

STRIVE  
TOWARD  
EXCELLENCE IN  
PERFORMANCE  
**STEP**

STATE OF MINNESOTA

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# P L A N N I N G S E S S I O N

September 4, 1986

BRIEFING MATERIALS

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**BRIEFING MATERIALS  
for the STEP PLANNING SESSION**

**September 4, 1986**

These materials have been compiled to provide common information for those charged with developing and recommending the directions for Minnesota's STEP program for calendar years 1987-1988.

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## **PARTICIPANT LIST**

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# **I. ISSUES**

## MAJOR QUESTIONS

1. Should STEP continue after December, 1986?
2. STEP has been an experimental program using pilot projects to test various strategies for improving productivity and service quality. Should we continue this approach or develop approaches which are more or less structured? Are we testing the right strategies?
3. What issues should STEP encompass? These range from providing resources and support to managers to help them implement cost saving ideas to improving the state's major administrative, financial, and personnel systems.
4. To what extent should and can STEP operations be decentralized to operating agencies? Will this better integrate STEP into ongoing state management?
5. As a management improvement program, what should STEP's relationship be to the state's formal planning and budgeting processes?
6. What should the roles and responsibilities of the Steering Committee and a central STEP staff be?

## MAJOR ISSUES TO BE ADDRESSED

Staff Assumption: There will be a continuing need to improve and change the management of state government which will be voiced by public officials, the business community, and state residents.

### Issues:

- Should STEP continue as a state effort to provide more effective management of public services
- The purpose(s) and goals of the program
- The philosophy of the program
- The focus of STEP: measurable performance changes, problem solving, innovation, technical applications, response to managerial initiatives, or experimentation
- The roles of STEP in
  - o initiating long-term change in public service and the methods for accomplishing that
  - o systematic changes in state administrative services
  - o expanding public-private partnerships
  - o changing public perceptions of state government
  - o addressing policy, as well as administrative issues
- The responsibilities of STEP to
  - o provide comprehensive services
  - o meet requests for technical assistance
  - o set criteria and select projects
  - o accept unlimited number of projects
  - o establish and manage a process for change or to assist agency based projects
  - o lead or facilitate interagency initiatives
  - o transfer its learnings and methods to other jurisdictions
- The relationships of STEP to
  - o the state's formal budget and policy processes
  - o the legislature
  - o formal organizational structures and systems
  - o decentralized, agency based programs
- The practicalities of
  - o staffing and funding the program
  - o designing and managing a transition
  - o negotiating roles and responsibilities if STEP is decentralized

## **II. STEP ACTIVITY REPORT**

## **A. STEP CHRONOLOGY**

**January, 1983**

### **Newly Elected Governor's Direction**

Indication of desire to develop a productivity improvement program for Minnesota state government.

**Calendar Year 1983**

### **Preliminary Design**

Discussions with technical advisory groups to develop preliminary design based on Governor's desire and state government needs.

**February 13, 1984**

### **State Managers Meeting**

Announcement of STEP at a cabinet level address by the Commissioner of Administration. Purpose: Introduction and announcement of a forthcoming productivity improvement program endorsed by the Governor.

**Calendar Year 1984**

### **Refinement and Steering Committee Selection**

Design refinement by select technical committee of state and private participants and Steering Committee selection directed by Bill Andres, CEO of Dayton Hudson Corporation. Purpose: Fine tuning of strategy design and creation of empowering steering committee representing necessary enabling sectors.

**February 7, 1985**

### **Steering Committee Meeting**

First meeting of Steering Committee, co-chaired by Governor Perpich and Bill Andres of Dayton Hudson Corporation. Purpose: Preliminary design approval and program kickoff.

**February, 1985**

### **Staff Formation**

Formation of central group comprised of line agency mobility assignments and Management Analysis Division staff. Purpose: Formation of the staff team to facilitate design implementation.



**March, 13, April 10,  
April 18, and May 1, 1985**                      **Focus Groups**

Multiple focus groups. Participants were randomly selected state managers, state employees, communication specialists, administrative support directors and other individuals in key organizational change positions within the 23 cabinet agencies. Purpose: Reaction to and input on preliminary STEP conceptual design and according refinement and redesign as appropriate.

**April and May, 1985**                      **Agency Introductions**

Formal communications to cabinet level agencies from the Governor announcing STEP process and soliciting ideas and organizational introductions by STEP staff to agency heads and employees. Purpose: Generation of understanding, enthusiasm and call for proposals on project ideas for the STEP experiment.

**May and June, 1985**                      **Project Idea Generation**

Over 300 project ideas generated internally at all levels by 23 cabinet agencies. Purpose: Development of a population of issues for potential STEP projects.

**June 3, 1985**                      **Steering Committee Meeting**

Second meeting of STEP Steering Committee. Purpose: Approval of refined process based upon customer input and approval of project selection criteria.

**July 5, 1985**                      **Close of Nominations**

End of call for STEP nominations from agency heads for round one projects. Purpose: Identification of ideas for Steering Committee consideration.

**July, 1985**                      **Nomination Study**

Various discussions of technical advisors and Steering Committee subgroups to analyze 84 nominations by agency heads. Purpose: Matching of project nominations to STEP selection criteria for consideration by the full Steering Committee.

**July 30, 1985**                      **Steering Committee Meeting**

Third meeting of the Steering Committee. Purpose: Selection of nominated proposals for the round one STEP projects. 37 proposals selected.

**August 29, 1985**

**STEP Project Managers Conference**

First all day meeting of selected STEP participants.  
Purpose: Kickoff, enthusiasm generation, training and orientation.

**September and  
October, 1985**

**Project Design**

Multiple consultation and technical assistance activities of STEP staff to the selected STEP project teams. Purpose: Preliminary design of project plans and project initiation.

**December 10, 1985**

**STEP Project Managers Conference**

Second meeting of STEP participants. Purpose: Focus on information sharing and training in the areas of group problem-solving and evaluation.

**December 13, 1985**

**Steering Committee Meeting**

Fourth meeting of the Steering Committee. Purpose: Review of first round proposal status and call for a second round of STEP project proposals.

**January 22, 1986**

**Enrichment Event**

Seminar. Purpose: Training on preparing successful grant applications.

**February, March  
and April, 1986**

**Midpoint Consultations**

Midpoint assessments of round one projects by STEP staff and agency teams. Purpose: Specific project refinement, partnership formation, and preliminary status assessment.

**March 12, 1986**

**Video Premier**

STEP video premier. Purpose: Recognition and introductory use of marketing concepts.

**March 17, 1986**

**STEP Newsletter**

First issue of monthly STEP newsletter. Purpose: Marketing and communications.

**April 17, 1986**

**Ford Foundation Finalist**

STEP was selected from 1347 applicants as one of twenty-five finalists in the Ford Foundation/Harvard University Innovations in State and Local Government Awards Program.

**April 28, 1986**

**Enrichment Event**

Seminar - Coping With Change. Purpose: Introducing human and organizational realities of change.

**May 6,7, 1986**

**Recognition**

Survey of project managers. Purpose: determining the kinds of recognition and activities they would prefer and a gathering information about the recognition efforts they have made with their projects.

**May 7, 1986**

**Enrichment Opportunities**

Seminar on networking opportunities. Purpose: Expanding individual STEP participants' horizons about personal and organizational networking.

**May 13, 1986**

**Steering Committee Meeting**

Fifth meeting of Steering Committee. Purpose: Reviewing round one project status and selecting round two participant proposals.

**June 16, 1986**

**Marketing Skills**

Robert Hansen, School of Management, University of Minnesota, initiated a multi-project effort. Purpose: providing information about marketing adapted to the public sector and technical assistance to individual projects.

**June 19, 1986**

**Enrichment Opportunity**

Seminar on Team Building presented by William G. Dyer, Professor of Organizational Behavior at Brigham Young University, offered in connection with the Minnesota Managers' Conference. Purpose: increasing project managers and agency liaisons' information and skills in motivating and maintaining project teams.

**July 14, 1986**

**Steering Committee Meeting**

The sixth meeting of the Steering Committee. Purpose: current program information, project presentations, review of marketing initiative, directive for strategic planning, and Minnesota Business Partnership Award.

**July 31, 1986**

**Focus Groups**

The first of a series of focus groups was held. Purpose: gathering evaluative information on STEP and eliciting ideas about its future from participants and non-participating State managers.

**August 1, 1986**

**Enrichment Opportunity**

Seminar on career development. Purpose: increasing individual STEP participants information and contacts for career development in their present positions and within State government.

**August 19, 1986**

**Quality Training**

The partnership with Honeywell on Quality Management formally began with a pilot training session. Purpose: providing information on quality management concepts and assistance in defining methods and measures and costs of quality in their projects. Six additional sessions are scheduled to accommodate all interested STEP Project Teams.

## B. PROJECT DEVELOPMENT AND SUPPORT

Quarters	Calendar Year							
	1985				1986			
	1	2	3	4	1	2	3	4
Project Ideas	300	-	-		10	3	-	-
Projects Submitted	84	-	-		7	-	-	-
Projects Approved	35	-	-		5	-	-	-
Projects Reaching Goals	-	-	5	10	20	30		

**PROJECT DEVELOPMENT:** In addition to working closely with agency liaisons and project originators to develop the projects that have been submitted, the STEP staff has conducted planning workshops for managers of both groups of projects. Staff liaisons to projects have served as members of project teams, facilitated team work, provided project specific training, and have identified and developed partnerships, as well as assisting in issues that required interunit or interagency actions or resources.

Staff conducted mid-point assessments of all projects to assure that each project had established goals and objectives, an identified customer, a project team, measurable performance standards, and a method for evaluating the effect of the project.

### **PERFORMANCE MEASURES:**

- The number and percent of testable discrimination complaints and those which are, in fact, tested
- Cost savings
- Decreased turnaround time between data submission and county warrant writing
- Timelines of data processing and publication
- Average vendor claim processing time and average costs
- Budgets, partnerships, and resources shared with other state agencies
- Numbers of interagency projects undertaken and completed
- Increased accuracy of cost separations between regulated and unregulated activities of utility
- Numbers of agreements, evaluations, and recommendations implemented by local units

### EVALUATION:

- The number of testable discrimination complaints and the results of testing
- Comparison with past performance in meeting statutory deadlines
- Decreased costs
- Pre and post implementation performance reviews
- Customer surveys before and after changes
- Participant evaluations

### TECHNIQUE:

- Software development
- Systems analysis
- Process consultation
- Work flow analysis
- Customer surveys
- Comparison with comparable private sector activity
- Customer interviews
- Staff training
- Comprehensive, broad based communications and participation strategy
- Information requirements analysis

In addition to assisting project managers identify, develop, and use performance measures, evaluation techniques, and implementation tools, staff members make personal contact with the projects at least every six weeks and frequently serve as informal consultants, coaches and advocates for the projects and their managers.

## C. SUPPORT ACTIVITIES

### 1. Training

In responding to the diverse needs and requests of the projects, STEP has developed and provided a range of technical and skill training.

- Program-wide workshops on project planning, change, evaluation and problem solving. Presenting partners: John Johnson, Rob Lawton, Michael Patton. (Estimated 125 participants.)
- Multiproject training on marketing in the public sector. Presenting partner: Robert Hansen. (Estimated 20 participants.)
- Individual project team training on planning, problem solving, work flow analysis, communications, etc.
- Seminars for project managers and agency liaisons on grant writing, coping with change, networking, team building, and career development. (Estimated 110 participants.)
- Quality Management Training will be available to all project teams from September through November. This program has been developed in conjunction with Honeywell and adopts that organization's concepts of managing quality to the public sector. This two-day session encompasses planning, defining quality, and establishing the costs and measures of quality performance. Presenting partners: Faith Ralston and Dennis Van Avery. (Estimated 140 participants.)

Training activities also help meet STEP's commitment to rewarding and recognizing state managers' and employees' performance. Professional development and peer contact are recognition that program participants value.

## 2. Recognition

The Steering Committee's early directive that STEP should recognize and reward program participants is reflected in operating behavior, as well a formal plan approved by the Steering Committee in December. To further this effort, Governor Perpich asked agency heads to incorporate STEP participation in employees' individual performance appraisals and development plans.

In addition to the professional development and networking opportunities discussed under training, staff has promoted recognition by featuring project participants as speakers, panelists, and presenters and by newsletter articles and other media coverage, including the STEP video and the Ford Foundation film. Each issue of the newsletter has a feature article on a project and a partner, as well as project updates. Seven hundred copies of the newsletter are distributed monthly. In working with project managers and teams, the staff emphasizes their accomplishments and progress.

The Minnesota Business Partnership has sponsored the Governor's Award for Excellence. STEP criteria were used to select the 1985 winner, Ray Hitchcock, Department of Natural Resource's Director of Forestry. The 1986 award is focused on STEP managers who have accurately assessed a significant issue for change and have who obtained measurable results.

During May, project managers were surveyed to determine the kinds of recognition activities they preferred. Many respondents noted that accomplishing the project task was their primary reward. The responses certainly supported the theory that rewards are highly individualized since there was no consensus. Activities with considerable support included: private sector training events, a recognition banquet at the Governor's residence, training, networking, return of cost savings to projects, advising other projects, media features, and a riverboat excursion.

A riverboat excursion is scheduled for September 29 to recognize the involvement of a wide range of participants - partners, project managers and teams, agency heads and liaisons, the Steering Committee, and others from in and outside state government who have actively supported the program.



### 3. Communications

STEP has a communications program that encompasses state employees, partners, and the public.

STEP UPDATE, the newsletter, has been published monthly since March and is routinely distributed to 700 participants, including partners and others who have expressed interest in the program.

The STEP video, funded by a grant from the Dayton Hudson Corporation and produced by Tom Jenz, Inc. has been in use since March. Most of the sixty copies are in constant circulation as project managers, agency heads, and staff take the opportunity to display this innovative approach to productivity to colleagues, business groups and civic organizations. The video is being entered in the "Minnesota Shorts" competition.

The Minnesota Business Partnership and Minnesota Association of Commerce and Industry have been informed about STEP by their members who are on the Steering Committee, in Commissioner Hale's presentations to them, and by mailings. Currently, mailings are being sent to local government and civic officials. A package of more detailed program information is being developed to supplement the STEP brochure and an earlier information package.

Communications efforts have also included meetings with the Minneapolis Star and Tribune editorial board, presentations to the Minnesota Press Club, and a feature story on KSJN's "Minnesota Journal." Procedures have been developed to inform the media of significant STEP events, such as the seminar on September 3, the Minnesota Business Partnerships Award, and any Ford Foundation announcement.

#### 4. Partnerships

Partnerships are a fundamental component of STEP. The concept is based on the sharing and exchange of expertise between the public and private sectors and among individuals and agencies within Minnesota's governmental and educational sector.

Partnerships offer private sector participants opportunities for public service, better knowledge of the public environment, new information, market exposure, and expanded professional networks. Project managers may gain additional technical information, and different perspectives on administrative and technical issues, as well as networking and the chance to compare their operations with those of their counterparts in the private sector or another agency. All may gain from increased communication, information, and professional expertise.

The current status is:

Projects with partners	36
Individual project partners	105
STEP Program partners	22
Potential partners	25

The STEP sponsored seminar on September 3 has public-private partnerships as a major theme. The significance will be discussed, the partnerships and networks that currently exist in Minnesota will be identified, and the ways to expand those networks and partnerships will be explored.

## 5. Program Management

In addition to the primary tasks of assisting projects and carrying out support plans, the STEP Staff is responsible for general program management and support.

From February 1985 through July 1986 STEP received valuable professional assistance from seven individual mobility assignments from state agencies other than the Department of Administration. For this eighteen month period the seven individual mobilities provided the equivalent of 4.0 person years of project assistance.

For the same time period, the Department of Administration's Management Analysis Division and the Commissioner's Office furnished assistance representing eleven individuals providing approximately 6.0 person years of effort.

Financial support for the program has been furnished by the Department of Administration and a grant from the Dayton Hudson Corporation. The potential Ford Foundation Award, entitles STEP to apply for a grant of up to \$100,000 to develop transfer mechanisms or enrich the program.

Program management includes the efforts of STEP Staff to identify and coordinate the program's activities with activities or groups with overlapping interests. Major coordination points have been with the training activities of the Department of Employee Relations and the state's Career Executive Service and Management Advisory Council, as well as several public and private productivity initiatives. Less formal efforts include linking STEP participants with other experts in their area or with new information sources.

Staff responds to frequent inquiries about the program. These have come from individual state employees, state managers who are curious or interested in developing a project, individuals and organizations in the private sector, and other units of government, for example, state offices from Wisconsin, New Jersey, and Montana. The U.S. Department of Commerce has made an on-site visit.

### **III. PERFORMANCE EVALUATION**

## A. RESULTS

### 1. Completed Projects

#### Department/Project

#### Results

##### Administration

Telecommunications Services  
for Local Government

Implemented as pilot in two counties; to be institutionalized (position description written and in process of hiring two analysts to market and develop with other units of government.)

##### Corrections

Information Systems Planning

Interview results analyzed and used for FY 88-89 planning and budgeting

##### Education

Management Assistance to  
Schools

Substantially exceeded goal of using outside consultants to increase services to six school districts; 10 consultants produced 15 reports. Consultants' recommendations implemented; evaluation 12 months after adoption by participating districts.

##### Health

Services to Children  
With Handicaps

Eleven recommendations were adopted and are being implemented to improve efficiency in their claims reimbursement system. Benefits include savings in processing time and costs; a measurement plan is in place.

##### Human Rights

Effective Enforcement  
of Discrimination Laws  
Through Testing

Ten partners in various businesses will supply credentials for testers in housing and employment charges. Partners have been used in the two situations possible to date; both tests confirmed the alleged discrimination.

## Jobs & Training

### User Accessibility

A needs assessment was completed which showed that the perceived problem did not exist; it was determined that current policy and practice adequately meet user needs and allow for occasional unusual service scheduling.

## Human Services

### Utilizing Technology Options in Intergovernmental Communications

Implemented and evaluated; cost savings and reduced turnaround time were documented. Program is being institutionalized.

## Labor & Industry

### Genesis - Analyze Cost of Quality in Processing Workers Compensation Claims

Joint partnership with Control Data and Sperry produced software-hardware compatibility; reduced time and records volume in claim processing; computerized First Report System piloted and being institutionalized; all results of project implemented and evaluation plan in place. Cost of quality projected to produce \$234,000 in savings internally and will also reduce costs for private sector.

## 2. Active Projects With Interim Results

<u>Department Project</u>	<u>Progress and Results</u>
<u>Agriculture</u> Strengthening Soil and Water Conservation	Timetable revised because of effort required to launch Reinvest in Minnesota program. Accomplishments: state/local/federal agreement; employee and supervisor orientation programs; four pilot District Manager positions funded; position description and performance appraisal models in use; first round of annual workshops (attendance: 210 supervisors, 112 managers); first annual joint retreat September, 1985, next one January, 1987. In progress: district program evaluations (1/3 done); draft training plan; reassess state grants incentive approach; evaluation information being received but not yet utilized. Planning to use Cost of Quality concept for long-term measurement.
<u>Commerce/Financial Examinations Division</u> Using Computer Access to Audit Consumer Financial Institution Transactions	Project was reactivated. Research disclosed that the direct "dumb" terminal interface was not feasible due to security concerns and software/hardware interface costs. A viable alternative is being pursued; STEP status uncertain.
<u>Corrections</u> Correctional Industries Expansion	Partnership team has visited industries program in four correctional facilities; measurement process identified.
Sentencing to Service	Pilot in Bemidji completed and being continued; obtained Blandin Foundation grant of \$85,000 for four staff for project with Arrowhead Community Corrections Program, will implement October 1, have hired project director; one service project brought savings of \$3500 in 6-week period for Department of Natural Resources; Department of Corrections preliminary budget request

includes proposals for two regions FY 88, three more FY89 to maintain this program.

#### Education

Visitors With an  
International Perspective

Following pilot phase and assessment, project management was changed due to reorganization. Current staff are redefining project based on activities to date.

#### Employee Relations

Human Resources  
Information System  
(Round 2)

Ten agencies represented 13 member team; work plan developed; drafting needs assessment tool; disseminated list of available data to potential users.

Alternative Delivery for  
Employee Training

Research on public/private use of alternative delivery approaches is on schedule. Six computer-based courses are tentatively set for October and response is expected from two more vendors. Evaluation system being developed.

#### Energy & Economic Development

Implemented seven projects to address five identified issues; two more are planned; ongoing activities are on schedule; evaluation survey planned and other measures under consideration. Products include the following vehicles were both done in 1986 or 1986 and in process for 1986 and 1987:

Economic Report to the Governor  
Staff Resource Survey & Directory  
Economic Staff Group conferences and quarterly newsletter.  
Economic Issues Conference  
Academic Interchange  
Business, Labor, Community Dialogue  
Joint Research Projects: Megamall,  
Economic Development Strategy,  
Economic Futures Commission, Tax Reform.

Developing Field Staff  
Performance Measures &  
Incentives

Peer consultations done with five agencies; discovered overlooked field staff management needs which are being addressed but have interfered with project's schedules. Partner conducted 16 hours of training in performance management.



Tourism Marketing for  
Corporations/Institutions  
(Round 2)

Project has been refocused from  
marketing existing service to first  
identifying needs and adapting services  
to the market. Three partnership needs  
have been determined; all involve  
consultants.

Ethical Practices Board  
Financial Disclosure  
Reports

All completed phases done on or ahead of schedule: workflow analysis, computer and software purchase, user training. Published two Campaign Finance Summaries, two Public Financing Estimates on time, with more data, and at lower cost than previously. All statutory notices mailed on or ahead of schedule, compliance lists out on time, 1986 election year data summarized in timely manner. All results represent less time, lower cost, and increased service. Evaluation in progress on implemented activities. Word processing and software utilization expansions are on schedule.

Housing Finance Agency  
Social & Human Service  
Needs in Rental Housing  
for the Elderly

Established advisory council; allocated project funds and hired 1 coordinator; designed surveys, trained 12 interviewers, and conducted 90% of goal of 750 resident interviews; developed survey for property managers; survey results being computerized; short- and long-range evaluation plans set.

Human Rights  
Computerized Access to  
Legal Information

Software developed and being tested on sample menu; internal litigation head noted; issue index compiled, and some key cases to include in data base have been identified; partners recruited to enable collection of data on private litigation; evaluation measures identified but not developed.

Jobs & Training  
Excellence in Provision  
of Analysis Services &  
Labor Market Information  
(Round 2)

All components on schedule: remodeling to provide reception area, will hire staff when ready to implement; completed user satisfaction survey and compiling results; established user group to explore response time issues.

Labor & Industry  
Access to Legal  
Information

Case law research, review, and summarization is current and continuing, and ready to publish on-line when technical issue is resolved.

Technical problem is software/hardware incompatibility: need to create software for present equipment or use available software on equipment which would have to be purchased.

#### Law Library

Access to Legal  
Information (MINLIN)

Two partners have been secured to provide services needed for implementation of the Minnesota Legal Information Network: one is a service bureau for maintenance of software and hardware, and will write a business plan for the project; the other will design software, and assist in the effort to obtain foundation funding. Evaluation measures and methods have been identified. Characteristics of the data files of four agencies have been studied to determine the size of the MINLIN data base.

#### Natural Resources

Develop Service  
Marketing Approach for  
State Parks

First phase included advertising park permits, allowing purchase by mail and credit card; result was 325% increase in sales. Second phase marketing plan developed and in process. Marketing study implemented as third phase shows revenue up 20-25% over last year; attendance also up but figures not available until mid-September. DNR has made commitment to marketing its services as one of three top priorities for long-range development.

Registration and  
Renewal for Recreational  
Vehicles

Preliminary Cost of Quality assessment made; work plan revised on basis of this data; project has partner to assist in selecting alternatives for vehicle registration to reduce processing time and costs.

#### Natural Resources/ Agriculture

Forest Product Marketing  
(Round 2)

Needed partner has been created: Minnesota Wood Promotion Council is a legal entity which will have first annual meeting in October. Trade Office has adopted goal of a foreign trade mission/show delegation for spring '87; project is receiving trade leads;

invitation to National Agricultural Marketing Officials organization to hold 1987 annual meeting in Minnesota has been accepted; Agriculture is preparing change level request to fund Forest Products Trade Development Commission. All activities are on schedule per workplan.

Pollution Control Agency  
Regulator Role

On schedule. Curriculum developed for four classes; one piloted in July and others will have piloted and be presented as needed within six months. Training participants will evaluate each session; effectiveness in terms of impact on service is a matter of perception of those regulated and measurement process has yet to be developed.

Public Safety  
Developing Client  
Orientation in Driver  
and Vehicle Services  
Division

Developed and administered employee survey; tabulated and analyzed results. Customer survey being devised. Evaluation will be comparison of before/after surveys following implementation and review of phone room activity on the same basis. Four partners have been involved in survey design. Some activities are slightly off schedule but developing well: establishing service guidelines, implementing needed changes, and training staff; a pilot will be conducted in fall '86.

Public Safety  
Supervisor/Manager  
Training (Round 2)

Budget for centralized training has increased from \$0 to \$19,000; eight interagency partnerships have been developed to assess and contribute toward training needs; ongoing activities include: written needs assessment surveys, small group facilitation, compilation and analysis of data, automation of training records, and continuous project planning.

Utility Division  
Research Projects  
Partnership

Several research projects were initiated by partners recruited from William Mitchell Law School; one will result in an actual product.

Project team and current manager are assessing outcome; specific topics for research have been identified; orientation may shift from class project to internship to expand appeal and involvement, as field is highly specialized and has limited job market.

#### Revenue

##### Incoming/Outgoing Mail System Improvements

Studies completed on mailing and sorting equipment, verification to reduce redundancy, errors in machine audit, and batch movement and logging. Results compared with U.S. Postal Service studies, and through ongoing relationships with other federal agencies and state central mail service. Mail sorting study results analyzed and implemented. Equipment needs assessed, bids solicited; now in contract letting process. Evaluation will be cost and error rate comparisons.

#### State Planning Agency

##### Datanet

Marketing partnership did not yield expected results due to time constraints; project has drafted its own marketing plan, compared it to private sector parallels, exploring alternative outlets; seminar is planned to review marketing plans. List of potential users being compiled from Department of Administration's records of modem purchases by state agencies. Datanet Open House in May yielded two client projects. Articles have appeared in Computer User and Citizen's League publications.

## B. PROGRAM EFFECTS

### 1. Evaluation By Partners

A survey was sent to thirty-three partners on August 3; 30% of these were returned by August 26. The ten responses are summarized below.

#### Effect of this partnership on the projects:

Aided projects by making suggestions, introducing new techniques, cost saving methods or making connections with other professional resources (4)

Improved communications, understanding, or appreciation between public and private sectors (3)

Negligible (1)

#### Partners' gain from being a STEP volunteer:

Better appreciation of Minnesota government or the partnership concept (4)

Opportunities to learn different approaches to employees or organizational systems (2)

Chance to improve quality through increased communications (1)

Nothing (1)

#### Partners' evaluation of STEP:

N/R	Very Negative	Somewhat Negative	Neutral	Somewhat Positive	Very Positive
10%	--	10%	--	10%	70%

While the response rate is low, the responses are consistent with the comments staff have received directly from partners and those conveyed through project managers.

## 2. Evaluation By Project Manager

Project managers were surveyed during the period August 11 - August 29 to obtain data on project performance, status, their evaluation of STEP, and their recommendations for change. Forty of 41 responses were obtained, although not all completed all questions. The evaluation questions concerned what they had learned from their experience; whether they had had adequate time, resources, and agency support, the nature of sources of management support for their projects, the services they had requested and received from STEP and their rating of those services.

### Lessons

The value of participation or involvement was the most frequently mentioned lesson from managing the project. For several, this was developing and maintaining managerial commitment to the project; for others, the effects of and on work team members; and, for several, the value of partner participation. Several managers commented that "Nothing goes as fast as planned." Two identified the value of partnerships in developing alternative or more creative solutions. Increased personal abilities in understanding the organization, working with staff, and greater technical skills were also identified by respondents.

### Time and Resources

There were three clusters of responses to the question whether they had had sufficient time, resources, and agency support: "yes", "slowed", and "no." The greatest number of respondents (10) indicate that they had or made sufficient time for the project; and a few with sufficient personal time, did not have adequate staff time or funding for the project. Seven indicated that lack of time, budget constraints, or competing agency priorities have slowed their progress. Two indicated insufficient time and a third noted the time and effort needed to acquire resources. One respondent noted a conflict because production standards had not been adjusted to permit time for the project.

### Management Support

All but three projects indicted general or specific management support for their projects. The sources of support included agency heads, specific top managers, top management teams, or functional managers and staff. The exceptions were: a project manager who perceived his own commitment as exclusive; one perceiving the agency as unclear; and a third who identified significant resistance from mid-managers who were not actively involved in either

inception or execution of the projects in their areas of responsibility.

### Services

Project managers indicated that they had requested the full range of STEP services (partners, technical assistance, information, consultation, planning, and training) and by and large had received what they had requested. Two projects did not receive the partnership assistance that they had requested. One of these proceeded to find the desired partner through other sources and the second has had two attempted partners that have not been responsive to their situation.

Those rating STEP services considered them excellent, appropriate, helpful, affirming, creative, and sensitive.



### 3. Evaluation By Focus Groups

Separate focus groups were held with representative project managers, agency liaisons, agency heads, and state managers who have not been actively involved in the program. There were four to nine participants in each group. Common questions were used to guide the discussion. Evaluative data has been drawn from questions about their perspectives on STEP, what they have seen as negative and positive about the program, and STEP's personal effect on participants.

#### Perceptions:

A theme of STEP as an opportunity occurred among all groups: doing something they wouldn't have otherwise; the chance or permission for creativity; something different; a way to reach goals more quickly; and a way for mid and lower-level managers to have a piece of the action.

STEP's focus on manager initiated projects was identified as significant in all groups. This was expressed directly and as a contrast with LEAP and in the problems associated with projects which were assigned to someone other than their initiator or which have experienced managerial turnover.

STEP is perceived as having affected the state system in authorizing creativity and in establishing itself as an accepted vehicle for change. All groups also acknowledged and supported what STEP has done to focus attention on the positive aspects of state services and management.

Project managers and agency liaisons, those with the greatest involvement in the program, were the most enthusiastic. Agency heads appreciated that STEP initiatives could be consistent with their management objectives and workplans. While all groups discussed whether or not the projects represented significant risks or departures from established agendas, and their vulnerability to personal exploitation, only the non-participating managers raised significant questions about the overall merit of the program. It should be noted that their concern was the relative value of the current STEP approach versus a sustained effort to tackle major system limits on managerial performance.

#### Negative Reactions:

Two major themes appeared when the groups were asked how STEP was less than they expected. The first, coming especially from project managers and agency liaisons, was some mismatch between their expectations of STEP and what has been furnished. This difference included: over expectations of project managers for financial resources, STEP staff turnover and workload, the

absence of aggressive intervention or support for the projects, and delays in establishing partnerships. The second area was risk and support: greater top management support, the need to reassure staff that change is valued, and reducing risk by measuring managers against their plans rather than results.

#### Positive Reactions:

These comments echo some of the groups' general perceptions of STEP: the opportunity for change, a catalyst toward objectives, and acknowledged support for the efforts. The major distinctive theme was one of empowerment: identifying other things that need change, building on experience, creating movement, fresh ideas, and opening doors within state government and setting the stage for true joint ventures between public and private sectors.

The project focus was seen as valuable in its tangibility, role for employees, increasing departmental awareness of a program, and the positive, tangible qualities projects give to state employment. The STEP concept, partners, and the role of the STEP staff were seen as supporting agency efforts.

#### Individual Gains:

Members of groups most involved with STEP identified improved services by their programs and the value of expanded professional networks as the personal benefits of participation.

## C. Conclusions

The combination of performance data, survey responses, focus group comments, the ongoing feedback to staff and staff analysis, indicates that the STEP program and its projects are a promising way to increase the quantity, quality, or cost effectiveness of state government. The critical factors appear to be: managerial ownership of projects; empowerment (recognition of managers, permission to act, or the infusion of new skills, techniques or information); and some form of support or catalyst (people within the agency, partners, STEP, or the STEP staff).

The projects that have proceeded differently than expected warrant special comment: During the 1985 project selection, similar projects from different agencies were recommended for resubmission as single projects. These have had minimal success which seems to be due to: lack of ownership of the common project, no established leadership for the common effort, no perceived commonality, or significant differences in the situations. A second group is those projects with significant ownership issues: assigned managers different than originators, changes in sponsoring top managers, or turnover in project managers. A third cluster of projects, reached an early conclusion because further problem analysis indicated that existing agency systems were able to respond to the issues or that the issues and solutions were inappropriate for STEP.

Staff began with the premise of being flexible, responsive, and, particularly, being non-bureaucratic. With experience and feedback from participants, more structure has been developed. Staffing has stabilized in the past six months and more extensive records are being maintained on projects; and a protocol for transitions is being developed; all of which should minimize problems of continuity. With some experience and assistance, the methods of identifying partnership needs and partners, and of matching partners and projects, has become less time consuming and more responsive. Round 1 projects were reviewed and substantial changes made in the idea development and planning for Round 2 projects. Future projects will have access to the quality management training and process at very early stages.

The evaluative comments about STEP performance from the project managers and focus groups are generally consistent with the STEP staff's self-analysis.

The status information indicates that the projects in an active state have defined customers, the items to be measured if not the methods, reasonable evaluation criteria, and appropriate analytic or implementation techniques. It appears that project progress has not been reliant on whether it was described in

terms of a measurable objective, problem solution, or application of a specific technique. Although often not articulated, all three elements appear in each of the projects.

Given the experimental nature of the program, the diversity of projects and managers, the complexity of the environment, and the relatively short time between the original project selections and the present assessment, it appears that a STEP-like approach is a viable means of motivating state managers and improving the delivery of state services to definable customers.

## **IV. PROGRAM DIRECTIONS**

## **A. PARTICIPANT RECOMMENDATIONS**

### **A. Partners' Suggestions for Change**

The partner survey asked what could be done to improve their experiences and their recommendations for improving STEP. The most frequent comments indicated no need for change in either area. Respondents did suggest an orientation process for volunteers and strengthening STEP through more adequate project staffing and careful nurturing of the programs.

## **2. Project Managers' Suggestion For Change**

Managers were asked what changes they would make in STEP and what they would keep the same if they were in charge of the program. The majority of respondents indicated that STEP should remain basically the same and there were many suggestions for improvement to the model. Several managers recommended that some way be found to reduce STEP liaison turnover; each also commented that their liaison(s) had been helpful and supportive. Some suggested that the program should have a two-year cycle to allow for large scale projects, and that internships could be established to facilitate development and implementation. It was suggested that while STEP publicity has been good, more would be better and an effort should be made to make all STEP project participants aware of it. Budget was addressed by some respondents who suggested start-up funding, ongoing funding, and incentive funding for successful projects. The growth opportunity for managers was commended and greater input from the employee level was mentioned as desirable. The responses indicate a consensus among the direct users that STEP has been a good experience and should be continued.

### 3. Focus Groups' Suggestions For Change

Questions concerning STEP's future, its goals, specific changes, and subsequent projects were provided the opportunity for STEP's customers to influence future directions.

For the future and as goals, participants suggested general directions and principles: the need to change public perceptions of government, addressing systemwide issues, institutionalizing rather than politicizing the program, staying the course with incremental, increased effectiveness. Maintaining the focus on customers and emphasizing effectiveness to encompass efficiency and quality were seen as goals that should be emphasized.

Specific program changes included: establishing a front end method to fund improvements, systematic ways to deal with turnovers in project management, targeting broad groups that are customers of several agencies e.g., (hot line phone users), and cross unit, agency, and system projects. Suggestions for program administration included: more STEP staff time for planning assistance, information sharing, and expediting; arranging more time for project managers to devote to their projects; accepting new projects more often; a third party evaluation of projects as a basis for the managers' performance reviews; STEP as a clearing house and networker; and keeping STEP fresh with new themes and ideas.

To pursue an observation from individual projects, participants were asked if they had identified additional projects in the course of their work. A recurring general response was that there would be continued and additional efforts because the current STEP projects were directly tied to continuing program objectives. Other phenomena included: the possibility of real joint ventures between public and private entities; additional applications of techniques within and across agencies; other problems that had been identified and solved in the course of the project. Respondents also suggested that STEP would have effects beyond specific project results because it has set the stage for change, has empowered people to do more, and has generated expectations that agencies and staffs will have to meet, thereby setting new norms for performance.



#### 4. Staff Suggestions For Change

The STEP staff reflected on four basic issues related to the past development and current status of the STEP program: program goals, leadership, maintenance, and project development.

The following materials are a listing of dominant themes that surfaced as a result of individual assessments and group discussions.

##### Program Goal Changes

###### Primary Goal:

- o Produce measurable improvements in the quantity, quality and cost effectiveness of service delivery.

The goal requires a continued redefinition and discussion to create a clear and universal understanding by program participants.

###### Secondary Goals:

- o Involve managers and employees in a process of change.
- o Institutionalize change.
- o Establish resource networks to increase service quality.
- o Promote inter-agency cooperation.
- o Establish a change process encouraging risk taking, closeness to the client, and participant trust.

##### Leadership Changes

- o All leadership roles need clarification.
- o Leadership within the program and the projects needs to be active
- o Consistent leadership needs to be provided by STEP staff.
- o Liaisons require clear role and responsibility definitions
- o Agency champions need to be identified and promoted for all projects.
- o Partners, both public and private, must be balanced and establish strong mutual relationships.

- o Project managers should be clear about the priority the STEP project takes and how it supports agency needs.
- o The Steering Committee should be brought into a more active role with the STEP program.

#### Program Maintenance Changes

- o Maximize an integrated, systematic approach which links all components in a timely, active fashion. This requires increased attention to project selection and development and increased agency involvement and ownership of projects and the program.
- o Partnerships require greater emphasis upon partnership documentation and recognition of services provided.
- o Training should occur earlier and as part of the project development and be more widely available to teams, managers, and liaisons.
- o Communications which are presently informal should be developed into an ongoing interactive formal process which emphasizes two-way communications between all participants.
- o The present informal recognition should be continued, but ongoing formal methods should be established to acknowledge effort and contributions.
- o Evaluation must be introduced early with clear requirements and expectations and supported with the tools, training, and consultation necessary to effectively assess measurable outcomes.

#### Project Development Changes

- o Effectively communicating the core mission, direction, and goal of the STEP Program is needed. This requires linking existing structures, active roles by all, and increased awareness by project managers/teams about how their project addresses agency imperatives, budgets, and policies.
- o Increasing agency readiness to support STEP projects requires that agency executives own the projects and that we continue to use personal relationships and established networks between and within agencies.
- o Establishing and maintaining relationships between STEP staff and project teams requires closer contact and consistent communications between STEP staff, agencies and projects; and that STEP staff clearly define roles,

relationships, expectations and timelines for project teams and agency liaisons.

- o Strategies to diagnose project problems and concerns should emphasize closer up front analysis of project needs; increased support, project planning, and consultation; and using ongoing measures, and benchmarks.
- o The STEP Program should also have benchmarks, regular progress checks using meaningful measures, and quantifiable program measures and outcomes.

## B. TRENDS

### 1. DEMOGRAPHIC

TREND - General aging of the population.

#### FORCES OF CHANGE

Aging of the "baby boom" generation.

Increasing lifespan due to improved medical practices.

#### EMERGING ISSUES

Doubling of the population over 80.

Increasing number of frail elderly.

Increasing numbers of poor elderly women.

Increasing ratio of workers to retired people.  
(dependency ratio)

Decreasing confidence in the Social Security system.

New and different customers, products, and markets for private and public sectors.

TREND - Continued movement from rural areas.

#### FORCES OF CHANGE

Problems with the farm economy.

Lack of job opportunities other than farming.

Frailer elderly returning from retirement areas.

#### EMERGING ISSUES

Concentration of elderly in rural areas.

Decreasing tax base/need for subsidies.

Mismatch of service/product capacities and markets.

TREND - General changes and maturing of the workforce.

#### FORCES OF CHANGE

Increasing numbers and percentages of women.

Aging of the "baby boom."

Limited expansion of government as an employer.

Shift to service economy with greater percentage of lower wage and part time employees.

#### EMERGING ISSUES

Shifts in household income distribution.

Demands for employers to expand their role in meeting employees' personal needs.

Need for new management approaches for plateaued employees.

Greater need to meet economic needs of low and no wage households.

## 2. ECONOMIC

TREND - Increasing international competition.

### FORCES OF CHANGE

Mobility of capital.

Ease of technology transfers.

International financial systems.

Increased rate and volume of activities.

TREND - Increasing national debt.

### EMERGING ISSUES

Greater limitations on public spending.

Shifts in expenditures to states, local governments, and the private sector.

Restraints on governmental responses to citizens' demands.

TREND - Increasing competition for new workers.

### FORCES OF CHANGE

Decreasing numbers of workers entering the job market.

### EMERGING ISSUES

Increased staff costs/shortages in service industries.

Use of robotics to augment/replace staff.

TREND - Increasing cost and coverage issues related to insurance.

### FORCES OF CHANGE

Perceptions of crisis in insurance industry.

Move toward coverage for long-term health care.

Limitations on health care coverage from Medicare and private payors.

Redefinitions of public roles as regulator and payors.

TREND - An increasingly mixed and interactive economy.

### FORCES OF CHANGE

Effects of public economic policy, expenditures and regulations on the private sector.

Role and effects of governmental units as customers.

Increased private sector activity in shaping public policies.

Redefinitions of public and private roles in funding and delivering social goods.

TREND - Changing family structure.

### FORCES OF CHANGE

Women joining the paid workforce in increasing numbers.  
Families living in different geographic areas.  
Younger family members expect earlier gratification.  
Young adults returning home to live.  
Grandparents living longer and assuming different role  
in family.

#### EMERGING ISSUES

Fewer care givers available, less time for family  
consumption and maintenance activities, and new  
demands and markets for personal services.  
Differing demands on employers, schools, and  
public programs.  
Need for support for informal care givers  
including payment of relatives for providing  
care.  
Increasing focus on relative responsibility  
including government allowance of tax credits  
and trust funds.

TREND - Increasingly competitive, conservative, and  
individualistic behavior.

#### FORCES OF CHANGE

Perceived limit to economic and employment  
opportunities for individuals.  
Reactions to liberal and libertarian trends of the  
60's & 70's.  
Reactions to increasing complexity, rates of change,  
and impersonality of large organizations and  
institutions.

### 3. POLITICAL

TREND - Changing attitudes about government's role.

#### EMERGING ISSUES

Ambivalence regarding role of state.

(licensor or protector of consumer?)

Move toward deregulation.

Role of state as developer of affordable services.

Increased emphasis on quality assurance.

Increasing expectation that services will come to the client.

TREND - Increasing roles of special interest groups in public and private decisions.

#### FORCES FOR CHANGE

Demands for greater representation and influence.

Increasing numbers of formal groups, lobbyists, and procedural opportunities for participation.

Pragmatic view by business that are directly affected by public policy and expenditure decisions.

TREND - Shifting roles among federal, state, and local governments.

#### FORCES FOR CHANGE

Presidential philosophy and funding changes have decreased federal role.

Shifting state finances.

Individuals acting on their perceptions of having greater influence on community and more proximate levels of government.

## 5. ORGANIZATIONAL

TREND - Increasing interdependence among and between units and organizations.

TREND - Increasing involvement in policy decisions.

TREND - Increasing pressure and procedures for productivity and fiscal accountability.

TREND - Increasing emphasis on employee participation.

TREND - Increasing access to and dispersion of information.