most frequently by all three cohorts.

Designees felt that the option of returning to work before 100% or fully recovered was important; 29% of designees said it was the most important factor. Although supervisors thought it was important, only 16% thought it was the *most* important compared to an even lower percentage of workers, 14%.

### **Supervisor/Manager Factors**

When evaluating Supervisor/Manager Factors, there was agreement across all three groups that a worker would be encouraged to return to work sooner if their supervisor gave them more information about alternative work options (i.e. part time hours, doing a different job within the department). Twenty percent (20%) of workers felt this was the most important factor; 26% of both supervisors and designees concurred.

Eighty percent (80%) of designees felt that workers would be encouraged to return to work sooner if their supervisor took more interest in their returning; 26% went so far as to say it was the most important factor. Supervisors did not feel as strongly. Forty-eight (48%) percent of supervisors felt workers would return sooner if they took more interest in their return; only 13% said it was the most important factor. An even smaller percentage of workers ranked their supervisors interest as the number one factor in this section; 9%.

### **Workers' Compensation Mgr/Designee Factors**

The highest percentage of responders in all groups felt that if the WC Manager/Designee could restructure the injured workers job he/she could return faster. This reason was also given most frequently by all three groups as the *most* important catalyst of all factors listed in this section.

### **Third Party Factors**

More than 3/4 of supervisors and designees responded that a worker may be able to return sooner if their physician: better understood the work environment, had more information about work options, or knew more about specific job duties. Only about 1/4 of workers agreed.

There was little agreement on whether a worker might be able to return to work sooner if their doctor allowed them to return before 100% recovered. Eighteen percent (18%) of workers responded "yes" to this query while 85% of designees did. Supervisors were in the middle with 55%.

### **Other Factors**

Probably the greatest disparity of responses in the entire questionnaire was to the query if a workers return

to the job was influenced by supplemental insurance was making car (or mortgage) payments and if worker went back to work, they would stop. Ninety percent (90%) of supervisors and eighty-four percent (84%) of designees felt this was a factor while only 12% of workers responded affirmatively.

With an overall agreement rate of 90%, all the groups concur that workers were generally happy in their job prior to their injury.

"Who is the primary contact person?" had the most varied and interesting responses of all. Designees were more likely to consider themselves as the primary contact (55%), while supervisors were most apt to say they were the primary contact person (49%). Worker, on the other hand, considered "No One" to most often be their primary contact (26%) while 18% responded "Other". Examples of "Other" contacts included their physician, lawyer, occupational nurse, rehab counselor, co worker, safety officer and friends in division.

Looking more closely at the 26% of workers that responded that "No One" was their primary contact, we found that most (66%) had been out a year or more, 25% 10 years or more and 28% had been out 6 months or less. These responses indicate that workers out for both long and short periods of time may feel that no one is their primary contact person.

There are a couple ways to interpret the response that no one is a primary contact; one being that workers do not have a contact person at all. In other cases, it could be interpreted to mean that no one is the primary contact person since there may be several.

We wondered when looking at the 55% of designees that considered themselves to be the primary contact person if this represented those designees handling a small number of cases. This did not prove to be the case. Although 44% handled 5 or fewer cases, over 1/4 handle 65 or more cases.

In summary, it appears that there are no clear guidelines on who is the principal contact person for injured workers and in fact there may be confusion about who should be taking on that role.

### ***Narrative Comments***

The largest number of narrative responses indicating what workers, supervisors and designees think is important in helping injured workers get back on the job relate to attitudinal components of the overall work atmosphere. Comments related to the lack of understanding, support, interest, respect, cooperation, positive attitude are about the feelings and perceptions workers have, rather than any administrative procedure or physical work environment factors involved in their job. These factors obviously have an impact on getting workers back on the job and relate to the administration, supervisors and coworkers alike.

Even though we asked for factors not listed already, a number of comments related to job restructuring or change and allowing workers to work within their restrictions. These comments serve to reinforce those factors listed above relating to job modification as having a very strong impact on the ability of workers to return to their jobs promptly.

Another area where narrative comments reinforced the survey data was that of safety and preventive measures. There were over 25 comments directly relating to dangerous work environments, the need for safety training and need for preventive actions in reducing work injuries. In addition, 59% of responding workers felt their work environments were unsafe and 84% feared reinjury.

The final area that deserves mention includes comments related to cooperation and communication between the various parties involved when a worker is injured. These parties include the employee, physicians, supervisors, WC division, rehab worker, personnel, occupational nurses and so on. One comment suggests: "...If we all talked together there would be a better understanding of what the employee's injury is, what the employee's duties are, what adjustments could be made, if any. This would eliminate the around Robin Hood's barn type of thing that is currently going on. The information needed to assist the employee's return to work is passed from one to another, and we all know when that happens, something gets lost in translation...if it was a group decision/discussion the process would be completed



much sooner with better results".

### ***Relationship of Percentages***

Those queries with yes, maybe and no as possible responses have an inherent trend in the percentage of yes responses between workers, supervisors and designees. When looking at the responses of a particular group (e.g. workers, supervisors and designees) to these questions, keep in mind that the percentage responding yes tends to be inherently lower for the employee, higher for the supervisor group and higher still for the designee group. This is due to the fact that the employee is responding to his or her individual situation, the supervisor is responding based on his or her experience with multiple employees and finally, the designee is responding based on an even larger number of contacts. This is the case only for these queries where the respondent can choose yes, maybe or no.

When reviewing the percentage of positive responses to those mutually exclusive queries where respondents are asked what factor is most important or who their primary contact person is, percentages are comparable across groups within each section since each respondent was limited to one selecting only one reason.

## **Demographics**

### ***Supervisors***

Most supervisors responding to the survey had been in their current position between 1-9 years (64%). Another 37% had more than 10 years seniority.

The volume of workers out of Workers' Compensation was relatively low for most supervisors. Twenty-one percent (21%) had no workers currently out, 23% percent had one worker out and 26% percent had two workers. These three groups with two of fewer worker currently out account for 70% of all supervisors responding. In summary, a relatively small number of supervisors have a large volume of the workers currently out.

### ***WC Designees***

The majority of WC designees, 64%, have been in their position 4 years or less with 24% less than 1 year. There were relatively few, 15%, that had extended experience of 10 years or more as a designee.

The percent of WC cases was compared to the percent of designees handling them. Half of all the WC cases are handled by 6% or two, WC designees.

### ***Respondents versus All Workers***

Age, gender and length of time out was compared for respondents and all workers. Response rates within groups varied. There were no statistically significant differences between the respondents and all workers surveyed.

Younger workers responded at a slightly higher rate than older ones. One explanation may be that older, including retired employees, may have felt that the questions regarding their return to work were not applicable and therefore, they did not return the survey.

# Workers' Compensation Survey

## Work Environment Factors

*I may be able to return to work faster if I had ...*

	<b>Percentage Responding "Yes"</b>			
	<b>Worker</b> n=134	<b>Supr/Mgr</b> n=164	<b>Designee</b> n=35	<b>Overall</b> n=333
1. Special medical equipment (e.g. back brace, wheelchair).	15%	35%	51%	29%
2. Special equipment at work (e.g. special chair or work station).	31%	44%	69%	42%
3. The option of working shorter hours or fewer days.	34%	62%	80%	53%
4. The option of not doing those tasks that bother my injury most.	61%	62%	74%	63%
5. Time off to go to Dr. appointments, therapy etc. after returning to work.	49%	72%	74%	64%
6. The option of returning to work before I am "100%" or fully recovered.	38%	61%	66%	53%
<i>Do you:</i>				
7. Worry about the reaction of coworkers if work performance is limited in some way because of your injury?	64%	75%	94%	73%
8. Fear re-injury?	84%	85%	94%	85%
9. Feel working conditions may be unsafe?	59%	49%	55%	53%
10. Are there any work environment factors not listed above...	36%	33%	29%	34%

*Most important reason...*

	<b>Percentage Selecting as Most Important</b>			
	<b>Worker</b>	<b>Supr/Mgr</b>	<b>Designee</b>	<b>Overall</b>
1. Special medical equipment (e.g. back brace, wheelchair).	4%	3%	0%	3%
2. Special equipment at work (e.g. special chair or work station).	9%	10%	9%	10%
3. The option of working shorter hours or fewer days.	16%	19%	12%	17%
4. The option of not doing those tasks that bother my injury most.	26%	22%	32%	25%
5. Time off to go to doctors appointments, therapy etc. after returning to w	3%	5%	3%	4%
6. The option of returning to work before I am "100%" or fully recovered.	14%	16%	29%	17%
7. Worry about the reaction of coworkers if your work performance is limit	2%	7%	6%	5%
8. Fear re-injury?	13%	7%	0%	8%
9. Feel working conditions may be unsafe?	3%	1%	6%	3%
10. Are there any work environment factors not listed above ...	9%	9%	3%	8%

# Workers' Compensation Survey

## Supervisor/Manager Factors

<i>I would be encouraged to return to work sooner if my supervisor...</i>	<i>Percentage Responding "Yes"</i>			
	Worker n=134	Supr/Mgr n=164	Designee n=35	Overall n=333
1. Took more interest in my returning to work.	40%	48%	80%	48%
2. Contacted me more often about returning to work.	28%	30%	43%	30%
3. Gave me more information about alternative work options (i.e. part time hours, doing a different job within the department).	53%	71%	79%	65%
4. Allowed me to come back to work before I was 100% or fully recovered.	37%	59%	74%	52%
5. Allowed me to come back to work with restrictions.	48%	60%	80%	57%
6. Was more flexible in accommodating my needs.	52%	63%	74%	60%
7. Understood more about Workers' Comp procedures.	41%	46%	51%	45%
8. Knew more about my specific injury and situation.	54%	48%	46%	50%
9. Are there other things not listed above...	34%	26%	26%	29%

<i>Most important reason...</i>	<i>Percentage Selecting as Most Important</i>			
	Worker	Supr/Mgr	Designee	Overall
1. Took more interest in my returning to work.	9%	13%	26%	14%
2. Contacted me more often about returning to work.	6%	5%	6%	5%
3. Gave me more information about alternative work options (i.e. part time hours, doing a different job within the department).	20%	26%	26%	24%
4. Allowed me to come back to work before I was 100% or fully recovered.	7%	9%	3%	8%
5. Allowed me to come back to work with restrictions.	11%	5%	6%	7%
6. Was more flexible in accommodating my needs.	11%	16%	17%	14%
7. Understood more about Workers' Comp procedures.	6%	10%	0%	7%
8. Knew more about my specific injury and situation.	16%	4%	6%	8%
9. Other	14%	11%	11%	12%

# Workers' Compensation Survey

## Workers' Compensation Mgr/Designee Factors

*I may be able to return to work faster if the WC designee/manager...*

	<i>Percentage Responding "Yes"</i>			
	Worker n=134	Supr/Mgr n=164	Designee n=35	Overall n=333
1. Had more inform. on the procedures involved with returning to work.	27%	46%	63%	41%
2. Was able to restructure my job so I could come back to work.	46%	61%	71%	56%
3. Offered special Workers' Comp positions in my own department.	42%	44%	57%	45%
4. Offered to find work options for me in other departments.	41%	52%	51%	48%
5. Are ther other things not listed above...	27%	13%	23%	20%

*Most important reason...*

	<i>Percentage Selecting as Most Important</i>			
	Worker	Supr/Mgr	Designee	Overall
1. Had more inform. on the procedures involved with returning to work.	11%	20%	19%	17%
2. Was able to restructure my job so I could come back to work.	36%	34%	59%	38%
Offered special Workers' Comp positions in my own department.	16%	15%	13%	15%
4. Offered to find work options for me in other departments.	19%	25%	3%	20%
5. Other	18%	6%	6%	9%

# Workers' Compensation Survey

## Third Party Factors

*I might be able to return to work sooner if my doctor...*

	<i>Percentage Responding "Yes"</i>			
	Worker n=134	Supr/Mgr n=164	Designee n=35	Overall n=333
1. Better understood my work environment.	22%	79%	91%	59%
2. Had more information about work options.	28%	78%	86%	61%
3. Knew more about my specific job duties.	28%	79%	80%	60%
4. Had more knowledge about Workers' Compensation.	12%	34%	40%	26%
5. Allowed me to return to work before I was 100% fully recovered.	18%	55%	85%	43%
6. Have you contacted an attorney about your injury?	56%	42%	73%	51%
6a. Has (Did) your attorney encouraged you to return to work?	25%	6%	0%	14%

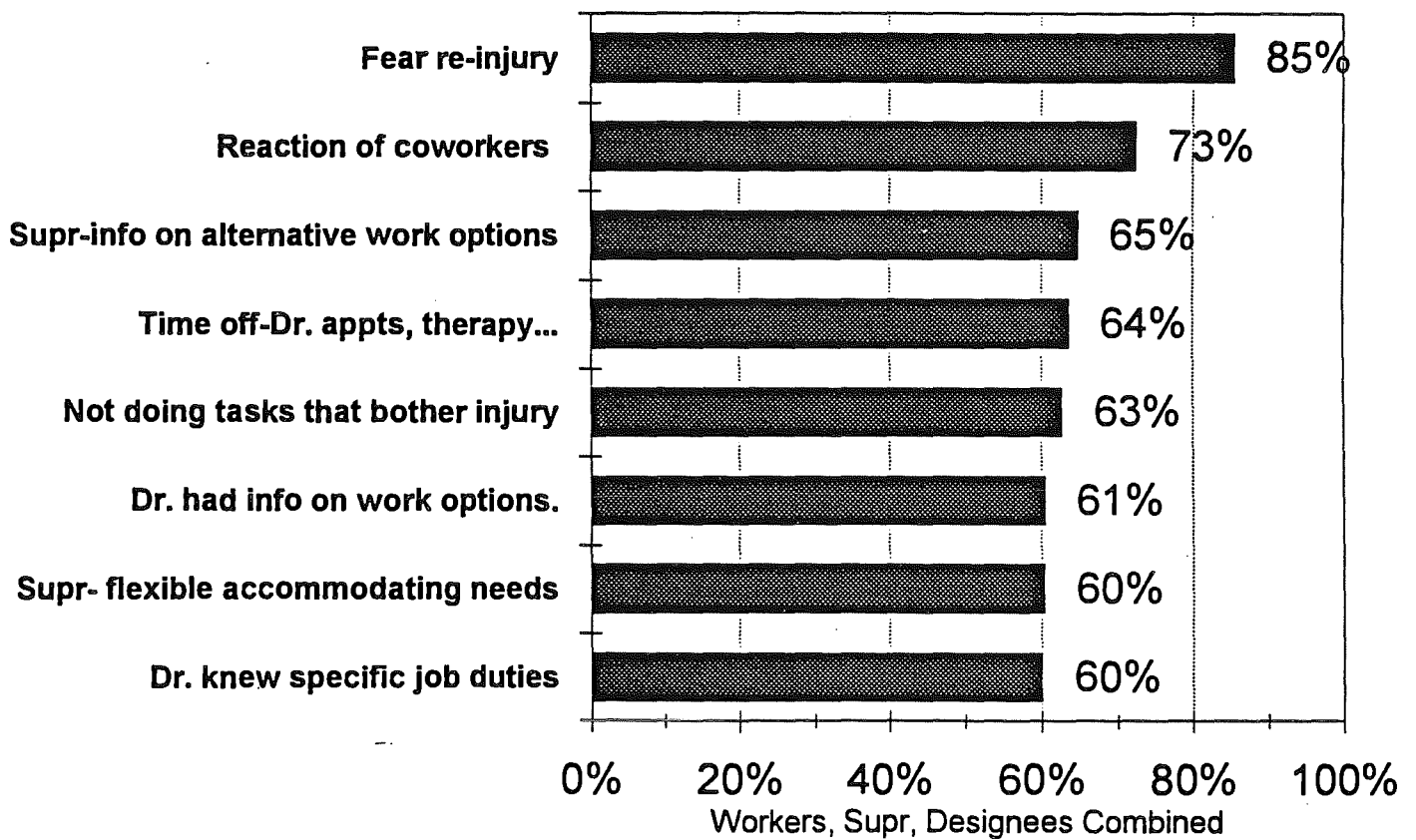
# Workers' Compensation Survey

## Other Factors

Have any of the following had an influence on your returning to work	<i>Percentage Responding "Yes"</i>			
	Worker n=134	Sup/Mgr n=164	Designee n=35	Overall n=333
1. Supplemental insurance is making car (or mortgage) payments. If I go back to work, even part time, they will stop.	12%	90%	84%	59%
2. The distance to travel to a suitable job.	13%	64%	56%	43%
3. The workers' comp process/procedures are not timely in paying my bills	32%	55%	20%	42%
4. The workers' comp process/procedures are not timely in issuing my we comp checks.	25%	45%	17%	34%
5. Were you happy in your job prior to your injury?	96%	87%	83%	90%
6. While you have been out, who has been your primary contact person?				
WC Desig.	25%	28%	55%	30%
WC Mgr/Div	11%	10%	3%	9%
Supr/Mgr	20%	49%	36%	36%
Other	18%	11%	0%	12%
No One	26%	3%	6%	12%

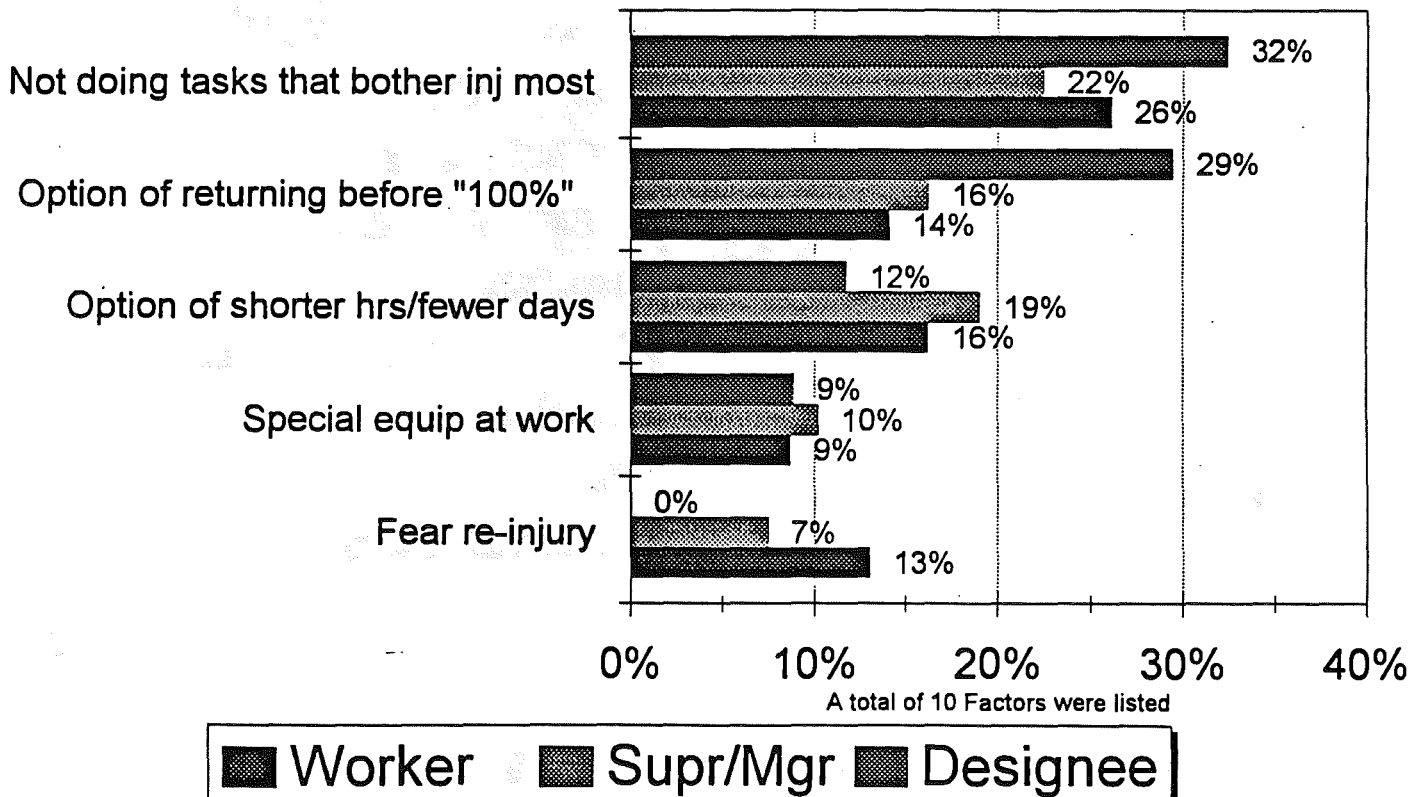
## Workers' Compensation Survey

### Factors with Highest % "Yes" Response



# Workers' Compensation Survey

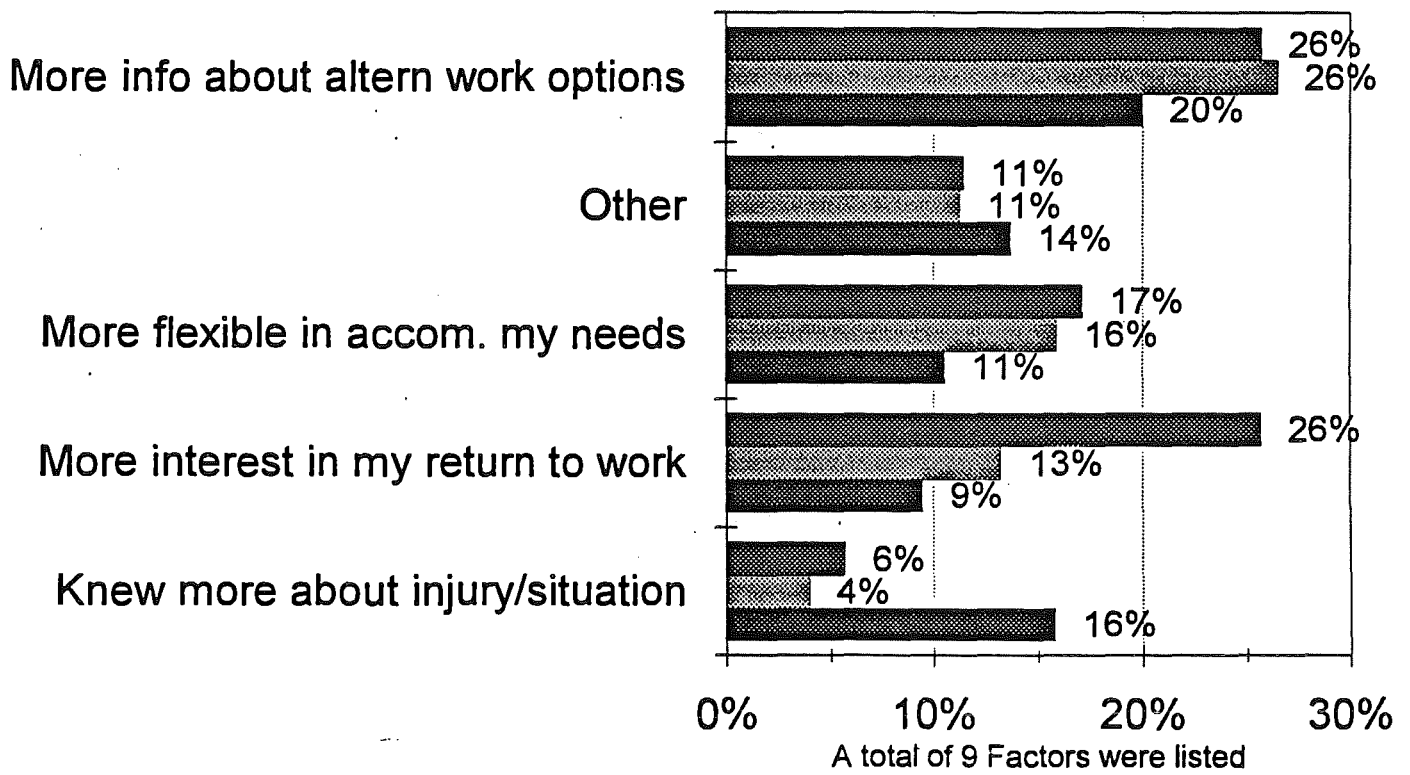
## Work Environment Factors Ranked #1





## Workers' Compensation Survey

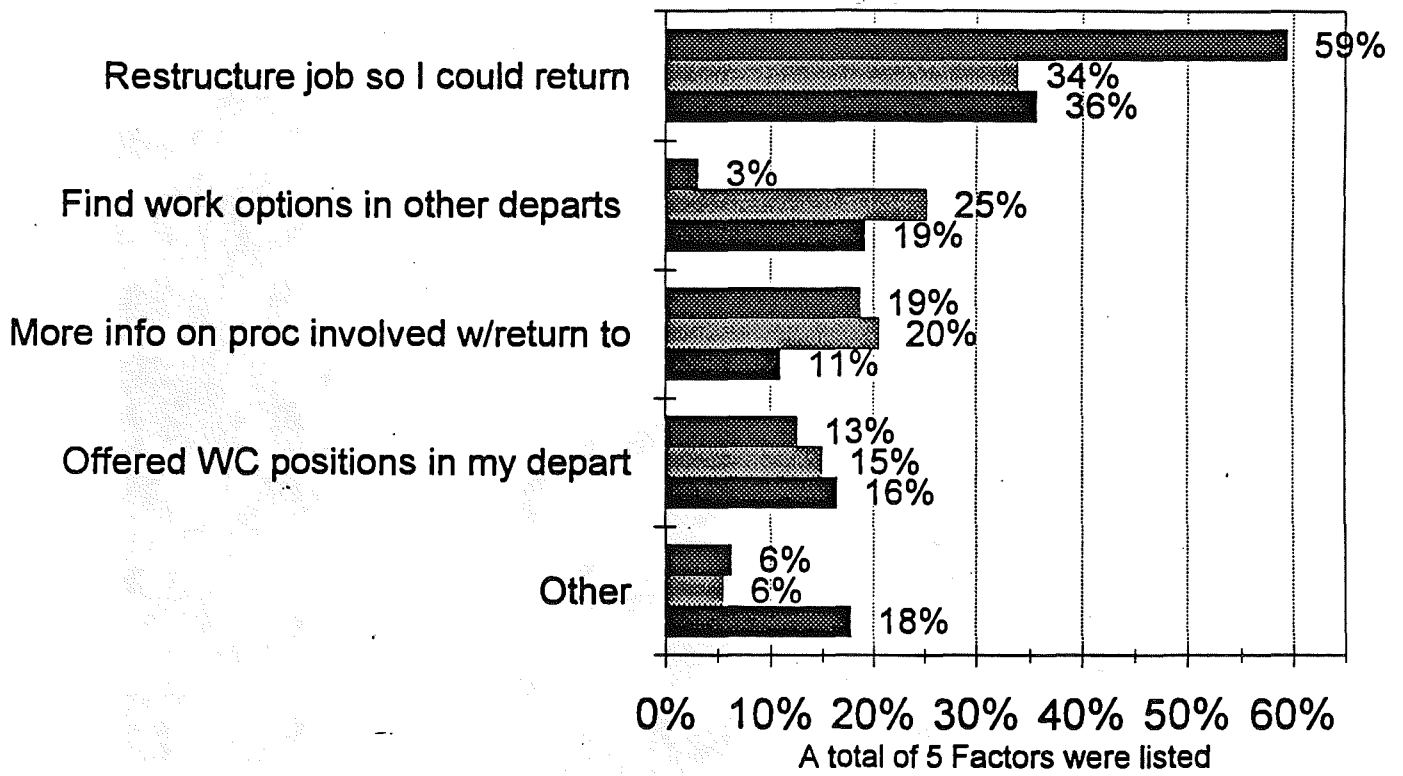
### Supr/Mgr Factors Ranked #1



■ Worker
■ Supr/Mgr
■ Designee

# Workers' Compensation Survey

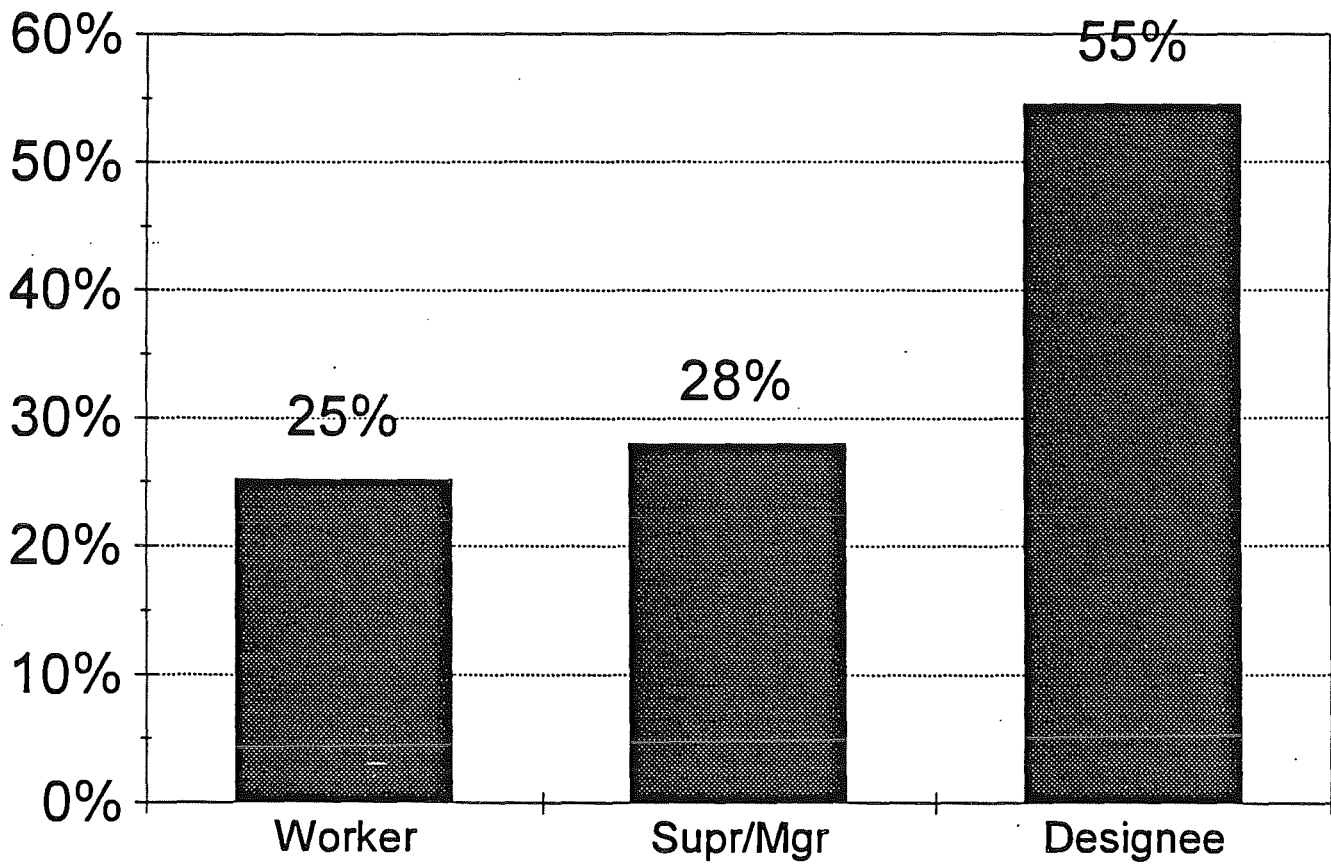
## WC Designee/Mgr Factors Ranked #1



Worker
  Supr/Mgr
  Designee

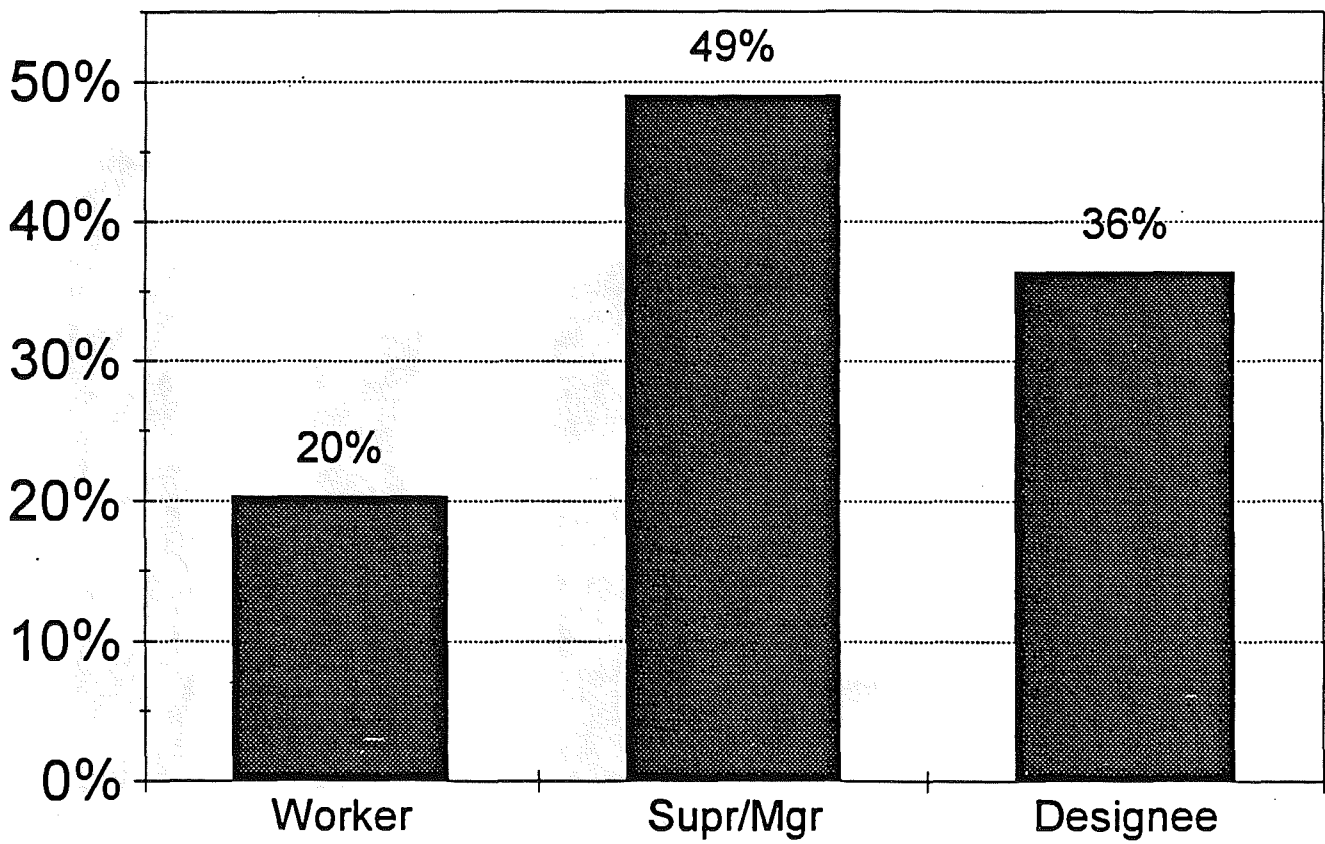
## Workers' Compensation Survey

Designee is Primary Contact Person



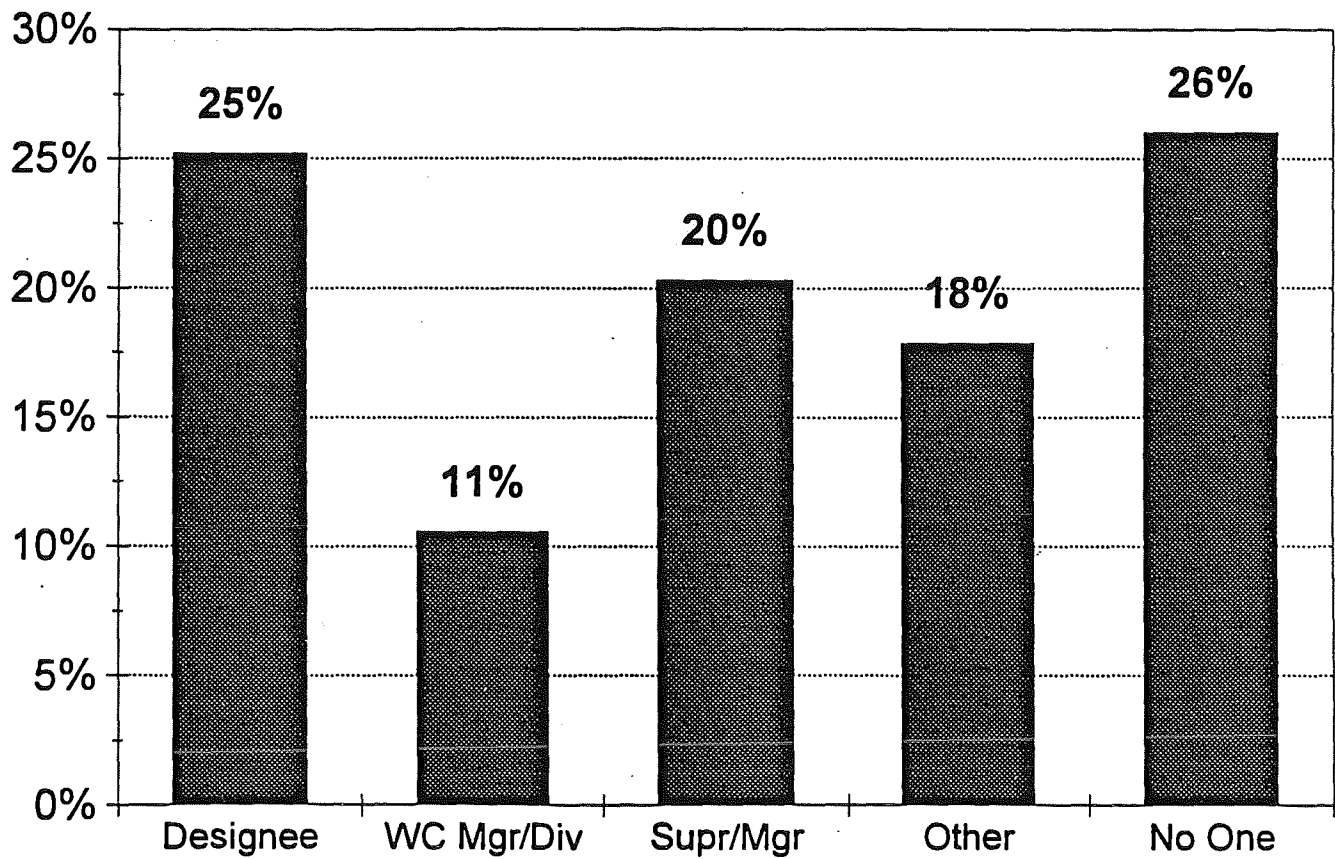
## Workers' Compensation Survey

### Supr/Mgr is Primary Contact Person



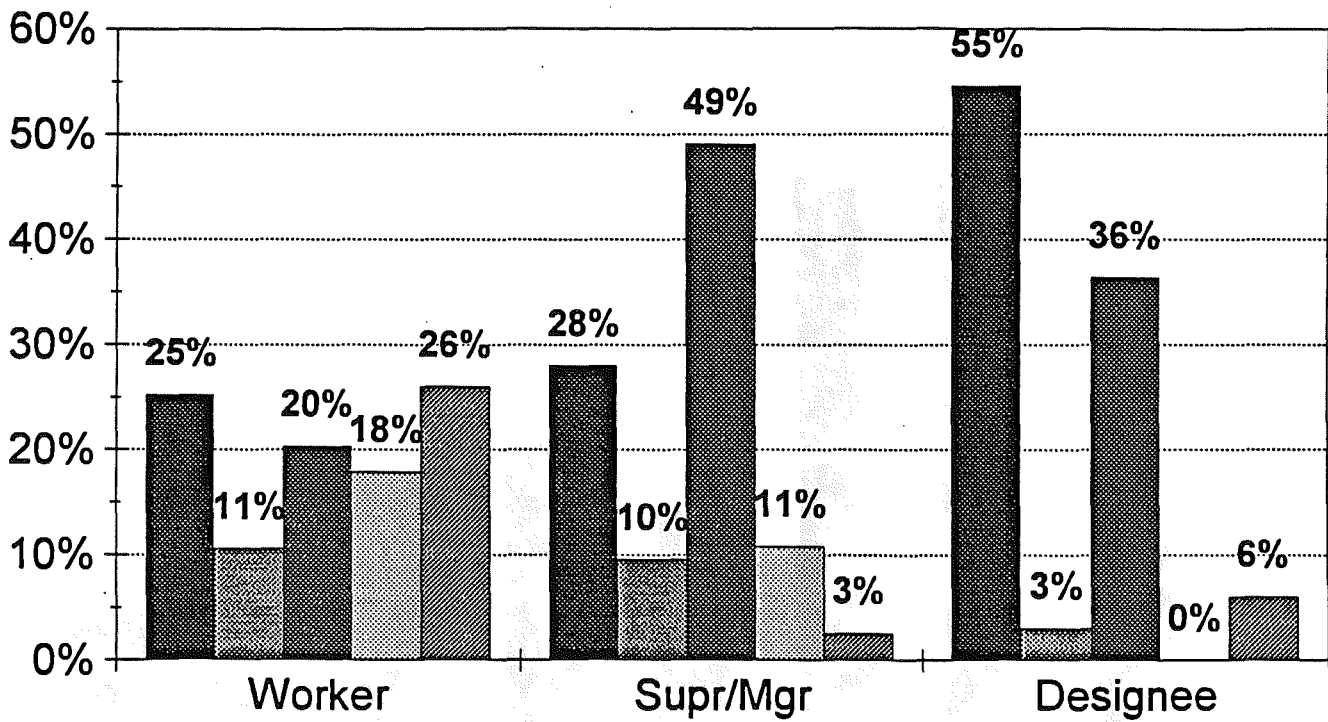
# Workers' Compensation Survey

## Workers-Who is Primary Contact Person?



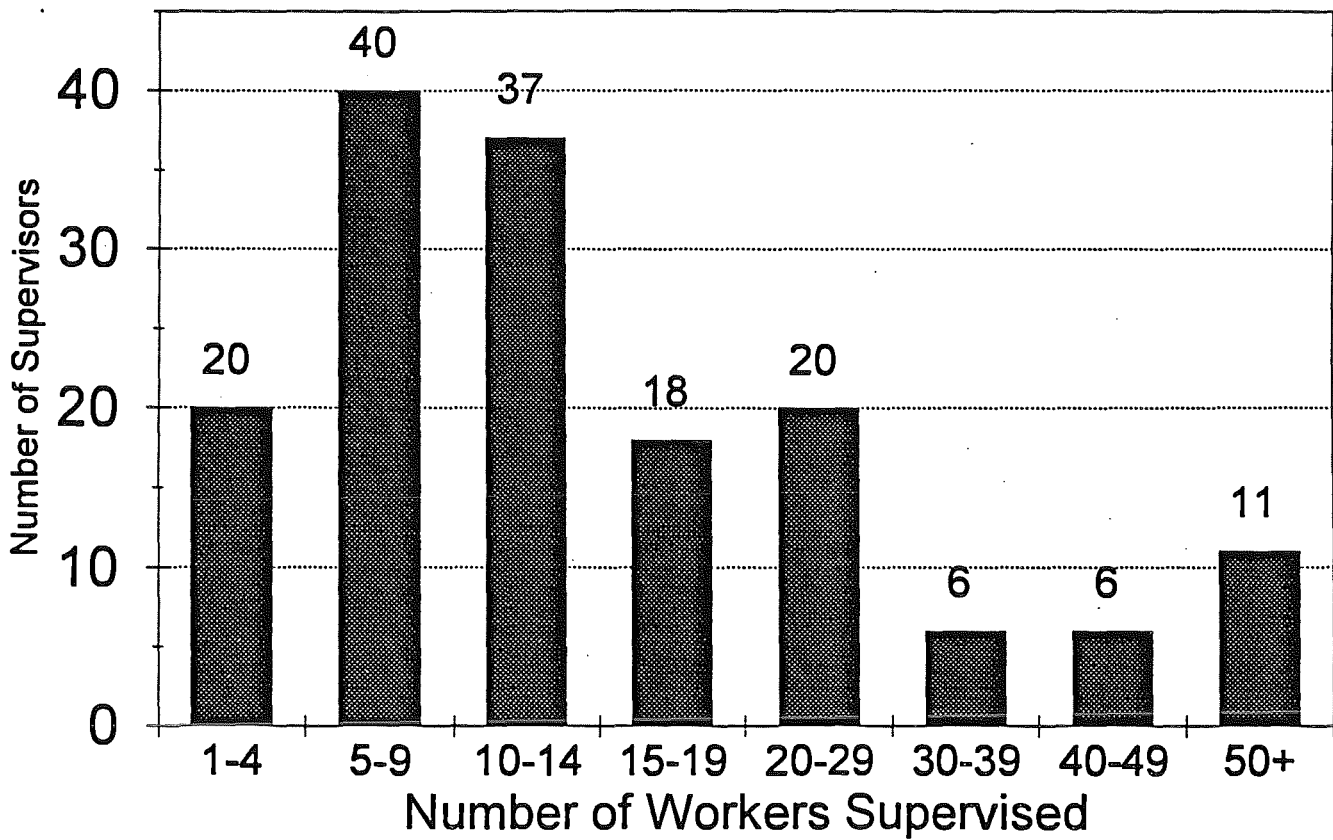
## Workers' Compensation Survey

### Who is Primary Contact Person?



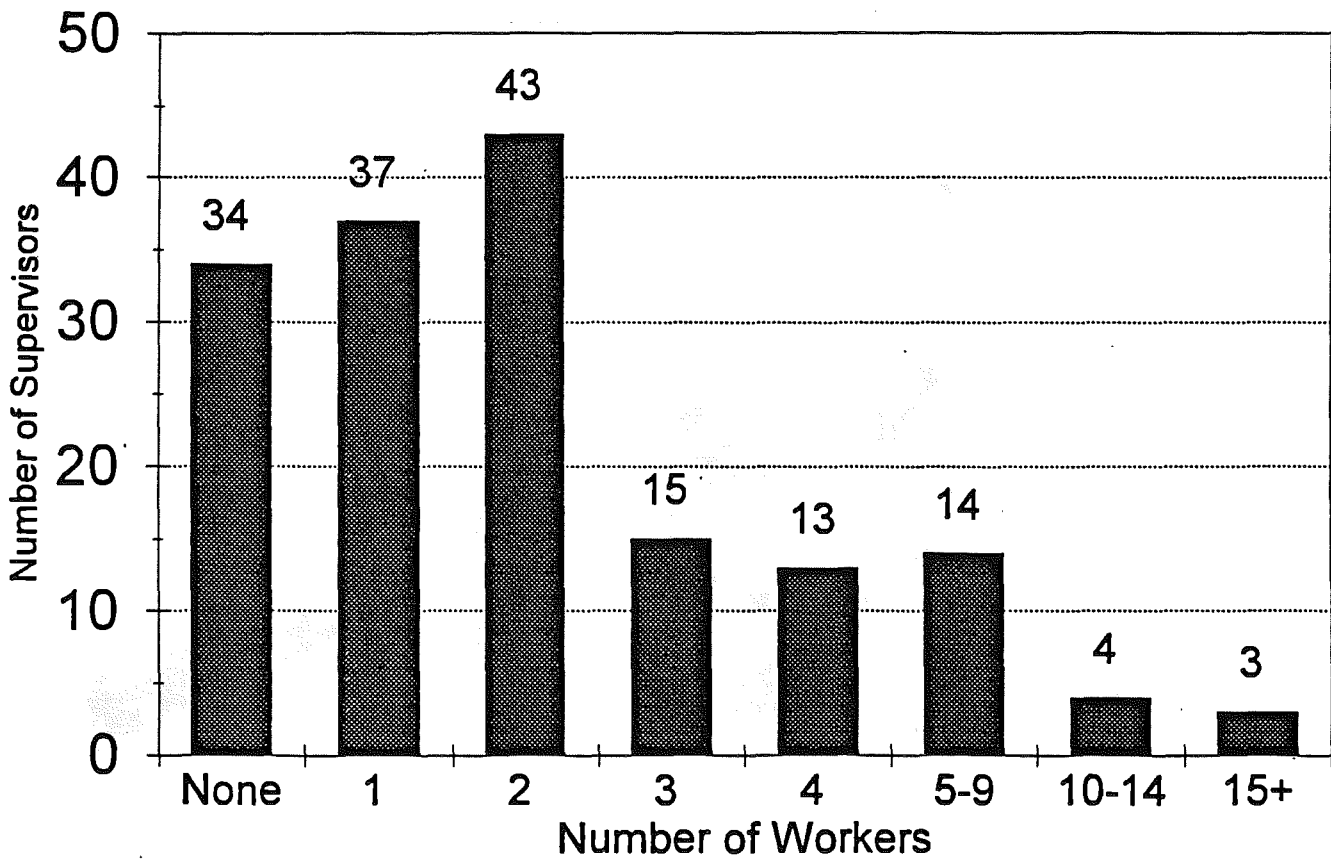
# Workers' Compensation Survey

## Supervisors-# Workers Supervised



# Workers' Compensation Survey

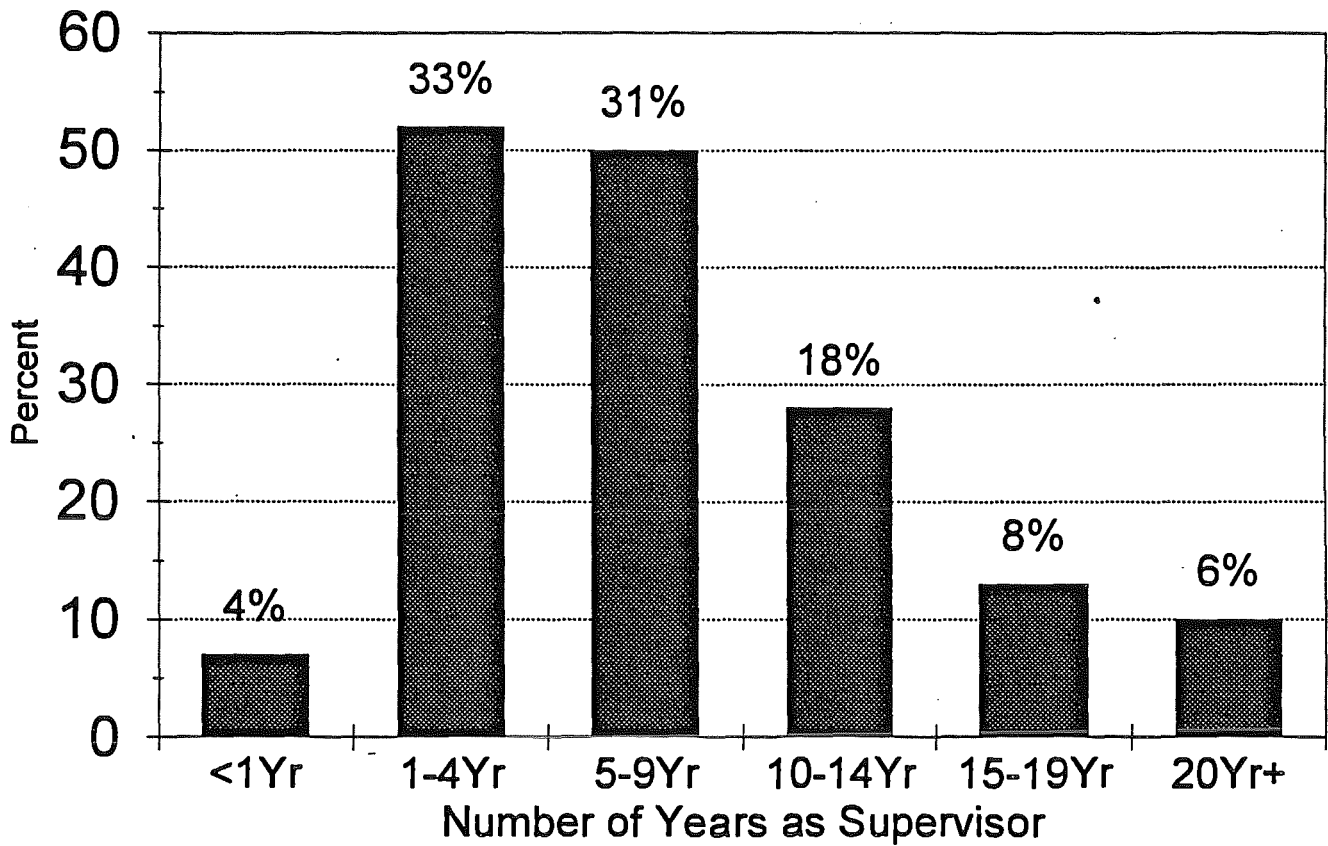
## Supervisors-# Wkrs Currently out WC





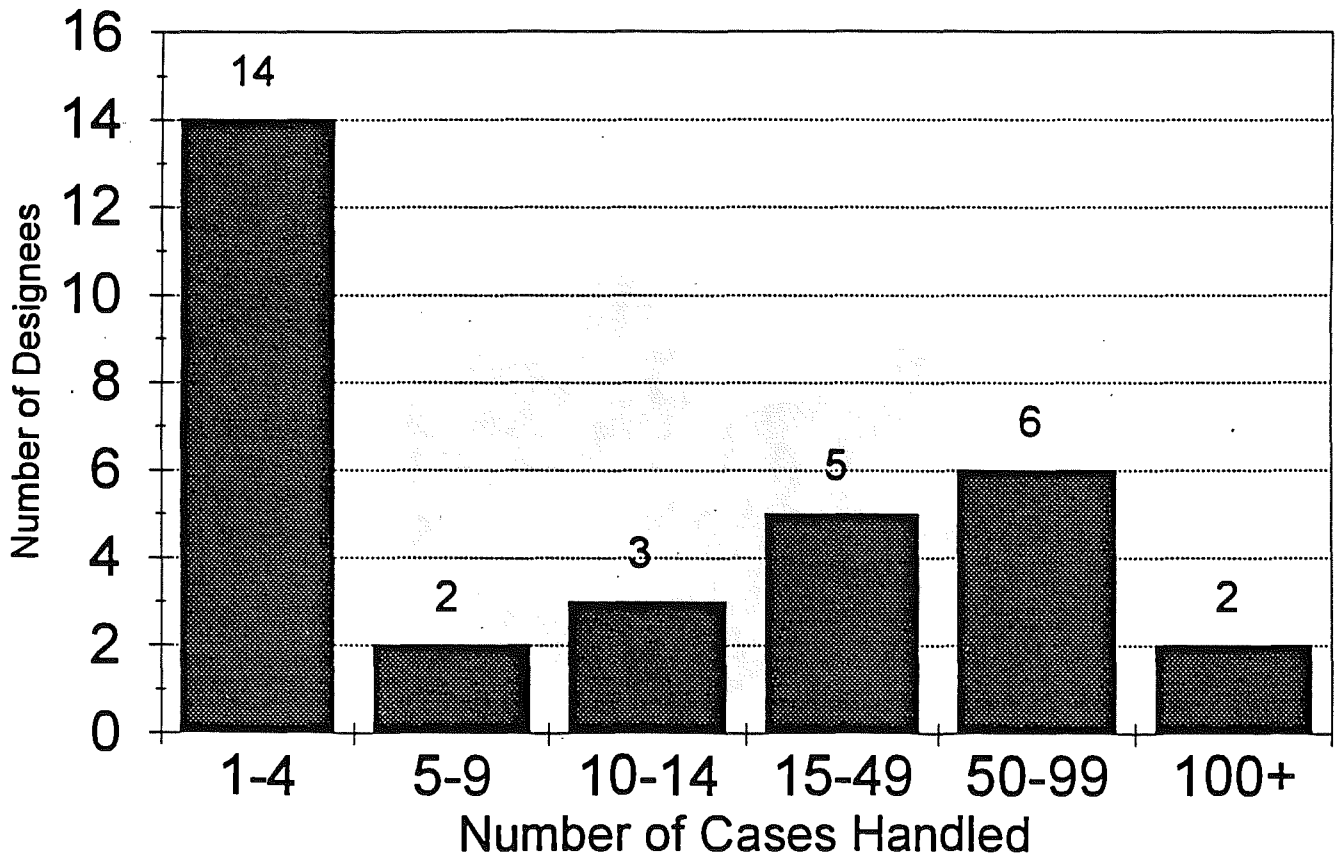
## Workers' Compensation Survey

### # Years as Supervisor



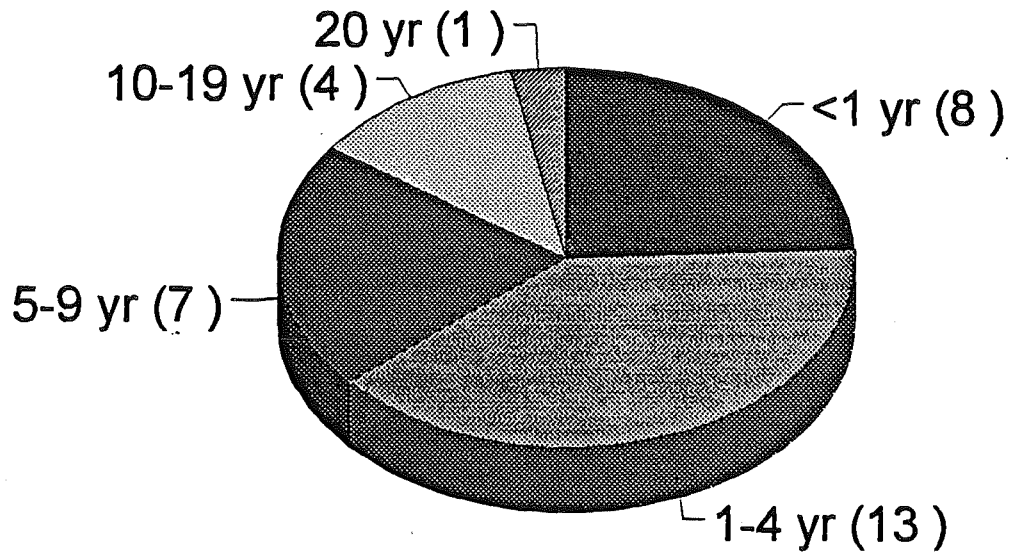
# Workers' Compensation Survey

## # Cases Currently Handled by Designees



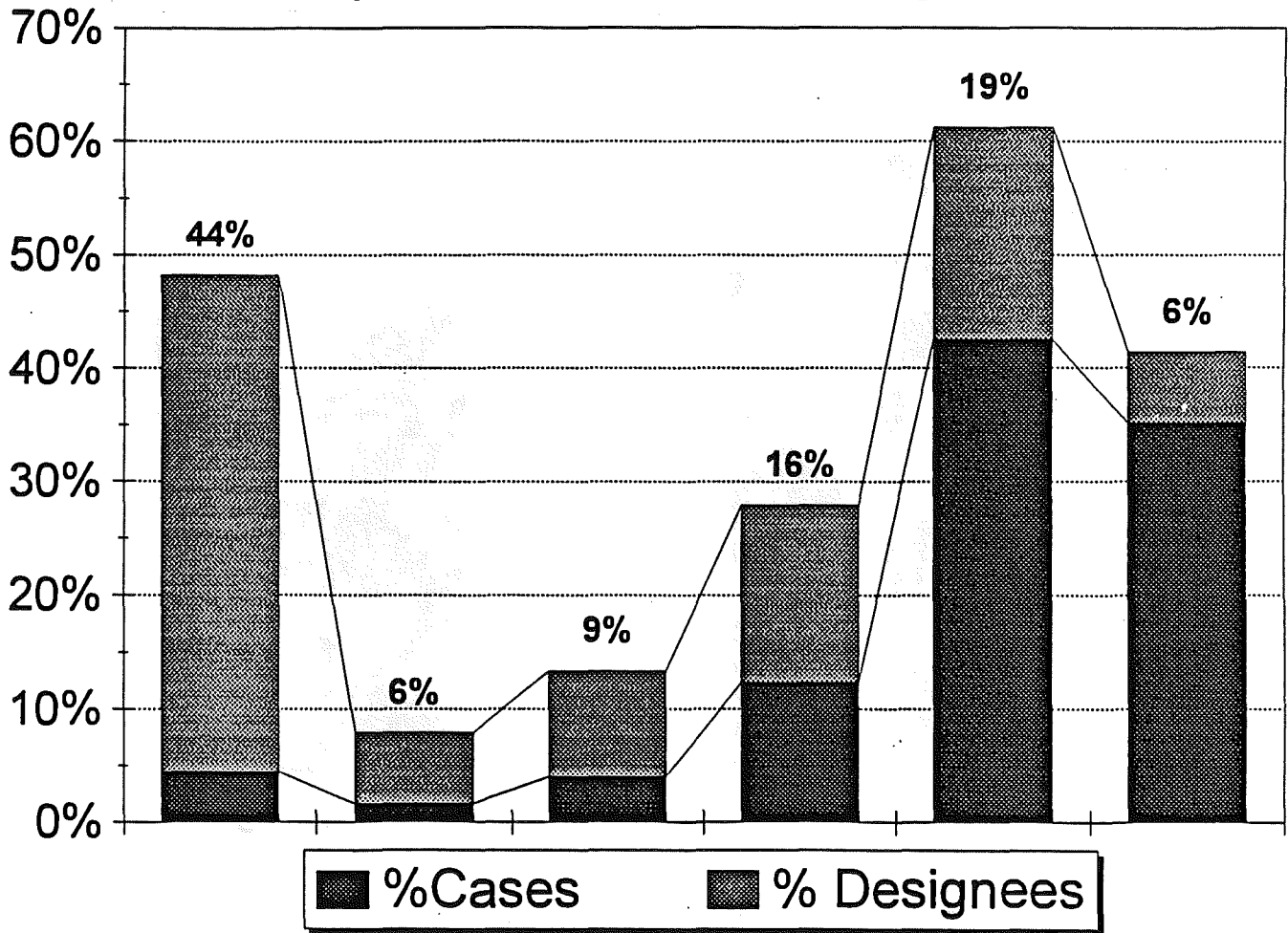
## Workers' Compensation Survey

### How Long Have You Been a Designee?



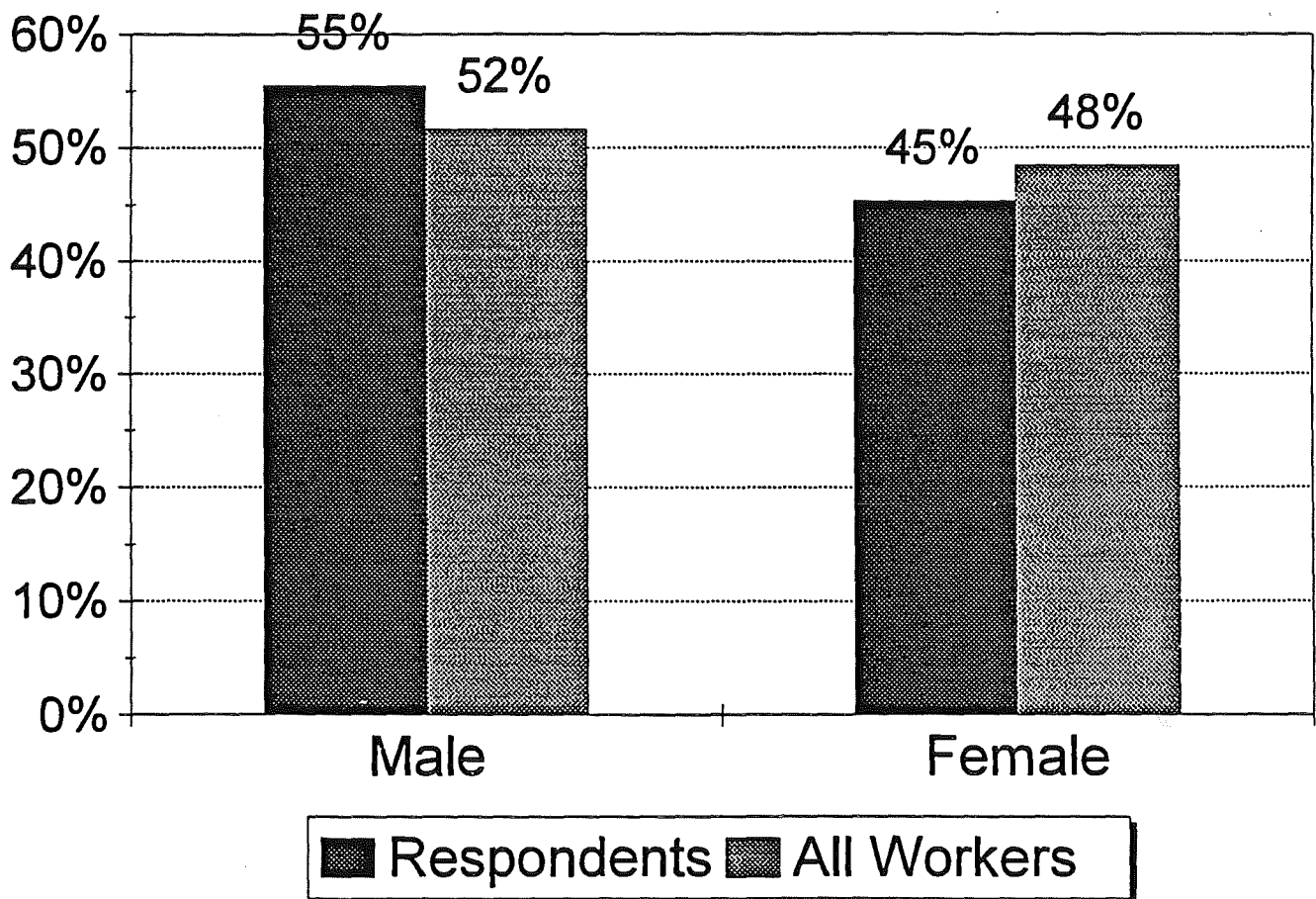
# Workers' Compensation Survey

## Comparison of %WC Cases-%Designees



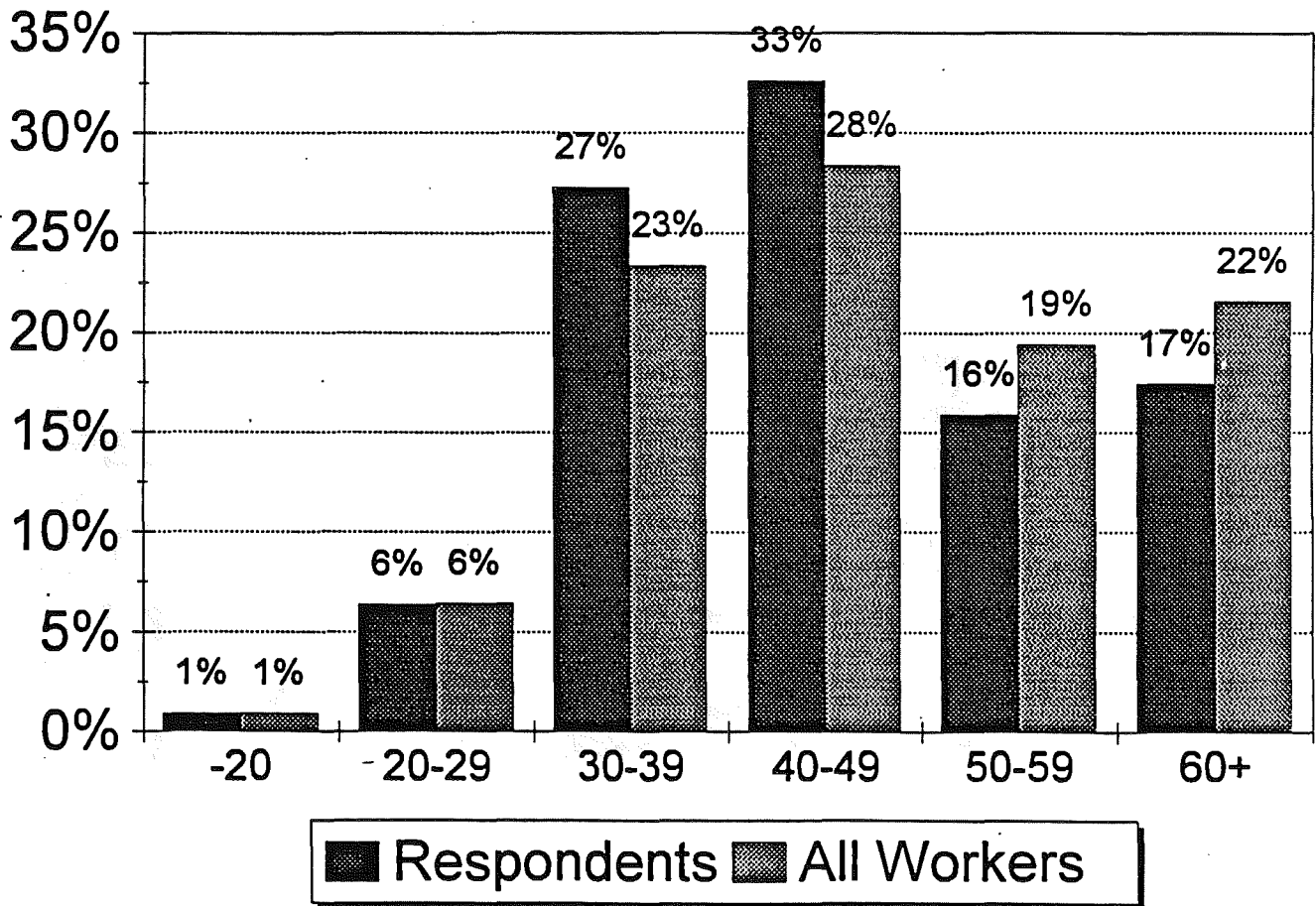
## Workers' Compensation Survey

### Gender - Respondents vs. All Workers



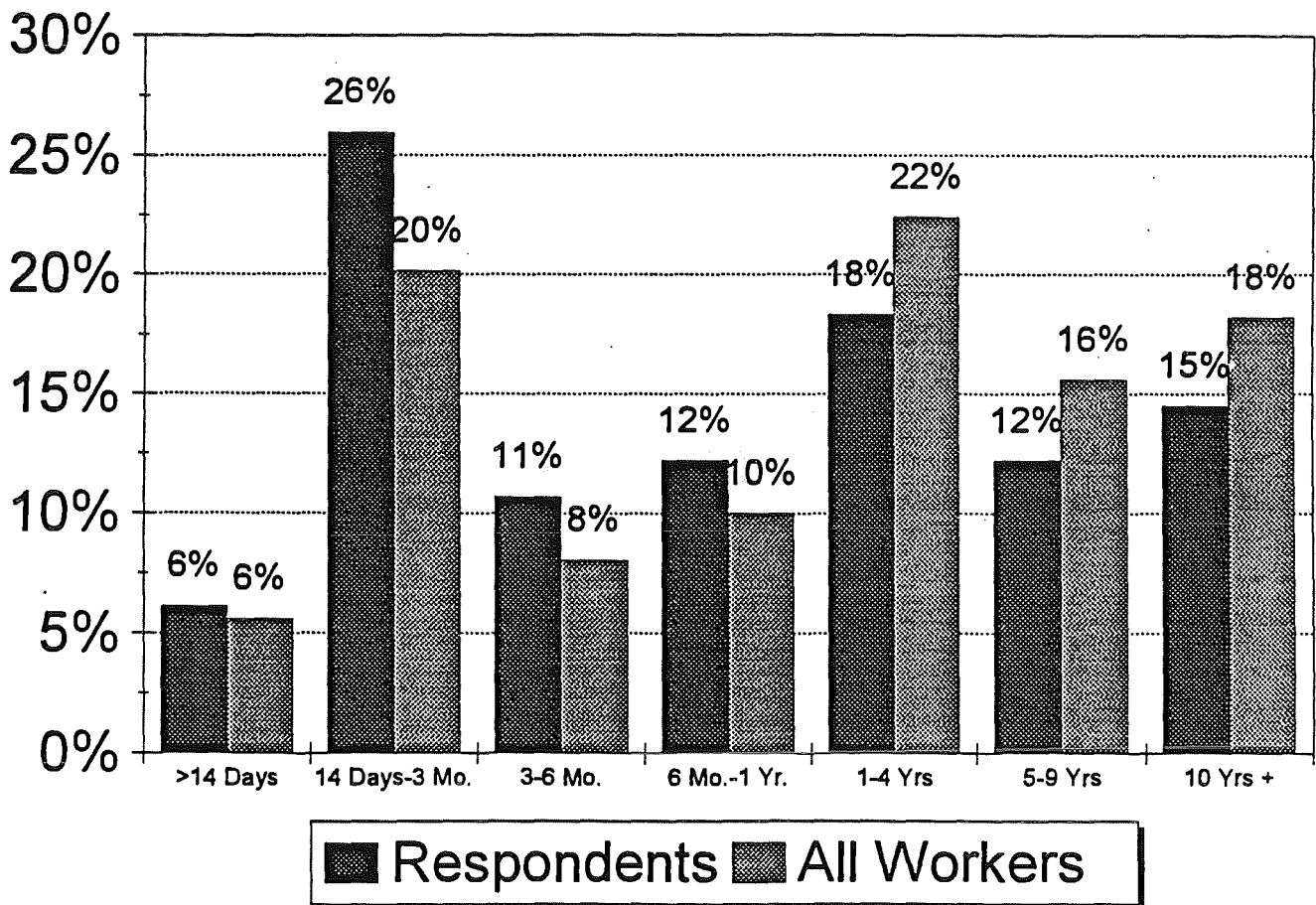
# Workers' Compensation Survey

## Age-Respondent vs. All Workers

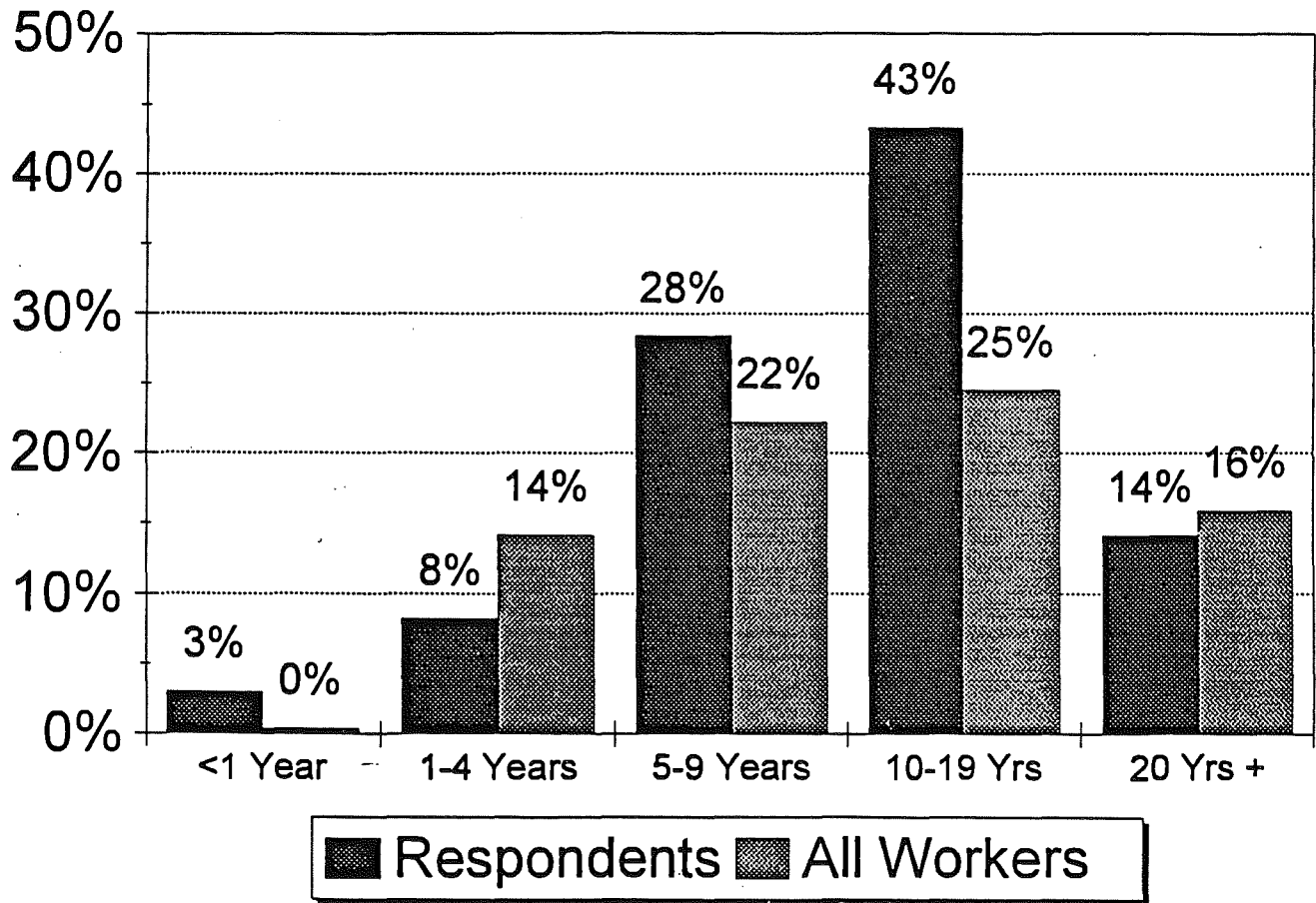


# Workers' Compensation Survey

## Total Time Out Injury Comparison



## Workers' Compensation Survey Time Employed by State of Maine





### **Code 1 Comments**

**1 Attitude-increased cooperation, understanding, caring, compassion, flexibility, listening, accomodating, concern, support, communication and positive attitude from administration, supervisors, WC personnel & coworkers.**

Concern by management of employees progress.

Many injuries seem to be related to the level or morale and/or job security. When they feel unsupported by administration and that their position is not secure, they are less likely to want to return quickly.

Workers feel alienated from their work and therefore have little reason to put out sustained effort to rehabilitate themselves.

Fear of supervisory concern/dismay at their inability to perform all job functions.

Worry of managements reaction to work performance/special considerations/limits brought on by injury.

Supervisors and coworkers expressing an interest to the injured workers to return.

I feel that more listening to what an injured person says might help.

Let worker know we want what is best for them as well as for the state.

Follow workers let the injured workers they want him or her back.

If my supervisor had cared about me as a person rather than his production goals. When I returned to work my supervisor continued harassment by reprimanding me for low production levels for the year I was out, even though I was not at work place for 1/4 of yr. The best thing my super could do was have me reassigned to a unit outside of his supervision. This would eliminate or reduce the factors that caused my injury.

I feel the entire process was very degrading. There was a big lack of understanding.

Include fellow or co workers in the process and make it very clear that cooperation and tolerance are mandatory (they could be next.)

Attitude of workers, pre existing performance problems.

Not to use and abuse employees as if they were mere replaceable bodies (objects) Learn better leadership skills and become more competent in your job. Don't jeopardize employees safety for your amusement. Value your workers.

Fear may not be as competent as once was, fear supervisor will think is a wimp for filing a WC claim.

More compassion needs to be created in fellow workers, tolerance of the situation is essential as well as person to person attention to helping the injured.

Help on adjusting attitudes of coworkers.

Feeling they are an integral part of a team and are needed.

Changed her attitude. She made it very clear 3 years ago when I was returning from an injury that she was not pleased with my return. This was obvious to my physical therapist and rehab nurse at a meeting previous to my return to work.

Attitudes of supervisors in regards to injured staff make it difficult to return.

Supervisors and management's positive attitude.

Negative perception of WC recipient.

Show more interest in the employees health and mental state.

Show concern for the individuals injury on a personal level as well as professional.

Do not allow employee to feel as though they're been swallowed up in the system be able to address their problems concerns.

Improve their attitudes to be more positive regarding injured workers.

If they had a more positive attitude and less concern regarding co worker pressures because they have been out on WC.

Educate coworkers, solicit understanding, cooperation to work w/returning employee.

You work all your life then you get injured and you are used like \*s, your record was perfect before your injury, after injury they call you a lazy person.

More support from management.

No one knows what its like to have 1/2 of your life cut off and not be able to do what you once could do. I'm retired because of my injury. All I got was harassed, maybe some good will come out of this (TQM) for future workers. Take a good look at the most serious injury before anyone judges.

Morale

Supervisory attitude and support is critical.

Safety officer did not show much interest in my injury he was worried about what Howard Quist might do if he did not obey his demands. I have injured myself 3 times since 1982 on same injury.

Maybe next time do not treat me like a second class person/took more interest #1!!

He don't care about anybody but himself and the people that kiss his #!\* . Get a new supervisor.

Obviously these are interdependent and w/any form of support/follow up/concern a reentry program could be implemented or not implemented.

Division safety coordinator would bug me about when I was going to return to work. I told him when my doctor said I could.

Flexibility and openness of administration, general disregard of worker concerns by administration.

Supr. is very negative towards injured worker instead of working with injured, worked against. 2. I knew about my injury , what bothered my injury and what didn't but the supervisor would not listen to me at all, would not work with me as far as what I can do vs. what I can't do. 3. The light duty positions are jobs that require no mental ability. I was injured physically, not mentally.

Believed there was an injury.

Try to help worker recuperate instead of trying to prove it was not work related or worker's negligence.

Stop discriminating against us, it wasn't our fault we were injured, so stop treating us like we're the bad guy all the time.

Changing his attitude. He makes no attempt to acknowledge my injury which caused me increasing stress which in turn compounds my problems.

No serious support/follow up/concern except time and money.

More cooperation and understanding from management and the option to continue medical treatment that helps to control pain while you are back at work and being productive.

Again the wc designee/manager needs to believe the "injury" is real.

Do not add job duties to compensate for duties that have been restructured to appease coworkers. Do not allow coworkers input to influence decisions regarding work progress and expectations.

Supervisor needs to buy into the validity/actuality of the injury.

Really cared. Knew everything he needed to know.

Attitude toward this job, work in general life etc...

In my case reaction or coworkers on my not being able to do the work I did before. If he can't do the work he isn't wanted and shouldn't be on the job.

To stop the bickering and back stabbing injured employee receives from coworkers because he can't perform the job he put in for 100% due to work injury.

Staff attitude toward an injured worker who gets special treatment ie (days off, supplies) when theirs are not adequate due to lack of funds.

Attitude (on all parties) is largest factor in influencing healing and ability to return to work

If I could have work closer to home to cut travel that bother my injury. If my work station could have been designed for my injury, less negativity in administrative positions.

Management would treat you like they did before injury. The management teams attitude s@#!>.

Attitudes of other workers toward injured workers may be negative.

Supervisor/manager attitudes and flexibility.

## Code 2 Comments

### 2. Job Restructuring/Change

Be able to place injured workers back to work in any state facility other than where they work.

Probably no.3 would be my choice. Making sure they are able to do what I ask of them.

Have the ability (authority) to create jobs to suit the injured worker and contribute to the operation.

I want to be sure my answers to this section are clear. The manager I have worked with does all of the things listed and does them extremely effectively. The barriers I have seen are lack of \$ to fund light duty positions and lack of willingness by injured workers to return to work. These areas are outside the control of WC managers.

I feel it is more up to people higher up to find alternate jobs for a person to return to work.

Find work in other departments for them.

Place them in conditions of environment that are controlled, many work in an environment that are uncontrollable at times.

Find them duties to perform when they are not able to perform their regular duties.

Provide a heated building with the proper tools so employees could do something worthwhile.

I have two employees who continue to get reinjured due to working with aggressive individuals. This risk is high and it is felt by this supervisor that other (non client interaction) jobs be required and found for these employees.

Really need more options for job placements.

Better pay and more lax conditions at job site. Specifically moderation in all things related to work ethic.

The process needs to be speeded up. Light duty assignments should begin as soon as possible.

Do light duty tasks or fill in and or assist in different tasks.

Medical authority should specify physical limitations of the injured and not dictate what tasks they should not be doing. Transitional work needs to be offered to the employee.

If there were other jobs in same dept. that could be done by the injured person.

Injured worker should no "any" kind of work, the longer they're out the hard to get to work.

Employees should only return to work if they are able to do all of their previous duties, if not then another sort of job/position should be created or perhaps in another division/unit which could be comparable.

Investigate the injured employees job requirements with the employees supv and available flexibility of the job.

Find them something to do outside of their own work unit until back at 100%.

I am capable of working per my physician but my department doesn't want me back.

Helping, determine the problem resulting from injury, any restrictions, job options, I ran into brick walls from the start because no one knew anything about in depth (beyond filing a 1st report).

A person is disabled from work injuries they should be put back to work with the same work classifications not be cut in pay and put in a lower classification even if they have been out of work for over a year. There is no incentive to go back to work if you are treated like you are disabled.

Find a different position.

Options in changing tasks to utilize what may be their "new" strengths.

Consider the workers mental and physical abilities when placing in a w/c position.

Returned to work after 1 yr in a different department.

Change in job position to one that doesn't affect the injury and stay working in one way or another for the state.

Due to doctor recommendation that I find something less physical. Lawyers should not advise Clients about medical terminology anyway.

Has not been willing to look at options outside the dept. This would have allowed me to return quicker and be more productive.

Encourage a different type of job where I couldn't get injured eg. different location.

Established light duty functions.

Train for a different job.

Retrain for a different job.

I could have returned to work earlier if my supervisor had not sent me harassing letters demanding my return to work therefore continuing the stress factors that had caused my injury.

More supervisor support.

Most supervisors that I have had are only interested more production not the employee.

In many cases fellow employees feel that an injured employee is putting it on so that he doesn't have to work. I think this is a serious problem that has to be addressed.

Treat us with more respect and stop giving us all the jobs no one else wants to do.

Being a little more accommodating, less insulting and mostly stop treating us like we are invalid, stupid or not a part of the team (ex:being excluded from staff mtgs).

If you are lazy the state loves you, if you work and try to improve or get promoted you get s#\$%. MSEU is just lazy as the management in the state.

Stop threatening us, and more encouragement.

Unprofessional supervisors who use intimidation and harassment as a means to try and achieve production, produce very negative affects that become WC cases.

The absolute backing of state government to implement #6 (flexible in accommodating wkr needs) and the full cooperation of coworkers.

Important to avoid adversarial relationship. Show concern for employee vs. just concern for getting work done.

Didn't seem to care if I worked or not.

CARE Work towards finding a position.

I would like to go back to work, but will never be able to do the same job I was doing because of back injury. If dept had been more understanding with first injury it might have prevented further injury.

### Code 3 Comments

#### 3 Job Restrictions - Allow employees to work within restrictions and respects what restrictions are.

Getting around in ice, snow and storms.

Follow doctor's recommendations (4 hrs/day). He (supervisor) could utilize my skills per doctors orders.

Listening when I told them I couldn't walk or climb stairs or bend off too far or lift over 5 lbs.

The amount of flexibility is limited for some jobs, ie. mental health workers, housekeepers, nurses, therapists, etc. The work done by these people is essential and able bodied individuals cannot carry the workload for others who have restrictions. We need to bring injured workers back to work asap into jobs that are meaningful and take into account their limitations. Flexibility seems to go only so far. What I've seen result is people are assigned busy work, work in areas that makes them obvious to others and work that has no constructive direction to it.

Employees should be accepted for work for a number of hours able.

I really would like to come in and work my 4 hours daily as approved by my doctor.

Would feel better doing work at old camp until can return to full time, 5 miles vs. 22 miles.

Ability to move at will if injury requires.

Supervisor must be willing to accept less work in exchange for limited work or none at all.

I am able per my physician to return to my previous job with very few restrictions. but my department won't let me work. I have been on WC for 2 1/2 years I want to work and am able to.

I did not want to go out on WC at all. I had every doctors note in the world but was told that I could not be placed for medical reasons into another position unless I went out os WC. I gave up fighting and looking after 2-3 months and went out after I couldn't handle the pain any more. Now I am working temp "out of my class" on loan until they can place me. There is something wrong though when someone is forced to go WC route.

In some ways, as doing paper work. As janitorial duties.

Allowing gradual re entry into full duties as worker feels able regardless of this statement.

I asked to come back to work full time, doctor said w/limitations and listed them. Now I wish I hadn't asked, all day is too much pain.

Supervisor willingness to accept the workers return even if limitations and modifications exist.

Accessibility to areas where this may not have been a problem before the injury; transportation to and from work may be a problem.

Let me work when I am pain free!! No man or woman can perform their job when in pain.

If she hadn't given me light duty that was more hard on my injury than my regular job.

The light duty job that they gave me was irritating to my injury and heavier duty than my regular job.

A person with a back injury should not return to a work site that's going to put more stress on their back, that means not dealing with physical handicapped due to lifts. Also, aggressive individuals ie hitting, pulling unsteady individual.

Allow you to work in accordance with your benefits as a training or reentry period.

Job conditions, constantly being pushed to do things that aren't in my restriction, and the employer trying to get us to quit.

Not expect me to do the part of the job that made me ill.

He or they could have kept a closer watch on how the work day was set up.

Knowledge of needs while out of work and ability to return.

As long as it was work I could do without further injury to myself.

Assigned a person to a position that they can physically do.

Some how be able to be knowledgeable of the injury and some of limitations or ramifications to the employee, its not enough to just know the injury occurred. With an exposure to a sprain or something like that you could deal with long term or short term work needs. The most important factor is that the employee is treated fairly and you have a genuine desire to assist them to get over the injury. Make the work site painless to the employee.

Opportunity to return to work as soon as possible-perhaps changing duties that would aggravate injury.

Was not able to take short stretch breaks.

Present job still aggravates injury

I have been able to return to work w/conditions for 1 1/2 years to no avail. I believe a workers comp worker would be more sympathetic (recipient) would be more sympathetic to our needs.

Ability to move at will if injury requires

#### **Code 4 Comments**

#### **4. Prevention - Use preventive measures, worker education, and change dangerous work environments where an injury has already occurred.**

Proper instructions should be given to the returning employee in regards to safeguarding against reinjury. Investigate situations leading to injury and advocate to correct it.

They have had to file grievances to get doctor recommended equipment such as wrist rests, back support chairs etc.

If management would try to solve some of the problem in injuries before they happen.

Our situation is tough. Our guidelines for work safely are strong but no matter how you look at it, or prepare, safety wise, much of our job obligations will be strenuous and work conditions dangerous. My supervisor knowing this is a "super"visor. Some I have seen are not.

Industrial rehabilitation, where therapists teach people how to do their job more safely.

We need to train people in safety and take safety more seriously within the state government. The safety program is non existent.

Help resolve environmental problems.

It would be more encouraging if the State of Maine would take more interest in prevention of work injuries. My work place has not changed since my injury which is very discouraging.

Injury directly related to unsafe work conditions, understaffing, lack of concern and or incompetence of administration-worker exploitation. After 12 years of loyal state service I feel used up and discarded. Only via efforts of lawyers and W/C job coach of my own choosing was I able to return to work (outside of state svce.)

Bad environment made me want to stay out longer, boredom drove me back sooner.

Eliminate any factors that contributed to the injury in the first place such as ventilation and safety equipment.

People who can't do the work are a high risk and a danger to other workers. I have one on my crew who is an accident waiting to happen.

Continued problems with office environment, bad air quality affecting breathing conditions.

Do something about the cause of my injury.

No. 9&10. when working out in traffic there is always the danger of being hit. Everything is done by us to make a work area highly viable. What is needed is to educate the traveling public and make and enforce more strict laws in work areas to make it safer for us.

For employees who are continually getting reinjured due to working with aggressive individuals, offer counseling or whatever else might be necessary to support them in the realization that they should not return to previously held work. Also, provide options for other work.

Reduce the fraud and avoid back injury through prevention and safety training.

Had preventive measures been both timely and adequate far fewer survey forms would have been sent out. Were this done, future numbers should be smaller. An ounce of prevention... would also be cheaper in the long run.

Because of my age and back injury I can't And the asbestos it bothered my lungs.

If the state would more actively pursue comp cases and try to accommodate the injured worker, things would improve. Also there are NO preventative measures being taken to avoid injuries.

Training for correct way to use equipment available, correct posture and be made to adhere to this.

Yes, let's put more effort and money into preventing the injury in the first place. We can't eliminate workers' comp but it seems reasonable to put the majority of resources into prevention. I work in a "sick building" ie. bad air, circulation, rasher, dizziness etc. Why continue to knowingly put workers in a situation where the propensity for WC claims is unnecessarily high? A worker who leaves a "sick building" for valid reasons should not return to it, true. But why, then, keep everyone else there?

If more had been done after first injury it might have prevented me having further injury.

### **Code 5 Comments**

**5 Workload - decrease workload (due in some case to inadequate staff levels) and give more attention to employee rather than production.**

Not being pushed to complete normal workload and cooperation in getting proper equipment.

Look out for my interest and not just the work place interest.

Work area can't always comply (option of not doing tasks that bother injury most) because of # of staff with similar injuries.

It would help to maintain an adequate level of staff.

Discuss how my work was being only minimally covered by coworkers, that there was a formidable backlog of work on my desk, discuss options for getting work caught up prior to my return.

Having sufficient replacement staff so returning employee doesn't feel the pressure to fully carry their share of work load immediately upon return.

Lack of employees creating dangerous work environments.



## **Code 6 Comments**

### **6 Use proper preventive and adaptive equipment**

Proper equipment is #1 factor, reasonable workloads is #2. I was injured due to 1st round of layoffs doubling my workload.

Offer whatever is necessary regardless of cost.

Need baby scales that weigh 6 lbs instead of 11 or 19 lbs need equip to be light weight. Need special equipment at work such as a new chain etc.

Hand trucks, better seats in dump trucks, extra help when needed.

I've been out already twice for same injury and probably will be out one more time at least due to lack of proper equipment.

Get the correct equipment

### **Code 7 Comments**

**7 Financial Considerations - Make it financially advantageous for employee to be working by increasing pay levels for workers, decreasing WC payments, pay for work hardening of full WC benefits or ceasing WC payments if employee refuses to return to work when able.**

It seems to me that people make out better on workers comp. than they do working. If they have supplemental insurance that pays some of their bills then deduct that amount from their workers comp. Financially better off working full time or on full comp. part time lose \$. Getting equipment in timely fashion ie chairs footrest, etc.

See that wc pays employee weekly instead of after you return to work and be sure to send checks on time. It is less expensive to stay at home. Not willing to do easier job. Need more job instruction training and job safety, a training crew would be in order.

Most employee want to return to work and will be agreeable to many choices but other employees would rather stay out & get paid for not working

Work hardening on full WC benefits.

Have WC lowered or stopped if employee refuses to return to work when able.

If one can stay at house, collect a paycheck, have medical bills paid, car and mortgage payments made, and not have to be compelled (somehow) to return to work (at what is probably a job one is less than happy with) what incentive do you expect supervisors to employ to help this problem?

Seems like they are only looking at dollar signs and putting blame on others.

I am very disappointed that WC seems to blindly award employees coverage and money etc. as an apparent reward for playing the system. The results are disruptive to all other coworkers.

Personnel that have been out on an injury find they are better off money wise, when insurance is paying mortgage payts, car and truck payments, motor home payments, home improvement loans and are still making 2/3 of their pay. There are people I know doing this for years. Where is the justice in the system?

Allow them to come back to work with a cut in pay, not full pay like now.

Should be more money working than on comp.

I feel the ability to earn more money is the most driving force.

Financial incentives must be changed to encourage a workers to either return to work or find a new position. all parties, the employer, attorneys, doctors, employee, must be working together for the same purpose.

### **Code 8 Comments**

#### **8 Provide retraining/education for injured workers**

Need help retraining, education before injury becomes so bad I can never work, am back doing job that caused injury in the first place! Can find no help to get out other than myself and trying to take test and get out of clerical field.

Encourage funding for continued education to better injured workers. I was given 1 year schooling the other 4 years are my problem.

Retrain employees for position of equal pay of better when needed.

Needed to go back to school to reeducate in a different field

My body is more important than returning to a laborers position. I am currently in the final semester of 2 yr degree in Accounting. I can't go 2 more years due to financial status.

Training of a job I could handle

I can return full time if out of clerical position but no one wants to pursue retraining. No other way to get off WC.

Special training. Maybe a refresher orientation to "welcome" them.

Education if they can do the job and the option to be educated in a different job description if they choose.

Offer training to accommodate need to get another job per recommendation from physician.

Get them into a retraining program as soon as possible.

Return to work is less likely to be based on ability than desire to return.

### **Code 9 Comments**

#### **9 Work ethic of employee, employees desire to return to work, willingness to do another job, positive work attitude, work pride**

I think if a person enjoys their job, has a good work ethic and utilizes WC as it was meant to be used it would not be abused but the system is abused like lots of systems meant to help by people looking for the easy ride.

After a certain period, WC becomes a welfare system, with the resultant mind set of welfare recipients. Receiving an income w/o working becomes a way of life.

Personally the individuals self worth and integrity are the major contributors of an early return to work at 100%. Don't make it so easy and comfortable for workers to stay out. Less stroking of patient, tighter guidelines (medical) stick with game plan.

In prior positions I have supervised, quite a few light duty people (whose original jobs had been in other departments) there was a great range in these individual attitudes toward returning to work. Two seemed to be trying to get as long a time out of work as possible and tow took advantage of the opportunity to get the job hardened and learn new skills. I think improvements have been made, but the WC system still permits benefits to people who abuse the system in the minds of most who know the individuals the pattern of work injuries, these few who abuse the system still color attitudes toward those who are truly injured at work.

I think you have to want to go back to work in order for it to work properly. A lot of injured workers could return to work if they had the desire to do so.

Educate workers that WC is for their injuries, not extended vacations. I have tried many of the above options to no avail. I have heard reports of employees out on WC who have gone to Florida, sat all night on hard bleachers with back injuries and others that have planned reinjuries so it would time out with their moving day when transferring their households to another location. People use and abuse the system here and nothing is ever done about it. I would like to see some of these cases investigated.

Some people who want to work come back as soon as they can. If they don't like their job for some reason don't want to come back at all and make excuses.

I feel if the worker is healthy and 100% recovered from injury, personal incentive and bills that had to be paid would normally get a person back to work sooner.

The person has to want to return to work and keep all possibilities in his/her thinking

A workers view of WC is one of an easy ride to freebies. I have experienced that my employees have been deceptive and avoided/prolonged their return to work with great enthusiasm or claimed WC when "other" factors influence their health status.

I believe, at least in one of my employees cases, that they use this to their advantage when they want time off. This person knows the system and works it very well.

I feel if the worker is happy with the job, pay incentive and work conditions and the drive to want to get back to work to support one's family and pay bills will get the individual back to work sooner. With some people all the catering and bending over backwards to appease the individual, like this questionnaire seems to me is doing, only keep the worker out longer.

Some workers have been assigned easier work but refused. Some workers can make a better living at home babysitting and their wife working. Unions are spoiling the work ethic of the American worker.

Many talk about why they would hate to be out on injury and be labeled (WC robber). We have to protect our employee the best we can but I have seen a father on WC, then a son, then a daughter, a whole family -and joke about it. Something has to be done.

Those who want to work will try to return and I will go to any length to accommodate them. Those who don't want to work use their restrictions to get out of jobs. Those ones I don't work until they are 100%. They cause a great deal of problems with the rest of the crew.

Encourage an appropriate work ethic prior to the injury

When an attorney is involved its adversarial at that point. I've never ever heard of an employee requesting to return to work and being denied.

I have found that most injured workers ability to return depends much on their own attitude and willingness to want to return.

My personal pride to go back to work.

We often make special accommodations, even for regular employees, someone, 60 years old cannot be expected to keep up with a 20 year old. A previous injured employee, with a leg or hip injury, may not be able to stand on a hard surface all day, even though they are 100%. Another factor is the employee themselves, if they do not want to get better or return to work its extremely difficult to get them back early at 100% on a restricted capacity.

Supervisory education/training related directly to encouraging the work concept and not enable employees to stay out of the work place.

Worker attitude, positive or negative, toward work situation, coworkers and supervisor. If work place doesn't provide some satisfaction, there will be no urge to return.

### **Code 10 Comments**

**10 More cooperation/communication between all parties including worker, physician, supervisor, WC designee, WC dept. designee, occupational nurses etc. - use team approach when figuring work options, what tasks can and cannot be performed.**

More direct contact with doctors re: restrictions for job

Open communication between them and being able to treat and depend on each other no expectations of Excessive special treatment by employee and not discrimination of employee by supervisor. A genuine interest in getting the work done for fair treatment.

More communication from supervisors.

Work more cooperatively w/supervisors in designing appropriate position for injured worker.

Employee, employer ??? and lawyer need to work as a team toward return to work. dr. and lawyer tend to see a long time out on a big settlement as ?????

More cooperation among state agencies to provide more alternative work options.

Stop calling everybody all the time

Have more say-I was not allowed to work at all until doctor released me.

Injured workers need a way to work more closely with their supervisor/manager and his or her doctor.

If the specialist would believe you when you told her something because she would call the doctor and see if you were lying.

If specialist people stop calling you and your doctors to see if you are lying about your injury and stop calling to see when you can go back to work.

Have more direct contact with physicians.

Working w/involved medical persons to identify all factors involved in injury, such as new work activities.

Department doesn't seem to monitor cases out on WC, status of recovery, work with Dr. and other medical providers to work toward getting employee back to work. Also no input on how no job activities effect the injury.

I would think that rehab people, someone with more knowledge of the issues ought to be involved with both the worker and supervisor in monitoring programs and arrange for returns. Supervisors often do not have either the knowledge of comp rules or knowledge of injury etc. to successfully case manage these situations themselves.

Employee involvement in help managing their back to work spec.

They need more contact with their doctor.

I had no say in when I could start work. I tried to return earlier and had to try several times before the doctor oked me, to start work.

I don't even know who or what this is. Talk to the worker and supervisor. I have never been contacted by anyone saying they were a WC manager regarding an employee of mine with an injury. For the most part my injured workers have been on their own in this area.

Get doc to let me come back sooner.

Keep me better informed as to what is happening in my job.

better inform staff working with them regarding their role.

Weekly meeting with rehab worker and supervisor. As supervisor I was put on the grill in one case, not the medical people or injured party. People must be able to accept responsibility. Get rid of that fear of liability issue and face problem. Get all facts straight proceed, don't let patient fall between cracks. Supervisor as well. Tighter control over monies spent on occupation therapy etc. Also don't get into the settlement mode, more investigations needed, less doctors appointments.

Participate in the development of the treatment or rehab plan.

More one on one with the supervisor.

Leave you alone and let everything heal itself.

Sometime the worker can choose his own option of treatment they would not go on comp in the first place.

To be the one to decide whether or not they can do the work they are hired to do.

I believe that the employee, the WC designee, the department designee, and the supervisor should talk. There have been two workers comp claims in my unit in the past 12 months and never once did I hear from the WC people. I believe if we all talked together there would be a better understanding of what the employees injury is, what the employee's duties are, what adjustments could be made, if any. This would eliminate the "around robin hood's barn" type of thing that is currently going on. The information needed to assist the employee's return to work is passed from one to another, and we all know when that happens, something get lost in translation. Basically, if it was a group decision/discussion, I think the process would be completed much sooner and with better results.

More direct communication with worker without fear of what to say or do so as not to further aggravate the sensitive situation. Doctors need to be more interested in getting employee back to work instead of milking the system.

Personnel director did not believe doctor's opinion.

If the doctors would take an "ethical stance" and work more closely with the WC designees in determining a return to work plan to benefit both the employee and the workplace.

## **Code 11 Comments**

### **11 Increased information on WC procedures, options - what can be expected and/or demanded**

Comprehensive booklet explaining WC to employee, I kept being told new things along the way so I always felt something was being sprung on me, feeling a lack of control over details.

I do not know what options I have regarding a job change and still remain in state service.

I'm sure there is but not knowing exactly how WC works, I don't know what it would be.

They should be given better knowledge of what is required of them concerning lite duty or any alterations in their jobs.

Lack of knowledge on employees part of the WC system

There should be far more contact between W/C reps, management and injured.

I feel like I am being pushed through a system where no one will answer my questions. It was specifically stated the only way off comp is to get out of a clerical position but I can't get any information on what state is willing to do.

Supervisors need more info concerning workers comp procedures. Maybe an ongoing inservice. There are some employees that know the wc system better than the supervisors and use and abuse it but the state and supervisors can not begin to control it.

Also supervisors need to remind staff about correct procedures to prevent injury or reinjury.

I feel WC designees and managers may make fatal errors in judgement which allow employees a loop hole to remain out of work. Additionally, employees lawyers are experts in finding ways (legally) for employees to remain out of work. WC designees are no match for these legal representatives.

I am currently working to get a worker back to work even if she is only able to do some of her previous tasks. I have been appalled at the entire system. It seems that it is easier to let people milk the system than to actually work towards getting them to come back, especially if they are reluctant to perform some tasks they are being asked to do. I suppose the union may have some clout but supervisors need more information on what we can expect.

Become skilled and knowledgeable about the WC law, develop specific procedures to follow when an employee is out, take aggressive steps to return employee.

More information on what we can expect and demand of employees.



### **Code 12 Comments**

#### **12 More contact with injured employee, more interest in their return to work.**

The window of opportunity may have gone by. Timely information/intervention is vital. The strain and frustration of trying to overcome the inertia of the current system so contributed to stress that this will likely be grounds for a subsequent claim.

Call me.

Stay in consist contact with employee.

Kept in better contact with injured employees.

More personal contact with employee and WC unit.

Acknowledge my existence. Was in limbo a couple of months, had to go to Augusta to get action initiated and retain attorney to understand what was going on.

I have no WC designee/manager.

Contact me.

Management shouldn't forget these people when their not in work status. Keep in touch with them.

My WC designee/manager has no contact with me.

Lack of contact while out on injury. Lack of active participation of agency in planning for the return and planning for reasonable accommodations.

Management keeping in touch with injured employee making them feel wanted in the work place.

I would like to take more interest in their returning to work. I feel a lot of employees become stigmatized when they are out on workers compensation. They may feel apprehensive about returning to the workplace and may fear the reception they will get when they return.

Possibly maintain closer contact with the injured worker concerning his ability to return in a different position.

Never received one call or inquiry about injury from supervisor, out 3 months.

Work harder on specific cases and get back to client sooner. I call a month ago, still no contact.

### **Other Comments**

Even though equipment was ordered it took more than 6 months to receive part of equipment. Make sure there is specific time limit to wait for equipment.

If the designee had medical/occupational therapy background would help (should be requirement) and more authority.

Compatibility with coworkers and job satisfaction provide motivation to return.

The unions are protecting the few undesired employees that are not doing their jobs and also the injured employee that could be working.

To do my job you need to be 100% period. There are no other options.

I may have returned sooner if wc would start before 14days, instead of me using own sick time.

I am totally disabled

The doctors are the main factor in employees not returning to work.

Unable

Unable to because of age (78) and now unable to work

Shouldn't come back to work until they can do their job.

Should be 100% before they come back

Basic training for new and long time employees on wc costs. It's just too easy to approve. These people really care and go out of their way to help injured employees.

Unless seriously injured, most employees will take comp for granted.

Workshops for injured workers so they can better understand the septum options

Pray for them my experience shows that return is mostly dependent on healing/recovery. Some injuries need 100%

WC should be eliminate injuries covered under the usual bcbs insurance process

Physicians must take a stronger position to return people to work and to recognize/eliminate abuse by injured workers, and managers who are unwilling to compromise.

Workers in direct care aggressive clients have a fear of re-injury which is very real.

I feel we are too easy on the person out, even if we know they are abusing the system they are protected by the system.

Item #5 is critical factor—Workers were happy in their jobs prior to their injury.

Have the resources/ability to speed up the process of getting necessary equipment (chair arm rest, foot stool, etc)

For Gods sake don't offer any money at any time. also don't BS client, shoot straight, these people are very in tuned to comp system especially after meeting with other WC people at Drs. offices, swim sessions etc.

The doctor should be saying what the injured can do, not can't do.

Take a more aggressive, proactive approach toward those workers who obviously are milking the system

I think many doctors rely too much on the injured employees diagnosis instead of his own.

Worry about aggravating injury

Physical demand of getting

The work still has to get done by somebody. I think we have to be careful not to have too many special jobs for injured employees in any one department.

A dilemma in this workplace (DHS) is that caseworkers who have been sexually abused have to confront an abuse situation.

DHS seems to do very little to demand workers return asap to do at least some type or work. Mandating that they come back to do something.

Necessity of climbing stairs standing long periods of time.

Revamp comp payments so an injured worker doesn't nearly go broke before they are received.

Some employees permanently injured and can never return to work

Doctors seem to be running scared about liability issues as far as sending workers back into the workplace too soon, so they keep them out an extra two months.

The employees have a mechanism to return to work now. I truly believe it is not the system that prevents them from returning to work its the prior relationship wit the job and supervisor.

I feel we are hampered by injured employees' attomey's and the WC commission.

A short term membership at a fitness center might allow the injured person to develop strength and perhaps be more flexible than therapy, with the right exercise equipment and direction, and individual can overcome possible re occurrences of injuries. Need education to co workers that injuries should not be questioned for legitimacy by peers, supervisors should point out the advantage of getting the individual back to work even at reduced hours, reduced tasks etc. Leadership has to set the tone, or the employee is perceived to have some unfair advantage or reward for getting injured.

The most critical factor that impacts the injured employees return to work is his relationship with his supervisor. I feel workers comp is sometimes used to "retaliate" against he supervisor, management, or the "system" in general.

Let them know that their job may be in jeopardy.

I feel this survey is misleading. I could say yes to all answers but as a supervisor I need as many people at 100% as possible.

Employees cannot return to work until the doctor says they can, the supervisor cannot control this. The employee has to want to return to the work force and not expect to be babied. ?hey have to exert 100% effort to carry their load as much as possible.

Work habits around home should be investigated on WC cases.

Would like to be able to order investigations to find fraudulent claims.

I believe their home and or personal environment and activities need to be more closely monitored also.

Necessary to get them to act as quickly as possible before WC becomes a way of life.

It may be counter productive on a morale level, to have workers see jobs restructured/special equipment for someone after an injury when these same workers cannot get the same effort from management to avoid the injury in the 1st place.

Sometimes transportation to work cannot drive long periods of time.

It is my opinion that the majority of injured workers who are out for extended periods are taking advantage of a workers comp program that allows even encourages people to lie about their condition and receive benefits that replace employment

None of the regular people have been out on comp. We created a light duty position here for person who had been injured in another job. she has since gone off comp and is full time regular employee here.

I was trained as an RN, my rt arm was injured and I could not care for my pas. safely.

My injury will require knee replacement in a few years or sooner, will I still be able to work & be compensated them?

Would have been back a long time ago if first Dr. hadn't left me in such a mess.

Yes, I should not have had to be out at all, why does it have to go this way.

In my experience, I feel that my employees have returned to work as soon as possible.

This system has no strong mechanism for weeding out cheats. Employees know they can find someone to say they cannot work at all, regardless of the severity of injury. They also know that some coworkers and management are not truly supportive of their needs for accommodating if they do return quickly.

Environmental work incentives that are in place for everyone and that help stimulate and encourage work ethic (reasons we want to work regardless of injury) and invested attitude.

Desire to be productive- ability to earn more money. Comp should not pay and have benefits so great that employee is better off financially to stay out of work.

Light duty work/office work was not allowed for me.

Knew what my job entailed!

If you are seriously injured and cannot return to work ever, what are your options after the 7yr period?

Yankee Health Care did a great job!

Was in a leg cast for 9 months, they could not modify my job.

I have returned to work over a year ago, but not to my regular job because of my injury.

Everything & everyone was very helpful during my injury/operation/recovery and time I returned to work.

Was not allowed to return because of injury and age.

Retire

Any repetitive action or sitting or standing any length of time still brings on stiffness pain tingling and numbness. During the night my fingers still turn numb after I do things I shouldn't or sit around too much.

Some jobs require special clothing such as steel toe shoes and they cannot be worn with a cast on your foot.

My WC designee was wonderful. She is a lifesaver and soother, she saved me when I felt as though I were drowning. I just wish other departments/areas were more cooperative in getting injured employees back to work.

My supervisor has been very supportive and understanding throughout my injury ordeal and that has meant a great deal to me.

I did go back. It took 10 weeks to completely turn my lower arm and last 2 1/2 fingers numb. It took over a year and a half to bring the numbness out (with therapy) not to mention the pain in neck shoulders and arms.

I don't have any doubts about this injury.

If out longer than 6 weeks its difficult to get them back to work even part-time

Don't know as sitting or standing and looking down and having hands forward (as driving a car or working with hands brings on pain and tingling and numbness.

I am amazed at the severity and depth of my injury. I hope one day this will all be over.

All options were tried during my several attempts to return to work. In my case I just don't know.

I returned to work 2 weeks after arthroscopic surgery. It helped strengthen my knee quicker with little discomfort.

It hasn't been easy living with my injury however it would have been worse w/o the support of my coworkers and supervisors.

I feel my supervisors supported me in every way possible to enable me to return to work.

I would say 90% of all injured workers would like to keep their jobs.

I would like to return to any work and be pain free, without limitation without having to take pain medication every 4 hours.

Going to therapy has helped—continually doing my exercises. Still might have to be operated on.

With my injury, the pain is very wearing on me. I do not sleep well at night because of the pain and going to work, the pain gets real bad.

Again, supervisory training on overall enabling employee attendance issues.

Wait till recovered enough to go back to work.

Track their condition and cases more closely-things tend to get lost in the shuffle otherwise

Back to work center did a very good job with my back therapy.

**STATE EMPLOYEES WORKERS' COMPENSATION SYSTEM  
300 DAY HISTORY: EMPLOYEE OUT ON 300th DAY**

<u>FISCAL YEAR</u>	<u>LOST TIME CLAIMS*</u>	<u>OUT ON 300th DAY</u>	<u>COST OF THESE CLAIMS WITHIN 300 DAYS</u>	<u>DAYS LOST WITHIN 300 DAYS</u>
1988-89	404	46	\$383,144	7,724
1989-90	414	53	377,123	7,519
1990-91	380	46	302,376	6,010
1991-92	328	23	229,953	3,944
1992-93	270	28	208,503	3,416

52

\* Missed at least one day more than waiting period.

**STATE EMPLOYEES WORKERS' COMPENSATION SYSTEM  
300 DAY HISTORY: LOST TIME AND WEEKLY INDEMNITY EXPENSES**

<u>FISCAL YEAR</u>	<u>LOST TIME CLAIMS*</u>	<u>TOTAL INDEMNITY</u>	<u>AVE/CLM</u>	<u>DAYS.LOST</u>	<u>AVE/CLM</u>
1988-89	404	\$707,147	\$1,750	14,739	36.5
1989-90	414	721,028	1,754	14,496	35.3
1990-91	380	756,487	1,991	14,702	38.7
1991-92	328	697,183	2,126	12,632	38.5
1992-93	270	593,492	2,198	9,634	35.7

\* Missed at least one day more than waiting period.

## EMPLOYEES WITH A DATE OF INJURY SINCE 7-1-89 WITH WORK CAPACITY

<u>DEPARTMENT</u>	<u>TOTAL NO. EMPLOYEES OUT</u>	<u>EMPLOYEES WITH WORK CAPACITY</u>	<u>ANNUAL COMP</u>	<u>ONGOING COMP</u>	<u>PDV -</u>
MH & MR	58	47	\$ 471,221	\$ 42,206,905	\$ 9,483,718
* AMHI	5	5	47,416	5,306,857	1,005,108
* BMHI	17	17	149,472	10,312,620	2,746,442
* Pineland	21	21	238,689	23,687,694	5,030,320
* Levinson Ctr.	4	4	35,644	2,899,734	701,848
Transportation	19	12	124,059	11,882,899	2,308,578
Human Services	14	10	142,737	10,424,621	2,778,941
Admin. & Fin. Serv.	16	9	100,995	7,027,603	1,673,269
Public Safety	4	3	52,483	4,089,171	999,432
Judicial	3	2	29,524	4,180,935	745,983
Labor	3	2	29,410	2,372,296	597,353
Conservation	3	2	24,487	1,614,359	461,224
Inland Fish & Wildlife	2	1	2,770	719,587	76,721
Def. & Vet. Services	2	1	445	65,062	11,583
P.U.C.	1	1	13,484	647,238	174,202
Marine Resources	1	0	-	-	-
Sec. of State	1	0	-	-	-
	<b>116</b>	<b>90</b>	<b>\$991,625</b>	<b>\$85,230,676</b>	<b>\$19,311,004</b>

Maine Workers' Compensation System  
The Cost of Long Term Claims

Fiscal Year	Total Authorized	Amount Authorized For Claims With DOI in Prior Years	Percentage of Total
1983-1984	4,343,540	3,686,501	85
1984-1985	4,580,478	3,683,442	80
1985-1986	5,674,286	4,907,224	86
1986-1987	6,495,232	5,630,912	87
1987-1988	7,972,413	6,903,734	87
1988-1989	8,481,277	7,326,810	86
1989-1990	9,354,397	8,132,036	87
1990-1991	10,635,228	9,151,387	86
1991-1992	11,012,699	9,859,250	90
1992-1993	12,832,084	11,574,648	90



**Maine Workers' Compensation System**  
**Annualized Indemnity Cost of Workers Out As Of 06/30/93**

Fiscal Year Of Injury	Total Projected Costs	Number of Employees	Average Cost
Pre FY 1984	1,905,838	145	13,144
1983-1984	282,316	24	11,763
1984-1985	376,197	28	13,436
1985-1986	387,789	31	12,509
1986-1987	247,935	19	13,049
1987-1988	432,298	32	13,509
1988-1989	349,593	29	12,055
1989-1990	406,880	39	10,433
1990-1991	353,527	35	10,101
1991-1992	531,162	38	13,978
1992-1993	740,213	60	12,337
<b>Totals</b>	<b>6,013,749</b>	<b>480</b>	<b>12,529</b>

**Maine Workers' Compensation System  
Total Authorized Expenditures Fiscal Year 1993**

Rank Department	Amount	Percent	Cumulative %
1 MH & MR	4,207,961.71	32.82	32.82
2 TRANSPORTATION	2,826,306.47	22.04	54.86
3 CORRECTIONS	1,223,320.26	9.54	64.40
4 HUMAN SERVICES	904,308.05	7.05	71.45
5 ADMINISTRATION & FINANCIAL SERVICES	595,739.83	4.65	76.10
6 PUBLIC SAFETY	545,056.78	4.25	80.35
7 CONSERVATION	451,411.76	3.52	83.87
8 MARINE RESOURCES	434,331.89	3.39	87.25
9 DEFENSE & VET. SERVICES	358,142.89	2.79	90.05
10 LABOR	249,984.23	1.95	92.00
11 JUDICIAL	206,195.27	1.61	93.60
12 EDUCATION	184,536.67	1.44	95.04
13 INLAND FISHERIES & WILDLIFE	175,484.43	1.37	96.41
14 LEGISLATURE	146,735.54	1.14	97.56
15 SECRETARY OF STATE	133,417.17	1.04	98.60
16 AGRICULTURE	94,018.87	0.73	99.33
17 WORKERS' COMP COMMISSION	24,293.78	0.19	99.52
18 ENVIRONMENTAL PROTECTION	17,266.53	0.13	99.65
19 ME STATE RETIREMENT SYS	13,173.16	0.10	99.76
20 CULTURAL SERVICES	7,796.57	0.06	99.82
21 PROFESSIONAL & FINANCIAL REG	7,725.73	0.06	99.88
22 PUBLIC UTILITIES COMMISSION	7,205.11	0.06	99.93
23 ATTORNEY GENERAL	4,294.56	0.03	99.97
24 EXECUTIVE	4,188.38	0.03	100.00
25 Unassigned	0.00	0.00	100.00
<b>Total, All Departments</b>	<b>12,822,895.64</b>		

Maine Workers' Compensation System  
Number Of Claims Filed Fiscal Year 1993

Rank Department	Claims	Percent	Cumulative %
1 MH & MR	482	32.31	32.31
2 TRANSPORTATION	310	20.78	53.08
3 HUMAN SERVICES	134	8.98	62.06
4 CORRECTIONS	114	7.64	69.71
5 PUBLIC SAFETY	84	5.63	75.34
6 ADMINISTRATION & FINANCIAL SERVICES	75	5.03	80.36
7 CONSERVATION	64	4.29	84.65
8 LABOR	42	2.82	87.47
9 INLAND FISHERIES & WILDLIFE	31	2.08	89.54
10 SECRETARY OF STATE	29	1.94	91.49
11 DEFENSE & VET. SERVICES	23	1.54	93.03
12 EDUCATION	16	1.07	94.10
13 JUDICIAL	14	0.94	95.04
14 ENVIRONMENTAL PROTECTION	13	0.87	95.91
15 AGRICULTURE	13	0.87	96.78
16 MARINE RESOURCES	13	0.87	97.65
17 PROFESSIONAL & FINANCIAL REG	7	0.47	98.12
18 WORKERS' COMP COMMISSION	6	0.40	98.53
19 Unassigned	5	0.34	98.86
20 CULTURAL SERVICES	4	0.27	99.13
21 ME STATE RETIREMENT SYS	4	0.27	99.40
22 LEGISLATURE	3	0.20	99.60
23 PUBLIC UTILITIES COMMISSION	2	0.13	99.73
24 EXECUTIVE	2	0.13	99.87
25 ATTORNEY GENERAL	2	0.13	100.00
<b>Total, All Departments</b>	<b>1,492</b>		

Maine Workers' Compensation System  
Employees Out On Total Disability At End Of Fiscal Year 1993

Rank Department	Employees	Percent	Cumulative %
1 MH & MR	129	39.33	39.33
2 TRANSPORTATION	74	22.56	61.89
3 CORRECTIONS	29	8.84	70.73
4 HUMAN SERVICES	22	6.71	77.44
5 ADMINISTRATION & FINANCIAL SERVICES	18	5.49	82.93
6 CONSERVATION	13	3.96	86.89
7 PUBLIC SAFETY	12	3.66	90.55
8 INLAND FISHERIES & WILDLIFE	6	1.83	92.38
9 EDUCATION	5	1.52	93.90
10 DEFENSE & VET. SERVICES	4	1.22	95.12
11 LABOR	4	1.22	96.34
12 JUDICIAL	4	1.22	97.56
13 SECRETARY OF STATE	3	0.91	98.48
14 AGRICULTURE	2	0.61	99.09
15 ENVIRONMENTAL PROTECTION	1	0.30	99.39
16 MARINE RESOURCES	1	0.30	99.70
17 EXECUTIVE	1	0.30	100.00
18 Unassigned	0	0.00	100.00
19 LEGISLATURE	0	0.00	100.00
20 CULTURAL SERVICES	0	0.00	100.00
21 PROFESSIONAL & FINANCIAL REG	0	0.00	100.00
22 PUBLIC UTILITIES COMMISSION	0	0.00	100.00
23 ATTORNEY GENERAL	0	0.00	100.00
24 ME STATE RETIREMENT SYS	0	0.00	100.00
25 WORKERS' COMP COMMISSION	0	0.00	100.00
<b>Total, All Departments</b>	<b>328</b>		

Maine Workers' Compensation System  
 Annual Expenses by Year of Injury  
 All Departments  
 Authorized Expenditures - Indemnity

Fiscal Year Of Payment	Year of Injury											Totals	
	<=1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93		
1982-83 Amount:	0	0	0	0	0	0	0	0	0	0	0	0	0
1983-84 Amount:	2,783,627	372,486	0	0	0	0	0	0	0	0	0	0	3,156,113
1984-85 Amount:	2,424,725	417,592	488,976	0	0	0	0	0	0	0	0	0	3,331,294
1985-86 Amount:	2,622,585	350,642	607,368	417,187	0	0	0	0	0	0	0	0	3,997,782
1986-87 Amount:	2,687,194	310,514	612,703	482,945	439,739	0	0	0	0	0	0	0	4,533,095
1987-88 Amount:	2,768,931	404,968	716,039	554,020	570,034	538,572	0	0	0	0	0	0	5,552,564
1988-89 Amount:	2,758,323	303,553	748,506	524,395	408,742	587,435	565,865	0	0	0	0	0	5,896,819
1989-90 Amount:	2,766,807	297,370	691,127	633,790	394,538	543,983	693,855	561,918	0	0	0	0	6,583,388
1990-91 Amount:	2,824,296	271,496	713,898	570,422	402,268	563,055	540,905	876,688	708,122	0	0	0	7,471,150
1991-92 Amount:	2,638,039	253,019	533,859	443,569	319,260	531,885	560,368	653,100	800,373	525,866	0	0	7,259,337
1992-93 Amount:	2,683,383	351,575	491,687	465,385	309,493	546,735	568,678	708,529	738,106	793,567	550,448	0	8,207,586
Totals	26,957,909	3,333,215	5,604,164	4,091,713	2,844,074	3,311,664	2,929,671	2,800,235	2,246,601	1,319,432	550,448	0	55,989,127

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Maine Workers' Compensation System  
 Annual Expenses by Year of Injury  
 All Departments  
 Authorized Expenditures - Medical

Fiscal Year Of Payment	Year of Injury											Totals	
	<=1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-03		
1982-83 Amount	0	0	0	0	0	0	0	0	0	0	0	0	0
1983-84 Amount	697,996	271,339	0	0	0	0	0	0	0	0	0	0	969,335
1984-85 Amount	411,716	178,088	391,666	0	0	0	0	0	0	0	0	0	981,469
1985-86 Amount	398,550	77,509	512,786	336,728	0	0	0	0	0	0	0	0	1,325,572
1986-87 Amount	358,135	78,912	204,330	407,382	409,644	0	0	0	0	0	0	0	1,458,404
1987-88 Amount	429,452	72,580	127,438	190,129	395,310	504,248	0	0	0	0	0	0	1,719,157
1988-89 Amount	321,462	43,561	127,989	170,047	199,742	502,829	554,642	0	0	0	0	0	1,920,270
1989-90 Amount	312,854	41,775	109,124	123,800	109,382	256,975	607,232	619,886	0	0	0	0	2,181,028
1990-91 Amount	268,006	32,967	76,402	102,618	116,606	275,376	200,651	729,102	731,416	0	0	0	2,533,144
1991-92 Amount	313,780	26,773	110,243	76,280	74,414	199,821	185,187	388,784	1,162,326	580,138	0	0	3,117,746
1992-93 Amount	335,710	52,524	58,068	65,006	123,589	163,860	132,920	367,072	451,055	1,323,967	659,043	0	3,732,813
Totals	3,847,660	876,027	1,718,045	1,471,990	1,428,687	1,903,109	1,680,632	2,104,843	2,344,797	1,904,105	659,043	0	19,938,939

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Maine Workers' Compensation System  
 Annual Expenses by Year of Injury  
 All Departments  
 Authorized Expenditures - Expense

Fiscal Year Of Payment	Year of Injury											Totals	
	<=1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93		
1982-83 Amount:	0	0	0	0	0	0	0	0	0	0	0	0	0
1983-84 Amount:	110,570	7,727	0	0	0	0	0	0	0	0	0	0	118,296
1984-85 Amount:	112,668	16,355	4,253	0	0	0	0	0	0	0	0	0	133,276
1985-86 Amount:	114,571	16,756	57,944	1,040	0	0	0	0	0	0	0	0	190,311
1986-87 Amount:	147,881	22,822	46,557	19,646	0	0	0	0	0	0	0	0	236,906
1987-88 Amount:	135,807	46,306	71,135	29,286	13,139	3,836	0	0	0	0	0	0	299,509
1988-89 Amount:	113,544	19,311	93,195	22,139	17,526	19,571	0	0	0	0	0	0	285,287
1989-90 Amount:	60,398	12,349	25,650	29,842	29,891	14,152	25,214	2,383	0	0	0	0	199,879
1990-91 Amount:	64,197	5,707	45,775	24,931	26,082	24,773	37,440	7,949	7,500	0	0	0	244,354
1991-92 Amount:	34,120	6,167	9,030	14,177	11,930	10,139	21,651	25,161	8,771	18	0	0	141,164
1992-93 Amount:	37,792	9,074	9,139	3,352	7,748	14,616	19,652	40,765	21,840	19,716	635	635	184,329
Totals	931,546	162,573	362,678	144,415	106,316	87,087	103,956	76,257	38,112	19,734	635	635	2,033,309

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Maine Workers' Compensation System  
Annual Expenses by Year of Injury  
All Departments  
Authorized Expenditures - Other

Fiscal Year Of Payment	Year of Injury											Totals	
	<=1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93		
1982-83 Amount	0	0	0	0	0	0	0	0	0	0	0	0	0
1983-84 Amount	94,309	5,488	0	0	0	0	0	0	0	0	0	0	99,796
1984-85 Amount	108,130	14,170	12,140	0	0	0	0	0	0	0	0	0	134,439
1985-86 Amount	79,403	17,355	51,757	12,106	0	0	0	0	0	0	0	0	160,620
1986-87 Amount	105,492	26,397	56,113	63,888	14,937	0	0	0	0	0	0	0	266,828
1987-88 Amount	131,406	45,296	67,208	69,900	65,350	22,023	0	0	0	0	0	0	401,183
1988-89 Amount	122,376	25,874	26,959	46,436	41,596	81,699	33,960	0	0	0	0	0	378,901
1989-90 Amount	73,683	11,821	34,760	34,251	29,301	66,984	101,127	38,175	0	0	0	0	390,102
1990-91 Amount	44,122	8,140	36,544	21,864	19,522	47,872	62,497	109,217	36,802	0	0	0	386,580
1991-92 Amount	60,815	4,483	17,330	20,075	14,476	49,752	43,759	87,327	148,793	47,428	0	0	494,238
1992-93 Amount	87,403	10,517	26,684	44,822	30,081	47,863	77,598	71,794	132,576	130,709	47,311	0	707,356
Totals	907,138	169,540	329,495	313,343	215,264	316,193	318,941	306,512	318,171	178,136	47,311	0	3,420,045

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Maine Workers' Compensation System  
 Annual Expenses by Year of Injury  
 All Departments  
 Authorized Expenditures - Totals

Fiscal Year Of Payment	Year of Injury											Totals	
	<=1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93		
1982-83 Amount	0	0	0	0	0	0	0	0	0	0	0	0	0
1983-84 Amount	3,686,501	657,039	0	0	0	0	0	0	0	0	0	0	4,343,540
1984-85 Amount	3,057,237	626,204	897,036	0	0	0	0	0	0	0	0	0	4,580,478
1985-86 Amount	3,215,109	462,261	1,229,855	767,062	0	0	0	0	0	0	0	0	5,674,286
1986-87 Amount	3,298,701	438,646	919,703	973,861	864,320	0	0	0	0	0	0	0	6,495,232
1987-88 Amount	3,465,596	569,149	981,820	843,335	1,043,834	1,068,678	0	0	0	0	0	0	7,972,413
1988-89 Amount	3,315,705	392,299	996,649	763,017	667,607	1,191,534	1,154,467	0	0	0	0	0	8,481,277
1989-90 Amount	3,213,743	363,314	860,662	821,684	563,112	882,093	1,427,428	1,222,361	0	0	0	0	9,354,397
1990-91 Amount	3,200,621	318,310	872,619	719,835	564,477	911,076	841,493	1,722,955	1,483,841	0	0	0	10,635,228
1991-92 Amount	3,046,753	290,442	670,463	554,101	420,080	791,597	810,964	1,154,372	2,120,264	1,153,449	0	0	11,012,485
1992-93 Amount	3,144,287	423,690	585,578	578,566	470,911	773,074	798,847	1,188,160	1,343,577	2,267,958	1,257,436	0	12,832,084
<b>Totals</b>	<b>32,644,253</b>	<b>4,541,355</b>	<b>8,014,383</b>	<b>6,021,461</b>	<b>4,594,342</b>	<b>5,618,053</b>	<b>5,033,199</b>	<b>5,287,847</b>	<b>4,947,681</b>	<b>3,421,408</b>	<b>1,257,436</b>	<b>0</b>	<b>81,381,419</b>

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**WORKERS' COMPENSATION SYSTEM**  
Present Value Listing

**Fiscal Year Totals**

Fiscal Year	Claims	Annual Comp	Total Comp	Present Value	Average
Fiscal Year 1967	5	15,555	121,320	87,964	17,592.79
Fiscal Year 1969	1	3,590	46,671	29,172	29,172.42
Fiscal Year 1970	3	11,033	141,900	85,027	28,342.35
Fiscal Year 1971	3	11,376	87,212	63,579	21,192.93
Fiscal Year 1972	4	15,117	233,031	123,861	30,965.24
Fiscal Year 1973	5	51,859	914,610	528,468	105,693.57
Fiscal Year 1974	4	54,041	774,638	487,167	121,791.79
Fiscal Year 1975	9	138,050	2,706,279	1,497,424	166,380.39
Fiscal Year 1976	16	229,381	7,550,150	3,076,150	192,259.40
Fiscal Year 1977	11	175,379	4,528,785	2,195,558	199,596.19
Fiscal Year 1978	18	252,797	6,112,428	3,045,748	169,208.21
Fiscal Year 1979	17	250,284	10,700,802	3,803,501	223,735.36
Fiscal Year 1980	16	245,333	7,999,881	3,281,593	205,099.58
Fiscal Year 1981	17	249,603	13,071,086	4,093,189	240,775.82
Fiscal Year 1982	13	175,735	8,800,602	2,824,543	217,272.52
Fiscal Year 1983	27	404,739	20,355,089	6,810,785	252,251.29
Fiscal Year 1984	23	271,230	11,031,957	4,092,526	177,935.92
Fiscal Year 1985	30	419,695	23,001,166	7,332,455	244,415.15
Fiscal Year 1986	29	351,060	21,048,800	6,440,490	222,085.87
Fiscal Year 1987	20	247,984	17,098,366	4,864,712	243,235.59
Fiscal Year 1988	29	386,700	30,351,819	7,750,120	267,245.51
Fiscal Year 1989	30	380,051	27,459,771	7,391,917	246,397.24
Fiscal Year 1990	35	368,856	34,882,121	7,856,899	224,482.83
Fiscal Year 1991	29	306,771	32,759,482	6,817,101	235,072.46
Fiscal Year 1992	23	347,217	38,597,439	7,884,564	342,807.14
Fiscal Year 1993	24	286,516	18,558,002	4,855,355	202,306.45
Fiscal Year 1994	22	315,941	11,477,829	3,815,073	173,412.41
<b>Grand Total</b>	<b>463</b>	<b>5,965,894</b>	<b>350,411,235</b>	<b>101,134,941</b>	<b>218,434.00</b>

Calculations simplified by the assumption that single annual payments are made. Compensation increased 5% annually for injuries prior to 1993. Investments assumed to grow 7.5% annually.

**WORKERS' COMPENSATION SYSTEM**  
**Present Value Listing**  
**Totals For Employess With a Date of Injury Since 07/01/89**

Department Totals	Annual Comp	Total Comp	Present Value
Department			
CORRECTIONS	87,426	7,397,345	1,668,134
CONSERVATION	26,954	1,649,398	483,722
ADMINISTRATION & FINANCIAL SERVICES	193,092	12,115,667	3,238,366
INLAND FISHERIES & WILDLIFE	26,511	1,876,423	491,658
HUMAN SERVICES	186,405	13,943,755	3,590,301
LABOR	49,032	3,157,183	844,483
MARINE RESOURCES	17,888	638,946	278,985
MH & MR	673,887	63,638,704	13,710,692
DEFENSE & VET. SERVICES	3,656	162,805	57,737
PUBLIC SAFETY	80,653	6,485,592	1,619,969
TRANSPORTATION	201,194	17,302,567	3,769,825
JUDICIAL	40,670	4,760,511	891,134
SECRETARY OF STATE	16,105	591,361	248,633
PUBLIC UTILITIES COMMISSION	13,484	647,238	174,202
<b>Grand Total</b>	<b>1,616,957</b>	<b>134,367,494</b>	<b>31,067,841</b>

Calculations simplified by the assumption that single annual payments are made. Compensation increased 5% annually for injuries prior to 1993. Investments assumed to grow 7.5% annually.

**FINDINGS  
AND  
RECOMMENDATIONS**



**OPEN MARKET/  
CONTRACT RELEASE  
PROCESS ACTION TEAM  
(PAT)**

**1994**

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## INTRODUCTION

In mid August of 1993, the Maine Management Council chartered a pilot Process Action Team to accomplish two goals. The first and most important was to evaluate and make recommendations to improve the current process for small, delegated purchases (Open Market Purchase Order Process or OMPO) by individual agencies. The second outcome expected from that group was to operate within and experience the training and process designed by the Council to further the goals of Total Quality Management in Maine State Government.

The tasks were complex and time consuming. There was no clear example or road map to follow, other than our training and the encouragement of nearly everyone for the team to succeed.

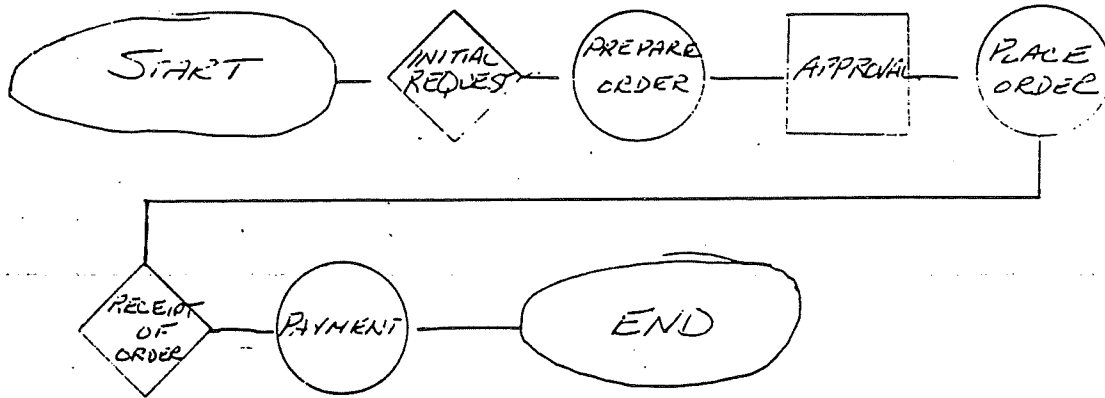
We believe this report and its recommendations represent the best efforts of your Process Action Team. We collectively believe we have made significant findings and have tested the methodology established by the Council, proving it is sound.

Respectfully Submitted,

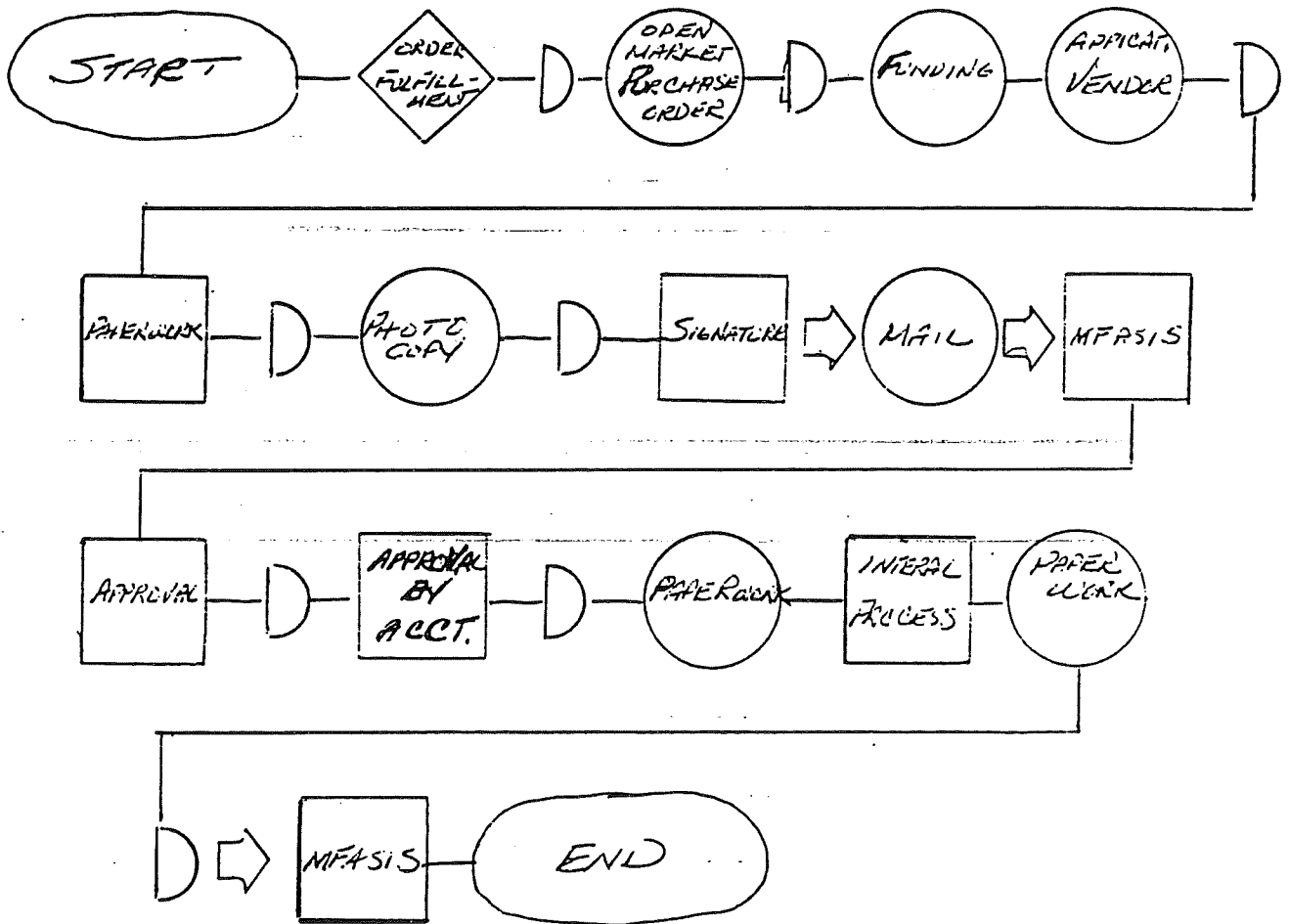
OMPO Process Action Team Members

Nat Berry  
Jay Carlson  
Ted Collins  
Phil Henry  
Brenda Kaler  
Larry Larson  
Kathy Latulippe  
Karen Michaud  
Richard Thompson

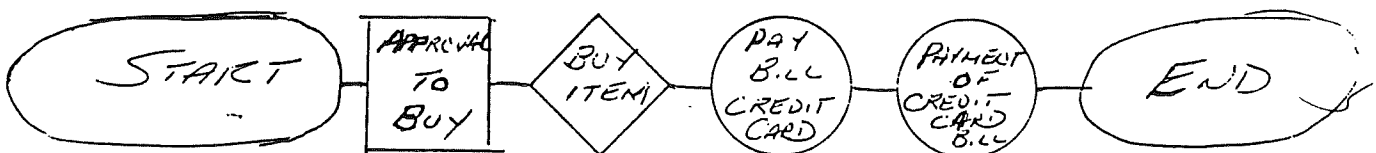
WHERE WE THOUGHT WE WERE (THE MYTH):



WHERE WE REALLY ARE (GROUND TRUTH):

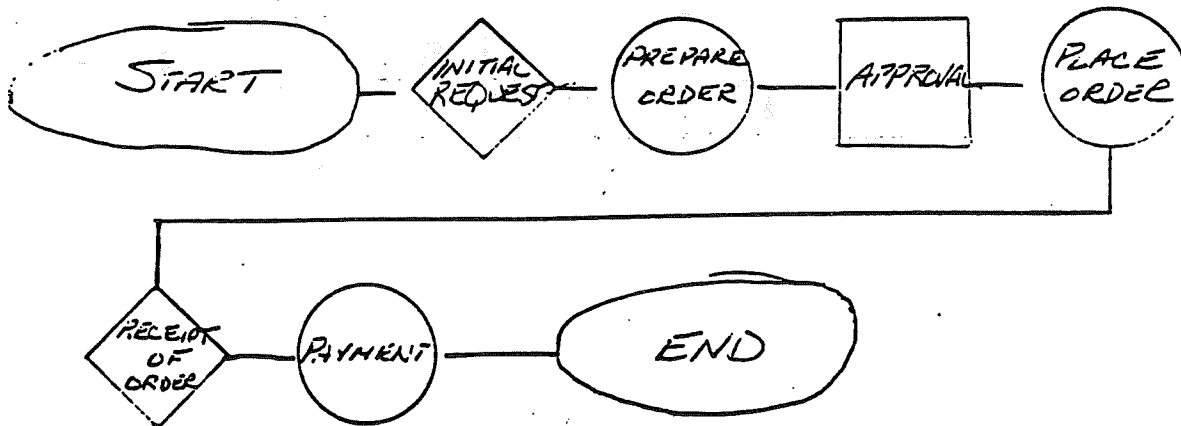


WHERE WE ARE GOING (TQM RESULT):



## PAT METHODOLOGY SUMMARY

The OMPO Process Action Team began its work on August 25, 1993 after completing four days of intensive training. The first significant task, begun during training, was the construction of a simple flow chart to document the collective understanding of the existing process (Chart 1). The resulting chart was used as the baseline to be sure all areas were reviewed.



**CHART 1**  
**ORIGINAL FLOW CHART IN CONWAY FORMAT**

From this chart, the PAT members surveyed their own agencies to better understand the purchasing process and increase individual experience. A brainstorming session created a fishbone or cause and effect diagram (Chart 2) which listed the possible steps that an agency might take to process a single order. A survey form and procedure was developed and issued in early November, to capture the facts about the OMPO process as it is really used in state government. The survey approach was to reach to the persons requiring a good or service and tracking the steps required from that point through agency approval on MFASIS.

Over one thousand surveys were distributed to users in all agencies of government. Two hundred and fifty-two (252) responses were received, two hundred and seven (207) of which were complete and eligible for scoring. Chart 3 represents the breakdown of agencies, by MFASIS code, which responded to the survey.

The information retrieved from each qualifying survey was coded and loaded into a simple database for easy tabulation and retrieval. This data was applied to the tools offered at PAT training and clearly demonstrate where time and cost savings can be achieved. An orderly and functional system led the PAT directly to the areas of delay, creating factual documentation to back up this report.

As recommendations began to become evident, the PAT sought out new stake holders to insure that changes proposed were acceptable, were appropriate with proper accounting/business procedures and to prevent overlooking a fatal flaw. Meetings were held with the



PEOPLE

NEED

- Research
- Vendor Request Delay
- Internal Requisition
- Approval
- Availability
- Signature

THE PURCHASE

- Open Market Purchase Order
- Verbal
- Typed
- Confirmed
- Approval
- Availability
- Signature
- Delivery of Order
  - Phone Order (includes Fax)
  - Manual Order Delivery
  - Mail

MATERIALS

PRODUCT

- Back Order
- Returns
- Damage

P.O. ACQUISITION

- CASH
- Allotment
- Fed. Draw

NEED

PROCESSING TIME OF OPEN MARKET PURCHASE ORDERS

FUNDING

- Cash
- Allotment
- Fed. Draw.

VENDOR APPS.

MECHANICAL DELAY

- Mail
- Typing
- Fax
- Delivery of P.O.
- Photo Copy

MACHINES

MOBY "DICK"

PROCEDURES

APPROVAL BY ACCT.

- Cash
- Allotment
- Fed. Draw.

- Type
- Internal Req.
- Approvals

NEED

- Comm. Super. Avail.
- Review
- P.O. Release
- Form Auth.

SIGNATURE

Multiple App.

APPROVALS

- Cash
- Allotment
- Fed. Draw.

JUSTIFICATION

- Budget/Fin. Order
- Executive Order
- Sole Source

VENDOR

- Application
- Prod. Availability
- Quotes
- Specifications
- Time Delay
- Invoice
- Product

INTERNAL PROCESS

- Mail
- Exam Distribution
- Paperwork
- Recording P.O.
- Put P.O. Documents (index)
- Prioritized/Hold Documents
- Manual Info Transfer

PAYMENT

- Invoice
- Receipt from Vendor
- Error - Omission
- Regional Forwarding
- Human Error
- Availability

ORDER FULFILLMENT

- Insufficient Information
- Product Availability
- Delivery of Product
- Pick up from Vendor
- Exam Distribution
- Inspection
- Receiving Reports
- Signatures
- Partial Delivery

following groups or individuals:

Deputy State Controller  
Loring Short and Harmon  
State Audit Department Representative  
Hussey Hardware Company  
Division of Purchases Staff

These meetings were successful, educating stakeholders to new and positive proposed methods, while providing feedback that is reflected in the final decisions reached by the PAT.

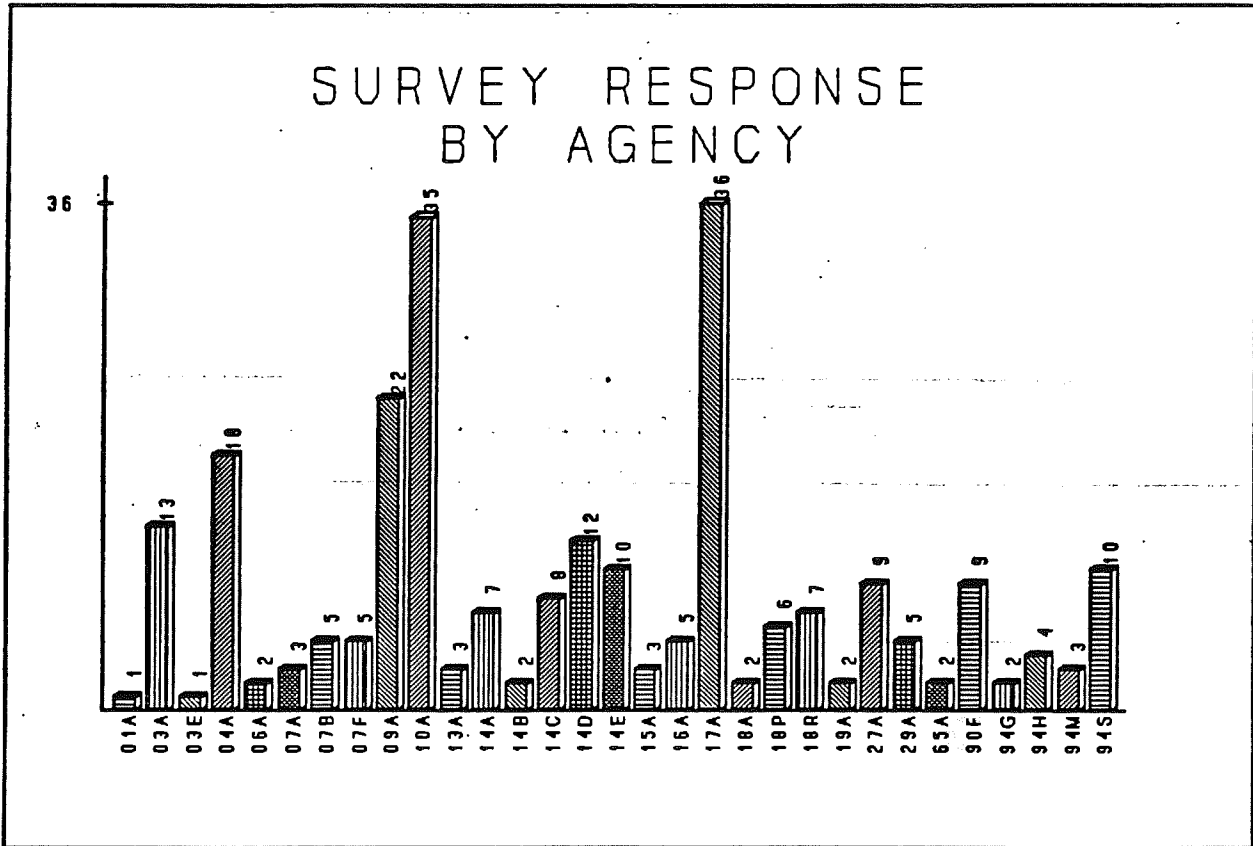
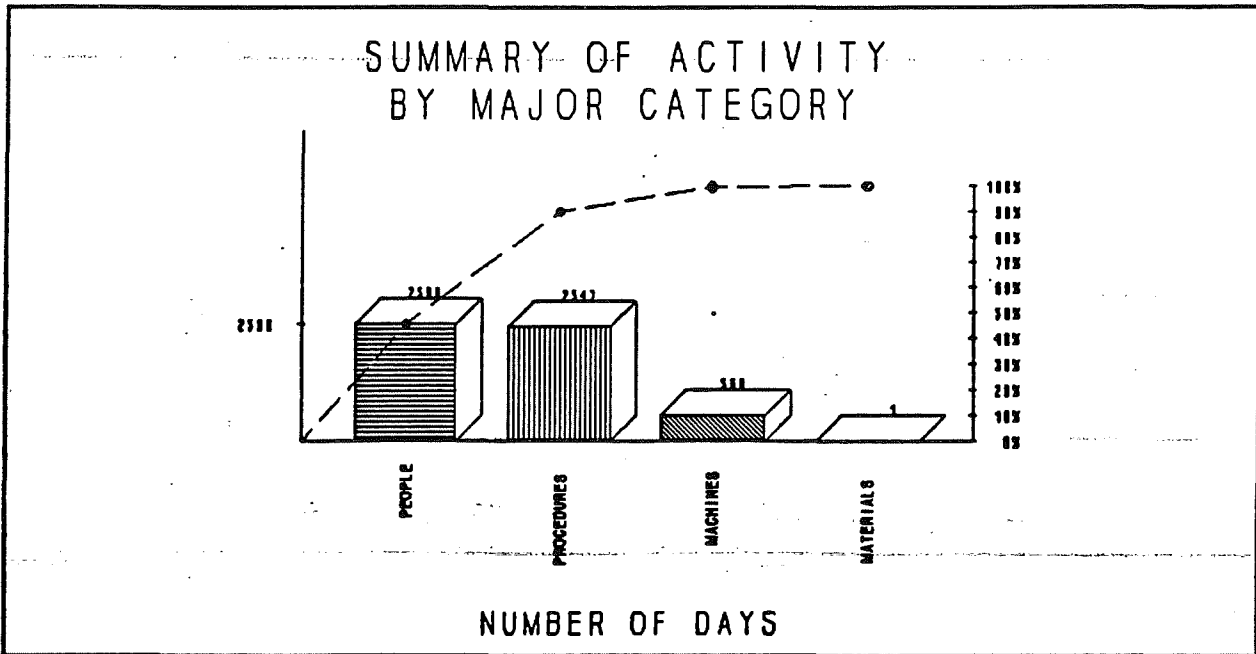


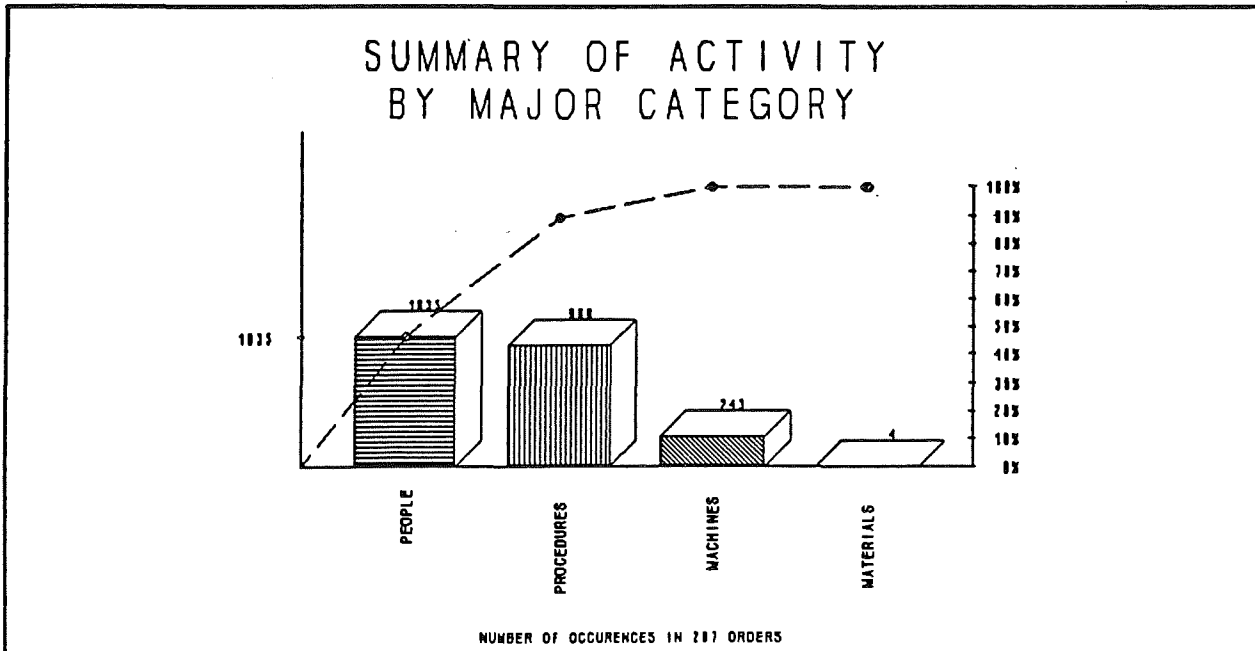
CHART 3 - BAR GRAPH OF RESPONSES TO SURVEY BY AGENCY



Survey responses were coded by PAT members and data compiled. Pareto Charts, using major categories of PEOPLE, PROCEDURES, MACHINES AND MATERIALS, were developed to focus PAT attention to appropriate areas of delay and frequent/repetitive occurrence. Charts 4 and 5 clearly identify Procedures and People classifications of tasks or steps as those that are the most time consuming and which occur most often.

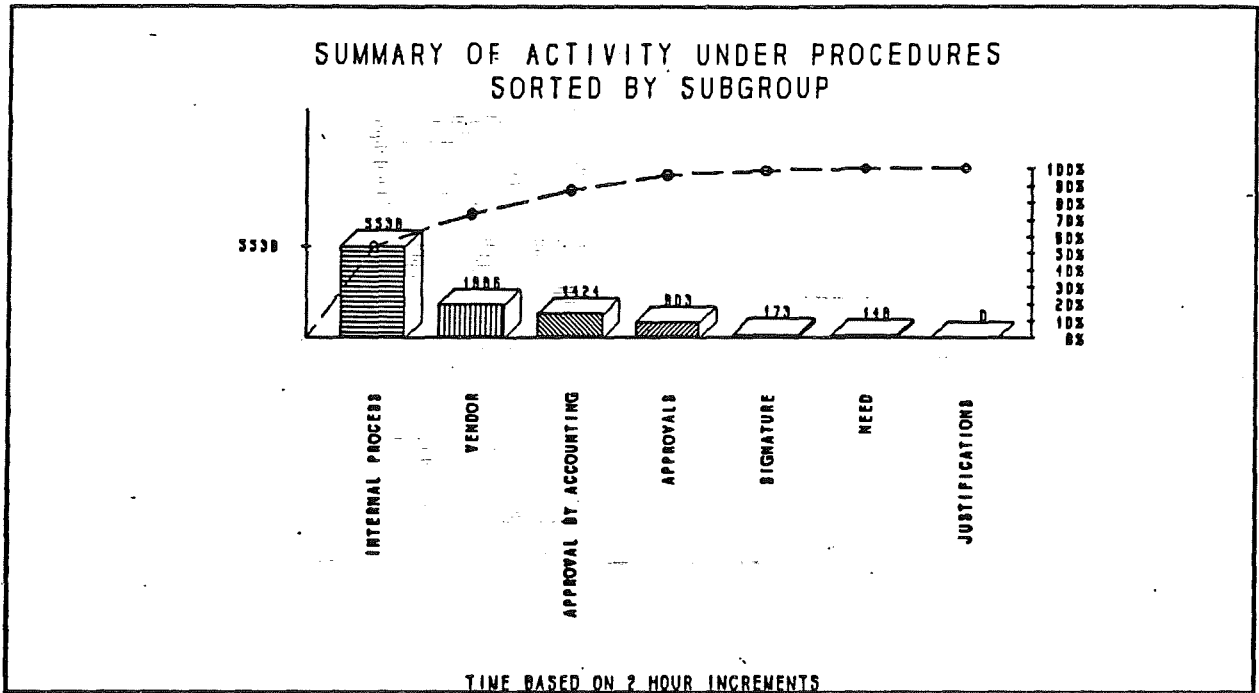


**CHART 4 - PARETO OF MAJOR CATEGORIES BASED ON TIME**



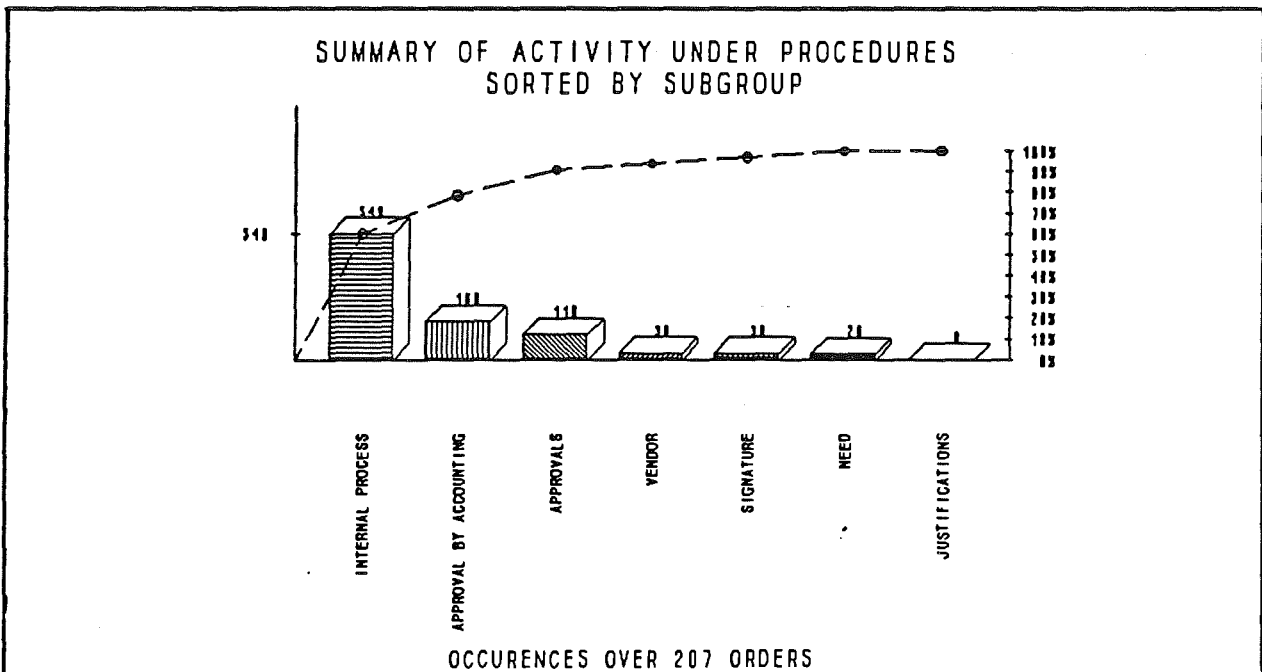
**CHART 5 - PARETO OF MAJOR CATEGORIES BY OCCURENCES**

To further focus attention to those steps, Pareto charts were created which break down Procedures and People into major subgroups or functions.

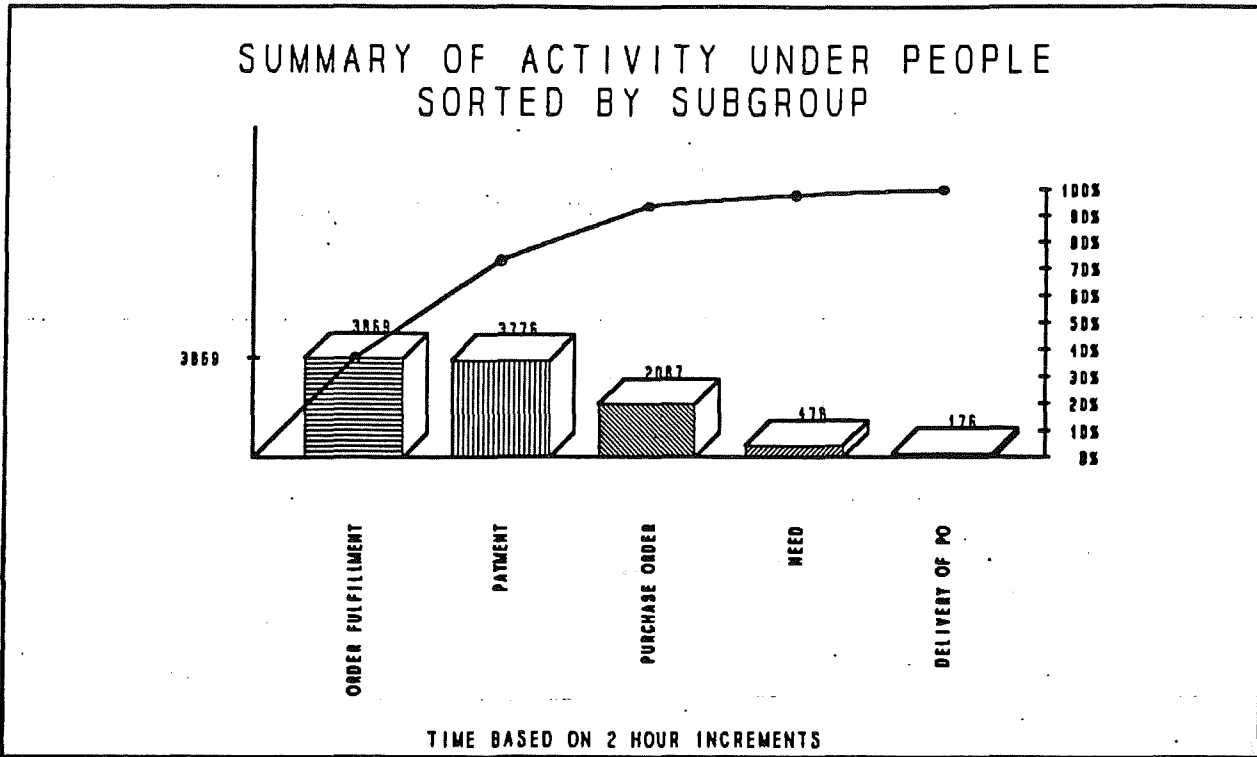


**CHART 6 - PARETO OF SUBGROUPS UNDER PROCEDURES**

Charts 6 and 7 validate the PAT's conclusions under the major category of Procedures: internal process, vendor issues and approval by accounting have significant affect on the process.

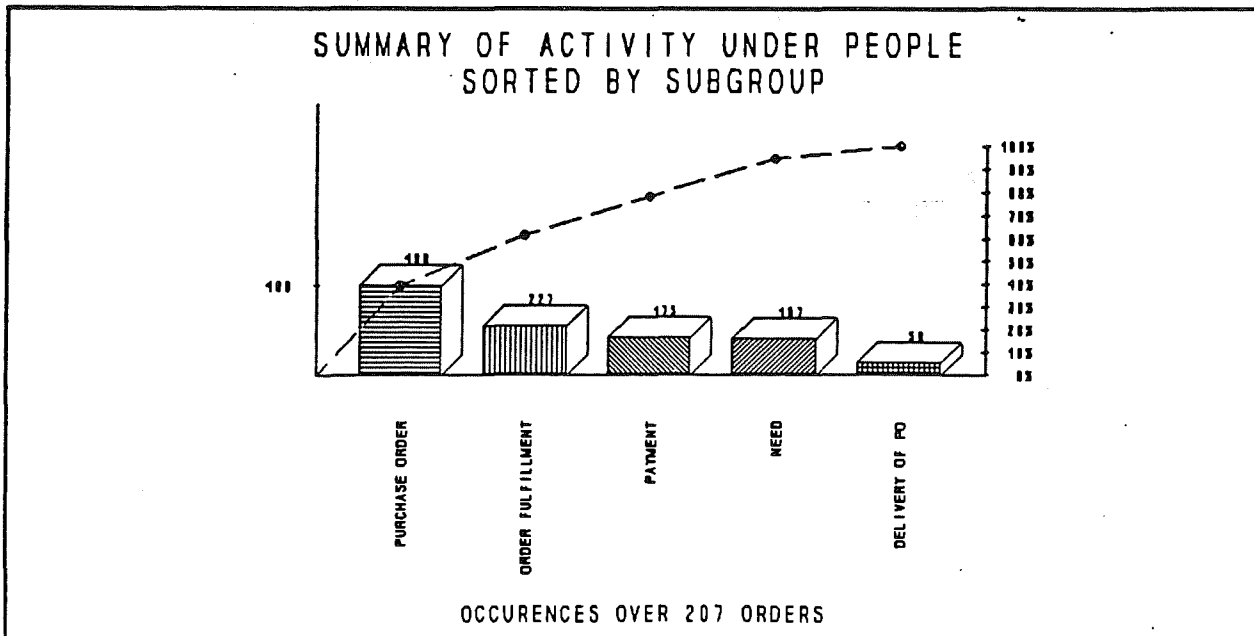


**CHART 7 - PARETO OF SUBGROUPS UNDER PROCEDURES - OCCURRENCES**



**CHART 8 - PARETO OF SUBGROUPS UNDER PEOPLE - TIME**

This same approach, applied to the People category (Charts 8 and 9), demonstrated that the purchase order, order fulfillment and payment also had major affects on the process.



**CHART 9 - PARETO OF SUBGROUPS UNDER PEOPLE - OCCURRENCES**

The Team used this same method a third time to breakdown and further categorize the individual steps that most affected the process. To create a clear road map to concentrate team efforts, Charts 10 through 17 were developed for those areas with greatest delay and occurrences. Under PROCEDURES, internal process was charted. The individual steps related to vendors were considered external to the current system and are generally not affected by the OMPO process. The following issues surfaced:

#### PROCEDURES

Prioritize/Holding - This step was generally to hold for available cash or allotment.

Mail - This step represents the time delay to transfer documents from regional offices and between agency divisions when a manual information transfer (hand carry or other method) is not used.

Paperwork - This step covers those miscellaneous tasks completed by agencies to manage and organize the regular procurement made by staff. Examples include extra copies, data recording, extra filing, etc.

Under PEOPLE, order fulfillment, payment and the purchase were charted. The following issues surfaced:

#### PEOPLE

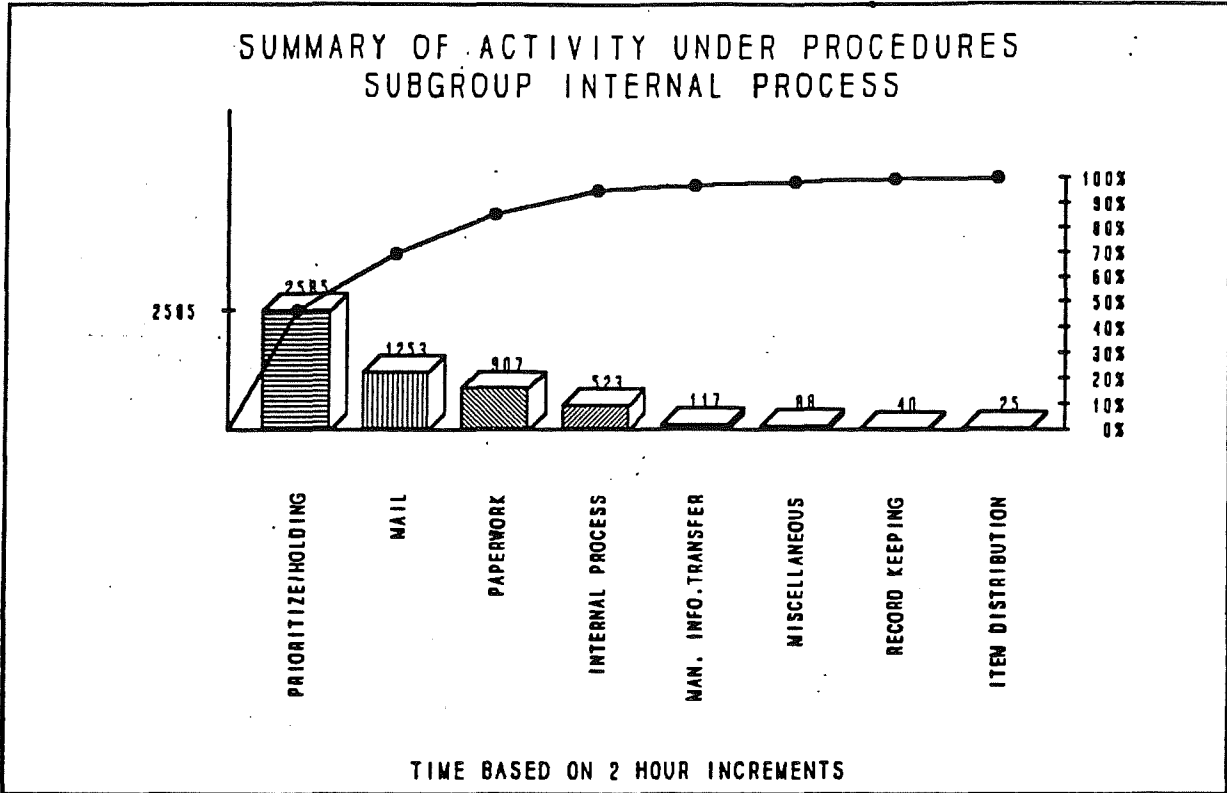
Receipt from Vendor - This step represents the delay in delivery of accurate and correct vendor invoices. This is considered an external impact on the process and one that will not be affected by recommendations at this time. Supplier training could improve this area.

Regional Forwarding - This step represents time lost by forwarding various forms and transactions from regional locations to central offices.

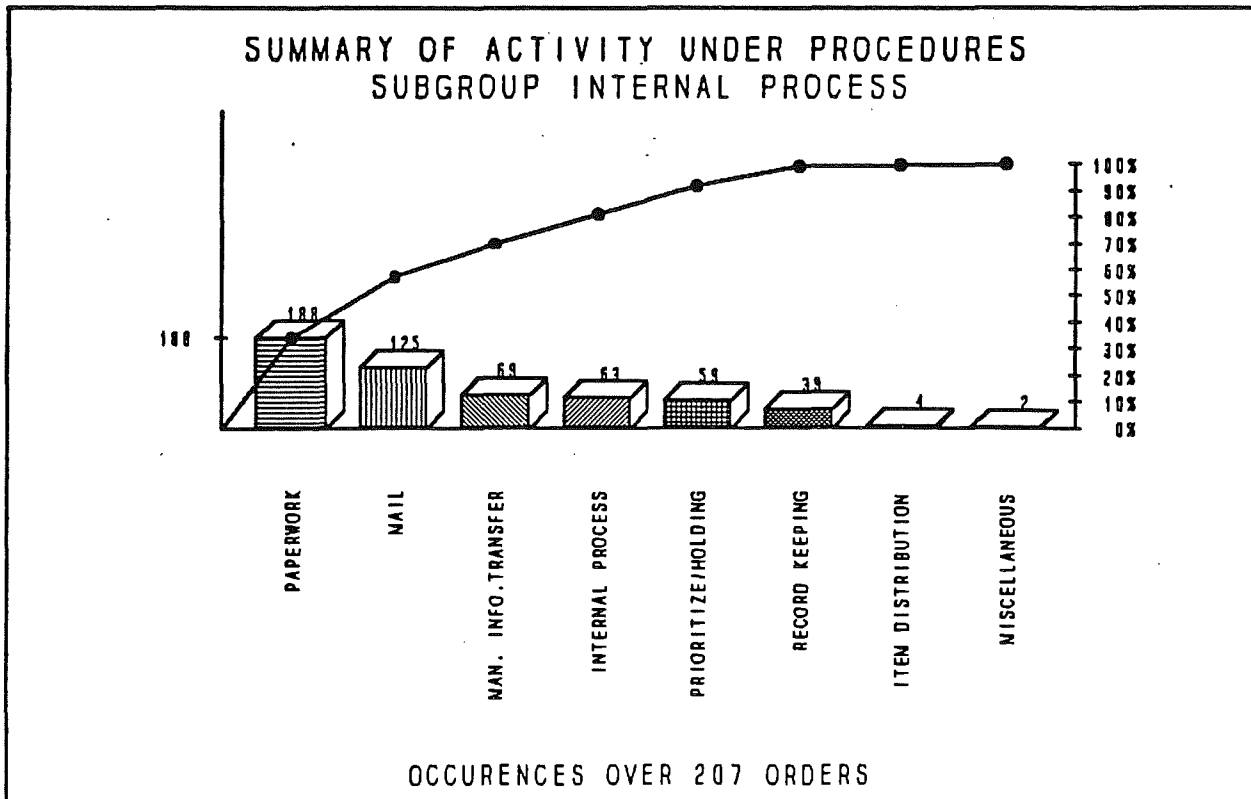
Typed - This step is the time and delay caused directly by creating an open market purchase order form.

Signatures - This step represents the delay associated only with the signature approval of the open market purchase order.

OMPO - This step represents unqualified actions related to the open market purchase order such as handwritten creation.

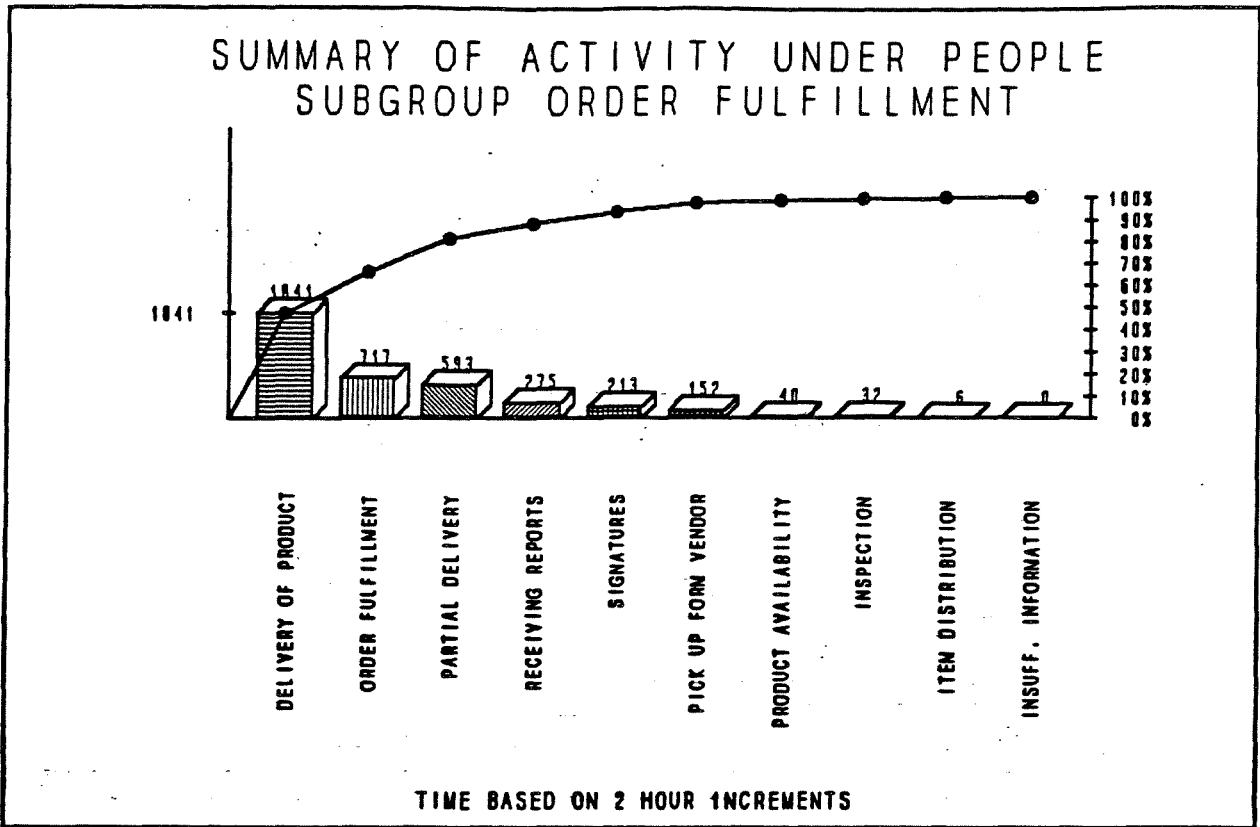


**CHART 10 - PARETO OF INTERNAL PROCESS - TIME**

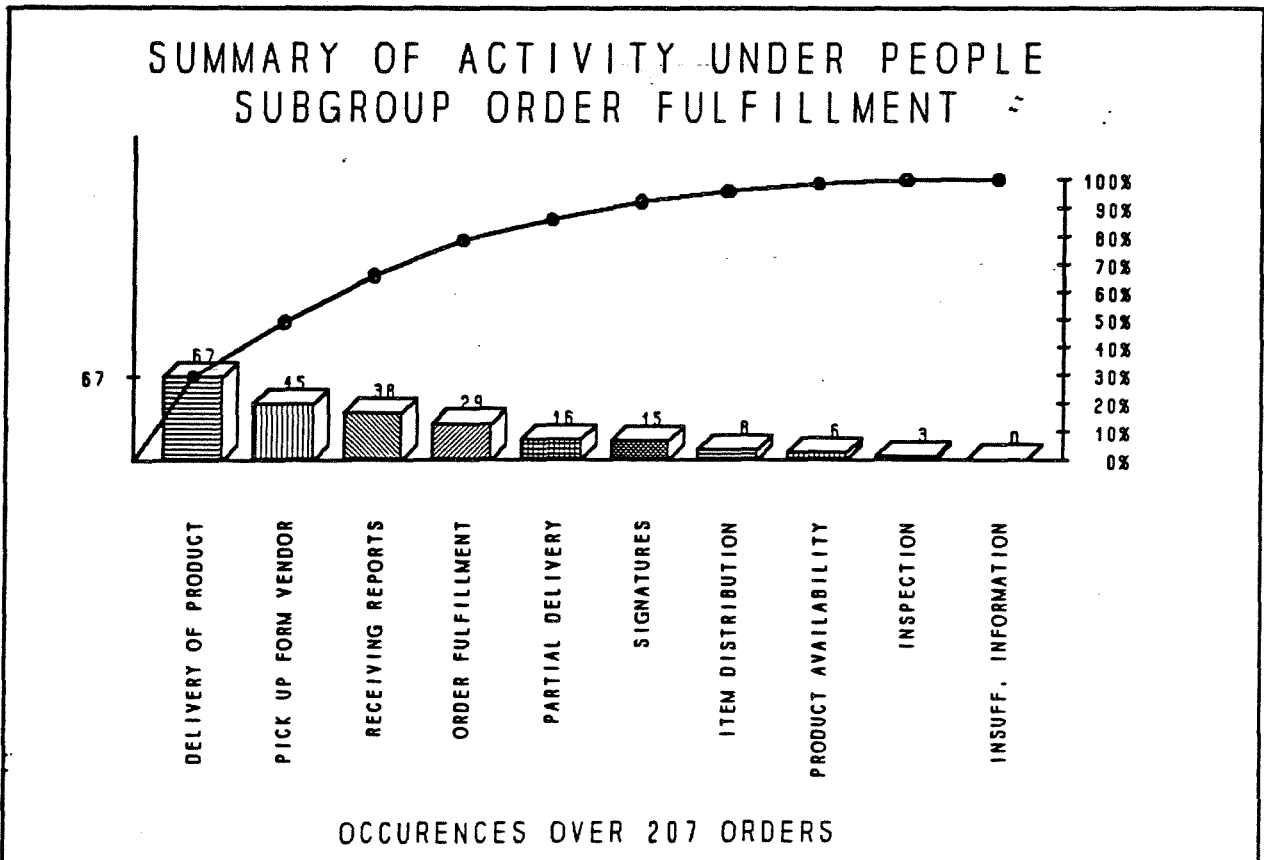


**CHART 11 - PARETO OF INTERNAL PROCESS - OCCURRENCES**



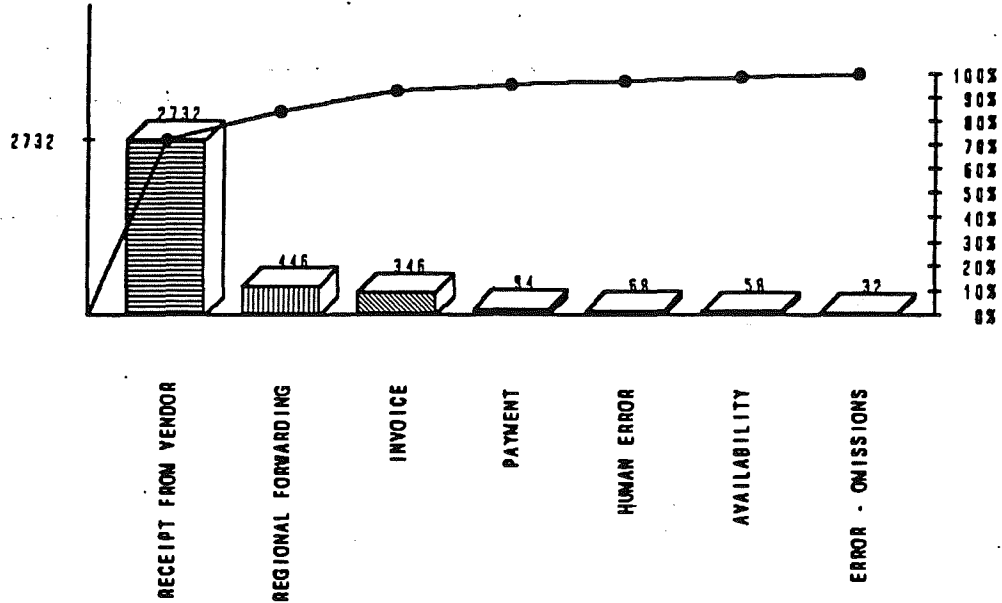


**CHART 12 - PARETO OF ORDER FULFILLMENT - TIME**



**CHART 13 - PARETO OF ORDER FULFILLMENT - OCCURRENCES**

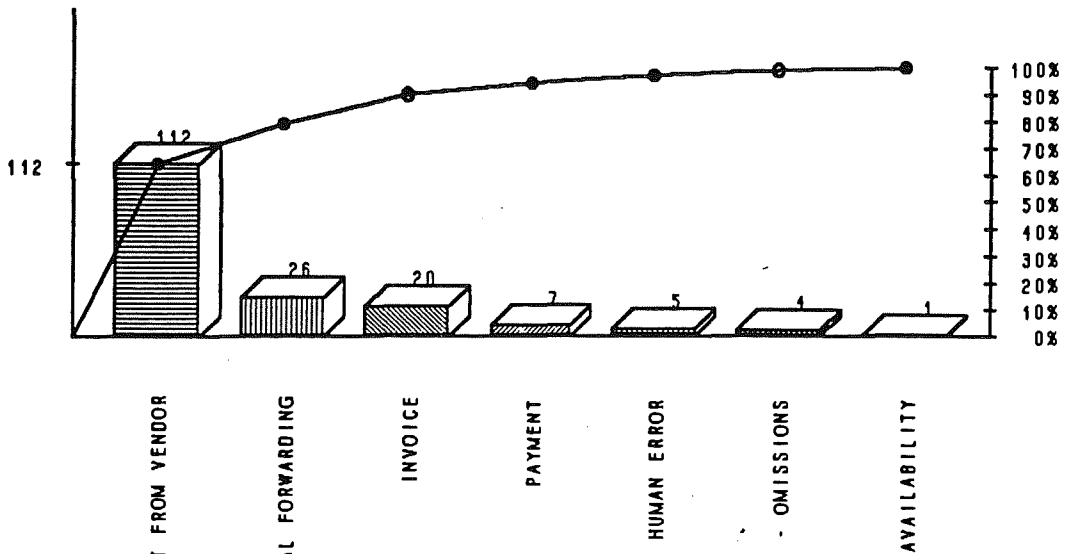
### SUMMARY OF ACTIVITY UNDER PEOPLE SUBGROUP PAYMENT



TIME BASED ON 2 HOUR INCREMENTS

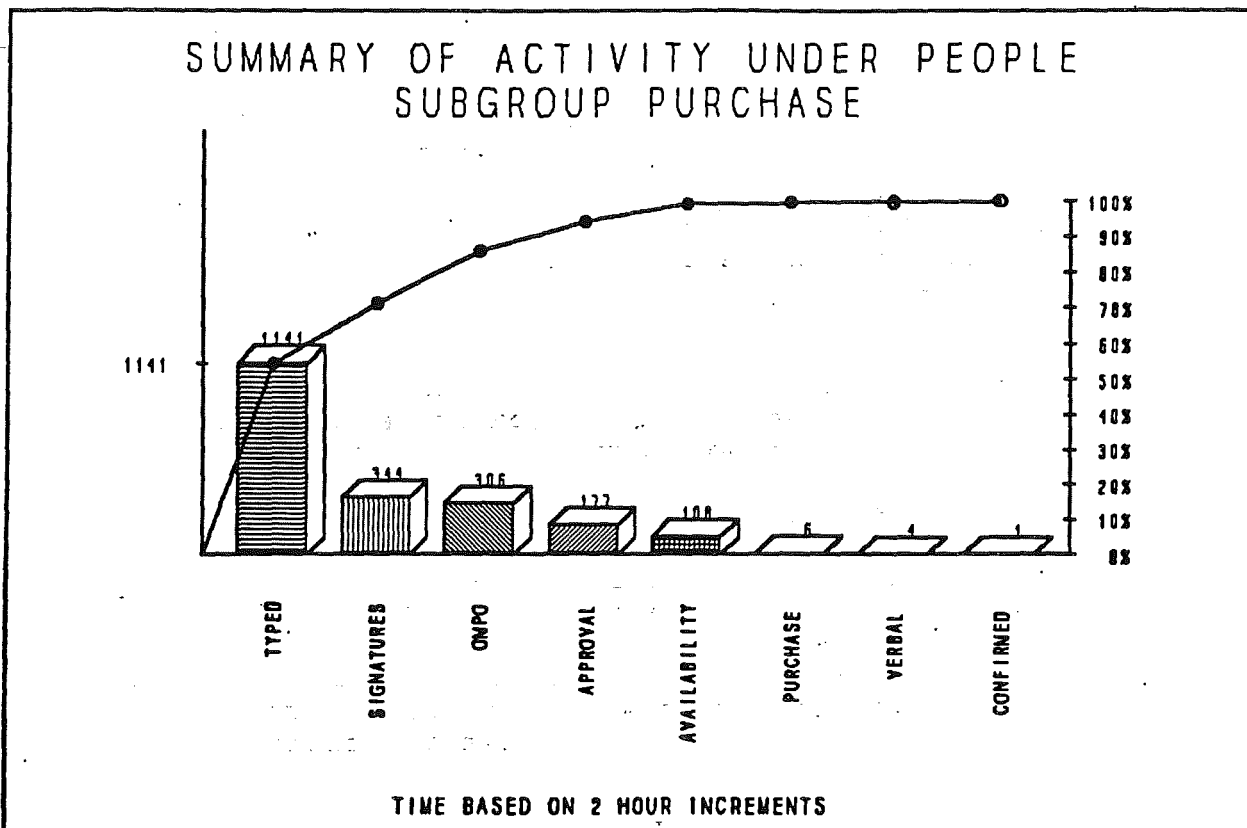
CHART 14 - PARETO OF PAYMENT - TIME

### SUMMARY OF ACTIVITY UNDER PEOPLE SUBGROUP PAYMENT

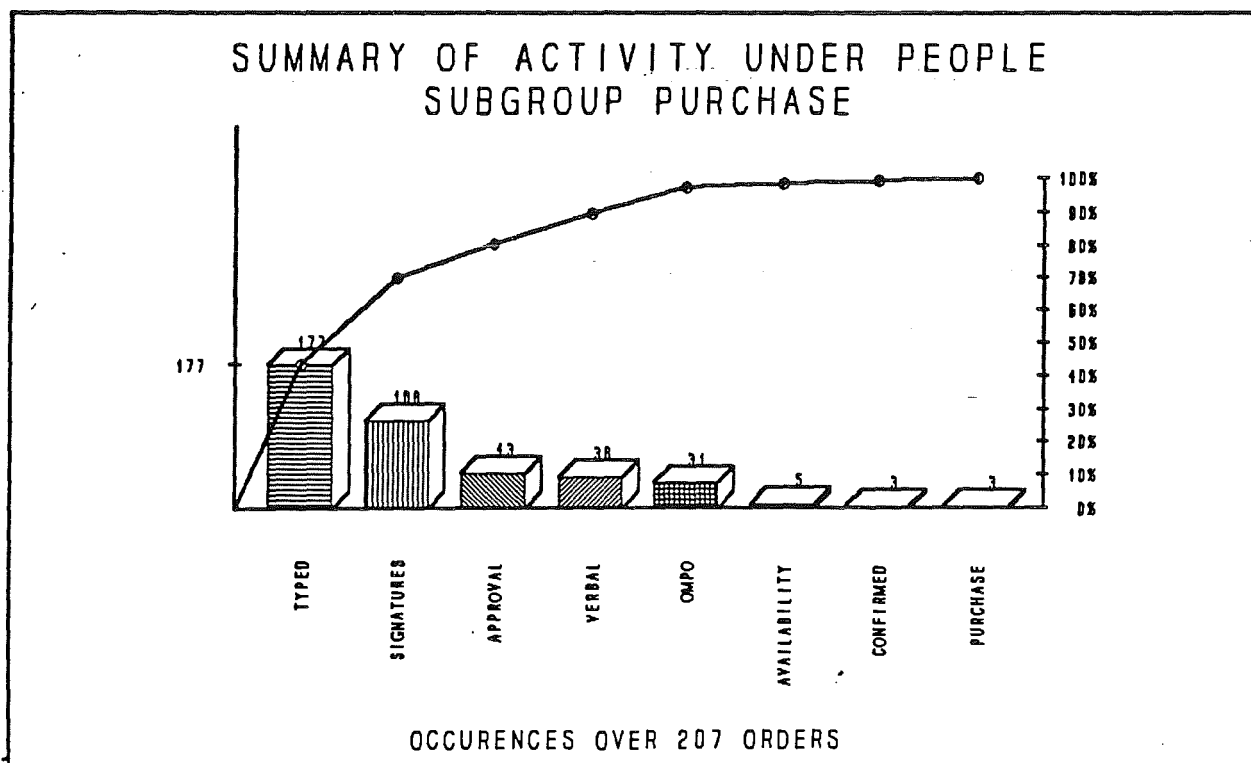


OCCURENCES OVER 207 ORDERS

CHART 15 - PARETO OF PAYMENT - OCCURENCES



**CHART 16 - PARETO OF "THE PURCHASE" ORDER - TIME**



**CHART 17 - PARETO OF "THE PURCHASE" ORDER - OCCURENCES**

The Process Action Team believed from the beginning that the open market purchase order was not being used in the manner originally intended, as an order document that protects the buyer and seller. This is documented in Charts 18 through 22. These charts validate that over sixty percent (60%) of the time, open market purchase orders are completed after a product/service has been ordered or delivered. The pattern is consistent through orders of \$500, over \$500 the number of orders issued after the fact drops significantly.

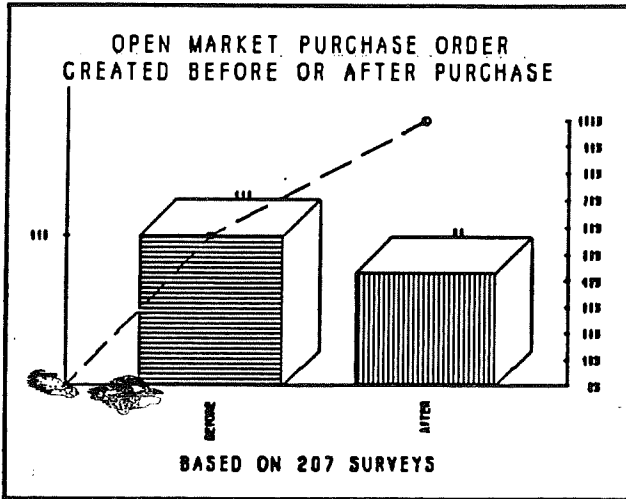


CHART 18

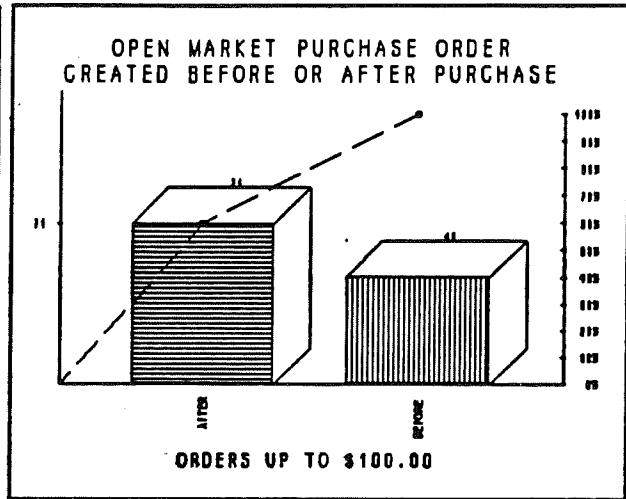


CHART 19

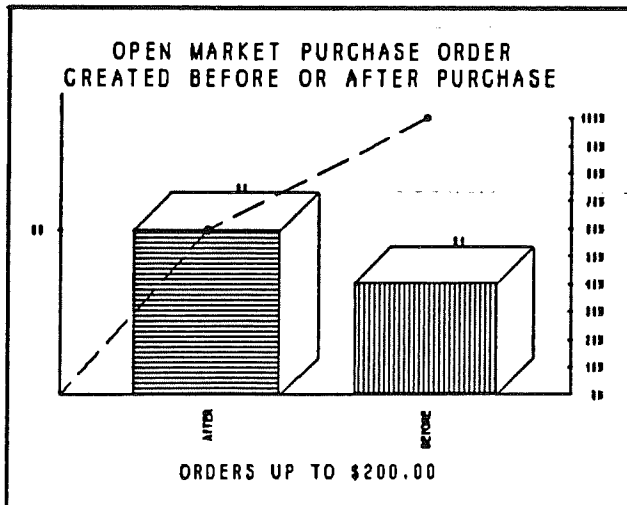


CHART 20

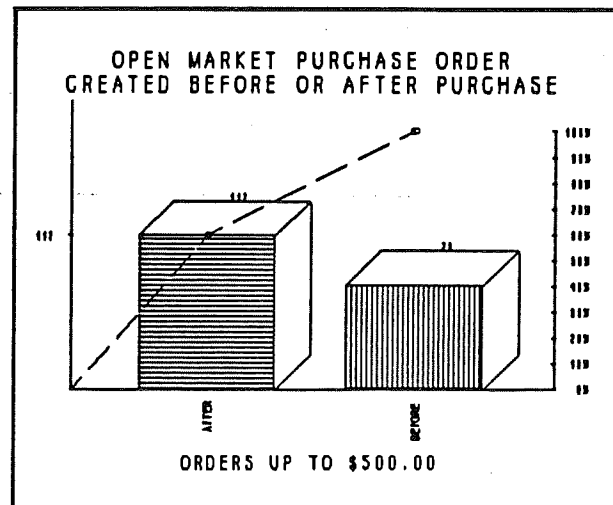
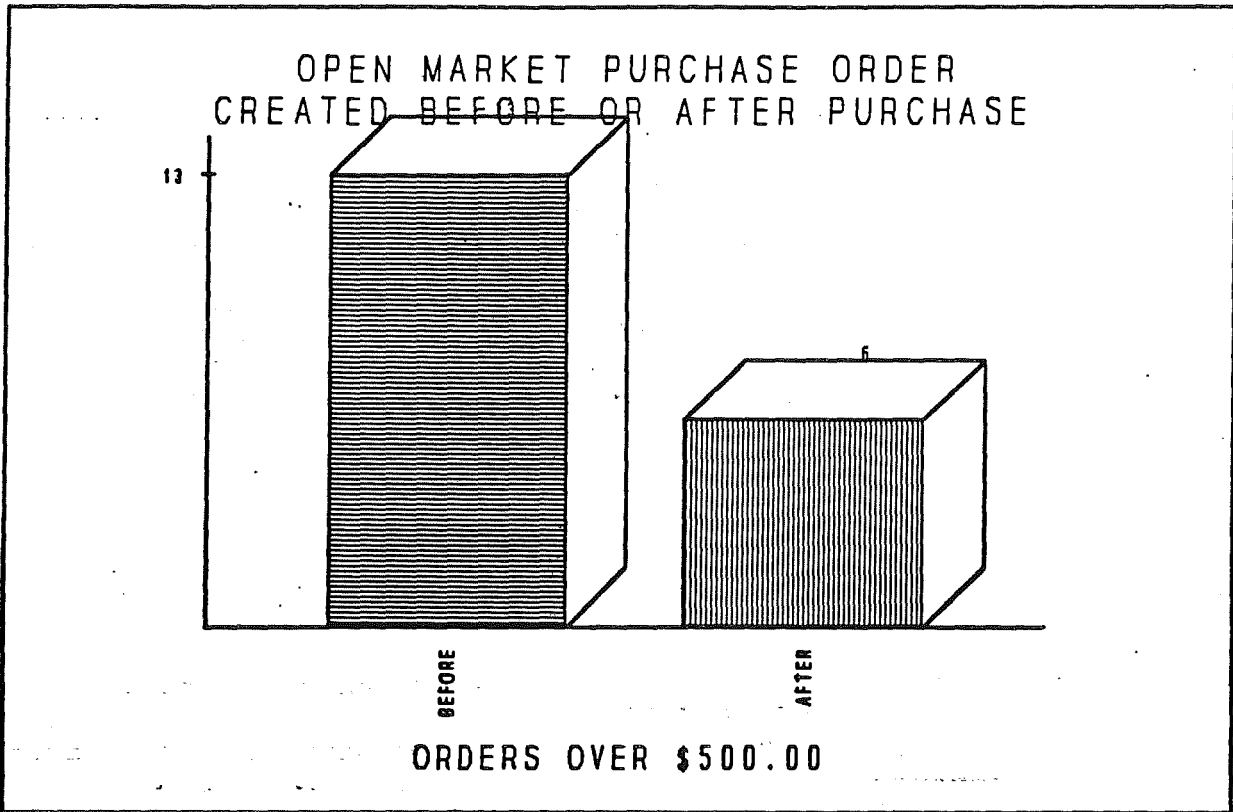
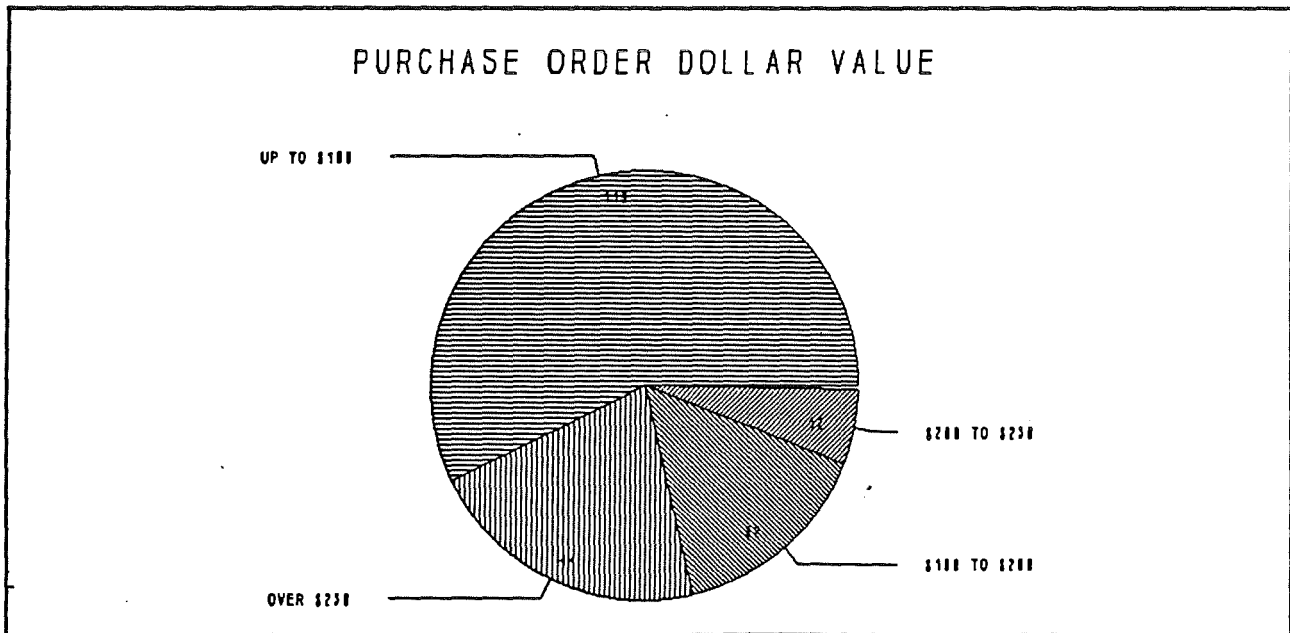


CHART 21



**CHART 22**

Another pie chart was created to evaluate the dollar value of orders and to determine where the majority of transactions



**CHART 23 - PIE CHART BASED ON NUMBER OF TRANSACTIONS**

occurred. It is apparent that orders of \$250 or less account for seventy-five percent (75%) of the purchases.

#### CONCLUSIONS

The PAT analyzed the data and Pareto charts to determine the impacts of those significant steps on the OMPO process. It is evident that a purchase order document is not needed by an agency or vendor at least sixty percent (60%) of the time. The Bureau of Accounts and Control, Division of Purchases and Audit Department were all contacted and presented a question regarding the necessity of the form.

The Bureau of Accounts and Control generally does not need the form. Current review merely determines if an order is present and accurately represents the attached invoice. Each OMPO document must be handled and microfilmed along with the invoice that usually has identical information imprinted by agency personnel.

The Division of Purchases reviews one copy of each open market order form. General procurement totals are calculated, contract purchases tracked and products/services reviewed to determine appropriateness and correct procedure. The current method is not foolproof since some forms are completed with "see attached invoice", but no invoice is attached. The staff at the Division of Purchases could use a copy of the invoice to perform the present review. This staff related how the current review does not provide the type of information that used to be available when staffing levels allowed actual loading of data into a personal computer based system. All admit, given the current volume of transactions, it is not possible to return to that system. Additional data would provide information about procurement trends, agency needs, vendor performance and lead to reduced costs.

The Department of Audit representative reviewed the existing procurement law in preparation for meeting with the PAT. It was agreed that a change made in the purchasing law some time ago, apparently removed the expressed authority to delegate purchasing authority to ordering agencies at any dollar level. A correction to this apparent oversight is being attempted during the current legislative session.

Another issue raised by the Audit representative related to the control aspect of agency procurement if the open market purchase order was eliminated or made optional. Specifically, what would prevent a disgruntled or former employee from abusing the process by making procurements without proper authorization. Some method of control is needed, though the open market form does not have to be that mechanism.

The vendors interviewed were interested in providing good service and support to their customers. The open market order is not always

required, though having a reference number creates added safeguards. Often, customers are known to suppliers and direct order pickup is allowed.

There are projected to be 86,240 open market purchases made in FY 1994, based on 57780 purchases through February 28, 1994. The PAT determined that a reduction of transactions in some way would reduce the agency internal process time without necessarily changing the controls which rightfully vary based on agency size and mission. A credit cards system was considered that would obtain payment for vendors quickly, solving a problem regularly documented, reducing the number of transactions and ultimately the number of checks to be written.

The Bureau of Accounts and Control embraced this idea, and in fact has already drafted a set of procedures to be considered. The reduction in paperwork and time would allow staff to accomplish regular task in a more thorough and continued timely way.

Staff from the Division of Purchases expressed concern that data would be lost and that abuse could occur if a credit card system was used. A report based on vendor or product would be needed to detail agency procurement to best recover data now tracked. Concern was also raised that some vendors might be put at a disadvantage if they did not accept credit cards.

The Audit representative believed that credit cards would, at least in part, eliminate some of the lost control without an open market. The credit card would serve as the agency authorization for an individual to make a procurement. Sufficient procedures and controls should be developed to assure accountability.

The vendors interviewed embraced the idea of credit cards wholeheartedly. Cash flow is a significant issue, and while there was no of complaint from these vendors, payments were generally received 40-45 days after date of invoicing. Credit cards would allow quick electronic transfer of payments, helping small business maintain inventory and level of service.

The duplication of work and redundancy of record keeping is evident under the INTERNAL PROCESS category. This is even more significant based on the efforts made by Division of Purchases staff to track procurement data from hard copy documents, despite the requirement that agency accounting staff load payment vouchers electronically on MFASIS. Delays related to cash/allotment issues result because the actual expenditure is not formerly logged or encumbered against available funds until time of payment.

The original MFASIS plan included a purchasing component which would allow significant interaction at the agency level and the opportunity to reduce paperwork. Building this system with flexibility to allow agencies to capture open market purchases

early could prevent delays caused by insufficient allotment, while providing necessary data to Division of Purchases and agencies making purchases.

The Bureau of Accounts and Control representative agreed that a purchasing system would enhance MFASIS and improve agency fund management. This would be a significant addition and must be carefully planned.

Division of Purchases' staff and the representative of the Department of Audit believed this system would offer better information and control. Contract purchases would be especially easy and effective. Other benefits such as elimination of the purchase requisition, less redundancy in document preparation and agency access to current status for all transactions are major advantages.

The vendors supported this idea. Anything that assists agencies to complete tasks and accomplish payment in a timely way is a plus. Electronic data interchange is a possibility with Loring Short and Harmon on contract orders, and it would be especially effective with an automated purchasing system.



## RECOMMENDATIONS

The Open Market Purchase Order Process Action Team makes the following recommendations and projects the following benefits:

### **Eliminate Current Open Market Purchase Order Requirement**

- Create a two part replacement form to be used optionally by agencies. This form could double as an internal requisition to further savings. Open market forms no longer needed to accomplish payment.
- Establish procedures for use at agency level to assign a control number to each transaction for tracking and verification purposes.
- Establish written instructions for vendors to prepare invoices, using agency control numbers, contract numbers where applicable, and to submit three copies of all invoices.
- Pre-audit pulls one copy of each coded and approved invoice for payment for Division of Purchases review.

### **Establish a Credit Card System for Small Purchases**

- Pilot the use of credit cards for small purchases.
- Set limit per transaction of \$250 per vendor, per day.
- Credit Card use optional at department heads discretion.
- Work with State Controller to develop solid policy and procedures.

### **Install an Automated Purchasing System with Agency Access**

- Procure hardware for agency access at regional levels, providing geographic use with security.
- System must be user friendly, have concise and clear reporting, and offer local printing of some information.

- Develop an implementation strategy that can be used over all procurement activities.

**Other Recommendations**

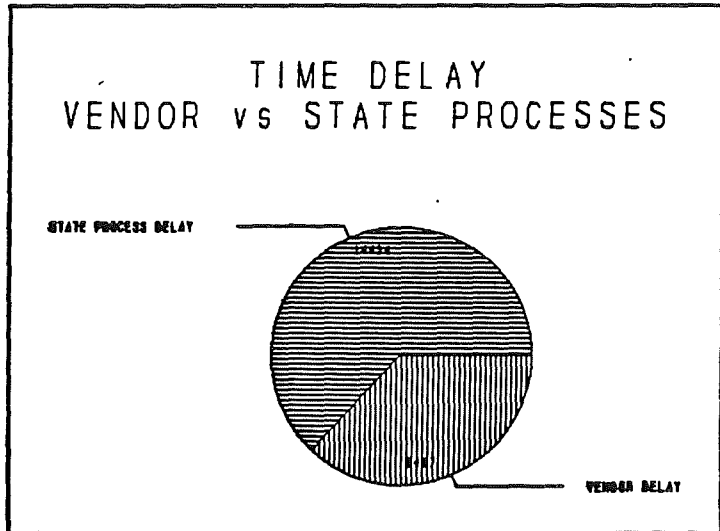
- Review internal approvals to eliminate duplication on an agency by agency basis.
- Provide instructional information/booklet and training to vendors. Communication!

**PROJECTED BENEFITS**

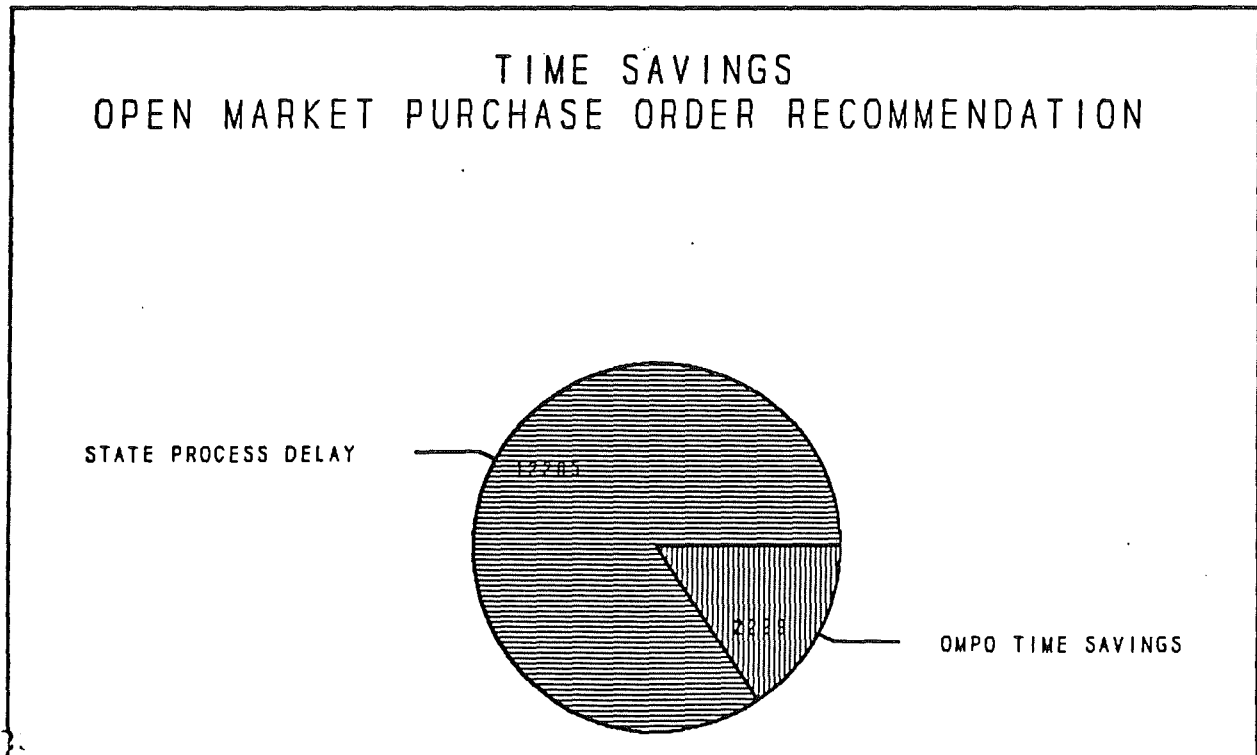
The OMPO Process Action Team projects the benefits of the recommended changes in both the process time saved and cost (actual costs plus staff time cost). Total process time is calculated using only those steps that are impacted by the OPMO process. Vendor issues unrelated to the process, though tracked in the initial survey, have been removed.

The following pie chart demonstrates the external time related to vendor issues versus the internal process time of agency transaction processing.

The PAT used the state process delay as the measure to compare against savings by each of the recommendations under consideration. The savings calculated for elimination of the open market purchase order are derived directly from time pulled from surveys coded by the team.

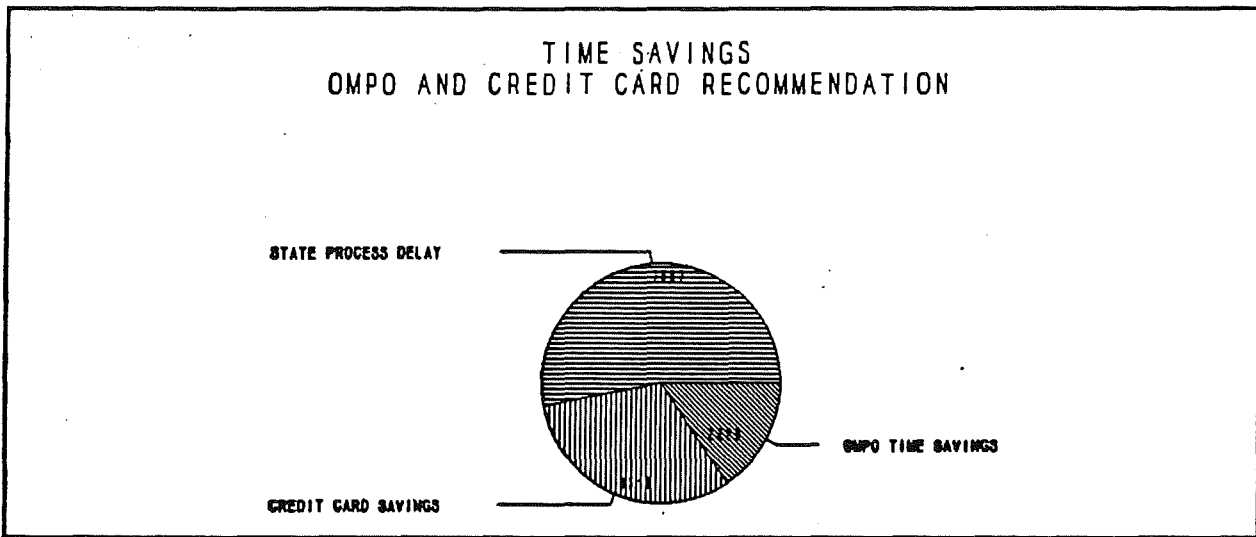


**CHART 24 - PIE CHART OF TIME DELAY VENDOR VS STATE PROCESS**



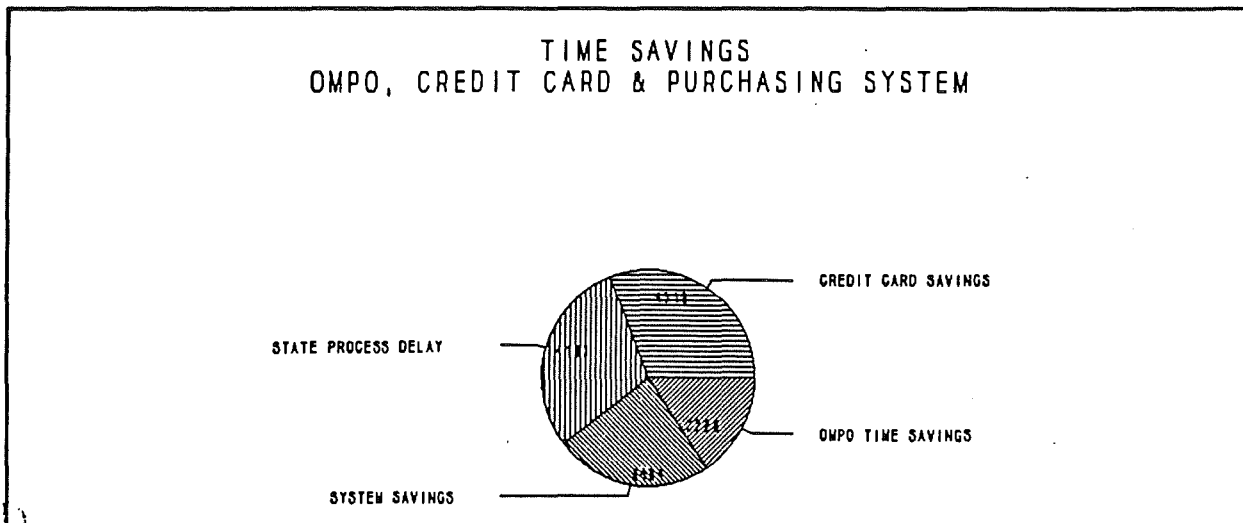
**CHART 25 - PIE CHART OF TIME DELAY**

The savings generated from the credit or "procurement" card were estimated from the savings under procedures which can be reduced overall by grouping transactions. No hard data is available to determine the volume of transactions per card, but this PAT believed that seventy-five percent (75%) of the current transactions would qualify based on the survey documentation and that it is reasonable to conclude that sixty percent (60%) of those qualifying transactions will be grouped. The same rational was used to estimate that five transactions per card would be a minimum. It is entirely likely that the average will be much higher, but no other state has data at this point to compare.



**CHART 26 - PIE CHART OF TIME SAVINGS**

Finally the PAT applied this methodology to the potential savings with an automated purchasing system. These savings are calculated from the remainder of the internal process time delay that is not improved by credit card use.



**CHART 27 - PIE CHART OF TIME SAVINGS**

There are significant cost savings as well. It should be noted before any discussion of dollars saved, that the calculations made are based on cumulative time spent by employees throughout state government at all levels and time saved, though reduced to a value for this report, can not be associated to one position. Rather, time saved should be used to provide better quality work on those tasks where real value can be added.

**Eliminate Current Open Market Purchase Order**

Old Form Cost Savings	51744 X .23=	\$11901
Typing Savings (5min per)	51744 X .82=	\$42430
Approval Savings (5min per)	51744 X 1.07=	\$55366
Admin. Work Savings (5min)	51744 X .82=	\$42430
Microfilm Savings	86240 X .03=	\$ 2586
New Form Savings (.13vs.23)	34496 X .10=	\$ 3449

**Projected Savings** \$158162

**Credit Card System**

Transactions combined 5 per invoice	41396 X 1.57=	\$ 64991
Agency Internal Process	41396 X .82=	\$ 33944

**Projected Savings** 98935

**TOTAL PROJECTED SAVINGS** \$ 257097

Note: \$1.57 is the cost per check through the normal payment process. \$.82 represents a minimal savings of 5 minutes per transaction for agency processing of individual orders.

## IMPLEMENTATION STRATEGY

The OMPO Process Action Team considers a staggered implementation as an effective approach. The elimination of the existing purchase order form, its optional smaller replacement and other associated changes can occur within 30 days. This can be done by a cooperative procedural change between the Division of Purchases and the Bureau of Accounts and Control.

A credit card pilot can be established and implemented by July 1, 1994, to be reviewed and adjusted for full implementation by October 1, 1994. A pilot can be instituted with the Bureau of Accounts and Control's input on procedural and accounting issues.

The development of an automated purchasing system will take several months. This should be done and completed for implementation on July 1, 1995. This recommendation is the only one with significant cost over a short period of time. Rough estimates place the cost at or above \$500,000. This should be accomplished with the Division of Data Processing through rate stabilization funds.

The OMPO Process Action Team respectfully requests approval to continue meeting on a less frequent basis, but as needed to assist with implementation and to survey the results of these recommendations. The Team offers to assist with implementation as necessary. Meetings would be scheduled approximately 90 days after any implemented recommendation to survey success rate. The "process" is forever, or at least a very long time. This PAT is willing to follow it through.

# PAT PROCESS EVALUATION AND RECOMMENDATIONS



OPEN MARKET/  
CONTRACT RELEASE  
PROCESS ACTION TEAM  
(PAT)

1994

OPEN MARKET PURCHASE ORDER -- CONTRACT RELEASE  
PROCESS ACTION TEAM  
GROUP PROCESS

In July of 1993 the Maine Quality Management Council created this pilot team on the Total Quality Management concept.

Appointed to the team are:

Nat Berry	Inland Fisheries & Wildlife, Gray
Jay Carlson	Maine State Prison, originally,
job change to:	Div. of Purchases, Central Warehouse
Ted Collins	Dept. of Human Services
Phil Henry	Dept. of Transportation
Brenda Kaler	Div. of Purchases, representing Labor
Larry Larson	BMHI
Kathy Latulippe	Dept. of Environmental Protection
Karen Michaud	Dept. of Conservation
Richard Thompson	Div. of Purchases

Brian Warren                      Facilitator, State Consultant

The first day of training was the first time the group met. We attended four (4) days of TQM training along with the other pilot team that are dealing with getting employees back to work from Workers' Compensation.

The four days of training conducted, the end of July and the month of August, by Brian Warren were very intense in the concepts of the TQM gurus. It was the first time many of us had been exposed to these concepts that included Group Development and the Tools needed to complete the task at hand.

Our task or charter listed our mission as follows:

"The Open Market/Contract Release Process Action Team (PAT) will provide recommendations and an implementation strategy that will result in improvements in the procurement process for affected agencies and employees, and thereby achieve a maximum reduction in time and a maximum reduction in cost by June 30, 1994. The procurement process is a cause of concern as demands on customer service and response requirements continue to increase. Agency managers often feel the process is arduous and does not provide adequate flexibility to meet established goal."

With this in mind our team developed what we perceived as accurate flow chart for the OMPO process. We went to our departments, in September, and asked purchasing staff to fill out flow charts on how they did their jobs. At this point we found that some departments did not have an internal requisition process while others had them and some were quite elaborate. Just within the departments represented we found that the OMPO's are often created after the fact and that there were a lot of delays.



We then recognized the need to have a cause & effect format to determine what factors (cause) delayed the time it takes to process the OMPO (effect). We had a Brainstorm session that resulted in our Fishbone affectionately referred to as MOBY DICK.

Our next step was to re-acquaint ourselves with Tool Development. We developed a survey that included all departments. Once our survey was printed we broke the departments up between the members and took our survey to them. It has taken several months to receive the completed surveys. Although we did not receive all of the surveys back we did receive enough to process into data for report development. We gave numbers to each cause from the Fishbone, identified each function from the individual surveys and entered the information into a data base software package.

From this information we developed charts. From these charts we developed our recommendations.

During the process of developing our recommendations we invited some experts to come to a meeting. Guest invited were Victor Fleury from Accounts & Control; Carol Lehto, Audit and the buyers in the Division of Purchases that dealt with OMPO's and Contract Releases. A couple of times during the entire process we invited Sawin Millett, Commissioner and Dale Doughty, Deputy Commissioner for the Department of Administrative and Financial Services to our meetings. Sawin is this team's champion at the Maine Quality Management Council and felt he should be informed as to our intentions prior to bringing them to the Council. We explained what we had for recommendations to the above groups and asked for them to comment.

Over the past several months we discussed the inclusion of vendors. We wanted to make sure that any recommendations we planned would not be a conflict for our outside customers (vendors). We are unable to survey all vendors so we chose a large and small vendor. A representative from Loring Short & Harmon (Nancy Conley) and Hussey Hardware (Rob Hussey) were brought in. We explained what our purpose is, what we have completed, and what our recommendations are. We invited them to comment on what they heard.

At the beginning of each meeting we would bring members up to date on how things were going, new developments, extra training within our individual departments, and what may be going on within our own department TQM process. We closed each meeting with Group Development. Consensus between members on issues worked on in that meeting were very important.

Phil Henry was able to take a course on Tool Development from Pennsylvania through his department. This extra skill was very helpful. Phil also had our binders' silk screened with the TQM logo and the name of the PAT team on them.

Larry Larson found the Statistical Process Control Software that we

are using.

Kathy Latulippe is the groups scribe. She was able to bring a Laptop Computer to most meetings to keep minutes and develop our agendas.

Dick Thompson, Barbara Kimball, Dept. of Conservation and Terry DeMerchant, Purchased worked at entering the data into the software.

Central Printing was helpful in getting our Surveys and other printing completed as quickly as possible.

Last but not least, all the team members contributed a great deal of time (on and off state time), enthusiasm and energy into this process. Without this strong Group Development this process would have taken a great deal of more time and energy. Their dedication to this process has made it possible to submit our recommendations to the Maine Quality Management Council within six (6) months from starting the process.

Respectfully submitted,

Purchasing Process Action Team

Brenda Kaler  
Div. of Purchases

When I was first approached by M.S.E.A. to represent Labor on this P.A.T., I was questioning & skeptical about what I thought I knew about TQM & P.A.T's.

Through the training process and because of the members of this P.A.T., I very quickly changed my overall opinion and views to positive ones. Being a part of this P.A.T. has been a very rewarding experience. Not only did we accomplish what our charge was, but we did it in a setting of mutual respect and on my part to the other members, admiration.

The results of what I saw in our P.A.T. and through our tools & data were two-fold: 1. All classes of employees can work effectively together, have valuable ideas and should be utilized. 2. The data collected validated some of what we thought, a lot of what we knew and some that was a surprise to me.

If all P.A.T.'s could obtain the cohesiveness that I felt in our team, the State would be in a "win-win" setting.

Ted Collins  
Dept. of Human Services

It was my privilege to serve on the Process Action Team. I enjoyed the training with Brian Warren and the PAT team. It was a learning experience for me and pleasure to work with each one. I think our group connected from the very beginning. I was comfortable as I believe each one was at the level of participation. It is an interesting process and I feel we worked well together. I appreciate the progress we have made and believe it will be good for all of State government. I look forward to continuing the process and the benefits that will come to the State of Maine.

Jay Carlson  
Central Warehouse &  
Surplus Property Div.

Nine State employees were brought together to serve on a Process Action Team to deal with the Open Market process. All were willing volunteers from different areas of the State that had a working knowledge of the open market process.

We went through a thorough training process where we learned how to use the tools to complete our charge. We had a facilitator to help us after training. We have become a close interwoven team and work with an open mind. Everyone on the team feels free to participate at the level they are comfortable. Together we are finding ways to work smarter and save money. We have learned to turn to our fellow workers and not on them.

We developed, tested and sent out a survey to poll the actual workers on the Open Market purchase procedure. After a long effort by all we have put together the results and can make recommendations.

I feel this process builds pride, raises enthusiasm and shows that employees can make a difference.

Be willing to change and be part of an ongoing project that will not stop with our recommendations. Together we can build a framework to improve services to all in the State.

Karen Michaud  
Dept. of Conservation

I have appreciated the opportunity to be a part of a new and innovative way of doing business within State Government. The new skills acquired will enable me to be a better team player and problem solver within my own agency. Hopefully, the recommendations of the Open Market Purchase Process Action Team will enable all State employees to do their jobs more effectively and efficiently. As a result, the image of State Government with its customers throughout the State will be greatly improved.

Larry Larson  
B.M.H.I.  
Mental Health/Mental Retardation

First, it was an honor to be considered for this task, and secondly it has been a privilege and a joy to serve with the professional and competent members of this team.

When I found out what this team was going to be chartered to do, I wanted to be part of the recommendations. I felt if I didn't take an active role, I wouldn't have room to complain about the outcome.

T.Q.M. concepts were vital for the problem solving this P.A.T. was charged to do. The data we collected did two things:

1. It verified problems we thought were there, yet other things we thought caused delays never surfaced.
2. It got the entire State involved in a process. People are aware a change is in the works. They've been asked for input and the change won't be something unexpected.

State and agency councils should be aware that their expectations of time lines and results are going to vary depending on the topic and the member make-up of the P.A.T.

Although I have not yet seen true T.Q.M. practiced within my work area, I have seen a change in some supervisory styles. They are asking a greater variety of people for decision making input.

Kathy Latulippe  
Dept. of Environmental  
Protection

The training and usage of the Total Quality Management process has been very enlightening. The teachings have brought the old rules of being polite, courteous, and helpful into the modern world. When Total Quality Management is being implemented properly, everyone comes out a winner. People in authority become better listeners and more flexible. People at the lower levels of the organization feel more confident in their abilities and opinions. Customers feel that their needs are being attended to. It is a Win--Win situation.

Philip Henry  
Dept. of Transportation

To enable a process action team to function as a unit many things must be present. a) A desire by each member to make the issue under study better b) An understanding of each person in your group, how they feel and why c) An ability to not overlook even small problems but to resolve all in an arena of understanding and trust. d) To expect that some of your ideas may cause problems for others and are able to incorporate the needs of many into the process. e) Trust in the group process and in yourself as a member of this group f) All ideas are to be heard and discussed in an atmosphere of improvement of the process. These are only a few of the things each P.A.T. must have in my estimation to enable it to work as a group thus providing the State with an even better service to the people of Maine and/or its employees.

This group of wonderful people on the Open Market process action team had all the qualities mentioned above. With the training given by Brian's group it enabled us to provide the recommendations put forth by us in what I consider as a timely manner.

If all P.A.T's have the desire and chemistry that this P.A.T. has, TQM will be well and functioning in this State.

Lieutenant Nathaniel L. Berry IV  
Maine Warden Service  
Inland Fisheries & Wildlife

A process action team was created by the Maine Quality Council to look into the open market purchase order process. The team consisted of nine state employees from various state agencies.

The nine of us received four days of intensive training in TQM. The team formed together very well during our training, and eventually formed into a well organized team to take on the task of reviewing, researching and recommending solutions to a vastly varied system of processing purchase orders within state government.

For myself it meant a fair amount of traveling from southern Maine to Augusta to attend the weekly meetings. A total of 2200 miles to attend all meetings to date, coming to a total of approximately \$484.00.

On at least four occasions work had to be completed on off duty

time such as weekends, vacation, and Shutdown days. On many occasions days off had to be rescheduled to make meetings.

The months of January and February have been difficult for me to attend because of a very busy conflicting schedule pertaining to my regular job in state government.

Dick Thompson  
Div. of Purchases

It has been quite a task we were assigned to accomplish. No one knew the effort it would take, nor the commitment everyone developed during the time we have worked together.

The TQM process developed by the Council is sound. The availability of trainers and facilitators to assist teams more frequently is needed to provide focus early on. Our facilitator was excellent but had many duties elsewhere. I believe we handled it well, just the same.

The time investment is significant! This process can not work for every decision that needs to be made. Rather, it should be used on defined (or semi-defined) processes where an improvement, worth the investment, might occur. Our team spent many hours on the OMPO project. The value is evident by the projected savings. The right process selection can be equally successful. Caution in that selection is warranted, particularly in avoiding systems which become so broad that a team is likely to falter and perhaps lose interest or prospective.

I want to thank my team members, whose dedication and efforts created the first Maine PAT report. Special thanks to Terry Demerchant of Purchases, Barbara Kimball of Conservation, the DOT staff who developed Moby Dick and our notebooks, and the Central Printing staff for their hard work for the good of this project. Thanks also to those agency representatives, Rob Hussey of Hussey Hardware of Augusta and Nancy Conley of Loring Short and Harmon who helped validate our process.

Good luck to those who follow!

ENVIRONMENTAL PERMIT  
REVIEWS

PROCESS ACTION TEAM

STATE OF MAINE



EXECUTIVE SUMMARY

NOVEMBER 1994



## **Environmental Permit Reviews Process Action Team**

Stacie Beyer      Dept. of Environmental Protection

Brian Dancause      Dept. of Economic & Community Development

Jeff Madore      Dept. of Environmental Protection

Paul Minor      Dept. of Transportation

Steve Timpano      Dept. of Inland Fisheries & Wildlife

## **I. PURPOSE**

The Environmental Permit Reviews Process Action Team (PAT) was chartered by the Maine Quality Management Council (MQMC) during the fall, 1993. The purpose of the PAT is described in its Mission Statement and Team Authority as stated below:

### **MISSION STATEMENT**

The Environmental Permit Reviews Process Action Team (PAT) will assess the Site Location permitting process, focusing on the process of State agencies and bureaus submitting review comments. The Team will catalog the progress made to date and recommend further improvements in the time it takes to issue Site Location of Development permitting decisions. The Process Action Team, working with an advisory group, would identify additional steps that are in the public interest to further improve the process. A report to the Quality Council shall be due on February 1, 1994.

### **TEAM AUTHORITY**

The team is authorized to work with an advisory group of outside interested parties, and to gather needed information from all available sources. It is empowered to meet as often as necessary to complete its task. The team may conduct surveys, interviews, sampling and implementation under the guidance of the Maine Quality Management Council.

On February 8, 1994, the MQMC was briefed on the status of the PAT's work. The PAT recommended that an outside advisory group not be convened to assist in the process. It was also reported that of the eight original members, only four had made the commitment to participate. It was recommended to the MQMC that an additional DEP staff person be added to the PAT. The MQMC agreed with both of the recommendations.

Although not expressly stated in the mission statement, the group elected to also include assessment of internal technical reviews of Site Location applications undertaken within the DEP's Bureau of Land and Water Quality.

## **II. SUMMARY OF DATA AND ANALYSIS**

### **A. Background**

Many large development projects in the State of Maine are subject to the licensing provisions of the Site Location of Development Law, 38 M.R.S.A.

Section 481 et seq. (Site Law). The Site Law is administered by the Division of Land Resource Regulation, Bureau of Land and Water Quality, Dept. of Environmental Protection. Applicants seeking approval for proposed development projects under the law must demonstrate compliance with the environmental standards contained in the law. Specifically, an applicant must provide evidence that the project will not have an unreasonable adverse impact on traffic movement, the natural environment, soil types and erosion, groundwater, infrastructure and flooding.

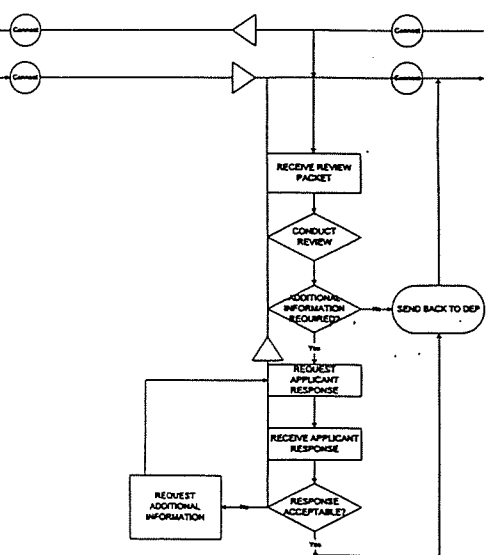
The Department utilizes both Department and other state agency staff to review the information submitted by an applicant. These reviews may be characterized as either: 1) site-oriented, e.g. the presence of significant wildlife habitat; or 2) analytical, e.g. review of design plans for stormwater detention. Site-oriented reviews are generally straightforward and issues are resolved through a review of existing maps or a site visit. Analytical reviews are generally more involved and frequently require subsequent discussions and submittals.

## **B. PROBLEM IDENTIFICATION**

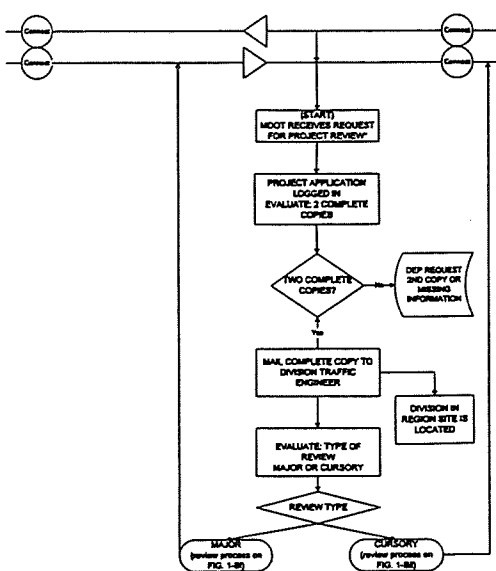
In defining the limits of this analysis, those agencies which provide site oriented reviews, mostly the Department of Inland Fisheries and Wildlife (IF&W) were contrasted with those who provided analytical reviews, specifically Bureau of Land and Water Quality (BLWQ) technical staff and Department of Transportation (DOT) staff. The PAT examined the individual review process of the different agencies, the type of review done by each and the factors affecting these processes. The Site Law application review process flow diagram (Fig. 1) shows the steps an application follows within the DEP. Although not readily apparent, the review step is the greatest consumer of time in the process. Process flow diagrams for individual agency reviews are shown on Fig. 1-A (IF&W), Fig. 1-B (DOT) and Fig. 1-C (BLWQ). Other agencies and bureaus are sometimes called upon to provide reviews, but these are either infrequent or represent only minor issues. Therefore, the PAT did not include these in its assessment, but rather focused its efforts on the regular review agencies.

## **C. Factors Affecting Process Times**

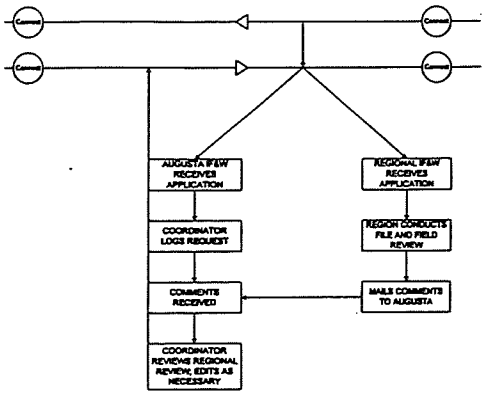
The PAT identified the factors affecting agency review times. These were categorized as: information, process, staff, communications and computerization. These factors are detailed on the cause and effect diagram (Fig. 2).



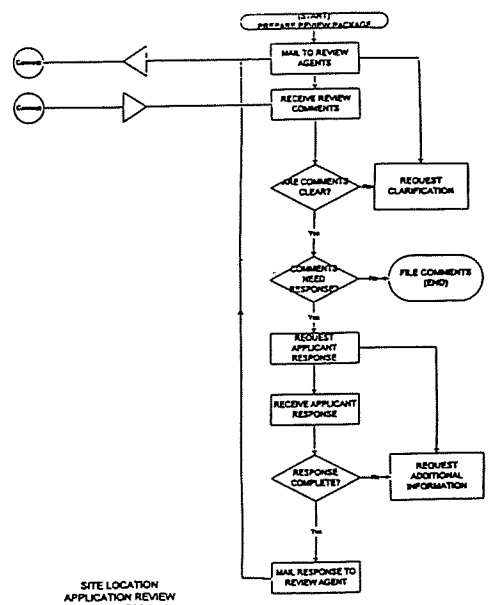
SITE LOCATION APPLICATION REVIEW PROCESS  
BLWQ REVIEW  
FIG. 1-C



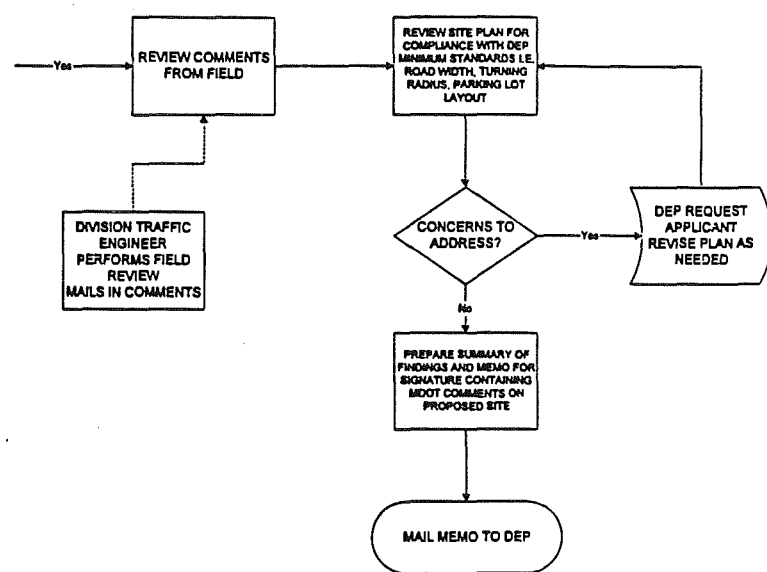
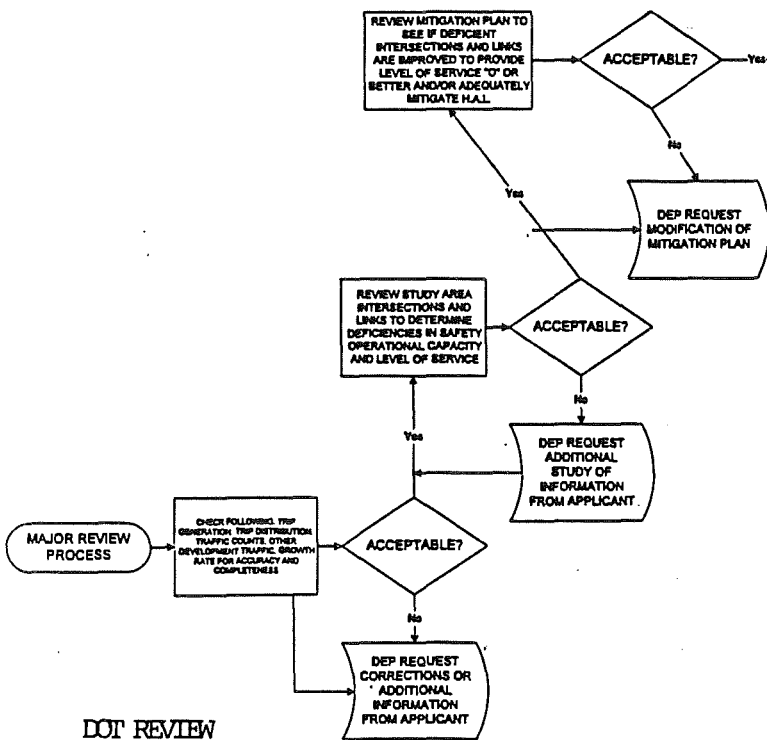
SITE LOCATION APPLICATION REVIEW PROCESS  
DOT REVIEW  
FIG. 1-B



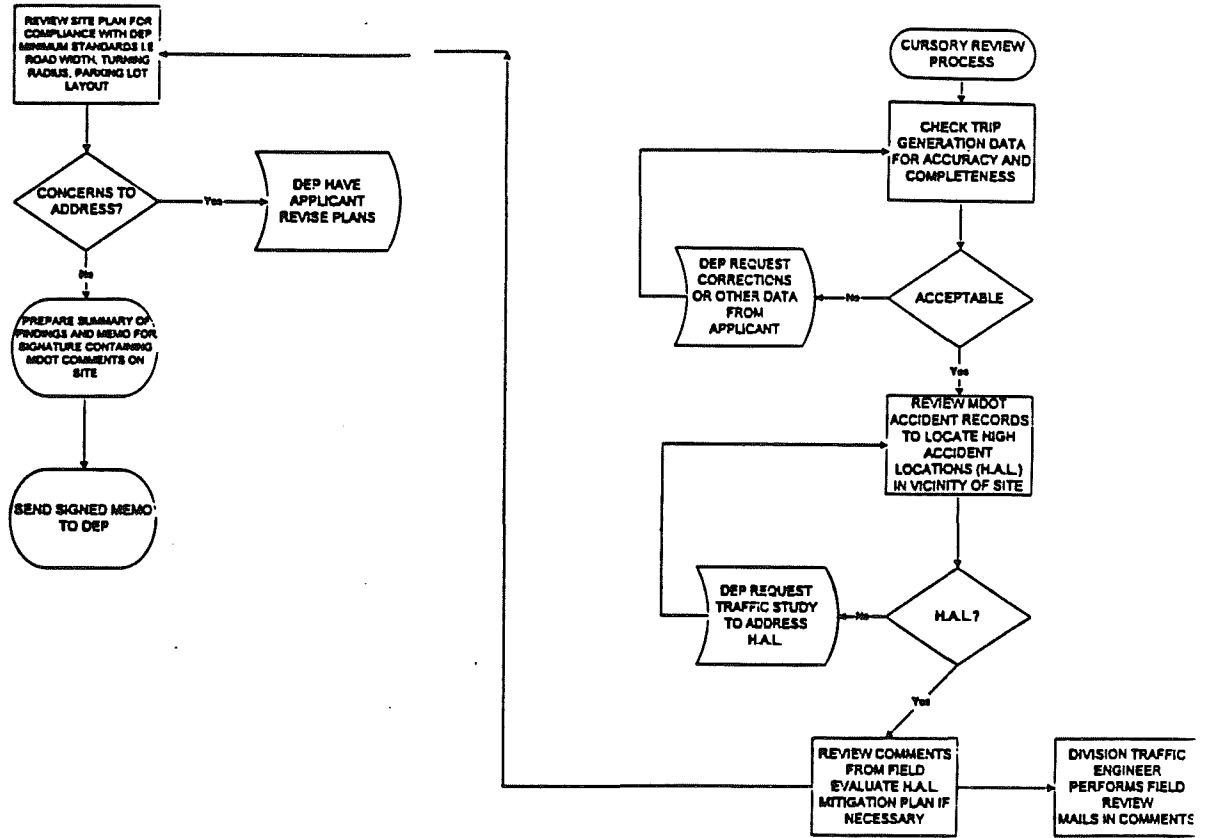
SITE LOCATION APPLICATION REVIEW PROCESS  
IF & W REVIEW  
FIG. 1-A



SITE LOCATION APPLICATION REVIEW PROCESS  
OUTSIDE AGENCY REVIEW  
FIG. 1



**DOT REVIEW**  
 MAJOR REVIEW PROCESS  
 FIG. 1-8i



DOT REVIEW  
 CURSORY REVIEW  
 PROCESS FIG. 1-8ii

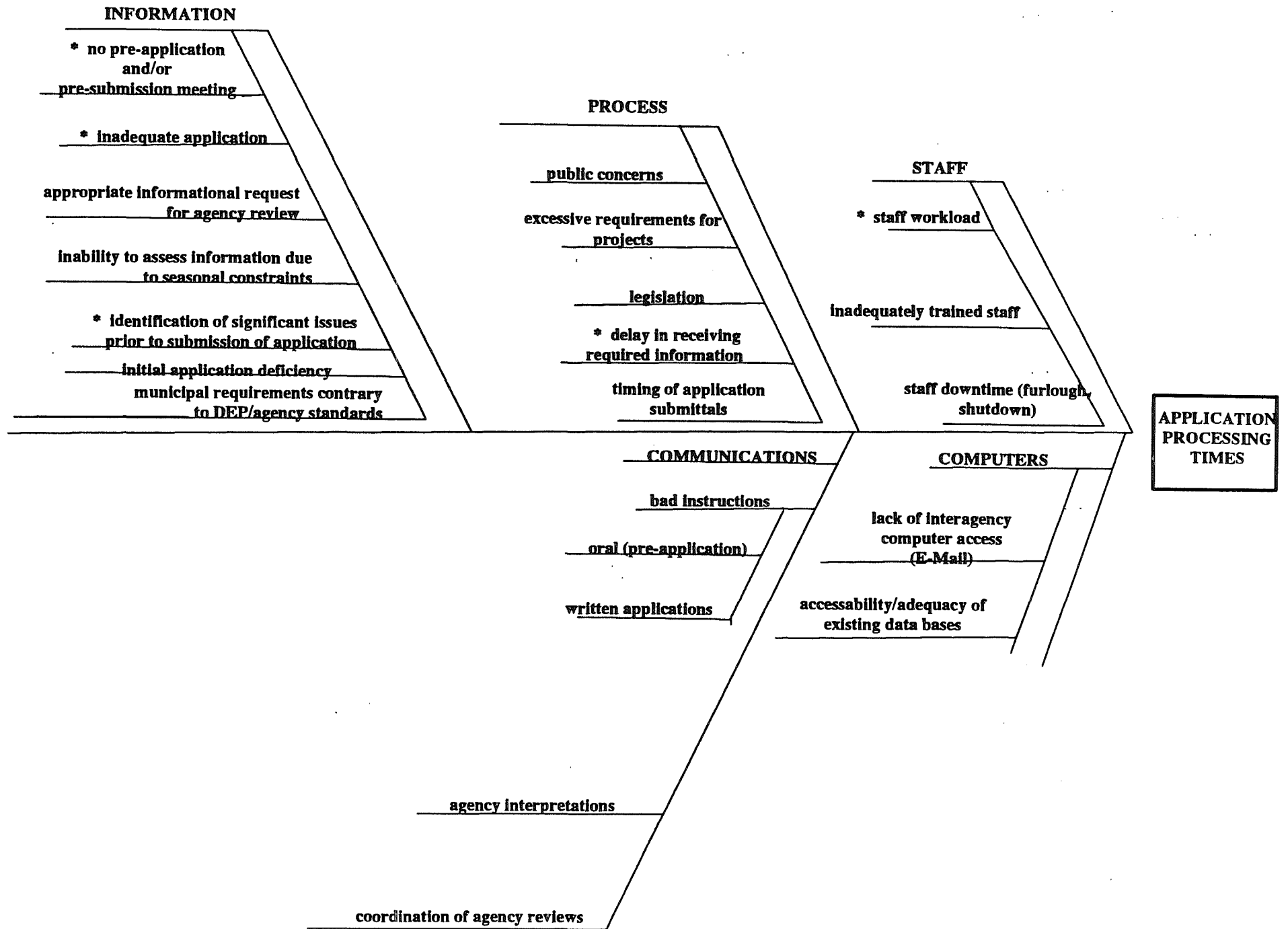


FIG. 2. CAUSE AND EFFECT DIAGRAM SITE LOCATION OF DEVELOPMENT APPLICATION PROCESS

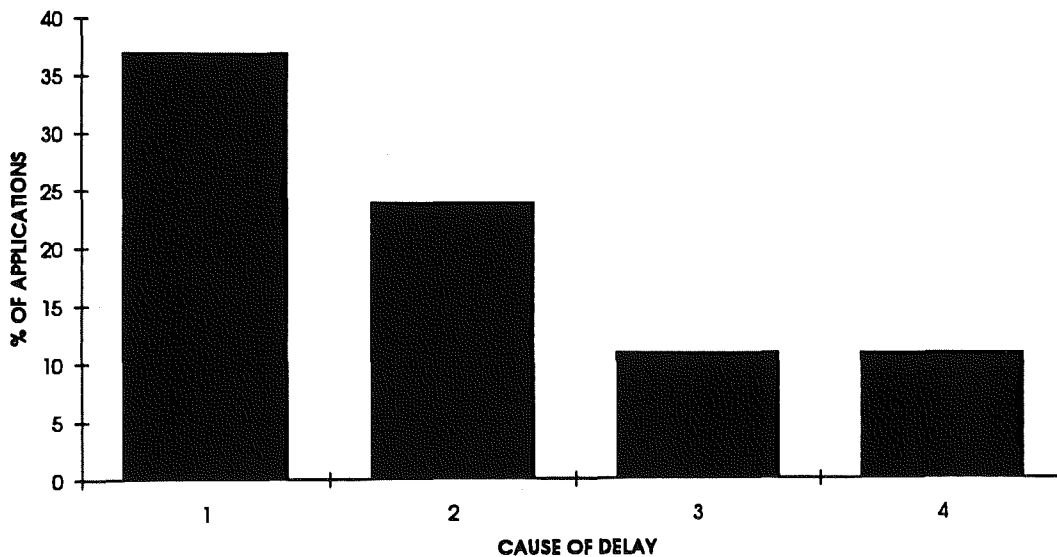
In analyzing these factors, those which significantly impact the review process were highlighted. A factor's significance was determined in two ways. First, DEP staff compiled current and historical data on applications which identified delay factors. Secondly, the PAT members as a group identified these factors based upon their professional experience. The significant factors as agreed to by the PAT are:

- inadequate applications
- failure of an applicant to identify significant environmental issues prior to filing an application
- applicant/consultant delay in responding to agency comments
- agency workload

In the past, other factors have significantly impacted the review process. These factors will be discussed in the subsequent discussion on actions taken to reduce process times.

Licensing data for new Site Law applications were compiled for 1993, the most current yearly data. A total of 41 new full Site Law applications were processed. An analysis of the data for the significant issues identified above is shown on Fig. 3.

**FIG. 3 FACTORS AFFECTING NEW SITE LOCATION OF DEVELOPMENT APPLICATION PROCESS DELAYS BY PERCENTAGE OF NEW APPLICATIONS PROCESSED IN 1993**



1. Information in application is inadequate, requiring additional information
2. Delay in agency review
3. Significant issue not identified in initial application
4. Applicant delay in response to agency review comments



As a percentage of the total of all new applications received, the numbers are as follows:

<u>cause of delay</u>	<u>% of total</u>
application deficiency	40
agency review*	25
applicant/consultant delay in responding to agency comment (typically 30 days)	10
non-identification of significant issue by applicant	10

\*delays in agency reviews are those which exceed existing Memorandum of AgreementS (MOA) between DEP and state agency reviewers

Of these four significant factors, three - inadequate applications, applicant/consultant delay in responding to agency comment and non-identification of significant issue by applicant - are primarily influenced by the actions of an applicant and/or their consultants. They can be affected to varying degrees by Department actions. Delay in agency review is clearly under the control of the respective agency.

### **III. ACTIONS TAKEN TO DATE TO REDUCE PROCESS TIMES**

#### **A. Methodology/Data**

The PAT compiled data on new Site Law applications from 1989 and 1993.

The 1989 data represents the later stages of the development boom of the 1980's; the 1993 data reflects the current development situation. The table below provides numerical data for each of those years.

	Applications Received	Actions Taken	# of Project Managers	Action Taken # of Managers	Aver. Processing Times (monthly) <sup>a</sup>
1989	418	401	9	44.5	12.3
1993	374	381	7	54.5	4.5 <sup>b</sup>

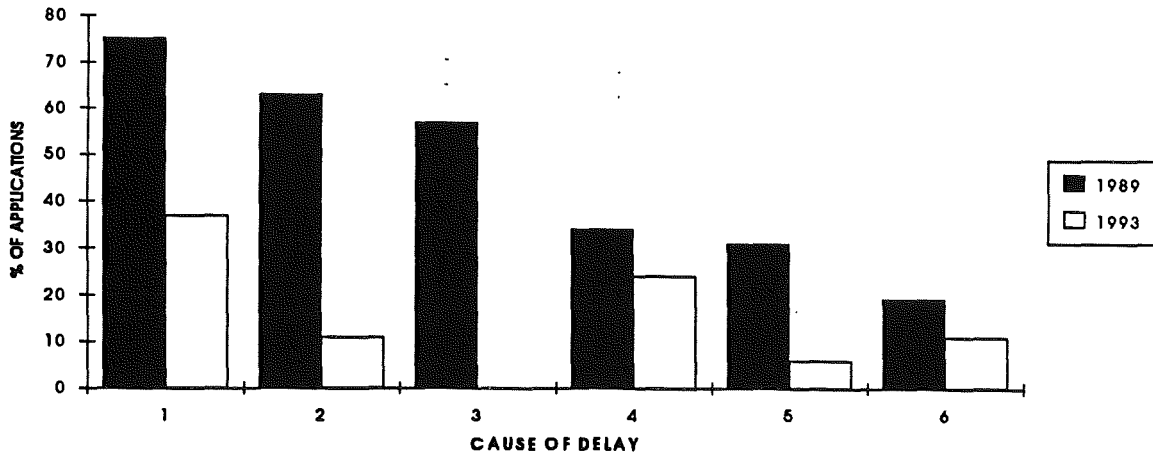
- a. These processing times are for new Site projects and do not include amendments, modifications, etc.
- b. The average processing time for all projects including those projects put on hold at the request of an applicant was 5 months.

Although the number of applications received decreased by approximately 10% over the period, the number of project managers decreased by 22%. Overall efficiency, as measured by number of actions taken per project manager, increased by approximately 18% from 44.5 actions per manager in 1989 to 54.5 in 1993. Of greatest significance, however, is the drop in processing times: from 12.3 months in 1989 to 4.5 months in 1993, a drop of 63%.

## **B. FACTORS CONTRIBUTING TO THE REDUCTION IN PROCESS TIMES**

In analyzing the data, those factors influencing process times identified in Section 2.C were considered as well as the use of pre-application meetings and application acceptability. Figure 4 shows the comparable data for 1989 and 1993 for each identified factor.

**FIG. 4 COMPARISON OF FACTORS AFFECTING NEW SITE LOCATION OF DEVELOPMENT APPLICATIONS PROCESSING DELAYS FOR THE YEARS 1989 AND 1993 BY PERCENTAGE OF NEW APPLICATIONS RECEIVED**



1. Information in application is inadequate, requiring additional information
2. Applicant delay in response to agency review comments
3. No pre-app meeting
4. Delay in agency review
5. Incomplete application
6. Significant issue not identified in initial application

The PAT has reviewed the data and finds the following for each of the listed factor:

### **Pre-application meetings**

Pre-application meetings (factor #3) were first widely used by Department staff in 1989.

These meetings are held between project managers, technical staff and whenever possible, agency review staff, and applicants and their consultants prior to commitment to a particular design by an applicant in order to discuss particular environmental issues associated with the project and identify appropriate levels of information to be provided in an application. In most instances, issues resolved at a pre-application meeting have a direct impact on the length of the application process. Pre-application meetings were encouraged in 1989 but were not mandatory. The utility of these meetings were readily apparent to the development community and their use has increased from approximately 40% in 1989 to 100% in 1993. The Department's application processing regulations were amended in 1994 to require pre-application meetings for all new site applications.

### **Application Acceptability**

Applications found to be unacceptable for processing (factor #5) are returned to the applicant. In 1989, slightly more than 30% of all new Site applications were returned as unacceptable; only 5% were in 1993. The primary reasons for the reduction are the new pre-application meetings and a new application form developed in 1992.

### **Application Adequacy**

The greatest single factor affecting application process times both in 1989 and 1993 is the adequacy of the information provided in the application by the applicant (factor #1). Approximately 75% of the applications submitted in 1989 were determined to contain inadequate information. In 1993, that number had been reduced to half that amount. Pre-application meetings and the new application can be credited with that improvement.

### **Applicant Delay in Response to Agency Comment**

Applicant, or more accurately, consultant, delay in responding to agency review comments (factor #2) has historically been a significant impediment to application processing. In the late 1980's it would not have been uncommon to have delays of six months or more. Beginning in 1991, project managers were instructed to restrict the time for consultant response to generally 30 days. Only limited circumstances for exceeding these timelines are considered. In 1989, applicant/consultant delays (in excess of 30 days) was greater than 60%. In 1993, only 10% of new projects exceed that timeline.

### **Review Agency Delay**

Deadlines for submission of agency review comments are established in Memoranda of Agreement between the DEP and other state agencies as follows:

<b>Agency</b>	<b>Review Deadline*</b>	<b>Date MOA Established</b>
IF&W	20 working days	1990
DOT	50 calendar days	1992
BLWQ tech staff	50 calendar days	1992

\* from date of receipt by agency

In analyzing the data, the PAT used these current MOA deadlines in determining whether agency review delay was considered a factor.

Approximately 35% of reviews exceeded those timelines in 1989 versus approximately 25% in 1993. Agency delay can be attributed to two basic factors - adequacy of the information submitted (including identification of significant issues, factor #6) and agency workload. Agency workload is in turn affected by the other factors. Pre-application meetings take time away from actual project review, although the time is assumed to be made up for (and more) during the subsequent review. Inadequate information requires additional information to be submitted and additional agency review. Other than consideration of these factors, agency workload is difficult to analyze. It is generally assumed that staff are working at acceptable levels. Assuming that, the 1993 number suggests that without change, e.g. hiring of additional staff, then the approximate level of agency review will remain stable.

### **Other Considerations**

Timelines for processing new Site applications have been required by legislation since 1992 (Title 38 M.R.S.A. Section 344-B). These timelines are established by the Commissioner of the DEP with an advisory committee, annually. In 1992, the processing timeline was set at 270 days. In 1994, the timeline was set at 185 days. Failure to meet these deadlines results in a refund of a portion of an applicant's processing fees. In general, these timelines have not been a driving factor in the overall time it takes to get a permit. They more accurately reflect DEP's on-going efforts to reduce process times.

Beginning in 1988, the Department has negotiated MOA's with many of the Soil and Water Conservation Districts (SWCD's) in the State. Under the terms of the MOA's an applicant for a Site Law permit may enter into agreements directly with the appropriate SWCD for the review of erosion and sedimentation control plans and stormwater management plans. The SWCD will verify that an applicant's plans meet DEP criteria and standards. DEP will use the SWCD's verification in the DEP approval of these plans. DEP currently has MOA's with the following SWCD's: York County, Cumberland County, Androscoggin County, Oxford County, Kennebec County, Waldo County, and Hancock County. Use of this option requires the applicant to pay for the services of the

SWCD. However, these reviews are invariably quicker. Most applicants benefit as permits can be issued more quickly.

The DEP began a major effort in 1989 to computerize the preparation of orders. Staff were given access to computers to prepare draft orders and to track orders. This reduced the need for clerical support and over time has made a significant difference in the amount of time involved in the actual preparation of a final order. In 1993, all project managers have direct access to a computer and are responsible for all phases of order preparation.

#### **IV. CONCLUSIONS**

Overall, the PAT has found that the DEP has made considerable progress in reducing Site Location of Development application process times. The DEP has taken aggressive measures to improve the quality of applications through pre-application meetings and an improved application, and to reduce the amount of time involved to respond to comments, both internally and externally, through strict adherence to timelines and increased communications. Over the period 1989-1993, applications processing times have been reduced by 63%, from 12.3 months to 4.5 months.

The PAT did not identify any significant inefficiencies with the current review process at IF&W. The current MOA between the DEP and IF&W stipulates a review deadline of 20 working days which is significantly shorter than either of the timelines established by the existing MOA's between DOT or BLWQ. Any further efficiencies would be moot unless significant improvements were possible with the other review agencies. Should that become possible then the PAT would encourage the availability of electronic mail among state agencies as a means of expediting the transmission of review comments. The PAT did not identify significant inefficiencies within BLWQ reviews. Improved processes, e.g. pre-application, new applications, plus the ability of an applicant to avail themselves of the technical review expertise of most local Soil and Water Conservation District engineers, have all combined to significantly reduce review times. The PAT did identify some inefficiencies within the DOT review process which it felt should be addressed. As shown on the process flow diagram for DOT reviews (Fig. 1-B), that process is fragmented to the extent that a complete analysis is not possible if initial assumptions are determined to be invalid. The potential exists that a more comprehensive initial review may be more productive and ultimately less time consuming. The PAT suggests that a more focused group be charged with this task.

The PAT has identified a number of areas where continued improvements are possible. Most involve on-going efforts and these should be encouraged. New initiatives, primarily staffing issues, must be considered in light of potential

funding. In general, processing times along the order of 2-3 months can be anticipated. Further reductions in processing times would most likely require a fundamental restructuring of the state system of land use laws.

## **VI. RECOMMENDATIONS**

The PAT has two basic recommendations to reduce Site Law application process times. Although distinct they are not without some degree of interconnectedness. They are:

### **A. Application Adequacy**

The single greatest factor influencing the amount of time it takes to process a Site Law application involves the adequacy of the application. Improving the quality of applications will directly reduce the agency review times and eliminate the need for subsequent reviews and reduce the review agency workload. The Department chartered a process action team in 1993 to address the issue of application quality Department wide. The Quality of Applications Received Process Action Team is charged to "Improve the quality of permit applications and work plans received." This PAT is currently entering the data collection phase. The Environmental Permit Reviews PAT recommends:

**THE QUALITY OF APPLICATIONS RECEIVED PROCESS ACTION TEAM WITHIN THE DEP SHOULD BE MONITORED AND ITS FINAL RECOMMENDATIONS CONSIDERED AS THEY MAY APPLY SPECIFICALLY TO SITE LAW APPLICATION REVIEW.**

### **B. State Agency Review**

The next significant factor influencing processing delays involves agency reviews. Although current efficiencies are assumed to be at or near optimal, the PAT recommends:

**AUTHORIZATION AND HIRING OF ADDITIONAL TECHNICAL STAFF AS OUTLINED**

**GEOLOGIST I- DEP  
ENVIRONMENTAL ENGINEER I- DEP  
TRAFFIC ENGINEER - DOT**

**A TRAFFIC FOCUS GROUP RECENTLY COMPLETED ITS REVIEW OF THE DEPARTMENT'S PROPOSED REVISIONS TO ITS TRAFFIC REGULATIONS. THE GROUP WAS MADE UP OF DEP AND DOT**

**STAFF, PRIVATE CONSULTANTS AND A REGIONAL TRANSPORTATION PLANNER. THE GROUP SHOULD BE RECONVENED TO FOCUS ON ANALYZING AND RECOMMENDING IMPROVEMENTS TO THE EXISTING REVIEW PROCESS WITHIN DOT. RESPONSIBILITY FOR OVERSEEING THIS PROCESS SHOULD BE THE RESPONSIBILITY OF DOT.**

The PAT recommends that the traffic focus group be reconvened. The PAT recommends that the decision to authorize and hire additional technical staff should be delayed until such time as the recommendations of the Quality of Applications Received Process Action Team within the DEP have been implemented and evaluated. It is anticipated that the effective implementation of that PAT's recommendations may sufficiently reduce technical reviews/involvement to negate the need for additional staff.

ljmpat



# INDOOR AIR QUALITY PROCESS ACTION TEAM (PAT) CHARTER

## MISSION STATEMENT

The AMHI Campus Indoor Air Quality Process Action Team (PAT) will develop recommendations and an implementation strategy that will result in ongoing improvements in the overall indoor air quality in state buildings on the AMHI campus. The intent is to include recommendations that can be carried forward to other state facilities. Indoor air quality is a major concern for a variety of reasons, among which are employee and patient well-being, deferred maintenance, and outdated work place policies and practices. Problems associated with indoor air quality have been great and may result in personal injury and interruption to state services.



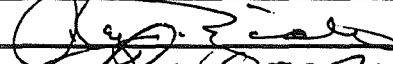
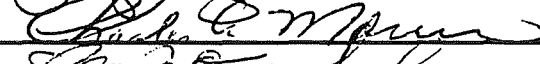
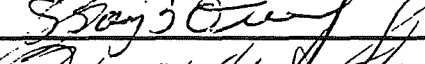
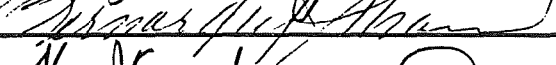
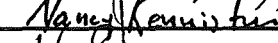
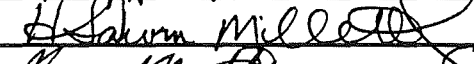

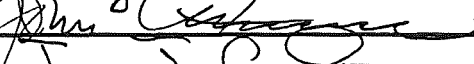

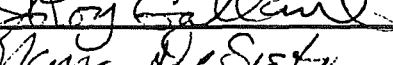


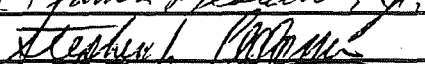
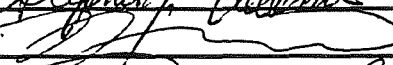

## TEAM AUTHORITY

The team is authorized to gather necessary data from all available sources. You are empowered to meet as often as necessary, but no less than two hours weekly, to complete your task. The team may conduct surveys, interviews, sampling and implementation under the guidance of the Maine Quality Management Council.

# INDOOR AIR QUALITY PROCESS ACTION TEAM (PAT) CHARTER

SIGNATURES OF THE MEMBERS OF THE  
MAINE QUALITY MANAGEMENT COUNCIL

  
\_\_\_\_\_  
John R. McKernan, Jr.  
Chair, Maine Quality Management Council

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INDOOR AIR QUALITY  
PROCESS ACTION TEAM (PAT)

RECOMMENDED MEMBERS

Deanna Boynton	-	Bureau of Employment & Training Programs
Breena Plummer	-	Department of Environmental Protection
Debbie Philips	-	Department of Conservation
Dick Davis	-	Bureau of General Services Property Management
Dick Besson	-	AMHI Property Staff
Gene Kaler	-	Bureau of General Services
Steve Wintle	-	Consultant to the Bureau of General Services
Charlene Gamage	-	Department of Agriculture
Jim Keil	-	Director, Bureau of General Services
Beverly Daggett	-	Representative, Legislature

\* To be coordinated with Representative Gwadosky

## ORIGINAL CHARTER

### INDOOR AIR QUALITY PROCESS ACTION TEAM (PAT) CHARTER

#### MISSION STATEMENT

The AMHI Campus Indoor Air Quality Process Action Team (PAT) will develop recommendations and an implementation strategy that will result in ongoing improvements in the overall indoor air quality in state buildings on the AMHI campus within existing resources. The intent is to carry these recommendations forward to other state facilities. Indoor air quality has become a major concern in buildings across the country for a variety of reasons, among which are employee well-being, deferred maintenance, and outdated work place policies and practices. Problems associated with indoor air quality have been great and may result in personal injury and interruption to state services.

#### TEAM AUTHORITY

The team is authorized to gather necessary data from all available sources. It is empowered to meet as often as necessary, but no less than two hours weekly, to complete its task. The team may conduct surveys, interviews, sampling and implementation under the guidance of the Maine Quality Management Council.

The first significant task undertaken by the team after training was to develop a flow chart on the current process for handling air quality complaints in state government. However, this turned out to be much more difficult than anticipated because there really were several processes within state government to deal with the issue.

This discovery also led the team to approach the Maine Quality Management Council to ask for some changes in its charter, in order to clarify its mission.

## REVISED CHARTER

### INDOOR AIR QUALITY PROCESS ACTION TEAM (PAT) CHARTER

#### STATEMENT OF FACT

Indoor air quality and associated environmental factors is a major concern. Reports of unacceptable air quality have resulted in personal injury complaints and interruption of state service.

#### MISSION STATEMENT

The AMHI Campus Indoor Air Quality Process Action Team (PAT) will develop recommendations and an implementation strategy that will result in ongoing improvements in the overall indoor air quality and those environmental factors that contribute to air quality in state buildings, using the AMHI complex as a model.

#### TEAM AUTHORITY

The team is authorized to gather necessary data from all available sources. It is empowered to meet as often as necessary, but no less than two hours weekly, to complete its task. The team may conduct surveys, interviews, and samples under the guidance of the Maine Quality Management Council.

## AMHI INDOOR AIR QUALITY INTERIM TEAM REPORT

Indoor air quality has been an issue regarding state offices for a number of years. Certain buildings have been more troublesome than others in terms of health complaints and sometimes mysterious symptoms.

Nationally, facility managers in both the public and private sector were forced to use disjointed statistics, theoretical assumptions, incomplete information, and emotional arguments to try to make decisions, because that was the only data available. As a result, they were often led to incorrect or premature conclusions, in trying to determine why there was a general deterioration of air quality in so many buildings.

In May of 1992, Maine State Government faced a crisis situation in one particular office building which housed a number of employees. The same lack of scientifically proven information was lacking. A decision was made to evacuate the building, and to contract for alternative facilities.

Recognizing the need to improve the process by which this decision was reached, the Maine Quality Management Council in November of 1993, created the INDOOR AIR QUALITY PROCESS ACTION TEAM, and charged it with "developing recommendations and an implementation strategy that will result in ongoing improvements in the overall indoor air quality and those environmental factors that contribute to air quality in state buildings, using the AMHI complex as a model."

The team includes the following members:

- Breana Plummer - DEP
- Debbie Phillips - Conservation
- Dick Davis - BGS Property Management
- Dick Besson - Director of Hospital Services, AMHI
- Gene Kaler - BGS
- Charlene Gamage - Department of Agriculture
- Steve Wintle - Consultant to BGS
- Beverly Daggett - Maine State Legislator
- Jim Keil - BGS,

The team completed formal Process Action Team training in December and began the task of reviewing existing processes and data, and to undertake walk-through tours of AMHI buildings, examine mechanical systems and talk with employees.

The team found that the existence of several processes was not an unusual situation. In fact, most facility managers, whether in the private sector, or in any level of government, had been unable to develop reasonable processes to deal with indoor air quality because of the lack of a solid scientific basis upon which to draw conclusions.

One of the major contributors to so-called "air quality" problems, was the many steps taken to conserve energy during the oil embargo of the early seventies. Making buildings "tighter," replacing windows, and shutting down ventilation systems accomplished energy savings, but also created many unhealthy dynamics within structures.

Because there was not enough information available to make informed decisions, management was unable to deal with the situation and processes developed without clear direction, adding confusion to an already bad situation.

The team's flow charts are included in this report, and they demonstrate the general path (as it exists today) of complaints about air quality, beginning with formal reporting of an incident.

At this point, the team conducted walk-through inspections of some of the buildings at AMHI, and reviewed existing mechanical systems, and known problems.

Public buildings have suffered from a historical lack of funding for maintenance and capital improvements and repairs. This problem has been compounded by the economic difficulties of the past few years in Northern New England.

The cause and effect diagram was the culmination of brainstorming sessions by the team, and it verified the complexity of the issue of indoor air quality.

# AMHI FLOW CHART MARCH 3, 1994

--- TWO-WAY COMMUNICATIONS

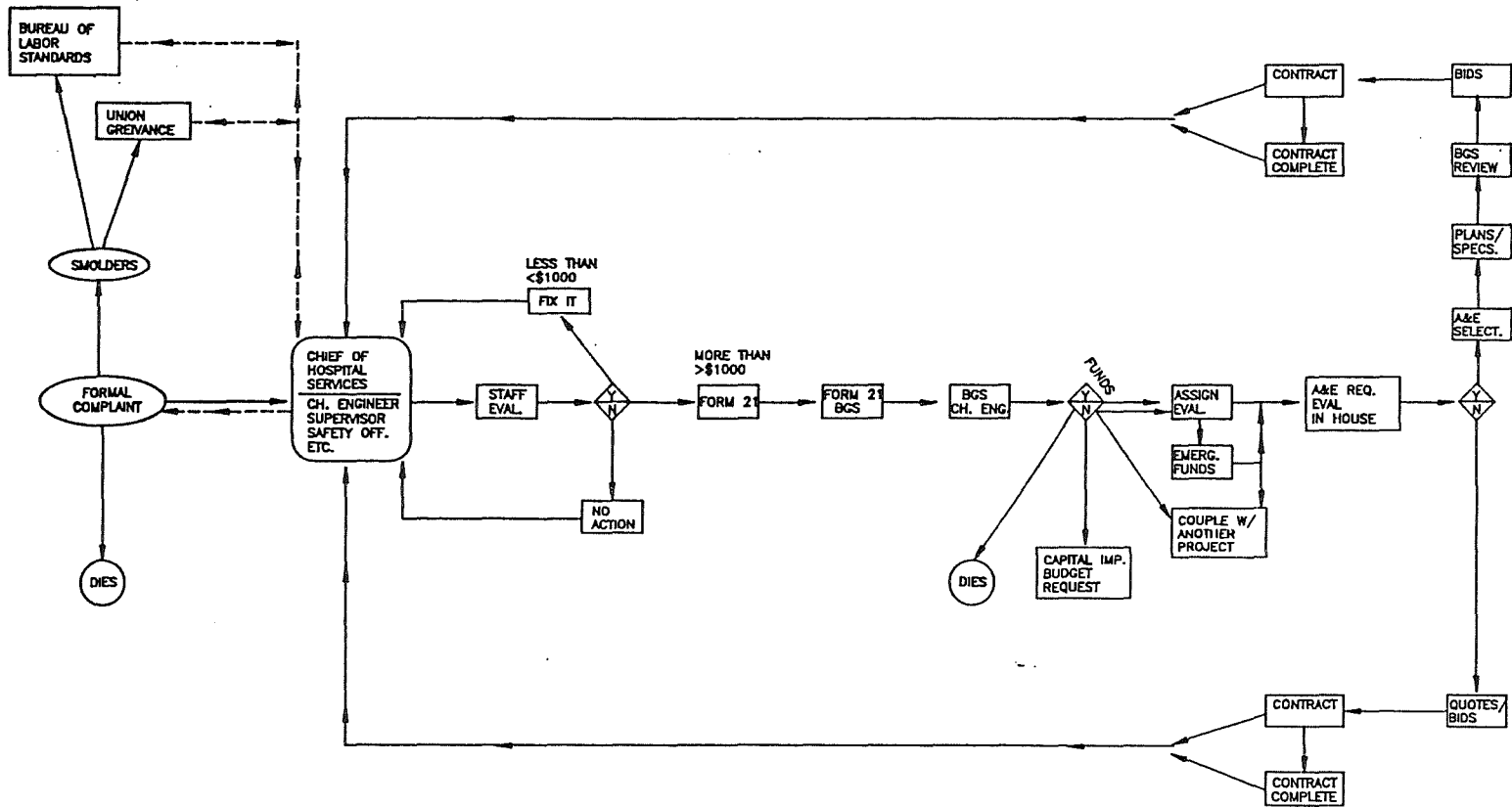
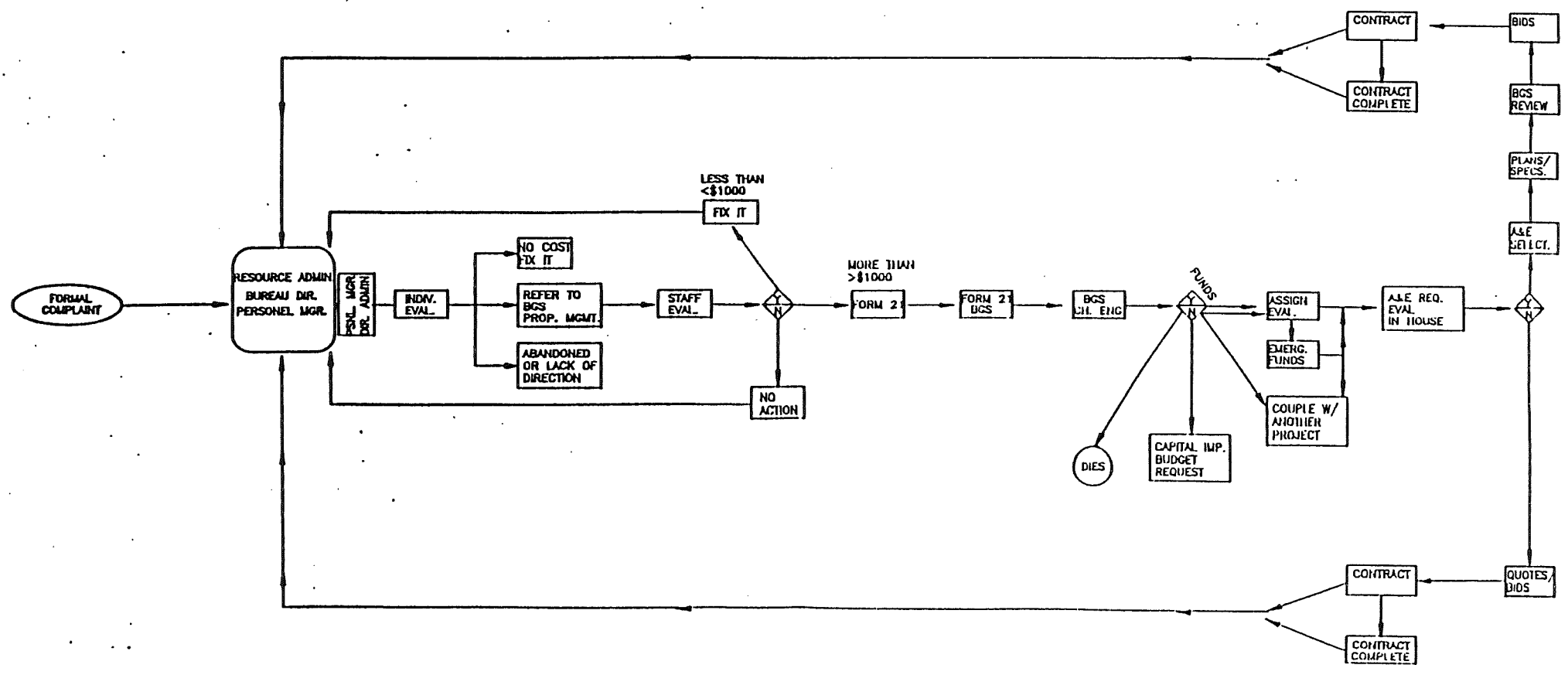




Exhibit 3

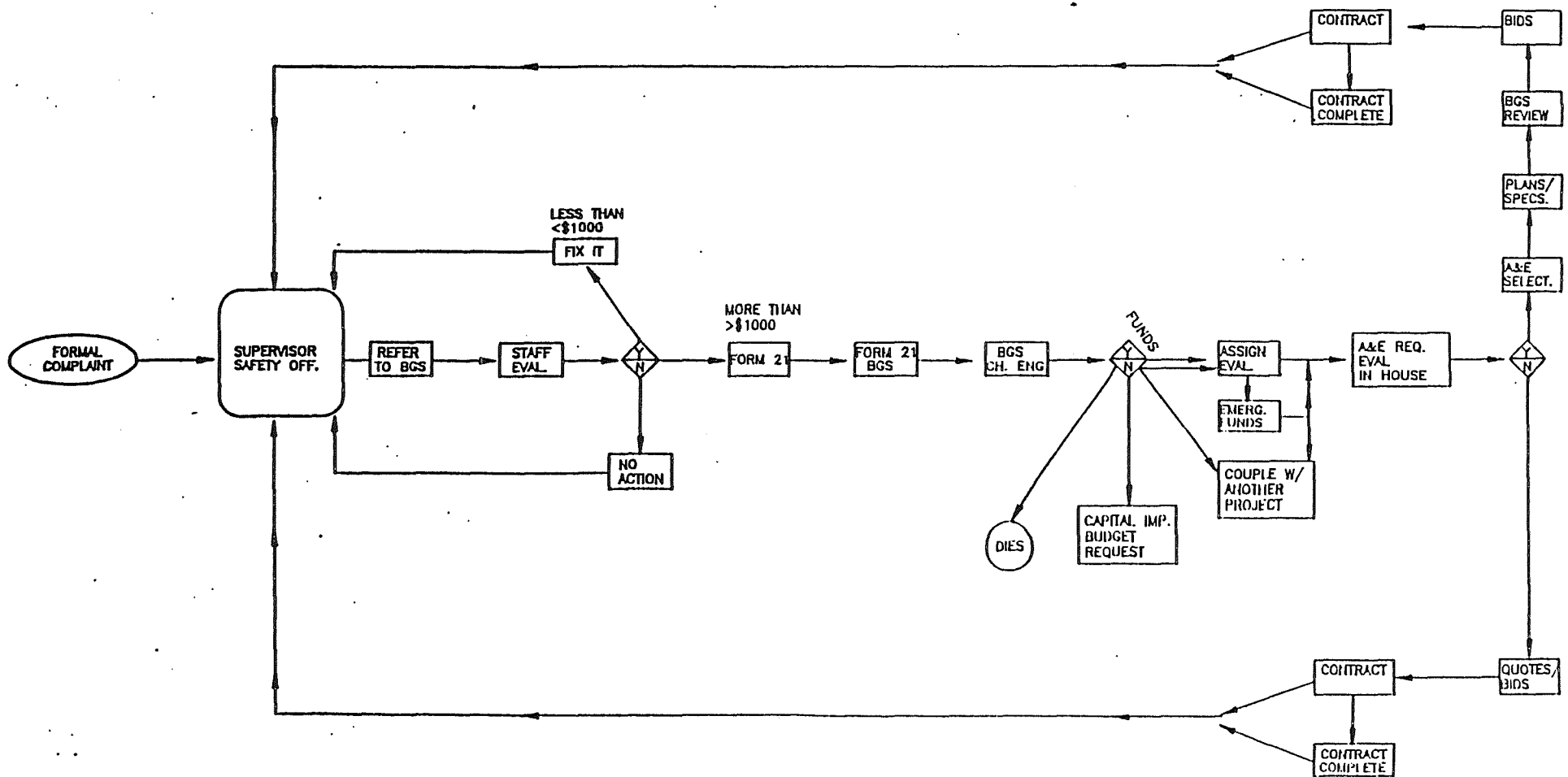
# DEPT. of CONSERVATION

March 3, 1984

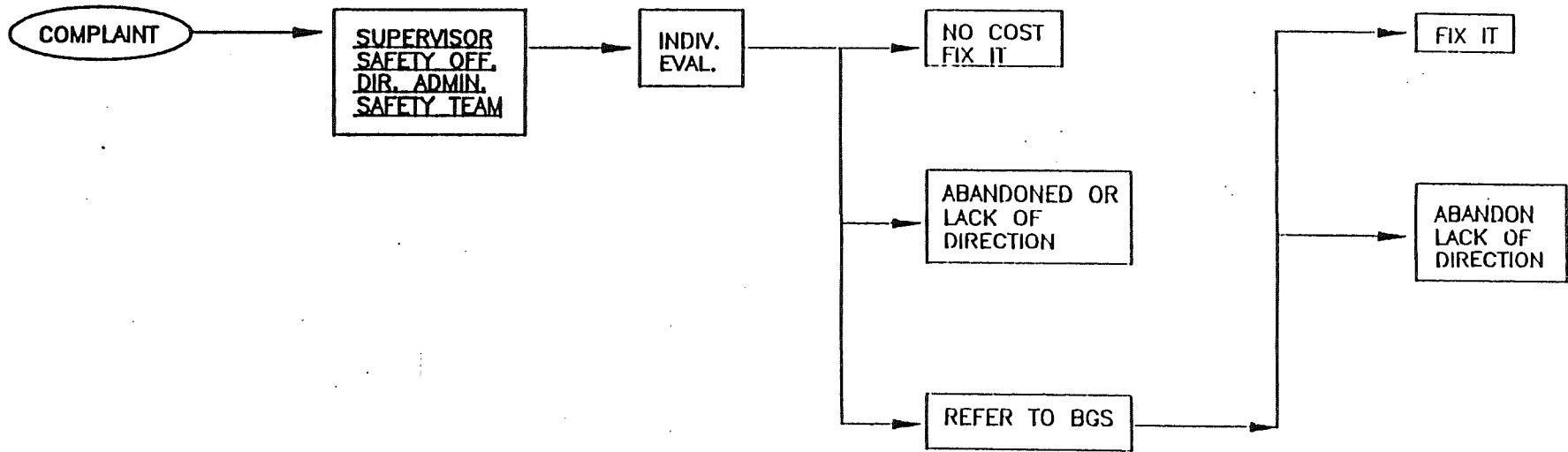


# DEPT. of AGRICULTURE

March 3, 1984

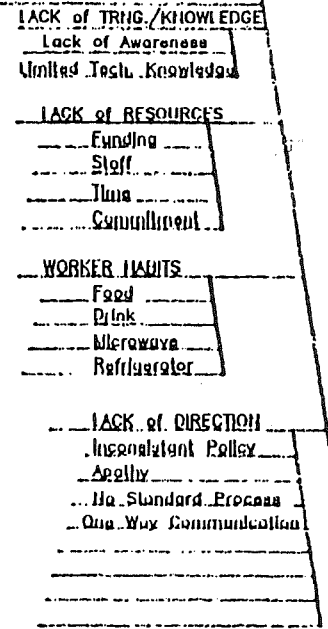
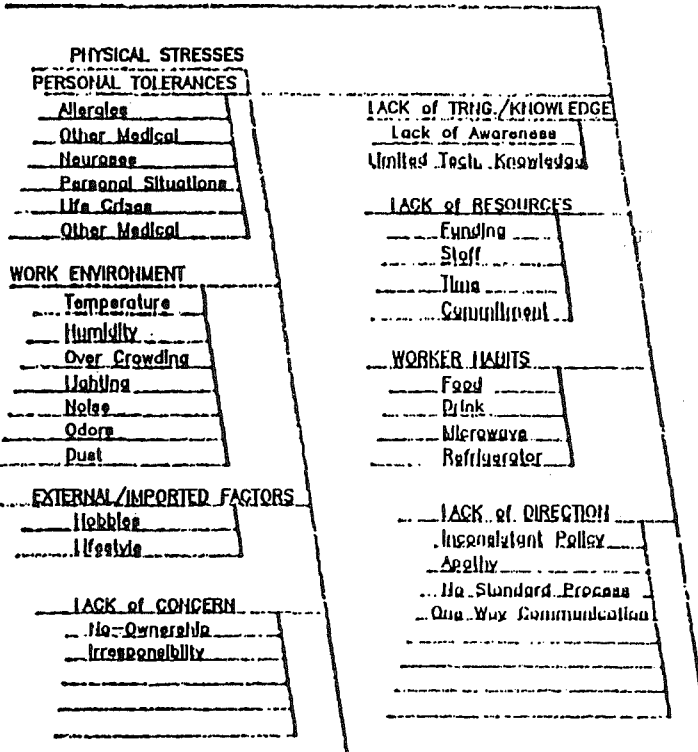
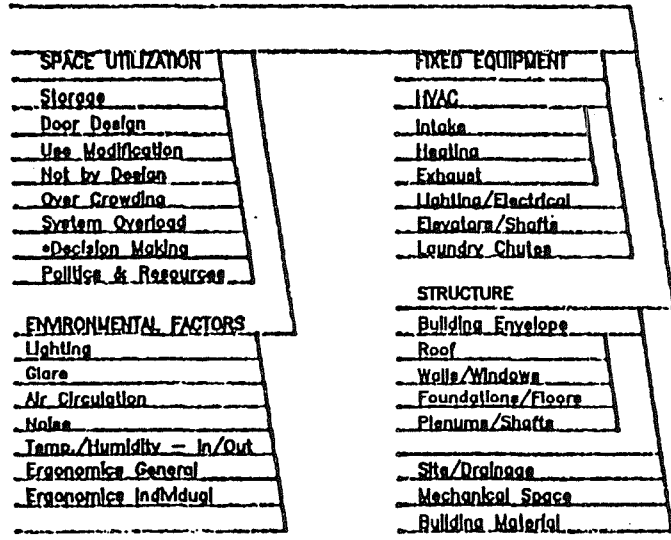


DEPARTMENT of ENVIRONMENTAL PROTECTION

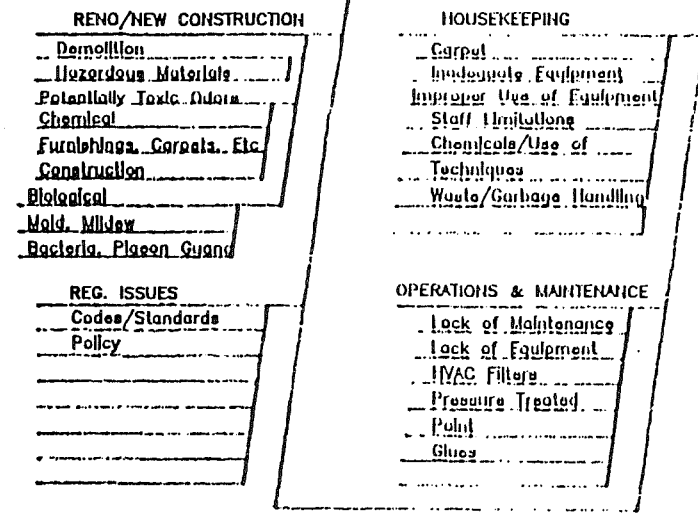
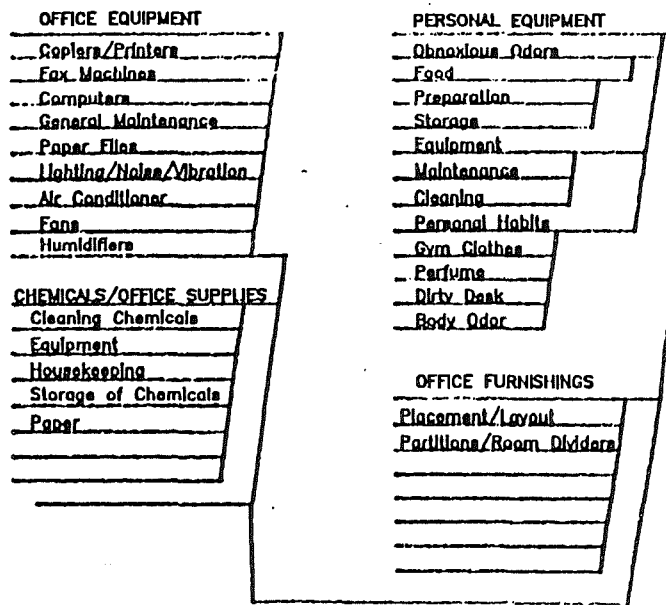


PEOPLE

DESIGN & FIXED EQUIPMENT



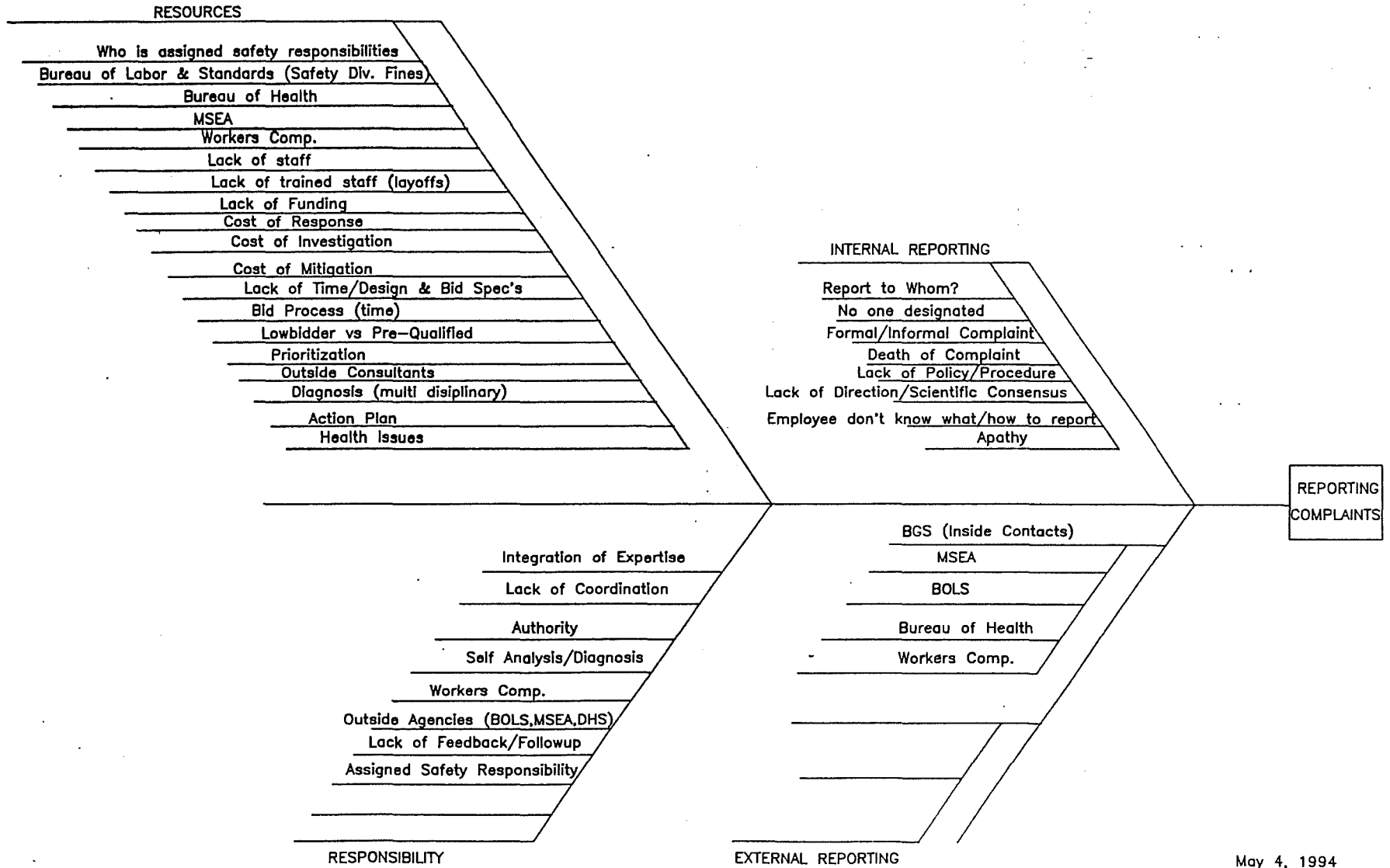
IAQ



MOVABLE EQUIPMENT

MATERIALS

# REPORTING COMPLAINTS



DESIGN & FIXED EQUIPMENT, the team evaluated known or suspected causes and related them to known effects.

It is the team's feeling that a major difficulty inherent in dealing with an issue as complex as air quality in buildings is that it takes some level of education and training to be able to understand the relational impact of all the factors involved. With that in mind, we offer the following recommendations in this interim report.

**RECOMMENDATIONS:**

**1. DEVELOP A SHORT AWARENESS AND EDUCATIONAL VIDEO**

The team is prepared to develop and produce a short video presentation to be used in awareness training for state employees. We have compiled enough information and evidence to write a script, and the Bureau of General Services, Purchasing Division has the capability to produce and edit the film for an estimated cost of \$1500. Once produced, the video can be copied inexpensively, or, in some cases, without cost.

This video would be appropriate, in the opinion of the team, to be used statewide as part of the implementation of the team's protocol, which is currently being designed.

**2. DEVELOP A TRAINING PROGRAM**

Designees would be appointed and trained within each agency on the AMHI campus. These designees would act as the liaison between the agency and the Bureau of General Services on air quality complaints.

These trained designees would also be responsible for collection of data and entry into the database. They would be trained to guide the process (as it ultimately develops) through the evaluation and action steps.

**3. DEVELOP A DATABASE**

The team would explore the use of a database to benchmark the present indoor air quality at the AMHI campus. This information is critical to the evaluation of and improvement of air quality issues in state offices.

Any database developed would be adaptable to a state-wide effort after a trial run at the AMHI complex, and would help in finalizing the protocol currently in draft format.

**4. DEVELOP A PROTOCOL THAT INCLUDES ALL OF THE ABOVE**

**5. DEVELOP AN IMPLEMENTATION PLAN**

# COMMUNICATION PROCESS ACTION TEAM (PAT) CHARTER

## MISSION STATEMENT

Distribution of the statewide Total Quality Management Newsletter revealed that State employees do not receive statewide mailings in a timely or reliable manner. The Communication Process Action Team (PAT) will identify the types and the distribution process of various statewide mailings distributed to all employees, and make recommendations by September 21, 1994, to ensure a timely, cost-effective, and reliable process which will result in an effective delivery system to all employees within State Government.

## TEAM AUTHORITY

The team is authorized to gather necessary data from all available sources. It is empowered to meet as often as necessary, but not less than two hours weekly, to complete its task. The team may conduct surveys, interviews, sampling and implementation under the guidance of the Maine Quality Management Council.

COMMUNICATION  
PROCESS ACTION TEAM (PAT)

MEMBERS

Joe Shaw	-	Budget
Roberta Delgado	-	DHS (Lewiston)
Virginia Roussel	-	DHS
Lucille Gardiner	-	DOT
Andrea Murphy	-	Governor's Office
Richard Paradis	-	Human Resources
Art Henry	-	Information Services
Hedy Curtis	-	MH&MR
Debbie Tara	-	BMHI
John Wipfler	-	Health Care Fin. Commission

Consultants:

Don Allen	-	Corrections
J.R. Philips	-	Museum



STATEWIDE COMMUNICATIONS

PROCESS ACTION TEAM

STATUS REPORT

November 10, 1994

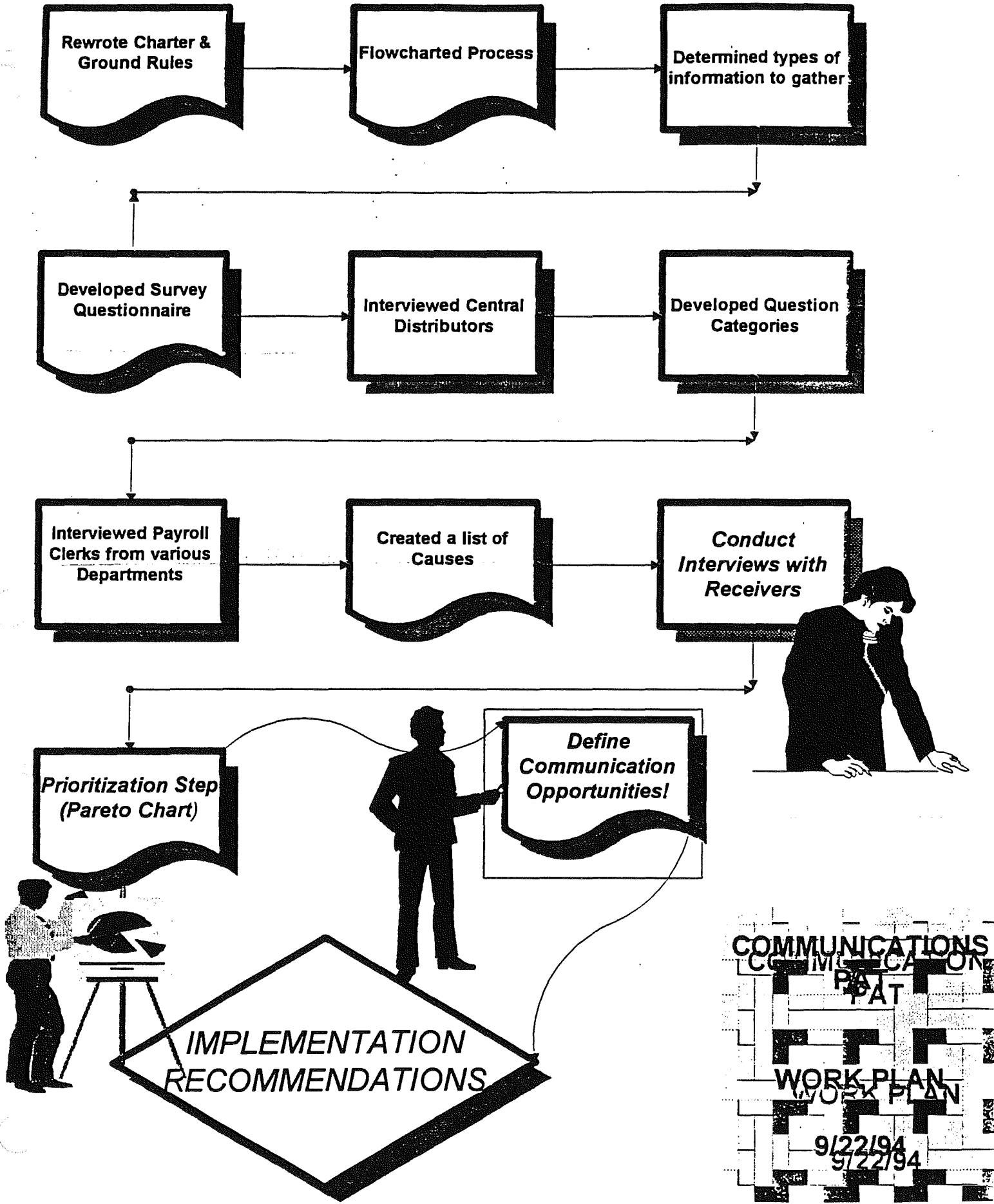
The Maine Quality Management Council approved the rewrite of our Mission Statement in late June of this year, since that time we have made significant headway. We developed a team plan of how we propose to complete our task. As part of that plan we flow charted our understanding of the methods that were used to distribute information to State employees. After we completed that task we set about to validate our understanding by interviewing key central distributors of information. To complete this task we developed a questionnaire and used that to guide us through the interview process. The information gathered in those steps was valuable but we soon learned that we must meet with other people involved with information distribution to fully understand the process.

For the next step, we developed question categories so that we could gain a better understanding of the total distribution process. Therefore, we interviewed people involved in the next step --- generally payroll clerks. Each member of the Process Action Team interviewed representatives of different departments. Some of the people were stationed in Augusta others were outside of the city. After we gathered the above information, we were ready to develop a cause and effect diagram (Pareto chart) which allowed us to further understand what the causes might be for stuffers not being received or information being received late by employees.

We then realized that we needed to further research one important aspect of the communications process; the employees who receive the information. Surveying the receivers will allow us to determine the employees opinion of the issues, to gain a better understanding of which information they feel is important to receive and to get an idea of how they would like to receive it. To achieve this we first developed a series of question areas and then spent time developing a "What If" Pareto chart. In other words, if we received the information back in the form we were asking it, could we develop useful data that would allow us to make informed decisions. This effort helped us refine our survey document (a copy is attached). We are now further testing it by each of us distributing it to 10 co-workers. We are asking

them to complete the survey and we will also seek their constructive criticism on the usefulness of the survey document. We will use their actual survey responses to be sure that we can properly analyze the survey information when it is returned. Each team member will report back at the PAT meeting on November 17 with a summary of the information that they have gathered. After correcting any problems discovered in the survey document, we will be ready to poll a larger subsection of all employees.

We would expect to have another status report in about a month and will strive to have the final report to you as soon as possible after we receive the survey responses. Attached for your information are samples of our Project Plan, Fishbone, "What If" Pareto Chart, and a copy of the survey document.



**PEO**

**MATERIALS**

**Receiver/Employee**

**Stuffers**

Perceived as junk mail  
Perceived as not effective to receiver  
• Frequency & Infrequency not known to receiver (not known if not received)

Too few stuffers  
Unfolded stuffers  
Multiple forms (size)  
Volume in stack not known  
Multiple stuffers require collation  
Special envelopes for distribution

**Sender/Distributor**

Lack of distribution instructions  
No consistent manner for Informing employees  
Antiquated methods for distribution  
Subjective distribution schedules  
Multiple originators  
▶ Different physical location requires different distribution solution

**METHODS**

**Timeliness**

Stuffers are received late by Agency  
Payroll Cycles A & B

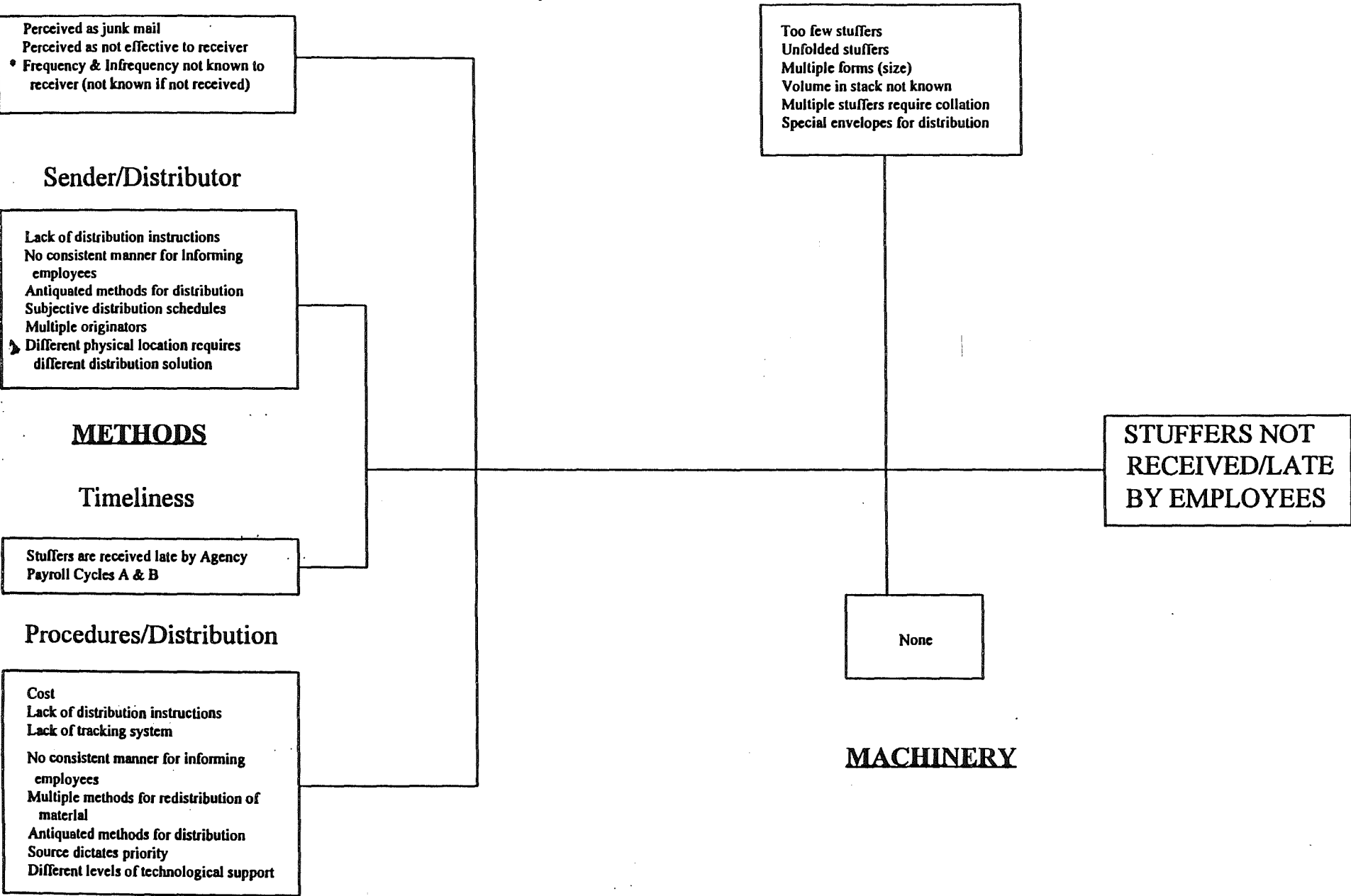
**STUFFERS NOT RECEIVED/LATE BY EMPLOYEES**

**Procedures/Distribution**

Cost  
Lack of distribution instructions  
Lack of tracking system  
No consistent manner for informing employees  
Multiple methods for redistribution of material  
Antiquated methods for distribution  
Source dictates priority  
Different levels of technological support

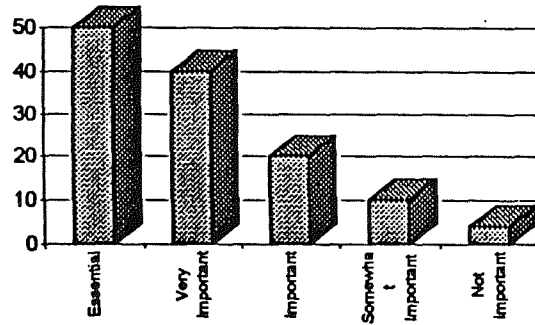
None

**MACHINERY**

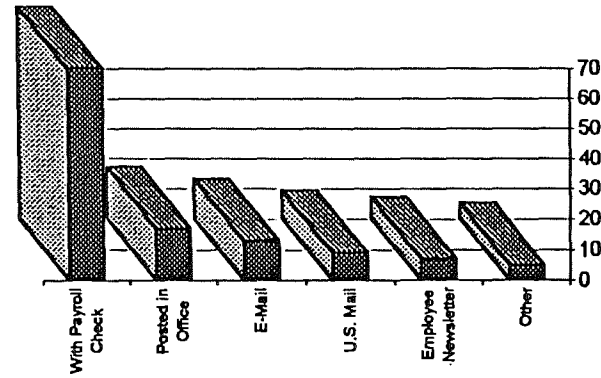


# PAY RELATED DATA

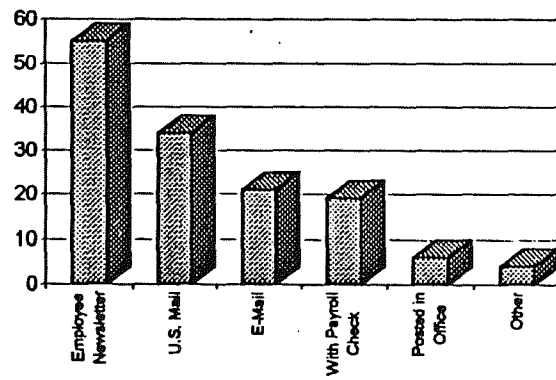
**Importance of Pay Data**



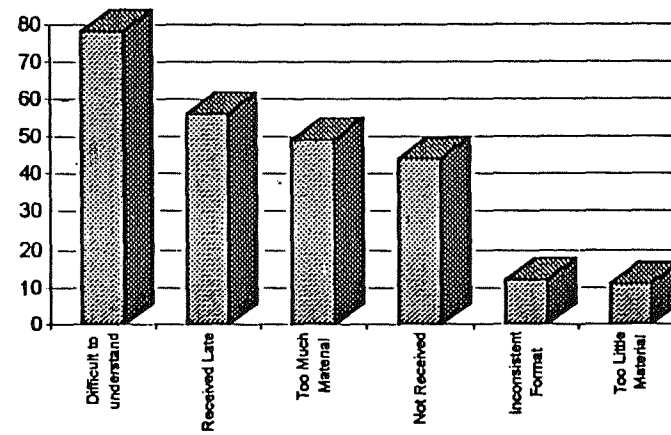
**How Do You Receive Pay Info Now?**



**How Do You Want To Receive Pay Data**



**Current Problems**



# State of Maine

## Communications Process Action Team Questionnaire

### Maine Total Quality Management Program

Name of Employee (optional)	Work Location
Department Name	Job Title

The purpose of this questionnaire is to obtain a better picture of how information is distributed to employees and to get your thoughts on how the process could be improved.

**PAY RELATED DATA SUCH AS TAX CHANGES, SALARY CHANGES, SAVINGS PLANS (MEDICAL, DEFERRED COMP).**

(1) HOW IMPORTANT IS IT THAT YOU RECEIVE THIS?

- Not important
- Somewhat important
- Important
- Very Important
- Essential

(2) HOW DO YOU RECEIVE THIS NOW?

- With Payroll Check
- Posted in Office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_

(3) HOW DO YOU WANT TO RECEIVE THIS?

- With Payroll check
- Posting in office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_

(4) WHAT PROBLEMS DO YOU HAVE WITH THE INFORMATION NOW?

- Not received
- Received late
- Difficult to understand
- Too much material
- Too little material
- Inconsistent formats are confusing

# HUMAN RESOURCES RELATED DATA SUCH AS JOB POSTINGS, RULE, LAW AND POLICY CHANGES.

## (1) HOW IMPORTANT IS IT THAT YOU RECEIVE THIS?

- Not important
- Somewhat important
- Important
- Very Important
- Essential

## (2) HOW DO YOU RECEIVE THIS NOW?

- With Payroll Check
- Posted in Office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_

## (3) HOW DO YOU WANT TO RECEIVE THIS?

- With Payroll check
- Posting in office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_

## (4) WHAT PROBLEMS DO YOU HAVE WITH THE INFORMATION NOW?

- Not received
- Received late
- Difficult to understand
- Too much material
- Too little material
- Inconsistent formats are confusing

# BENEFITS DATA SUCH AS LIFE, HEALTH & DENTAL INSURANCE; PENSION, CHILD CARE REIMBURSEMENT INFO

## (1) HOW IMPORTANT IS IT THAT YOU RECEIVE THIS?

- Not important
- Somewhat important
- Important
- Very Important
- Essential

## (2) HOW DO YOU RECEIVE THIS NOW?

- With Payroll Check
- Posted in Office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_



# BENEFITS DATA (CONTINUED)

## (3) HOW DO YOU WANT TO RECEIVE THIS?

- With Payroll check
- Posting in office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_

## (4) WHAT PROBLEMS DO YOU HAVE WITH THE INFORMATION NOW?

- Not received
- Received late
- Difficult to understand
- Too much material
- Too little material
- Inconsistent formats are confusing

# GENERAL INFORMATION SUCH AS TQM NEWSLETTER, EAP BULLETINS, FUND DRIVES, TRAINING OPPORTUNITIES, ETC.

## (1) HOW IMPORTANT IS IT THAT YOU RECEIVE THIS?

- Not important
- Somewhat important
- Important
- Very Important
- Essential

## (2) HOW DO YOU RECEIVE THIS NOW?

- With Payroll Check
- Posted in Office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_

## (3) HOW DO YOU WANT TO RECEIVE THIS?

- With Payroll check
- Posting in office
- E-Mail
- U.S. Mail
- Employee Newsletter
- Other \_\_\_\_\_

## (4) WHAT PROBLEMS DO YOU HAVE WITH THE INFORMATION NOW?

- Not received
- Received late
- Difficult to understand
- Too much material
- Too little material
- Inconsistent formats are confusing

# STATE OF MAINE NEWSLETTER

If the information that is provided to you at the present time were to be incorporated in a newsletter instead of as a payroll stuffer would you be interested?

- very much     somewhat     no opinion     not interested

If you believe a newsletter would be helpful to you, which of the following do you think would be reasons?

- Scheduled Distribution     Easy format to read     Easy to identify  
 Comprehensive

How often would you like to see a newsletter published?

- Weekly     Twice a month     Monthly     Quarterly     Annually

How would you like to receive it?

- With Payroll Check     State Mail System     U.S. Mail     From Supervisor     E-Mail

What newsletter contents would be of the most interest to you?

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Holiday schedules           | <input type="checkbox"/> Job Postings for Direct Hire Jobs | <input type="checkbox"/> Job Postings for Competitive Jobs           |
| <input type="checkbox"/> Life Insurance Info         | <input type="checkbox"/> Health Insurance Info             | <input type="checkbox"/> Retirement Info                             |
| <input type="checkbox"/> Training Opportunities      | <input type="checkbox"/> Employee Awards                   | <input type="checkbox"/> Employee Profiles                           |
| <input type="checkbox"/> TQM happenings              | <input type="checkbox"/> State Finances                    | <input type="checkbox"/> New Employees                               |
| <input type="checkbox"/> Employees Retiring          | <input type="checkbox"/> Profiles of work groups           | <input type="checkbox"/> Profiles of individual accomplishments      |
| <input type="checkbox"/> Upcoming events or programs |  | <input type="checkbox"/> Information for employee Financial Planning |
| <input type="checkbox"/> _____                       |  | <input type="checkbox"/> _____                                       |
| <input type="checkbox"/> _____                       |  | <input type="checkbox"/> _____                                       |
| <input type="checkbox"/> _____                       |  | <input type="checkbox"/> _____                                       |

**Please send your completed questionnaire to  
Bureau of Information Services, Mail Station 145,  
Augusta, Maine 04333**

**DATED  
MATERIAL  
READ NOW**

**STATE OF MAINE**  
Inter-Departmental Memorandum

Date: November 10, 1994

To: Commissioners, TOM Coordinators & TOM Councils

From: Blaine House Quality Awards Subgroup *EAS*

Subject: Blaine House Quality Award

You will find attached to this memo a nomination form for the Blaine House Quality Award. The Maine Quality Management Council (MQMC) created the Blaine House Quality Award to show appreciation for the hard work of individuals and teams throughout Government and allied agencies in achieving continuous quality improvement. The MQMC would like the Department's TQM Councils to use this application make nominations that meet the criteria that follow for the Blaine House Quality Award. Department Quality Councils should note that while the award is slanted toward teams, individual recognition will not be excluded.

The Department's TQM councils have the responsibility to ensure that the nominations display a use of the TQM process and tools in meeting at least three of the five following criteria:

- 1) Effective Teamwork -- The narrative should include how the result was better because of teamwork rather than individual effort. It should also include a description of any training provided for the group or individuals.
- 2) Customer service improvement.
- 3) The group's accomplishment was beyond the scope of the individuals responsibilities or job descriptions.
- 4) A quantifiable reduction in waste, cost, or processing time.
- 5) The solution was not readily apparent and required imaginative or creative problem solving.

The Governor and Commissioners will present the teams with their awards at a gathering at the Blaine House. Because of the limited space at the Blaine House, only four or five teams will be presented with awards at the first award ceremony in mid December. The teams that will receive awards will be selected on a first come first served basis. The other nominations received will be carried forward for future awards.

Please send nominations to the Office of State Quality Management c/o Elaine N. Trubee by November 30, 1994 to be considered for the December Blaine House Quality Award.

Attachments

**BLAINE HOUSE QUALITY AWARD NOMINATION**

Date Submitted: \_\_\_\_\_

Department Name \_\_\_\_\_

Team Name \_\_\_\_\_

Work Team \_\_\_\_ or PAT \_\_\_\_\_

Chartered By: \_\_\_\_\_

Date Started \_\_\_\_ Date Ended \_\_\_\_

Team Members  
and Addresses

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Team Objective  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Training Received  
in TQM Process,  
and Techniques  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Reviewed and Nominated by: \_\_\_\_\_  
\_\_\_\_\_

[ Department/Agency Council Name, Address and Fax # ]

Date \_\_\_\_\_ Commissioner Signature \_\_\_\_\_

-----  
Rec'd by Office of State Quality Management [ date stamp ]

**Instructions:**

Nomination forms must be submitted to Departmental Quality Councils who will ensure that the teams have met the criteria and forward to the Maine quality Council by the first of each month. Forms received will be confirmed to signer. Please submit nominations to;

c/o Elaine N Trubee  
Office of State Quality Management  
Statehouse Station #4

For more information, you may please contact Elaine N. Trubee or Carol Fleury at 287-4400.

**Please give a brief narrative of the team's results explaining how they meet at least three of the following five criteria:**

1. Effective teamwork [ the results were achieved as a direct result of teamwork ]

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2. Customer service Improvements

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3. Group accomplishments were beyond the scope of the individuals responsibility

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4. Reduction in waste, costs, or processing time

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5. Solution was not readily apparent and required imaginative or creative problem solving

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Please use the back of this form if you require more space for completing any of the criteria.

**MEMORANDUM**  
November 10, 1994

TO: Maine Quality Management Council

FROM: Stephen Adams

RE: Report on Customer Feedback Card Initiative

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After more than three months, the Customer Feedback Card initiative has had mixed results so far. The experience so far of participating agencies indicates that this initiative can achieve most its goals and provides valuable insights into how to gain the best results from a customer feedback card.

Results so far

Approximately 15 agencies across state government have distributed over 10,000 customer feedback cards so far. Response rates have ranged from over 80% at the Bureau of Human Resources, to the low teens for others. Some agencies have been more systematic than others. In most cases, agencies have used this initial period to pilot their efforts.

If results so far are any indication, respondents are generally very positive about their view of the quality of state services. If reliable, these results suggest that while the general public may have some broad feeling of dissatisfaction with government, those that receive our services are supportive.

Progress toward achieving goals

You will recall that the goals of the initiative are to:

- provide a "temperature reading" on the public's perception of the quality of services it receives from state government;
- inform the public of state government's interest in and focus on providing high quality services and their role in the process of continuous improvement;
- offer an indication of improvement in service quality over time; and
- serve as a precursor to more in-depth service-specific customer surveys.

Overall, the initiative is achieving most of its goals to varying degrees. The experience of participating agencies has spanned the spectrum of results. On one end of the spectrum, an agency has achieved rapid and measurable improvements in service quality. On the other end are agencies for whom results have been limited to heightening employee awareness.

The greatest contribution of the initiative, from a government-wide perspective, has been to heighten awareness among state employees and our customers of state government's interest in achieving on-going improvements in quality. Progress on other goals were more visible, and more mixed, at the agency level:

- Many agencies reported that the cards were effective in giving them a "temperature read" about how their customers viewed the quality of their services. Other agencies, however, were either skeptical of the responses (since they received largely positive responses) or had very low response rates.
- The card has proven, in some cases, to be an effective means of measuring improvement in service quality. However, most agencies have not been able to achieve more than one round of surveying.
- Some agencies received specific and helpful advice about how to improve specific services, other agencies found the questions on the card too generic, and response rate too low, to be helpful.
- Participating agencies have gained experience in thinking through distribution and tabulation of feedback responses. This will be important for agencies that intend to undertake more service-specific surveys. However, agencies have learned that they could benefit from access to advice and expertise in survey design and assessment.

### Conclusions

The customer feedback card initiative shows promise in achieving both broad public education goals and quality improvement goals. Despite some concerns that the questions are too generic, there is evidence that, in its current form, the card can help identify specific process improvements and measure customer satisfaction. The array of agency experiences in this pilot phase can provide guidance for improving its effectiveness both from a government-wide perspective and at the agency and service-specific level.



**MAINE STATE GOVERNMENT  
CUSTOMER SERVICE QUESTIONNAIRE**

Dear Customer:

Maine State Government is working to improve the quality of our services. You can help by giving your opinion about the service you have received.

Type of service received: \_\_\_\_\_

<b>How would you rate:</b>	<b>excellent</b>	<b>very good</b>	<b>good</b>	<b>fair</b>	<b>poor</b>
our courtesy and respect?	5	4	3	2	1
our knowledge?	5	4	3	2	1
our timeliness?	5	4	3	2	1
overall quality of our service?	5	4	3	2	1

**Since you last received this service from the State, has our quality:**

improved?     unchanged?     gotten worse?     not applicable.

**How did you receive the service?**

office visit     phone     mail     home/work visit     other

**Do you have any suggestions for improving the quality of our service?**

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**REPORT TO THE MAINE QUALITY MANAGEMENT COUNCIL**  
**Experience with Customer Service Questionnaire Cards**  
**Department of Administrative and Financial Services**  
**Bureau of Human Resources**

The Department of Administrative and Financial Services selected testing services within the Bureau of Human Resources to pilot the questionnaires. This service was selected because the service is provided to both the general public and to state employees, and because distribution and collection could be easily controlled.

Distribution and Collection

600 cards were printed, and no changes were made to the original format. Cards were handed out to all applicants who were taking written tests in Augusta along with their test materials. These customers were told that we are "interested in their thoughts about our employment and testing services". They were told that they could take a few minutes after completing their tests to fill out the card. Completing the card was strictly voluntary. A box was provided outside the testing room for people to deposit cards after they had completed testing.

530 cards were returned, for a return rate of 88%.

Data Collection, Compilation, and Reporting

The data was entered into a Microsoft Access data base and summarized using Access and other Microsoft Office products (Word, Excel, and PowerPoint).

Customer Service Improvements Identified by the Questionnaire

As data was being entered, it became apparent almost immediately that "timeliness" ratings were substantially lower than the "courtesy", "knowledge", and "overall" ratings. Comments were reviewed to identify problems that customers were having with our services and two changes to our procedures were developed to address the most common problems. We decided to develop a meaningful measure of customer satisfaction prior to implementing these changes. No changes were made until half of the 600 cards had been distributed, so that "before and after" comparisons could be based on large numbers of responses.

The changes to testing procedures were implemented, and the remaining 300 cards were distributed. The two tables on the following page detail the impact these changes had on customer service ratings.

### Initial Quality Ratings

	Excellent	V. Good	Good	Fair	Poor	Total
Courtesy	98	103	35	6	4	246
Knowledge	92	98	38	4	1	233
Timeliness	63	78	61	33	7	242
Overall	67	102	64	9	1	243
Total	320	381	198	52	13	964
	Excellent	V. Good	Good	Fair	Poor	Total
Courtesy	40%	42%	14%	2%	2%	100%
Knowledge	39%	42%	16%	2%	0%	100%
Timeliness	26%	32%	25%	14%	3%	100%
Overall	28%	42%	26%	4%	0%	100%

### Quality Ratings After Changes

	Excellent	V. Good	Good	Fair	Poor	Total
Courtesy	117	113	42	8	1	281
Knowledge	119	128	30	1	0	278
Timeliness	121	111	45	3	0	280
Overall	113	126	37	1	0	277
Total	470	478	154	13	1	1116
	Excellent	V. Good	Good	Fair	Poor	Total
Courtesy	42%	40%	15%	3%	0%	100%
Knowledge	43%	46%	11%	0%	0%	100%
Timeliness	43%	40%	16%	1%	0%	100%
Overall	41%	45%	13%	0%	0%	100%

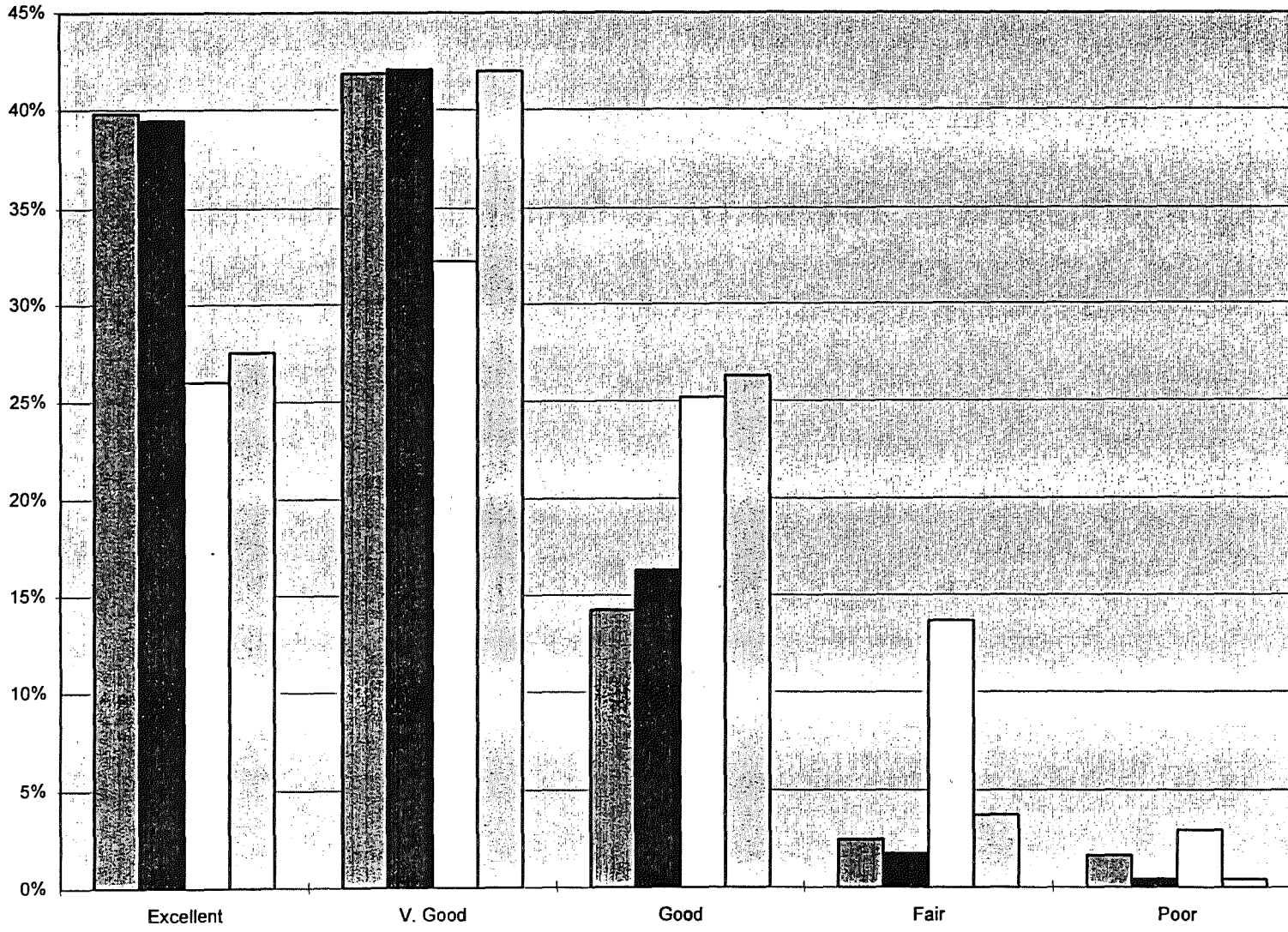
### Continued Use of these Results

Written comments have been compiled into several categories, and our employees have been provided with a Pareto chart, listing the number of comments received in each of these categories. This information will be used by teams within the Bureau to improve other aspects of our testing services. We have recently printed more of these cards and we are continuing to hand the cards out to test takers, so that we can continue to monitor customer satisfaction with this service.

Enclosed are graphical representations of the original data that we used to initiate change and to inform staff of the impact these changes had on customer satisfaction.

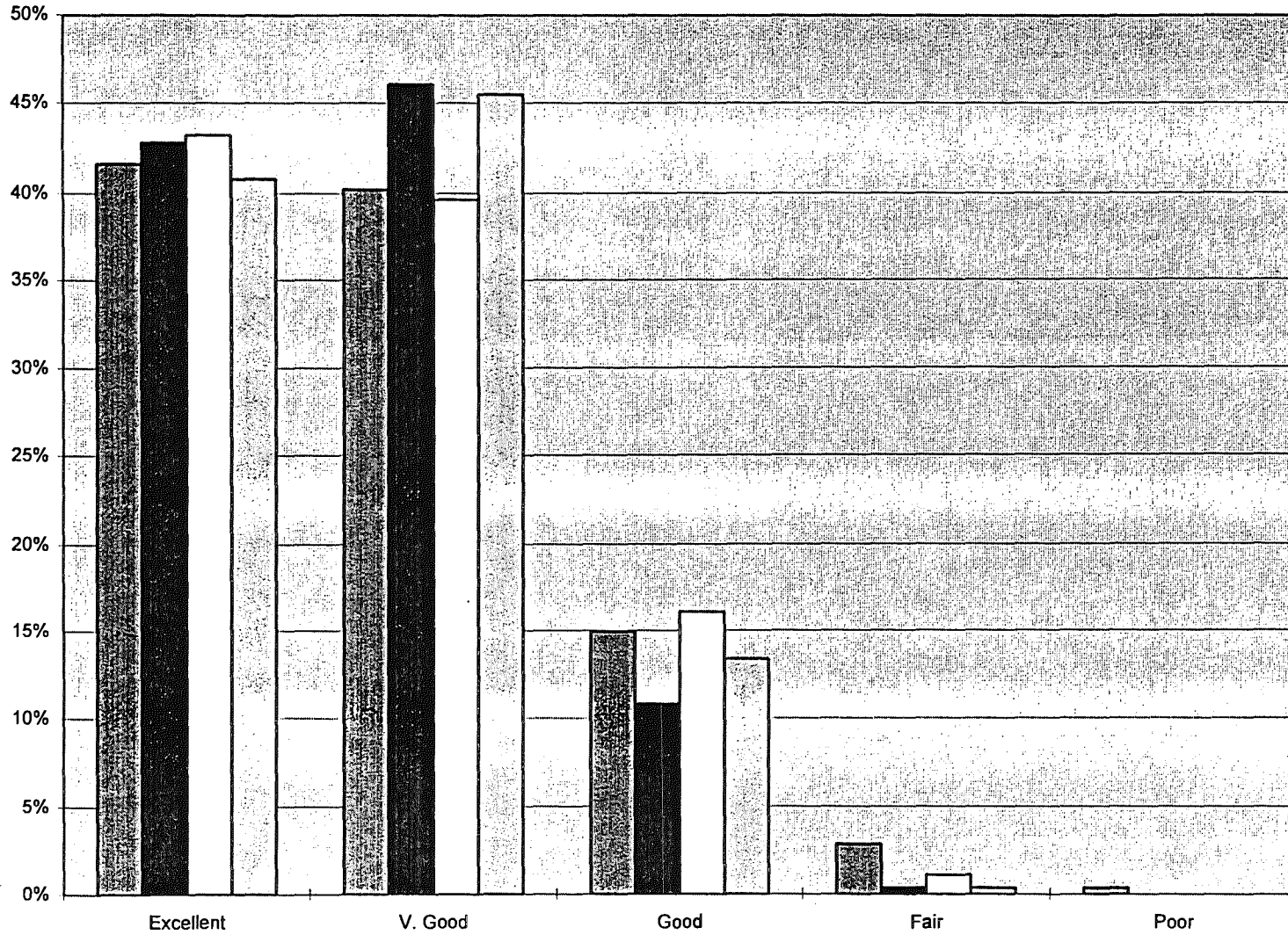
# Initial Quality Ratings

■ Courtesy ■ Knowledge □ Timeliness □ Overall



# Quality Ratings After Changes

■ Courtesy ■ Knowledge □ Timeliness □ Overall



# Overview

- 600 Cards were given to people taking written tests.
- After half of the cards were distributed, two changes were made in service delivery.
- The remaining cards were distributed, and customer satisfaction ratings were compared.

# Evaluation of Customer Satisfaction Ratings

- “Timeliness” ratings were below other ratings. Comments were reviewed to find out why.
- Customers were dissatisfied with delays caused by the method used to distribute test materials.
- Customers were dissatisfied without test scheduling procedures.

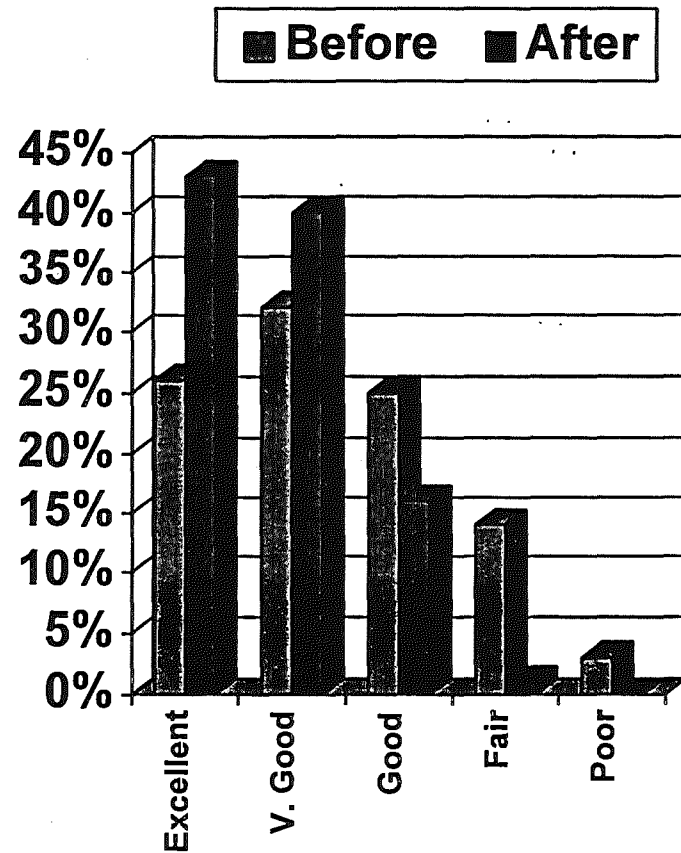
# SERVICE CHANGES

- A more efficient method of handing out tests was adopted, so that testing could start on time.
- A more flexible rescheduling policy was adopted and communicated to customers with their scheduling letters.



# TIMELINESS RATINGS

- Prior to making changes, only 83% rated our service “good” or better.
- After changes, 99% rated our services “good” or better, with 83% rating services “very good” or “excellent”.



## Continued Use of these Cards

- Written comments have been compiled into categories, and presented to staff via Pareto chart.
- Teams will use this information to continue to improve testing services
- Cards continue to be handed out to test takers, to provide continuous feedback.

**AGENCY/DEPARTMENT  
COUNCIL**

**PAT NAMES**

Administrative  
& Finance  
(9 sub-councils)

- (1) Control Printing Job Handling
- (2) Communications
- (3) Compat
- (4) Computer Svcs. Support Unit
- (5) Copy Center/Printing Process
- (6) Database Design
- (7) Financial Reports Liquor Stores
- (8) Telephone Service
- (9) Leased Space
- (10) Legislative Initiative
- (11) Mail
- (12) Monthly Financial Statement
- (13) Paper Chase
- (14) Past Due Return Process
- (15) Phone Book
- (16) Service Request Initiation Tracking
- (17) Step 3 Grievance
- (18) Taxpayer Assistance
- (19) Time Reporting Process

Agriculture  
(1 sub-council)

- (1) Employee Recognition
- (2) Telephone

Audit

- (1) Education and Training

Conservation  
(1 sub-council)

- (1) Communications

Corrections  
(6 sub-councils)

- (1) Client Records
- (2) Communications
- (3) MSP Employee Morale
- (4) MSP Communications
- (5) MSP I. D. System
- (6) Probation & Parole Safety/Security
- (7) Security Cards
- (8) Training

Defense & Veterans  
Services  
(6 sub-councils)

- (1) Communications Enhancements
- (2) Mail Distr. Camp Keyes
- (3) Maintenance Improvements
- (4) Medical Clearance/Screening
- (5) Meng Historical Communication
- (6) Repair Parts Order Shipment Time
- (7) Work Order Process
- (8) Reward/Recognition
- (9) Paying Bills
- (10) Self-service Supply
- (11) Local Purchases
- (12) Attendance Reporting

Economic &  
Community  
Development

- (1) Comm. Devl. Block Grant Monitoring
- (2) Purchasing
- (3) RFP

Education  
(2 sub-council)

- (1) Monthly Employee appreciation
- (2) Ed. Specialist Classification System
- (3) Staffing Standards
- (4) Hitch-Hikers Guide to DOE
- (5) M & M's
- (6) Paper Chasers

Department of  
Environmental Protection

- (1) Androscoggin River
- (2) Automated Time/Attendance
- (3) Continuous Emission Monitors
- (4) Employee Orientation/Training
- (5) Purchasing/Contracting
- (6) Quality of Applications Received
- (7) Response System Citizens Report Violations
- (8) Tracking System for Applications
- (9) Spill Cost Documentation

Department of  
Human Services  
(6 sub-councils)

- (1) Child & Family Svcs. Computerization
- (2) Office Environment
- (3) Supplies and Equipment
- (4) Employee Recognition

Inland Fisheries  
& Wildlife

- (1) Equipment Use & Acquisition
- (2) External Communications
- (3) Laws & Rules
- (4) Internal Communications
- (5) Telephone Service
- (6) Training

Department of Labor  
(6 sub-councils)

- (1) Air Quality
- (2) Appointment System
- (3) Augusta Application Waiting Time
- (4) Bangor Office Operations
- (5) Cash Management
- (6) Contracts Management
- (7) Emergency Policy/Plan of Action  
( at 11 worksite locations)
- (8) Emergencies
- (9) Flex Time
- (10) Incoming UI Telephone Calls
- (11) Job Order Verifications (2 occurring)
- (12) Jobs Order Control Desk
- (13) Jobs Svcs/Unemployment Ins. Reporting
- (14) Local Office Meetings
- (15) Obtain Employment Reporting
- (16) Review Distribution of Appeal Files
- (17) Safety
- (18) Scheduling Meetings & Training
- (19) Security System at 200 Union St.
- (20) Staff Meetings/ Communications
- (21) Streamline Office Procedures
- (22) Telephone
- (23) Trade Adj. Activity Quarterly Reports
- (24) Trade Adj. Activity Client Reports

Marine Resources

- (1) Licensing
- (2) Accounting
- (3) Water Quality
- (4) Boating Safety

Mental Health &  
Mental Retardation  
(3 sub-councils)

- (1) Patient Rights
- (2) 72 Hour Interdisciplinary
- (3) Jobs
- (4) Falls
- (5) Technology
- (6) Communications

Professional &  
Financial  
Regulations

- (1) Telephone Services
- (2) Employee Recognition
- (3) Inter-Divisional Communications
- (4) License Renewal
- (5) Original Professional & Occupational  
Licensing Application
- (6) Workplace Injury

Public Utilities Commission

- (1) Public Information Team
- (2) Meetings/Hearings Scheduling
- (3) Security Team

Secretary of State

- (1) Employee Recognition

Transportation  
(3 sub-councils)

- (1) Communications Skills/Harmony
- (2) Computer Information
- (3) Distribution of Written Communication
- (4) Exception Payroll Salary Voucher
- (5) Public Contact
- (6) Telephone Communications
- (7) Expense Account
- (8) Financial Order
- (9) Change Order
- (10) Exit Interview
- (11) Newsletter
- (12) Privacy/Security of Pay Checks

Waste Management  
Agency

- (1) Customer Information
- (2) Data Management
- (3) Internal Information Flow
- (4) Mail List

Workers Comp. Comm.

- (1) W.C. B. Newsletter