Sept. 15, 2015

Subject: New Professional Standards for Quality in Government

The American Society for Quality Government Division is proud to announce the public release of its new professional standards for quality in government, which are enclosed with this letter. They provide the first ever uniform and empirical tool for verifying efficiency, effectiveness, and value in government. Attached please find a summary of the new standards, and a professional framework for implementation of lean quality improvement in government. The Division is challenging each state to adopt Auditable Quality Standards and the professional framework as best practices for the management of its government operations.

The Auditable Quality Standards make it possible to provide a uniform, measurable scorecard of quality implementation throughout an agency, department or program office. For the first time ever, the standards give leadership a chance to see where quality exists and where it does not, and to have that scorecard audited by an external organization. This transforms quality from something that is now largely invisible to something easily visible.

Additionally, the standards and framework challenge leadership to provide an appropriate framework in which efficiency and effectiveness can exist. May we ask that you refer these documents to appropriate officials for review and implementation, and we look forward to assisting you in their use. Electronic copies of these documents are available as Featured Content on the ASQ web page at: http://asq.org/gov/.

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Quality Standards as a Force of Efficiency and Effectiveness in Government:

Government is unique in that it is largely insulated from the invisible hand[1] of the economic marketplace. In the private sector, competition helps drive efforts to improve quality and reduce cost. With government, it is unlikely that customers can "take their business elsewhere," so an immediate economic necessity for change is usually not present.

In response, the ASQ Government Division has established auditable quality standards[2] as a uniform benchmark and international professional standard for government. These standards have the potential to transform government by their measureable focus on the efficiency and effectiveness of individual work units, and on overarching government entities—individually and overall. The new quality standards are presented as uniform, objective, and measurable standards that reflect the efficiency and effectiveness of any government unit. These standards provide a resource and quality roadmap for chief executives, cabinet members, and elected representatives. As a professional standard they can also guide government agencies to the consistent and positive use of quality principles and practices.

The use of auditable quality standards will help improve the American system of governance in several fundamental ways. First, they will provide for an independent and objective evaluation of the efficiency and effectiveness of government at any level that will inform and provide the basis for action when deficiencies are discovered. Second, they recognize that government is a system made up of elected leaders on the one side, and hired workers and managers on the other, and that the fundamental **value** of government—what it achieves—requires collaboration between the two. It will require that chief executives, cabinet members, and elected leaders first develop overall performance goals, and then work collaboratively with government executive managers to match resources and expectations to achieve that defined value.

The structure for making needed change is really pretty simple. Quality science[3] **can** provide a structure for efficiency and effectiveness, democratic institutions can create consensus goals, and auditable standards can show where efficiency and effectiveness exist and to what degree. They can also drive change where it needs to happen, because if you can measure it, you can manage it[4].

Auditable quality standards have the potential to make these unknowns highly visible, and to offer a clear scorecard that anyone can follow. They can provide holistic and thorough measurements because they will align with the unique roles and responsibilities at three fundamental levels of leadership in government. The three levels of leadership are: 1) work unit supervisors and managers at the "front line" of government service; 2) agency executives, department directors, and their deputies as "executive management" of government agencies, and; 3) governors, cabinet members and elected leadership at the top who provide or must come to agreement on priorities, outcomes, programs, and budgets.

There are three parts to the quality standards that align with the three levels of leadership. They include the following:

1. Process Management: Aligns work processes with requirements at the level of the front-line supervisor.

2. Systems Management: Provides a structured framework for evaluating the management of overall organizational systems, and applies at the executive level.

3. Aligned Leadership Objectives: Uncovers whether governors and elected officials have agreed on prioritized outcomes and objectives for government as a whole, and aligned those with the goals and objectives of the executive leadership in the many offices of their government.

The Process Management Standard aligns with the front-line managers and supervisors in government who manage and coach the front-line workers who frequently serve the public more directly. The Systems Management Standard will hold mid- and executive-level managers accountable for the higher-level frameworks and systems that link processes end to end, and provide a scorecard for overall agency and department performance. The standards for Aligned Leadership Objectives will hold elected leaders accountable—as the public's "board of directors"—for agreeing on prioritized goals for each agency and department, and for providing a scorecard on those results to the public.

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[1] The reference is to the laws of the economic market and the functioning of supply and demand, as first articulated by Adam Smith in his book, The Wealth of Nations (1776).

[2] The term "auditable" refers to the uniform, objective, and measurable nature of the quality standards offered. The concepts are further explained in "Quality Standards for Highly Effective Government," by Richard Mallory, Trafford Publications, 2014.

[3] The term "quality science" refers to the tools and knowledge associated with quality management. It has its origins beginning in the Toyota Production System of the 1970s, and embraces a broad body of professional knowledge about doing things right the first time. It is the basis of the U.S. Malcolm Baldrige National Quality Award and the Japanese Deming Award.

[4] A common maxim of managers is that if you can't measure it you can't manage it. It is the purpose of auditable standards to change that.

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THE THREE STANDARDS ARE PRESENTED BELOW:

Process Management Standard

Standard Process	Measurements	Process improvement / employee empowerment
0 Process is not standardized.	0 Customer requirements are unknown.	0 No systematic improvement efforts. No employee involvement.
1 A process flowchart or procedure document exists. It may not be current or complete.	1 Some customer requirements have been established, but are often based on dissatisfaction, waste, or error.	1 A few process improvements—all based on management initiatives.
2 Process flowchart or procedure document exists and is current/complete.	2 Customer requirements have been established and validated.	2 A few process improvements based on employee suggestions.
3 Process flow is regularly updated. Aim is clear and periodic feedback is obtained.	3 Key process measures exist, and at least one is regularly updated.	3 A fact-based structure for analysis and problem solving is in place.
4 Flowchart or procedure document is regularly referenced and is used for training. Regular feedback is provided.	4 Several key process measures—validated with customer requirements and regularly updated.	4 The work force participates in continuous improvement and it follows an established problem-solving structure—tools are used.
5 Flowchart is uniformly used at an auditable standard. It is linked to metrics and continuous improvement efforts.	5 The process is stable, and performing within control limits. Measures are linked to benchmarks.	5 There is evidence of continuous systematic improvement and measurable, positive results.

Systems Management Standard

Known, Comprehensive, and Logical Systems Management	Effective Use and Feedback	Evaluation and Improvement
0 No recognized or effective organizational systems. It is not unusual for major decisions to be arbitrary or "political."	0 Systems and results of systems are undefined.	0 No systematic improvement efforts.
1 Leadership has one or more recognized and defined organizational systems in place, but without an articulated overall business plan, organizational profile, or quality manual that defines the work of the agency, and how that is supported by systems.	1 The existence and use of currently defined systems can be linked to some objective and positive organizational performance.	1 Some documented history of systems evaluation and change.
2 Leadership has defined a business plan for its key organizational systems, and has documented two or more systems including a defined purpose and outcome statements for each.	2 A measurement-based system (documenting metrics, milestones, or indicators) of evaluation and feedback for all defined organizational systems is in place.	2 Two or more documented systems show systems evaluation, improvement, and change.
3 Leadership has a defined overall plan for its organizational systems, and has documented a majority of those. It is able to provide evidence that these systems operate as designed, using indicators and other milestones.	3 Executive managers regularly receive and review objective results regarding a majority of defined systems, showing a record of positive results.	3 Most defined organizational systems show annual evaluation, improvement, and change.
4 Leadership has articulated and deployed a comprehensive plan for its organizational systems with evidence of their use as defined over more than two years. Systems include those that deal with many or all of the following: governance, strategic and operational planning, budget development and resource allocation, financial management, continuous improvement, human resource management, and information technology management.	4 Objective and measurable results are linked to all important organizational systems, with positive levels and trends of those measures over two or more years.	4 Annual analysis of all systems effectiveness and development of lessons learned, and consider changes annually.
5 All necessary systems are documented, with a logical and aligned linkage between organizational purpose and goals, and system design. All defined systems have a purpose or outcome statement with evidence of their use over three years or more.	5 Objective and measurable results are linked to all important organizational systems, and there is consistent evidence that results of these defined systems have contributed to improving organizational outcomes over three or more years.	5 There is evidence of continuous systematic annual improvement. There are measurable, positive results on outcomes that are a result of defined systems.

Aligned Leadership Objectives Standard

Statement of Objectives and Goals	Linkage to Operational and Tactical Planning	Scorecard Development and Use
0 Elected officials do not adopt objectives and goals, other than what is provided in law.	0 There is no linkage between objectives and goals developed by elected officials and agency operational and tactical planning.	0 Elected officials do not provide any structured scorecard for the public.
1 Elected officials adopt some objectives and goals, but not systematically and for all agencies, and not annually.	1 Some linkage exists between elected officials and agency operational and tactical planning.	1 Some annual results of agencies are published in a scorecard.
2 Objectives and goals exist for all agencies, but are not prioritized and do not have measurable goals.	2 One-third to half of all agencies link annual operational planning to legislative priorities for action, which are formally or informally expressed.	2 One-third to half of all agencies present results in an annual published scorecard.
3 An annual statement of objectives and goals is developed for all agencies and for the jurisdiction, but it is not prioritized and does not have measurable goals associated with them.	3 Most agencies link operational and tactical planning to priorities formally provided by elected officials. A system exists for formally soliciting suggestions on simplification of mandates.	3 Most agencies have results presented in an annual scorecard based on the annual statement of objectives and goals for the jurisdiction.
4 A statement of objectives and goals is developed for all agencies and for the jurisdiction on an annual basis, and for two years or more. All objectives and goals are prioritized and have measurable goals.	4 A statement of objectives and goals is communicated to each agency annually by elected officials, in a timely manner, and within its normal budget cycle. After creation, some are reviewed again by elected officials who are able to recommend simplifications of mandates and program requirements.	4 The annual scorecard includes performance measures for all agencies and for the jurisdiction, and it has been published for two years or more.
5 The statement of objectives and goals meets all requirements of Level 4, has been in place for three to five years, and the objectives and goals are unanimously adopted, or adopted by a consensus voting system.	5 A statement of objectives and goals is communicated to each agency annually by elected officials, in a timely manner, so that it can be used by each agency to develop a corresponding annual operational and tactical plan. Each agency operational and tactical plan is reviewed and adopted with or without changes by elected officials, or a subcommittee of the elected body, and used as a primary reference in the review of budget requests, and/or revision of goals. There is a continuing system for simplification of mandates and program requirements at the request of departments.	5 This list of objectives and goals is used to develop a performance scorecard for each agency and for the chief executive officer at the end of that year. The performance scorecard(s) are adopted by unanimous vote or consensus. Each legislative body publishes the scorecard associated with the agencies that it reviewed and approved, with members taking accountability for results. Level 5 scoring will be associated with tracking of consistent metrics for the entire jurisdiction and for each agency over three to five years.

PROFESSIONAL PRACTICES
for Lean and Quality Improvement in Government

Introduction

These professional practices provide a framework and guideline for sustained, system-wide use of the practices of lean quality improvement in government. The adoption and use of lean process improvement in government (sometimes called Lean Six Sigma) has been proven to be an excellent means of achieving economy, efficiency, and improvement in government, but for a variety of reasons it is often not sustained from administration to administration. These professional practices provide guidance to sustain these efforts.

MISSION

To ensure that lean quality improvement is a continuing, sustained practice of good government. To create significant new efficiency and effectiveness within government through the broad use of lean quality improvement practices.

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PRINCIPLES

Process management and systems management are the fundamental duties of every manager and supervisor in government, and should be part of the classification standard and goals for all managers and supervisors. It is also important for as many employees as possible, at all levels of an organization, to be involved in process improvement.

The use of lean quality improvement and quality science should be required principles and practices for every manager and supervisor, and demonstrated by the structured use of tools and results.

The government-wide use of the process management standard* will encourage and sustain excellent operational performance. This should be proactively led by the executive officer rather than punitively enforced as an audit function. Process management standards give agencies a leading measure of process capability and a valid means of completing an organizational scorecard.

Legislatures, councils, and other elected members must work cooperatively with government managers to ensure that efficiency and effectiveness are achieved and sustained. Specific practices include:

- Working cooperatively with agencies to prioritize annual performance metrics that represent an achievable scorecard of success for that agency.

- Requesting and considering annual recommendations from each agency for the streamlining and simplification of mandates, regulations, and laws that will reduce resource requirements, simplify work process, or improve outcomes.

- Allowing agencies the freedom to repurpose savings from achieved efficiencies and economies, rather than attempting to annually reduce budgets. Recognizing that immediate and reactive budget reductions create mistrust and a powerful disincentive for continued improvement opportunities.

- Creating a safe and beneficial career transition for employees who undertake recommendations or process improvements that lead to the elimination of existing jobs in government. This practice recognizes that employees take a personal career risk in recommending or working toward savings in their own program area, and that there is a strong public interest in ensuring that such employees are rewarded with equal or greater positions rather than job loss.

- The adoption and use of the Auditable Quality Standards of the Government Division of ASQ* will encourage and sustain best practice and excellent operational performance.

PRACTICES

The ASQ Government Division Center for Quality Standards is working toward broad recognition and use of professional standards in government. The professional practices and auditable quality standards are subject to regular professional review to ensure uniform, objective, and consistent guidance to promote efficiency, effectiveness, and value in government. The Center for Quality Standards is also working to standardize methods, expertise, and materials in support of its mission.

Available on the ASQ Government Division web page at asq.org/gov. Also presented in the book Auditable Quality Standards for Highly Effective Government by Richard E. Mallory; available at amazon.com.