

ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

3450.32A

7/16/90

SUBJ: QUALITY MANAGEMENT AWARDS PROGRAM

1. **PURPOSE.** This order contains procedures and guidance on the awards program for the national recognition of an organizational element which has demonstrated excellence in quality management.

2. **DISTRIBUTION.** This order is distributed to the branch level in Washington, regions, and centers, and a limited distribution to each field office and facility.

3. **CANCELLATION.** Order 3450.32, Management and Productivity Award Program, dated August 21, 1989, is canceled.

4. **BACKGROUND.** The Office of Management and Budget has emphasized the need for all government agencies to promote the timely delivery of high quality, cost effective products and services to the public. Executive Order 12637, Productivity Improvement Program for the Federal Government, provides authority for the establishment of quality and productivity improvement efforts in executive departments and agencies. Total Quality Management (TQM) is a means of achieving customer satisfaction which involves all managers and employees and uses quantitative methods to continuously improve an organization's processes. The quality of products and services within FAA need to be continuously improved to satisfy changing customer requirements and expectations.

5. **EXPLANATION OF CHANGES.** This revision:

a. Contains changes in the nomination criteria. These criteria parallel the examination criteria used for the Quality Improvement Prototype Award sponsored by the President's Council on Management Improvement (PCMI) and the Office of Management and Budget (OMB). They are included as Appendix 1, FAA Quality Management Awards Criteria.

b. Changes the title of the award to reflect the recent emphasis on quality products and services.

c. Includes the FAA Executive Board in the selection procedure.

6. **SCOPE.** This award program recognizes specific organizational elements for achievements or accomplishments in the area of quality management. This award is not to be used as a substitute for employee performance awards.

7. **ELIGIBILITY.** Organizational elements within FAA that have demonstrated outstanding improvements by the use of existing or new and innovative quality management techniques and have measurable results of increased quality of products and services to customers are eligible. The identified organizational element may be at the unit or team level, but should be no higher than office or service level in headquarters, the regions, or centers. Task groups, work groups, or groups of employees that cross organizational lines and field offices or facilities are eligible.

8. **BASIS FOR NOMINATION.** The nomination criteria have been identified as factors that contribute to TQM. They are included as appendix 1. Nominations for the award will be based on an overall high level of achievement and/or accomplishments for each of those criteria. If your organization uses actions or strategies to promote TQM that are not indicated here, please feel free to include them in your written submission.

9. **NOMINATION PROCEDURES.** One award will be presented annually. The rating period will be on a fiscal year basis beginning October 1 and ending September 30.

Distribution: A-WXYZ-3, A-FOF-0(LTD)

Initiated By: AMS-510

a. Nominations may be initiated and prepared by any office, service, region, center, field office, or facility. Nominations initiated at the field office or facility level should be submitted to the appropriate regional division and coordinated with the local Incentive Awards Officer and regional administrator. All nominations should be submitted and approved through the appropriate lines of authority to the Washington headquarters.

b. Justifications should address all the areas listed in paragraph 8, with the title of each area clearly identified, and include charts, exhibits, or other available supporting documentation for the rating period of the nomination. Nominations should be limited to 10 pages in length excluding attachments.

c. The Office of Management Systems will issue an annual call for nominations. A suggested format and other specific information may be included in the annual call. Nominations should be submitted in writing to the Office of Management Systems, not later than November 1 of each year.

10. SELECTION PROCEDURES.

a. The Associate Administrator for Administration, AAD-1, will convene a panel to evaluate the nominations. The composition of this panel will include one management representative from each Executive Director complex and one management representative from among the organizations reporting directly to the Administrator. The panel may also conduct site visits to the three highest scoring nominees to verify information provided in the written submission and to clarify issues and questions raised. The recommendation of the panel of the most appropriate recipient of the award will be forwarded through the Executive Director for Administration and Resource Management to the FAA Executive Board.

b. Upon concurrence by the FAA Executive Board, this recommendation will be forwarded to the Administrator for final approval.

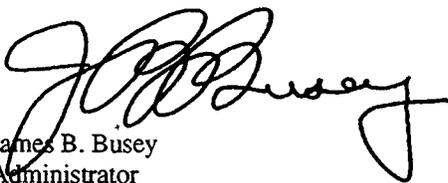
c. The selection and announcement of the recipient will be made not later than January 1.

11. NATURE OF AWARD.

a. An appropriately inscribed plaque will be presented by the Administrator, or a designated representative, not later than March 1. The plaque will be presented to the manager, group leader, or designated representative of the organizational element receiving the award.

b. A certificate will be presented to all personnel who worked in the selected organizational element during the award period.

12. **PUBLICITY.** The Office of Management Systems will provide the necessary information to the Office of Public Affairs to assure that the award is publicized throughout FAA.



James B. Busey
Administrator

FAA QUALITY MANAGEMENT AWARDS CRITERIA

The submission must be able to stand on its own. Answers to each item should be fully responsive, and assume that the evaluation panel members have no prior knowledge of the organization. Responses should be concise, factual, and quantitative where possible. Paragraph 8 discusses the basis for nomination.

1. The **QUALITY ENVIRONMENT** criteria examine how the senior management of the organization creates and sustains a clear and visible quality value system to guide all activities of the organization. (20 points).

a. Describe the roles of key executives in the Total Quality Management (TQM) effort. Include specific examples of visible and personal executive involvement in the development of an effective quality culture.

b. Summarize the organization's policy on TQM and describe how management "ownership" of the policy was accomplished, and how it is reinforced.

c. Describe how the organization establishes quality as top priority and encourages participative management at all levels.

d. Describe how the organization communicates its quality vision to all employees and promotes cooperation across departments to achieve quality objectives.

e. Describe how management has established an environment in which individual and group actions reflect a continuous improvement attitude. Give specific examples.

f. Give specific examples of expenditures for TQM efforts.

2. The **QUALITY MEASUREMENT** criteria examine the scope, validity, use, and management of data and information that underline the organization's quality improvement system. (15 points).

a. Describe the organization's quality-related measures and indicate the type of information they contain relating to customers, suppliers, internal operations, products, or services.

b. State the most significant changes in the types of information the organization collects now compared to the period prior to initiating the TQM process.

c. Describe how the organization uses the information it collects, and specifically how it is used for continuous improvement. Give specific examples.

d. Describe how the organization ensures that key data are accurate, timely, and available to those who need them.

3. The **QUALITY IMPROVEMENT PLANNING** criteria examine the extent to which TQM is considered in the planning process. Particular emphasis is placed on how and when customer requirements are identified, customer satisfaction is assessed, and both are used for planning purposes. (15 points).

a. Describe the short-term and long-term goals for TQM and the process for establishing these goals. Describe how and to what extent employees participate in the planning process.

b. Briefly summarize specific plans for TQM, identifying key priorities for short-term improvement. Describe how these plans are managed on a routine, operational basis.

c. Describe specifically how customer requirements and feedback are taken into account in the planning process to improve existing products and services.

d. Describe the principal types of data, information and analyses used in planning (such as customer requirements, process, capabilities, supplies data, and benchmark data).

4. The **EMPLOYEE INVOLVEMENT** criteria examine the effectiveness and thoroughness of employee involvement in TQM. (15 points).

a. Summarize the means available for employees to contribute to the TQM effort, especially as it involves empowerment, team, and cross-functional activity.

b. Discuss data related to current employee involvement efforts, such as percent participation in each type of involvement described above, number of teams operating during the past year, etc.

c. Describe key strategies for increasing the empowerment, involvement, effectiveness, and productivity of all types of employees.

5. The **EMPLOYEE TRAINING AND RECOGNITION** criteria examine the organization's efforts to develop and utilize the full potential of the work force for quality improvement, and its efforts to use rewards and incentives to recognize employees' contributions to quality improvement. (15 points).

a. Describe the organization's education and training strategy and how it supports the achievement of TQM objectives.

b. Describe the types of quality training provided for management. Provide the number of managers and supervisors who received this training and the total number who were eligible.

c. Describe the types of quality training provided for employees. Provide the number of employees who received each type of training and the total number who were eligible for each.

d. Describe how contributions to TQM are evaluated and recognized. Indicate whether and how team and peer recognition are used.

e. Give the percentage of employees who received rewards and recognition in the most recent year for which there is complete data; compare to the period prior to initiating TQM. Describe the types of rewards and recognition used during this period.

6. The **QUALITY ASSURANCE** criteria examine the systematic approaches used by the organization for total quality design and control of products and services. (30 points).

a. Describe how new or improved services are designed and introduced to meet or exceed customer requirements and how processes are designed to deliver these services.

b. Describe principal approaches used to ensure that key processes are adequately controlled to meet design plans and customer requirements.

c. Describe the approaches used to detect and identify problems in key processes, design solutions, and take corrective actions.

d. Describe how the quality of materials, components, information, and services furnished by outside suppliers is assured, assessed, and improved.

7. The **CUSTOMER FOCUS** criteria examine the organization's customer service systems, knowledge of the customer, responsiveness, and ability to meet expectations. (40 points).

a. Describe the methods used for obtaining customer feedback and a knowledge of customer expectations, and how that information is shared with employees and managers.

b. Describe how the organization analyzes customer feedback and complaints and translates them into corrective action.

c. Describe the organization's service goals, and how they are set and modified based on customer requirements.

d. Describe how customer-contact employees are empowered to resolve problems and to take extraordinary measures when appropriate.

8. The **RESULTS OF QUALITY IMPROVEMENT EFFORTS** criteria examine the measurable and verifiable results of the applicant's TQM practices. Data tables and graphs summarizing trends and achievements may be utilized. (50 points).

a. List the two or three most significant indicators of your organization's performance (i.e., relating to your mission, of prime interest to agency or department management, and predictive of customer satisfaction) over the past two or more years.

b. Summarize the results of the past two or more years indicating quantitatively the level of customer satisfaction with the quality of services.

c. Using all key measures (other than those listed in a.) for assessing the quality, timeliness, and efficiency of products and services, summarize results of the past two or more years. Includes in-process (e.g., percent rework) as well as end-item measures. Include key measures of suppliers' performance as well.

d. Summarize briefly three projects that illustrate the breadth and effectiveness of the TQM activities. These projects should illustrate the techniques and methods used by the organization to achieve continuous improvements and should have demonstrable results.

