KPMG

A framework to strengthen governance

Annual meeting 2015

National Academy of Public Administration

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION

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Contents

Foreword

On December 3, 2015, the National Academy of Public Administration (the Academy) held its annual fall meeting. The Academy is an independent, nonprofit, nonpartisan organization chartered by Congress in 1967 to assist government leaders in building more effective, efficient, accountable, and transparent organizations. The Academy has over 800 Fellows—including former cabinet officers, members of Congress, governors, mayors, and state legislators, as well as prominent scholars, business executives, and public administrators.

The 2015 meeting featured an all-star cast of keynote speakers and insightful discussions to address the topic of "a framework to strengthen governance." KPMG LLP worked with the Academy to highlight some key findings and takeaways from this meeting.

Consistent with the meeting's theme, breakout sessions discussed such specific topics as:

– Transition issues facing the next administration

– Using data on what works to improve government's performance and efficiency

– Collaboration across boundaries

– Social media

– Strengthening local government

– Building a 21st-century Senior Executive Service

– State government transition issues

– Using strategic foresight in program planning and management and

– Protecting America's information assets.

Other annual meeting activities included:

– The Louis Brownlow Book Award was presented to Academy Fellow Christopher Hood for a book co-authored with Ruth Dixon titled, *A Government that Worked Better and Cost Less?*

– The Elmer B. Staats Lecture was given by John Hamre, now President of the Center for Strategic and International Studies and formerly Deputy Secretary of Defense.

– The James E. Webb Lecture was given by Clay Johnson, former Deputy Director of the Office of Management and Budget.

– The 2015 George Graham Award for Exceptional Service to the Academy was presented to Academy Fellow Dan Skoler for his decades-long contributions and dedication to the organization.

The Academy and KPMG wish to acknowledge the hard work and dedication of staffs representing both organizations in compiling, editing, and assembling this report.

Dan Blair
President and CEO
National Academy of Public
Administration

Jeff Steinhoff
Managing Director
KPMG Government Institute

Welcome and opening remarks

Robert Shea, Chair, Academy Board of Directors; Principal, Grant Thornton LLP

Dan Blair, President and CEO, National Academy of Public Administration

Robert Shea, the outgoing board chair and a principal at Grant Thornton, welcomed everyone to the Academy's annual meeting. He noted that the meeting is being held in the shadow of the tragedy in San Bernardino. The tragedy hits particularly close to the Academy given that the county's chief executive officer, Gregory Devereaux, was to be inducted as a Fellow this evening, but had to return home to address the tragedy. Shea asked for a moment of silence for the victims in San Bernardino and for the entire community.

The theme of the meeting was "a framework to strengthen governance." There are many examples of where government is working effectively to address critical public needs and protect our nation, both at home and abroad. Government is meeting challenges and providing greater transparency and accountability through a wider array of information available to the public. For example, HUD and Veteran Affairs have made great progress in working together on the goal of ending veteran homelessness. The U.S. Department of Education launched a Web site on which you can see the relative performance of colleges and universities. There are other examples where government has not yet performed at the level expected by the public and areas of continuing high risk. The Academy has a critical role to play in helping to improve government performance, and the Fellows are asked to contribute at every opportunity to formulate recommendations to this end.

Shea announced the new Academy officers that assumed their positions on Friday, December 4, 2015:

- Paul Posner, Board Chair
- Kris Marcy, Board Vice Chair
- Steve Redburn, Treasurer
- BJ Reed, Secretary

Shea turned it over to Dan Blair, the Academy's president and chief executive officer. Blair expressed his appreciation to Shea for his service as board chair and elaborated on the annual meeting's theme. In order to strengthen governance, it is important to address the public's lack of trust in government. This begins by identifying what works and does not as the nation heads toward another transition in 2017.

Blair expressed appreciation to the Academy's fall meeting committee:

- Lewis Crenshaw, Chair
- Katherine Barrett
- John Bartle
- Erik Bergrud
- Richard Greene
- Steve Redburn
- John Salamone
- Jeff Steinhoff

He also thanked the sponsors that helped make the annual meeting possible:

- Management Concepts, Inc. (Patron Level)
- KPMG LLP (Benefactor Level)
- Booz Allen Hamilton (Benefactor Level)
- Grant Thornton LLP (Benefactor Level)
- Federal Management Partners (Academy Level)
- University of Nebraska College of Public Affairs and Community Service (Academic Sponsor)
- Federal News Radio (Exclusive Media Sponsor)

Blair introduced Steve Maier and Tim Bowden, beginning the program on what the federal workforce will look like and the upcoming transition.

Overview and meeting opening

Lewis Crenshaw, Fall Meeting Program Planning Committee, Chairman, Crenshaw Consulting Associates LLC

Steve Maier, President, Management Concepts, Inc.

Tim Bowden, Executive Director, Consulting Delivery, People & Performance Consulting, Management Concepts, Inc.

The opening remarks for the 2015 fall meeting focused on the challenges the government faces as well as how it will need to adapt to a changing environment in light of the upcoming transition. Specific challenges that the upcoming election year brings include:

– Global challenges for organizations and agencies in government

– Attracting and retaining talented people, especially millennials

– Current culture in government organizations, especially organizations in crisis

Speakers focused on the importance of leadership and transforming organizational culture in addressing these challenges. The discussion underscored the power of culture to transform organizations, emphasizing that transparency and trust were necessary for effective transitions. Furthermore, leaders were highlighted as the key to establishing the norms that govern behavior and shape organizational culture. Relationship building at all levels and aligning performance expectations with strategic objectives were two primary cornerstones to building a high-performing culture.

The discussion featured key examples of effective leadership influencing cultural change from the private sector. The first example explored Alan Mulally's success in returning Ford Motor Company to profitability and preventing its need for a government bailout during the latest recession. His success has been largely attributed to his leadership style and ability to change the culture at Ford. Mulally's efforts included seeking answers from employees at all levels, communicating through open and transparent dialogue at all levels from staff to executive leadership, and providing transparency to various stakeholders that allowed for unified approaches to major issues. Mulally established expectations that were critical to the culture he wanted to create and included the following elements: people first, respect, listening, and helping each other.

Another private sector example discussed during the opening remarks highlighted Satya Nadella's leadership efforts at Microsoft. Similar to Mulally, Nadella's approach centered on honesty, not being opposed to new concepts, and creating an environment where anyone should be able to tell him anything. The discussion emphasized how the leadership characteristics of Mulally and Nadella highlight the qualities leaders in government must embody to be successful. Most importantly, leadership at the top must support an approach that engages management teams to produce better outcomes, including encouraging collaboration and talent.

Transition issues facing the next administration: A panel discussion

David Chu, President and CEO, Institute for Defense Analyses

Edward DeSeve, Executive in Residence, Brookings Executive

Janice Lachance, Chair, Advising Leaders, Joint Academy and American Society for Public Administration Project

The Academy's *Transition 2016: Equipping the Government for Success in 2016 and Beyond* (T16) was introduced by Co-chairs David Chu and Ed DeSeve. T16 has an ambitious objective. Management issues have been challenging for past administrations, which can often result in a loss of confidence in both the administration and the government at large. The Academy's T16 initiative was designed to provide insights to the incoming presidential administration on the attributes of effective management improvement initiatives and on strategies to overcome government management challenges and identify and fill key presidentially appointed management positions.

The goal of T16 is to provide insights that help regain the public's trust in the management of government. T16 will aim to collect demonstrable, empirical material to demonstrate to the campaigns of both major parties and eventually the successful incoming administration several key principles of sound and successful public management.

After initial research with the Academy Fellowship, four key themes emerged that will be the basis of four Academy panels:

– Collaboration across boundaries

– Evidence-based decision making

– Strategic foresight

– Recruiting and career and appointed officials

By spring of 2016, the T16 panels will have held their meetings, interfaced with administration personnel, and approached relevant campaign staff. Positioning of the initiative at this point in the election cycle is critical to achieving the objectives of the overall initiative. Noting that "good management is good politics," T16 will seek to focus not on policy but on successful implementation and being prepared, on day one, as an incoming administration from a management perspective.

Transition issues and questions raised by the audience included the following topics:

– Incentivizing incoming managers

– Imparting knowledge and management advice not solely based on historical experience

– Avoiding common transition mistakes

– Presenting management leading practices in a manner that encourages acceptance by the new administration

– Leveraging scenario drafting and analysis methodology

– Elements of a successful transition initiative

– Juggling competing priorities for outgoing managers

Morning concurrent sessions

The evidence agenda: Using data on what works to improve government's performance and efficiency

Moderator and T16 panel lead:
Robert Shea, Principal, Grant Thornton LLP

Panelists:
Gary Glickman, Managing Director, Health & Public Service Innovation, Accenture

Shelley Metzenbaum, Senior Advisor, The Volcker Alliance

Kathryn Newcomer, Director and Professor, School of Public Policy and Public Administration, The George Washington University

Charles Tansy, Former Senior Vice President, Small Business Group, Export Import Bank of the United States

Harold Steinberg, Member, Federal Accounting Standards Advisory Board

Demetra Nightingale, Chief Evaluation Officer, U.S. Department of Labor

Helena Sims, Director, Intergovernmental Relations, Association of Government Accountants

Background:
The Obama Administration has undertaken a number of initiatives to evaluate programs and use those results to make more evidence-based program funding and management decisions. The initiatives impact both the executive and legislative branches of the federal government, as well as state and local governments. This panel discussed the evidence agenda, what it has accomplished, and how to strengthen the reliance on evidence of what works at every level of government, especially as the country moves to a pivotal set of political transitions.

The panel reviewed the evolution of initiatives designed to transform government by improving the measurement and management of performance. Key milestones included the Chief Financial Officers Act (1990), the Government Performance and Results Act (GPRA), guidance in Office of Management and Budget (OMB) Circular A-11, the Program Assessment Rating Tool, executive orders, GPRA Modernization Act, development of the Evidence Agenda, and ongoing oversight of these initiatives by the Government Accountability Office (GAO). With this rich history and lessons learned, the panel and participants explored what efforts are currently producing favorable results, what can be adjusted to improve impact, and how government can better improve integration of the performance and evidence agendas with a set of diverse stakeholders.

Key insights presented and issues discussed:
– The performance and evidence agendas have served to bring leaders together in order to demonstrate accountability, inform budgets, improve program management, and improve the communication of stronger measurement and accountability initiatives.

– It is important to link agency goals to social indicators and to make linkages to program types when measuring performance.

– It is critical to employ communication and engagement strategies in both top-down and bottom-up efforts in order to make the message resonate with all stakeholders. This includes losing the jargon that can impede implementation success.

– The chief evaluation officer position at the Department of Labor serves as a tremendous model for how to translate evidence into layperson terminology and how to respond to the "so what" questions posed.

– Agencies should move from a compliance-based oversight model to one that is outcome based in order to demonstrate what goal expenditures actually achieve.

– A consultative approach is necessary when developing appropriate data to help those running programs fully grasp its value. This approach will provide better context for the data scientist to provide useful data to the program manager.

– Agencies will need to continue to engage Congress in order to clarify the value of high-quality, evidence-informed initiatives and to work to create evidence champions without creating additional mandates or mechanisms that limit discretion capabilities.

Collaboration across boundaries

Moderator and T16 panel lead:
Don Kettl, Professor, School of Public Policy, University of Maryland

Panelists:
Parris Glendening, President, Smart Growth America's Leadership Institute

Diane Disney, Professor of Management, Pennsylvania State University

Barbara Romzek, Dean and Professor, School of Public Affairs, American University

Jocelyn Johnston, Professor, Department of Public Administration and Policy, American University
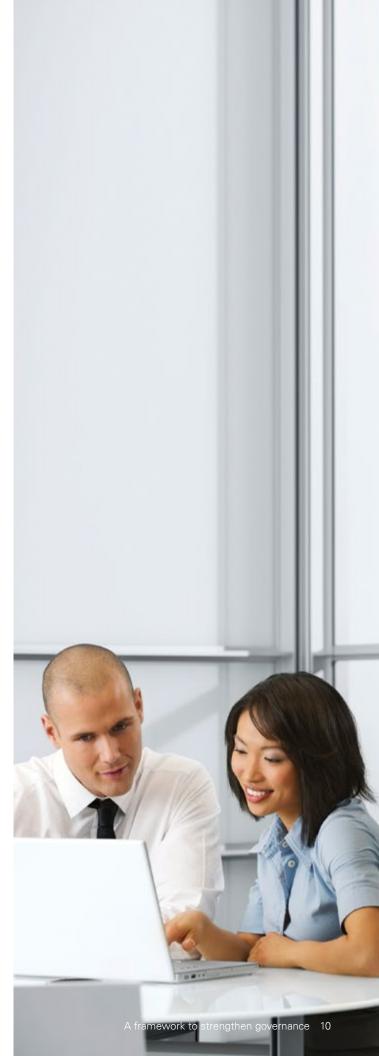
Background:
The charge at this session was to identify ways for collaboration and networking between federal, state, and local governments; nonprofits; and the private sector. The model of the network as a means of solving problems and implementing disparate missions is a powerful idea for helping assure the success of governmental programs. This session opened with a general question: If most people agree that collaboration is a good thing, why does it not happen more often? The group discussed the key impediments to collaboration, strategies and tools that can help improve collaboration, and how to engage the interest of transition teams in collaboration and provide useable guidance.

Key insights presented and issues discussed:
– The federal government has been institutionalizing collaboration in areas such as emergency response, but is still not doing a good job working on other issues, such as infrastructure.

– While significant progress has been made improving collaboration between federal agencies through means such as federal interagency councils and the GPRA Modernization Act, the capacity for intergovernmental collaboration has declined.

– The United States has a federal, state, and local system of government, but the resources for managing an intergovernmental system have declined. For instance, the Advisory Committee on Intergovernmental Relations was disbanded 20 years ago, eliminating an important source of expertise.

– In considering collaboration, it is important not to ignore the importance of intradepartmental collaboration.

– The 1974 Joint Funding Simplification Act was offered as an example of using law to facilitate interagency coordination, but the potential of this law had not been realized for lack of attention to implementation. No resources were provided and no attention was given to engaging the support of agency middle managers who are critical to carrying out a policy over time.

– Federal interagency councils have an important role to play in facilitating collaboration. More generally, the importance of structuring collaboration was noted, as in the case of strengthening interagency and intergovernmental collaboration in the area of forest fires.

– The virtues of bottom-up versus top-down approaches to collaboration were discussed. It was argued that in cases such as infrastructure, the initiative has to be taken at the state and local level, while the federal government should play a facilitating role, such as helping with incentives. Recent efforts on fighting international drug crime were presented as illustrating the need for both top-down and bottom-up–regional organization and priority setting aligned with clear federal priorities.

– Given the diverse groups that must be mobilized to address many government initiatives, it is often more useful to talk about governance instead of government. This language also avoids an over-reliance on government as the solution to problems.

- Social media technologies can facilitate collaboration as evidenced by the millennial generation. However, it is still important to spend sufficient time to build the relationships necessary to support sustained collaborative efforts. Collaboration requires time, money, and compromise.

- It is important to align incentives to support collaboration. It takes strong interest for busy people to take the time and energy to invest in significant collaborative efforts.

- A sense of urgency was noted as critical to galvanizing collaboration. This factor was noted in comments regarding successes in the case of the Recovery Act for where there was extensive collaboration during implementation.

- During the Recovery Act implementation, for example, data was available on federal funding and awardees by zip code, so you could quickly get information on funding recipients in a given locale to help oversee progress and challenges in collaboration.

- Participants identified several considerations regarding how to engage the interest of transition teams, whether at the federal, state, or local level. These included the importance of connecting with teams through trusted relationships; speaking to the particular concerns of teams; providing concrete examples of collaboration and successful strategies; and emphasizing not only the benefits of collaboration, but the downside risk of failure to adequately manage collaboration.

If governments tweeted more, would citizens trust more?

Moderator:
Erik Bergrud, Associate Vice President of Constituent Engagement, Park University

Panelists:
Steve Ressler, Founder and President, GovLoop

Dan Chenok, Executive Director, IBM Center for The Business of Government

Amber Snowden, Communications and Project Manager/ Public Policy Coordinator, International City/County Management Association
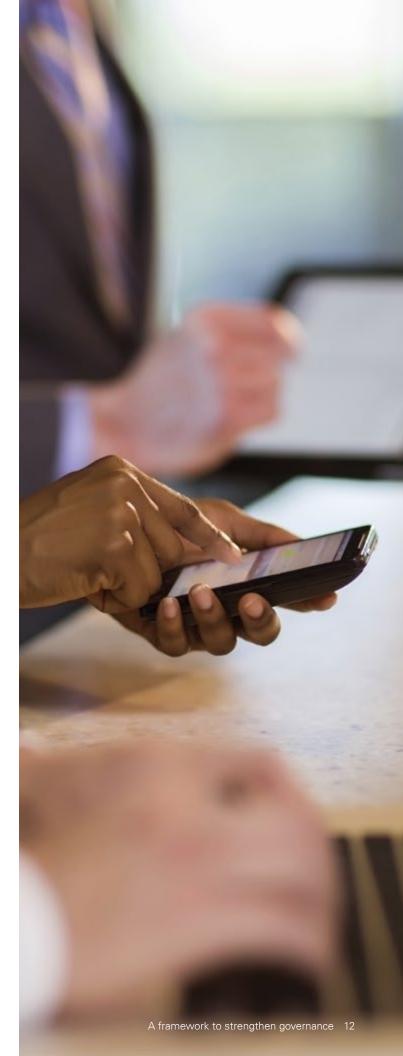
Background:
This session examined the impact of social media on governing, security, and information dispersal. The session began with a discussion of the use of Twitter by the San Bernardino, California police during and in the aftermath of the December 2nd terrorist attack. The panel praised their use of Twitter as a positive example of government using social media to disseminate information.

Key insights presented and issues discussed:
– Social media can bolster government transparency and accountability by allowing government to reach people in real time and provide direct information, as well as have faster response times to citizen concerns. It also provides the opportunity to correct misinformation.

– Social media can engage citizens in policy development. For example, participatory budgets allow citizens to tweet about programs and engage in real-time conversations about budget decisions relating to the value of programs they use. Social media increases the number of voices that can contribute far beyond the beltway.

– Social media can serve as a mechanism to receive feedback.

– Local government has been increasing its use of social media. The #deadracoonto incident is an example that the ultimate goal must always be to manage expectations. The hashtag established by concerned citizens could have started a positive conversation, but instead led to public outrage over poor responsiveness. While social media can be an opportunity, this is only true if (1) expectations are set when addressing frustrations expressed through social media, (2) engagement is active, and (3) there is understanding about when to engage and when to step away.

– Governments at all levels have a responsibility to collect information from social media, but also to use it and be responsive. Citizens have to know what is happening and that their concerns are being acknowledged.

– Social media has continued to evolve. Changes and lessons learned include (1) a huge rise in messaging services (texting, WhatsApp, and so on); (2) a shift of all platforms to mobile use (80 percent of Facebook's revenue is from mobile ads); (3) a struggle of organizations to be shown on a consumer's newsfeed without paid advertising, which is an area where the government struggles because of the difficultly to spend the money on paid advertising; and (4) an increase in the complexity of staffing needs and financial resources required to use social media well (private companies can have 10 to15 paid staff and a couple-million-dollar budget to do social media well, and successful government agencies follow this model).

– Kansas City was used as a positive case study of the impact of social media on government culture. Social media in Kansas City has exceeded the city paper for information sharing, and these platforms have allowed the city to build brand awareness and community unity. This case shows that successful social media use can spread government's message in ways not possible before, and that investments in the technology to connect citizen feedback to the appropriate city department can have huge return.

– There is a very fine line that has to be walked for government employees between their official government account and their personal account when engaging in social media. Like private sector companies, government agencies generally have guidelines for social media engagement. Some may prohibit the use of government accounts by individual employees for social media. Agencies must recognize and accept the inherent risk involved in social media.

– Social media is a way to lower the barriers to service delivery, especially with customer service delivery.

– Social media has global implications. For example, the State Department is using social media to counter ISIS messaging and in general build trust on a more global scale.

– There has to be a goal, and engagement has to be purposeful. It is not about tweeting more—if we tweet better we can increase trust in government.

– Twitter can be a good way for third-party groups (like NAPA, which is independent, nonprofit, and nonpartisan and established by the Congress in 1967 to assist government leaders in building more effective, efficient, accountable, and transparent organizations) to engage with individuals in campaigns and in general increase the effectiveness of their efforts to help make government better.

Strengthening local government

Moderator:
John R. Bartle, Dean, College of Public Affairs and Community Service, University of Nebraska at Omaha

Panelists:
Sheryl Sculley, City Manager, City of San Antonio, Texas

David Sander, Mayor, City of Rancho Cordova, California

Peter Harkness, Senior Policy Adviser, Pew Center on the States, Founder and Publisher Emeritus, Governing

Jim Svara, Visiting Professor, School of Government, University of North Carolina at Chapel Hill

Robert O'Neill, Jr., Executive Director, International City/County Management Association
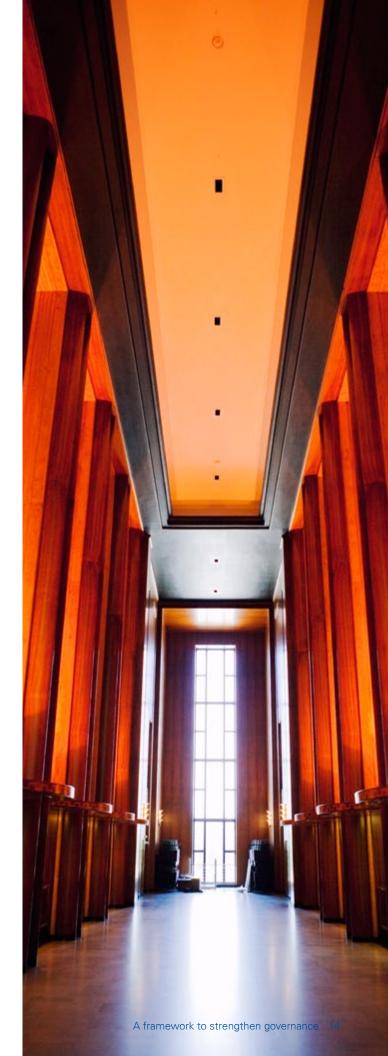
Background:
This panel focused on three important issues facing local government: regionalism, intergovernmental dynamics, and community engagement. The focus was on how to enhance resilience and responsiveness not only in center cities, but suburbs and metropolitan regions.

Key insights presented and issues discussed:
– There is frequent political leadership turnover in local government. Over the past decade in San Antonio, for example, there have been three mayors and 37 council members.

– City management operates in a political environment. An effective working relationship between the city manager and elected officials is a critical success factor. City managers must work closely with city-elected leaders to get high-profile projects and programs successfully implemented.

– Change requires community involvement. To build the relationship, San Antonio officials spent months talking to people in the communities to learn their expectations of local government and reached out to people who worked for the previous administration to understand their perspectives.

– Local government managers should think about the future of their organizations: Where do we want the organization to be 3–5 years from now? Forward thinking can impact an organization in the most positive way.

– Twenty percent of the U.S. population lives in suburbs, which are undergoing a significant transformation as home to the largest and fastest-growing poor population. Large cities also face significant fiscal stress and greater demand for government services.

– In Detroit and New Orleans, the private sector and nonprofit organizations have played an enormous role in disaster recovery efforts, and significant Nongovernmental resources have been used to rebuild the communities.

– The issue of regionalism and internationalism has become more important at the local level. There is a growing trend that people are connected across regional lines, even international lines. Policymakers increasingly must consider the bigger picture when they make decisions.

– Mayors need to be visionaries to help shape the policies and bring council members together to address the issues facing the city in a regional context, such as: How to respond to broad trends? What are the key challenges? How do we work with other cities and counties to address the challenges together?

– City managers and other senior local administrators are responsible for day-to-day operations: assessing conditions, making recommending actions, overseeing short-term and long-term city management, and working with a wide range of players.

– Advanced technologies have changed how people access information. Local government has the responsibility to keep citizens informed and engage citizens in helping shape the city government's policy directions. Government officials should be disciplined innovators.

– It is important to develop a strong formal and informal partnership of local political leaders and professional managers, as well as communities and citizens, in regions.

– The desired qualities in leaders are shared across all local governments. City managers are not only responsible for day-to-day management, but also strategic issues. City managers support council members and look at long-term issues and develop recommendations. Effective local government management requires a combination of visionary elected leadership and strategic professional leadership. Elected officials make policy decisions with the support from professional managers. This is a shared responsibility.

– Local government has long been critically important given its role in jobs, education, safety, environment, and infrastructure, which represent the fabric of great communities and great nations. A large number of people live in metropolitan areas, and the quality of communities that make up the metropolitan areas differs significantly. Challenges are multisectoral, multidisciplinary, and intergovernmental.

– It is important to conceptualize future governance models. Within 20 years, there may be a "new sector," a blended sector that combines the resources and assets of the three existing sectors (public, private, and nonprofit). Government will need to build a new governance structure (for example, a social corporation) to manage the new sector.

– Government faces the challenges of transparency and accountability. Trust levels are actually increasing at the local level. People may have different ideologies, but at the end of the day, they all want a better community.

Building a 21st-century Senior Executive Service

Moderator:
Ronald P. Sanders, Vice President and Fellow, Booz Allen Hamilton

Panelists:
Edward DeSeve, Executive in Residence, Brookings Executive

Elizabeth McGrath, Director, Federal Government and Commercial Clients, Deloitte Consulting LLP

Reginald Wells, Deputy Commissioner for Human Resources and Chief Human Capital Officer, Office of Human Resources, Social Security Administration

Robert Hale, Advisor, Booz Allen Hamilton

Background:
This session provided a discussion of the upcoming book focusing on some of the current and future challenges facing members of the Senior Executive Service (SES). Conceived in 1978, the SES faces an increasingly challenging external environment. The public's lack of trust in government has spilled over to the SES core. President Obama is developing a draft executive order for SES reforms. The challenges are particularly acute during transition. Many SES members are eligible to retire, and there is concern that many of them do not want to go through another transition—and that many highly qualified GS-15s are not interested in becoming SES members. Additional research should be conducted to develop more detailed knowledge of what the SES's role is currently and what it needs to be. The Academy will be publishing a book in early 2016 that addresses the future of the SES.

Key insights presented and issues discussed:
– *Institutional role of the SES*. The Civil Service Reform Act of 1978 established a number of goals for the SES, including ensuring responsiveness to the needs and policies of the nation. Senior executives continue to have an important institutional role. Senior political appointees depend on their technical knowledge coupled with their ability and authority to manage. The SES has an important role to play at the intersection of deciding and doing. SES members need to further develop their breadth and depth. It is not enough to be a technical expert.

– *Workforce development*. How the SES workforce is grown and developed is an issue that needs attention. There is not an enterprise-wide, systematic approach to development. Executives need to take a deliberate development journey where they are developing cross-functional capabilities. On-the-job experience is critical; the classroom is important but not enough. Developing executives also need to improve their knowledge of how technology can be utilized to advance mission areas.

– *Mobility and the value of rotations*. A key issue that has emerged over the past few decades is the extent to which the SES can and should move from agency to agency. In practice, it appears that most senior executives "stay where they grew up." Mobility has not been enforced due to agency concerns about losing their talent and concerns that an executive from another agency may not succeed in the new environment. Civilian executive mobility is a little easier within the U.S. Department of Defense (DoD) given the requirement that service members move so often. It is important for many SES members to have experience with an agency's programs and detailed technical expertise, but rotations can be an extremely important part of development when structured properly. Within SSA, there are mandatory rotations within the agency as part of the executive development program. Individuals are given assignments outside of their technical expertise where they have to bring their leadership skills to bear.

– *Effective agency practices with rotations*. The intelligence community adopted a civilian version of Goldwater-Nichols requiring 12 months or more of a rotation before being eligible for an SES position. The DoD added that requirement as a prerequisite to selection to SES. But mobility needs to start earlier in an individual's career. Once someone is at the doorstep of the SES or is selected for the SES, it is a lost opportunity. Government needs a workforce with technical skills and depth.

– *Key competencies.* The U.S. Merit Systems Protection Board found that the greatest failure of some leaders is continuing to be technical experts when they get promoted. As a result, senior leaders may have difficulty connecting with those they lead. They continue to be technical experts, not good leaders and managers. The group discussed emerging competencies, such as global awareness, enterprise risk management, and cybersecurity. There was also discussion of the importance of SES being trained in how to give policy advice. OPM's framework for SES core qualifications is also applicable to political appointees. If a political appointee does not have one or more of these competencies, a learning environment needs to be developed where they can acquire them. There was some caution about expanding the number of competencies. The idea of competencies with the executive core qualifications is that they can legitimately be used as the basis for selection. Some of the emerging competencies may not have the research backing up their use for selection.

– *Risk aversion.* Many SES members in civilian and DoD agencies are risk averse, and this is coupled with an SES bonus system that tends to reward people for staying in an agency or program for a long time.

– *Workforce management challenges.* SES members spend a disproportionate amount of time on the small group of poor performers who are corrosive to the rest of the workforce. It should be easier to get rid of poor performers. Good first steps within DoD are the reforms to extend the probationary period to two years and requiring that performance be factored into any reduction in force. A civilian version of Goldwater-Nichols would be useful, as would pay reform. Given the difficulty of getting pay reform in the current political environment, it may be more useful to target some bonus reforms, such as increasing the percentage of SES eligible for meritorious level bonuses.

The Louis Brownlow Book Award

Introduction:

Norman Johnson, Chair, Louis Brownlow Book Award Committee

Recipients:

Christopher Hood and **Professor Ruth Dixon**, *A Government that Worked Better and Cost Less?: Evaluating Three Decades of Reform and Change in UK Central Government*

The Louis Brownlow Book Award remarks:

Christopher Hood began his remarks by stating that two of his proudest moments were being elected to the Academy in 2010 and today receiving the Louis Brownlow Book Award with co-author, Professor Ruth Dixon. Mr. Hood identified several reasons why a book about public administration in the United Kingdom would have relevance in the United States:

1. The United Kingdom is a critical and distinctive case because it has been one of the leading exponents of "managerialist" reform initiatives over the past three decades. Specifically, successive governments have attempted "to bring greater business efficiency to government by corporatization, performance indicators, new financial frameworks, outsourcing, performance-related pay, and more emphasis on effective management" (Hood and Dixon, pages 2–3). In initiating and implementing reform efforts over the past three decades, the United Kingdom has been one of the most significant public administration reformers. The book speaks about the implementation of new managerialism, especially in semiautonomous service delivery in the 1990s.

2. The book examines the performance of the U.K. government over a 30-year period, which is unique. This study focuses on costs and perceptions of fairness, looking at what came out of reforms.

3. The themes explored—applying laws fairly and efficiency through cost minimization—are of universal interest in public administration. Everyone wants government to be fair and to minimize overhead costs.

There are a number of views about the relationship between these two themes. Some have argued that investing in one will lower the other. That is, in making government fairer, the cost of administering government will increase. A more optimistic view says that smart policy and management can delivery both. And another view is that there may be no relationship at all between the two themes.

The book's study found that, despite a reduction in public employees, the overall costs of programs and operations increased over time. Specifically, the United Kingdom has higher costs now than before the new managerialism reforms were implemented. Total costs increased not because of civil service pay, but because of information technology and outsourcing. That said, the author cautioned that a final judgment on new public managerialism cannot be made because we do not have international evidence on indicators looked at in the book.

Elmer B. Staats Lecture

The Lecture Program honors Elmer B. Staats, whose exemplary contribution in government serves as a standard. Mr. Staats's long and distinguished career was capped by his service as Comptroller General of the United States.

Introduction:

Jeff Steinhoff, Managing Director, KPMG Government Institute

Staats lecturer:

John Hamre, President and CEO, Center for Strategic and International Studies

John Hamre has served as the President and Chief Executive Officer of the Center for Strategic and International Studies (CSIS) since January 2000 and has served as the Chair of the Defense Policy Board since 2007. Prior to joining CSIS, he was the Deputy Secretary of Defense, before which he was the Under Secretary of Defense (Comptroller) from 1993 to 1997.

In the Staats Lecture, Hamre noted that he is concerned about the American political system and both parties. "I hear anger and vituperation, but I don't hear vision, and I'm struggling to hear concepts of America's future," he said. The nation is experiencing a real crisis, not because we are losing American democracy or institutions, but because political parties are struggling to define their relevance.

We cannot afford to wait years for fundamental structures to re-emerge—none of these changes will come anytime soon through our current political system. Important changes that are needed include:
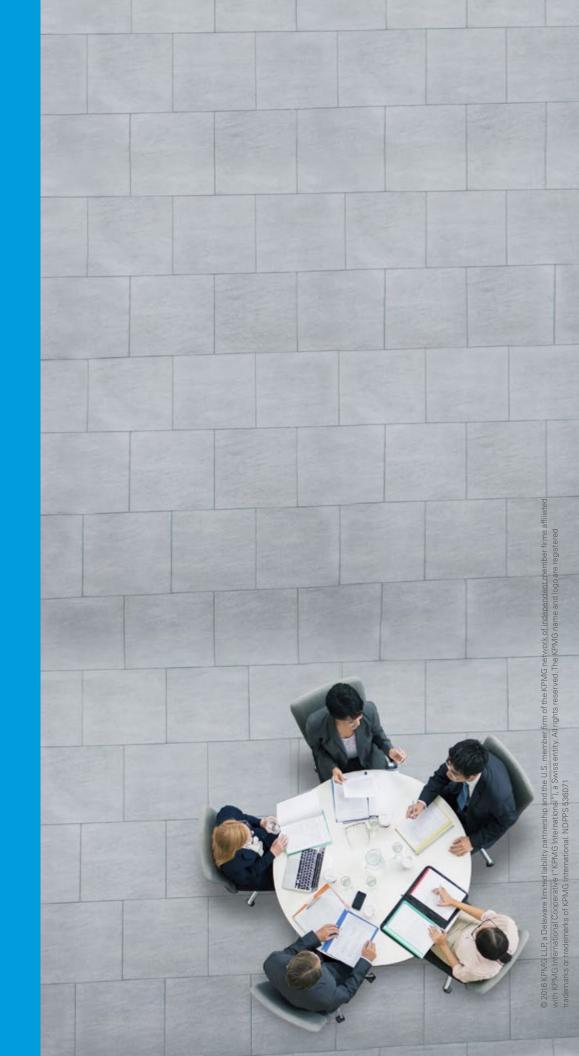
– *Reform of the current civil service system*. Fundamental change is needed to a system that is the wrong model for today. The current system is a 1950s model. It makes it easier to acquire contractors than to hire employees. Contractors account for much of the DoD's workforce. Other countries such as Finland and Norway have established more successful civil service models, with a small but highly paid workforce that has the knowledge, skills, and abilities to interact effectively with the private sector. Currently, the United States has a large civil service that does not, as a whole, have the competencies needed to manage the public's business.

– *A new approach to government ethics*. As an example of the need for reform in this area, Hamre recounted the challenge he had to be able to have a senior Navy official come to CSIS to get advice—because, according to government attorneys, such advice would amount to a prohibited gift (that is, the gift of knowledge). It took a month to get the requisite approvals. Ethics rules need to be reformed to ensure that they are based on a foundation of transparency.

– There is a great question of legitimacy running through government right now, which is evidenced in the presidential primaries today. But the reality is that the American people are heavily dependent on the quality of government in their daily lives. People do not worry about their toothpaste being safe or the ceiling beams in buildings falling down on them. This is because they know that government inspectors ensured that they are safe. People do not worry about driving from Reston, Virginia, to Washington, DC, because they know that the government is working to ensure safe roads.

Government has an important role to play in everything around us. Individuals and organizations that care about government must make it better by thinking about government differently. There is a need to get out of the current tug of war mentality. He hopes that the Academy can lead the way with a series of practical little steps, such as developing a blueprint on civil service and security clearance reform. "Now is the time," he said, for those who are committed to the good things that government does—in food inspection and roadway safety, for example—"to get out of their comfort zones" and act to end this "crisis of politics" because "we can't afford for it to become a crisis of government."

Afternoon concurrent sessions

State government and transition issues

Comoderators:

Richard Greene, Co-Principal, Barrett and Greene, Inc.

Katherine Barrett, Co-Principal, Barrett and Greene, Inc.

Panelists:

Paul Reagan, Chief of Staff, Governor's Office, Commonwealth of Virginia

Susan Urahn, Executive Vice President, The Pew Charitable Trusts

Parris Glendening, President, Smart Growth America's Leadership Institute

Background:

This session discussed the inherent challenges that exist during significant changes in executive and legislative branches of state government. Transitions, of course, are experienced through a range of normal government operations; from fiscal and human resource reforms to new administrations entering after an election. How can the executive and legislative branches alter the basic functions of their government without suffering undue pain during the process? What are the obstacles to continuity of programs and services in state government when they are changed—either through a thought-out decision to do so or due to a new administration?

Key insights presented and issues discussed:

- There are several inherent risks associated with leadership transition at the state level:

  » It is critical to develop a detailed transition plan that lays out daily activities for the new governor during the transition period. Candidates are reluctant to think or talk about transitions, as they worry that would hurt the campaign—if the transition plan leaks, it would look presumptuous to voters. Most gubernatorial candidates do not sufficiently focus on how they are going to govern until after they have won the election. Virginia Governor McAuliffe, however, took a different approach in developing a detailed transition plan during the campaign.

  » Although a detailed transition plan is necessary, it is impossible to have everything mapped out at the beginning. A certain level of flexibility is also important.

  » It is important to create some momentum on the first day (or as early as possible)—first impressions are important.

  » Virginia has a tradition of governors establishing various transition committees (such as local government, healthcare, education, and transportation). Since management of these committees is time consuming, Governor McAuliffe has one person run all of those committees. This approach allowed the McAuliffe administration to better focus on the core tasks of transition.

- Important demographic, environmental, and social changes are reshaping the country and governments. These changes will impact the public expectations of government at all levels and put limitations on what governors can and cannot do.

- No governor can do a good job without understanding the implication of an increasingly diverse population. The fundamental demographic changes will impact how government delivers services and designs policies and programs.

- It is important to understand the emergence of millennials in terms of their impact on the government workforce and expectations of government services. It is also important to understand the expectations and needs of older generations, such as the baby boomers, who will increasingly be interested in gathering places, community activities, health services, and so on.

- Government should take into account the impacts of climate change and other environmental factors when making policy decisions. For example, in rebuilding after a natural disaster, state and local governments may need to make policy changes related to building codes or insurance policy requirements.

- The growing sense of inequality in this country has created all kinds of challenges. There continues to be great pressure (political, ideological, and fiscal pressure) to make cuts in government programs and services. Today, 45 percent of Americans receive some form of basic support when they reach age 60. Cutting basic government programs, such as education, health services, and public transportation, has a direct impact on most people's lives and represents significant public policy and transition decisions.

– Another aspect of transition is policy transition across administrations. To survive across administrations, policy should be developed based on facts and have bipartisan support. Take corrections policies as an example. The Pew Charitable Trust's (Pew) research shows that three factors have to be in place in order to have a successful policy transition:

(1) A high-performing oversight council. This council should be a bipartisan group outside the executive branch. Like many policy areas, corrections is very contentious, so placing the council outside the executive branch helps maintain its independence.

(2) Robust performance measures to track performance

(3) Engaged champions in both the legislative and executive branches to build broad-based support

– For example, Oregon implemented comprehensive sentencing and corrections reform in 2013. The new legislation was controversial and received significant push back. After the governor stepped down before the end of his term, a number of actions were taken to help ensure the reform survived the political leadership transition such as (1) extensive briefings were delivered to the governor to help her understand the nature and value of the reform initiative; (2) legislative leaders also reached out to the governor to express their support of the reforms; and (3) legislation leaders invited the governor to attend a statewide summit as the opening speaker, providing her an opportunity to publicly express her support for the corrections reform. State legislators approved funding for performance incentive grants to counties to support their correctional programs. An oversight council reports to both the governor and legislators. As a result, the corrections reform has survived the state leadership transition.

– The Pew Center's *Results First* initiative provides a cost-benefit analysis approach that helps government invest in policies and projects that have been proven to work. Twenty-six states are using this model. Results can drive the policy decision-making process to some extent. For example, some state governments make personnel decisions based on performance data. At the same time, people may interpret the same set of data from different perspectives and get different results. The quality of data is another area of concern. Data may be collected by a wide range of organizations and people, with a variety of different purposes. Getting the right data to the right place at the right time matters a great deal. Data quality and sources make a difference.

– It is important to identify and compile effective transition practices to make sustained changes and improve potential outcomes of future transitions. What are the key elements of transition? What is the infrastructure that should be in place at the state level before a transition begins? What are the leading practices of executive transition at the state level?

– Some states are very interested in learning what other states are doing; but there is no formal guidance for state executive transition. There is no institutional transition process in place, though there have been some initiatives designed to assist the executive transition at the state level. For example, the National Governors Association issued a report, *Transition and the New Governor: A Planning Guide,* in 1998. This document provides a checklist and other guidance to new governors. Another good transition practice is reaching out to former governors.

Bringing strategic foresight to bear in program planning and management

Moderator and T16 panel lead:
John Kamensky, Senior Fellow, The IBM Center for The Business of Government

Panelists:
James–Christian Blockwood, Managing Director for Strategic Planning and External liaison, U.S. Government Accountability Office

Carolyn Colvin, Acting Commissioner, Social Security Administration

Mara E. Karlin, Deputy Assistant Secretary of Defense for Strategy & Force Development, U.S. DoD

Jane Kusiak, Executive Director, Council on Virginia's Future

Background:
This session focused on strategic foresight efforts that have been effective within the federal government and in other sectors to determine what principles and policies might be adopted by a new administration. The panel discussion addressed the following topics: different models for institutionalizing strategic foresight, key challenges to success, good practice guidance, and engaging the interest of transition teams in foresight.

Key insights presented and issues discussed:
- There are several different possible models for institutionalizing strategic foresight for the benefit of federal government decision making. These include embedding foresight organizations at the top level of agencies, establishing foresight organizations at arm's length from the government, and relying on external consultants. The DoD's Office of Net Assessment and the Department of Veterans Affairs were discussed as examples of embedding foresight organizations at the top levels of agencies. The Council on Virginia's Future was discussed as an example of establishing an arms-length relationship between foresight and government. The Academy's recent work with the Social Security Administration offered an example of an external consulting model.

- There is a challenge of finding the right balance between being "too close" and "not close enough" to decision-makers. On the one hand, a foresight organization should have a relationship with decision makers such that they can have an influence on policy. On the other hand, proximity to decision making has downside risks, such as the tendency to focus on the near term and the politically feasible at the expense of taking a longer-term view and thinking outside the box, which is where foresight can bring insight. Also, if a foresight organization is too closely associated with political decisions, it will not be seen as independent and will lose its credibility as a source of objective information. And, if the decisions are unpopular, the foresight organization can become a political target, threatening its survival.

- Another challenge identified was agreeing on data and metrics for assessing the current state. It was noted that finding data for comparable measures is often difficult and metrics are often politically charged; for instance, when they are tied closely to political decision making (e.g., funding formulas).

- In the case of building foresight organizations within government, it was noted that it may be difficult to attract top talent given the challenges related to the hiring process and the perceived negatives of government employment.

- Even where there is a desire for change, uncertainty about how these changes will play out can undermine support and spur opposition. For instance, the poor track record of agency transformations and IT-related change programs in particular has led people to cling to the status quo.

- The Council on the Future of Virginia works to develop a nonthreatening, safe venue for discussing sensitive issues without them being tied to budget decisions, freeing participants to move beyond political positions and challenge preconceived notions.

– The Office of Net Assessment in the DoD has autonomy to determine the scope and direction of work, open access to (and support of) leadership, and a small size (5–10 staff members) to remain agile and avoid fragmentation through specialization.

– The Department of Veterans Affairs has (1) placed foresight under one leader with other relevant functions like risk management planning to help ensure integration, (2) established a direct connection to top agency leadership, and (3) maintained distance from the Secretary's office to avoid e-mail overload.

– Participants identified several considerations regarding how to engage the interest of transition teams. These included speaking to the particular concerns of teams; providing concrete examples of collaboration and successful strategies; and emphasizing not only the benefits of collaboration, but the downside risk of failure to adequately manage collaboration.

– Transition teams can be invited to participate in gaming exercises on key issues that they may face in office, including large-scale terrorist events, the general fiscal condition of the government, human capital trends outside the government, public trust in government, U.S. standing abroad, and successful approaches to using big data (for example, machine learning).

Protecting America's valuable information assets by winning the cybersecurity war

Moderator:
Jeff Steinhoff, Managing Director, KPMG Government Institute

Panelists:
Adm. Thad Allen, Executive Vice President, Booz Allen Hamilton

Karen Evans, National Director, U.S. Cyber Challenge

Douglas Robinson, Executive Director, National Association of State Chief Information Officers (NASCIO)

David Wennergren, Senior Vice President, Technology, Professional Services Council

Background:
Ninety percent of the world's data has been created in the last two years. There has been a doubling of computing power every 18 to 24 months and the development of ever more powerful analytic tools. The 2012 World Economic Forum declared data an economic asset, like currency or gold. But why have we not been able to effectively protect these assets? Cybersecurity concerns have been prominent on GAO's high-risk list since 1997, and the OPM data breach, impacting personnel and personal information of 22 million Americans, continues to loom on the public's radar screen. Businesses as well have experienced devastating data breaches. The public wonders whether anything is safe. This panel explored what can be done to address what will be a serious challenge to the next administration as the stakes grow with the continued explosion in data and the capability to attack valuable data assets.

The session centered on several major questions:

1. Where do we stand as a country in our ability to prevent a devastating cyber attack to critical infrastructure or risk serious damage to life and property?

2. Where will we stand in two years? Can we do all that needs to be done?

3. Who are the enemies?

4. What are the root causes of cyber vulnerabilities?

5. Who owns the cybersecurity portfolio? Who should?

6. How can all levels of government and all sectors create true and effective cybersecurity partnerships?

7. How can all levels of government effectively communicate the seriousness of the cybersecurity problem and what everyone needs to do to help address the situation?

8. How can we make the federal cybersecurity federal enterprise the employer of choice?

Key insights presented and issues discussed:

– Cybersecurity is broader than a data breach, and we need to have a common understanding of the problems in order to find solutions. At the moment, there is little common understanding of the problems and little agreement on the solutions.

– Many practices are backward looking, and there is little time given to security solutions of the future, such as trusted computing.

– It takes a network to defend a network. Information technology, operational technology, and industrial technology must all interconnect in an interconnected world.

– The threat landscape is complex. Major issues involve insider threats, systems being managed by contractors, hackers, and state actors conducting espionage and cyber war. How do we know who the enemies are?

– The intent of cyber attackers varies. So far, after the latest mass exfiltration of data from OPM, there has been no dark Web sale of the data. The differences in espionage, cyber war, insider threat, and white-hat hacks does not alleviate our responsibilities for cybersecurity.

– The federal government does not own a lot of the infrastructure. Much of the time the government is managing a service contract, and that contract's purpose is not cybersecurity but some other service. The private sector has a critical role in cybersecurity.

– The United States is an information economy. Many steps have been taken to modernize an outdated system from software and hardware patches to launching surveillance systems, such as Einstein 3A, with commercial e-mail providers.

– The .mil system has been able to make more progress with cybersecurity than the .gov system. In the .mil system, for example, producers have been able to create a shared information network where threats and response gains can be shared without penalty. The .gov system has had challenges with entities sharing information with each other.

– Governance is crucial. Creating meaningful structures and enforcing governance mechanisms has been a challenge.

– The role of government is subject to debate. In a recent example, a provision in legislation was added to give DHS a meaningful enforcement of cybersecurity measures. Opponents contended that DHS was being given an "internet kill switch." The legislative language was more akin to driver's license regulations for network protocols, but it did not pass.

– There is a crisis of prioritization, no major funding at every level of government, and only the federal government can afford to do continual diagnostics to the level needed.

– Everyone has a responsibility for cybersecurity. Agency leaders should cultivate a culture supported by the recent Federal Information Technology Reform Act (FITARA) that seeks to manage performance as opposed to punishing bad actors after the fact.

– It is important to have a baseline of performance in order to assess performance and determine whether sufficient improvements have been made. Accountability metrics need to be established government-wide. Continuous diagnostics free of technology components are also important because diagnostics allow an evaluation of risk, which is critical.

– Applying a Sarbanes-Oxley type of executive accountability could be useful here. Forcing executives to sign off on cybersecurity readiness would create a "tech to exec" nexus of accountability that is currently lacking. You have to create a sense of accountability in leaders.

– A recent GAO report found that just over 50 percent of the cybersecurity recommendations had been implemented. Within states, that ratio is even lower, with most states not tracking risk and leadership accountability.

– The nation is at an inflection point in that the next generation of leaders will know a world where technology has been imbedded in every part of life. The Sarbanes-Oxley model may very well work. If you have to sign your name on the dotted line, you tend to think about things more deeply.

– How do you form true and effective partnerships when cybersecurity spans all levels of government, crosses all sectors of the economy, and spans an interconnected world? The coproduction model was used for the Einstein 3A system. True collaborations will flow through a reformed procurement system in the future as the current procurement system cannot match the rates of change needed and the needed dynamic models.

– Regarding partnerships between the federal, state, and local governments and the private sector, trust is always an issue. Getting people to share information is a challenge despite legislation and incentives. There is a huge liability for sharing information in the private sector because of competition. Companies are reluctant to expose attacks for fear of customer flight. And yet, such information sharing is critical because threats can only be prevented if threat signatures can be identified. Much work needs to be done to limit liability and increase indemnification to incentivize private-sector companies to share information. The European Union rescinded its safe harbor provisions after Edward Snowden and has made exchanging information difficult. We need to get to the heart of the issues and build from there.

– Getting the budget process to link to business risk is a challenge. There has to be a cohort of business leaders that have just as much confidence in cybersecurity as technology savvy. Currently, there is a lack in both areas. The military system is at risk as well. Forty percent of the .mil industry is currently running Windows XP.

- The Academy's October 2015 report, *Increasing the Effectiveness of the Federal Role in Cybersecurity Education,* spoke to the need for a well-trained cybersecurity workforce and the severe shortage of properly trained and equipped cybersecurity professionals in the United States. There is a crisis in cyber talent, and the federal government needs to respond to help address it.

- How does government become an employer of choice? A recent NASCIO national survey found that 9 out of 10 executives cite salary requirements as the reason for leaving the public sector; 25 percent cite a lack in appropriate job descriptions; and 63 percent cite the lack of a cyber career path. Governing by contract puts a serious risk to the system when the contractors hold all the keys to the kingdom.

- It is important to make a distinction between different types of hacks and hackers. The curious kid in high school or college is different than a coordinated malicious attack on an industrial control system that threatens the life and economic security of the nation. You have to determine the threat level.

- American prosperity, national security, and liberty depend on cybersecurity. It will be up to everyone to do their part and to understand the stakes involved. Yes, the public knows there is a problem. But do they really understand the importance of practicing safe computing and that their actions matter? It can be simply overwhelming to many, who just assume or hope that they will not be victims, and if they are, that government will protect them or someone will make them whole. How does the next administration—working in partnership with state and local government, the private sector, and academia—effectively communicate—meaning simply— the seriousness of the problem and what everyone needs to do to help address the situation?

Transition 2016 initiative: Advice to the next president on building a top-notch leadership team

Moderator and T16 panel lead:
Hannah Sistare, Former Executive Director, National Commission on Public Service Implementation Initiative

Panelists:
Doris Hausser, Former Senior Policy Advisor to the Director, U.S. Office of Personnel Management

Martha Joynt Kumar, Professor Emerita, Department of Political Science, Towson State University

James P. Pfiffner, University Professor of Public Policy, School of Public Policy, George Mason University

Background:
This session discussed the Academy's T16 initiative to examine the recruitment, retention, reward, and preparation of the top leadership team for the incoming administration. The successful achievement of any administration's objectives depends upon a high-quality senior team heading Cabinet departments and agencies. Fortunately, recent incoming and outgoing administrations have shown themselves willing to work together before the Inauguration.

Human capital management remains a critical topic for the next administration. In particular, the ability to attract and retain talented, high-ranking employees in key senior positions and the importance of preparing them to serve are issues of grave importance and concern. Members of the Academy's T16 panel highlighted issues and posed questions to define the challenges and elicit suggestions on how to address these issues.

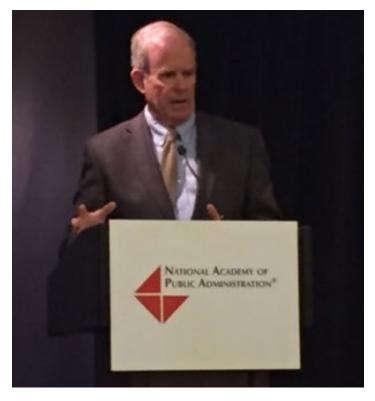**Key insights presented and issues discussed:**
– Successful "transitioning out" is as important as successful "transitioning in." The first success factor is planning early and thoughtfully, as the Bush Administration did in 2008/9. President Bush sent a clear signal to his team about his expectations and committed the talent and resources to make it happen. He also made himself available when needed.

– The incoming administration must *listen to* and heed the lessons of the outgoing administration, and the outgoing administration should facilitate for the incoming leadership, helping them build connections, clear away hurdles, understand requirements and rules, and expedite bureaucratic requirements (such as clearance processes).

– The transition period provides a sharp focus on the importance of building career leadership. Early behaviors by current or outgoing leaders send indelible messages. Especially important is how agency review teams (or landing teams) are supported, and how new appointees are treated as they start arriving. As during any change, there is a period of unjelling and then rejelling. During transition, people are looking for signals about what the new ways will be before they "refreeze."

– Change of administration provides an opportunity to establish productive relationships between the new leadership and the existing senior career corps, which is key to the success of the new president's agenda. The new leadership needs to demonstrate trust in the senior career staff. And, on the other side, career civil servants must demonstrate that they are there to work with the new leadership.

– Because many career senior executives may have been eligible to retire, but choose to "hang on" through the second half of the Obama Administration, some expect a big turnover in 2016 and 2017. This may offer an opportunity to place new people in the executive roles.

– There is increasing sentiment that additional senior positions should be entrusted to career civil servants versus political appointees. However, equal forces exist against decreasing the number of Senate-confirmed appointments.

– Finding new candidates for the more than 8,000 positions to which the president makes appointments is a daunting task, made more difficult because, with the Internet, there are thousands of résumés and applications. President Obama's team received about 300,000 applications.

– This volume of applications has significantly slowed the process, especially of making nominations. The reason it takes so long includes the volume of applications, the vetting and clearing process, financial disclosure, sensitivity to ethical issues, and the centralized control of the whole process in the White House.

– The Academy's Transition Committee is considering proposals to improve the transition. Many of these are about streamlining and standardizing forms and processes and improving onboarding. Included are planning early, providing adequate resources and technology support, and prioritizing action items and key dates.

– The broadest consensus is around reducing the total number of political appointees—an idea easier to talk about than to achieve and one that usually brings both sides of the argument.

– Participant suggestions for improvement included:

  » Set priorities in terms of feasibility to accomplish the task(s) in the short run.

  » Partner with key players to develop and get agreement on single, standard forms for financial disclosure and other purposes.

  » Develop videos and materials so nominees can learn about processes and requirements related to appointments, confirmation, and transition issues.

  » Develop a template to be used by all agencies to providing department-specific information to the president.

  » Improve onboarding for political appointees to help them identify peer groups, build trust with the agency's career staff, and avoid isolation.

  » Prepare for party-to-same-party transition as well as party-to-new-party transition.

  » Help educate career people—as well as new political appointees—who have not gone through transitions before.

James E. Webb Lecture

The Webb Lecture Program honors James E. Webb. Mr. Webb's career, capped by his exemplary contributions as director of the Bureau of the Budget and Administrator of the National Aeronautics and Space Administration, serves as a standard for those who want to improve and strengthen the capacities and performance of government. The Lecture Program is sponsored by the Academy's Fund for Excellence in Public Administration, through a generous grant from the Kerr Foundation. The annual lecture is presented by a distinguished American.

Introduction:
Robert Shea, Principal, Grant Thornton LLP

Webb lecturer:
Clay Johnson, III, former Deputy Director for Management, U.S. Office of Management and Budget

Clay Johnson, III, is the former deputy director of Management at the OMB under President George W. Bush. Prior to his appointment as OMB deputy director, he was the assistant to the president and director of Presidential Personnel. From 1995 to 2000, Mr. Johnson worked with then Governor George W. Bush in Austin, first as his Appointments director, then as his chief of staff, and then as the executive director of the Bush-Cheney presidential transition.

At the outset of his remarks, Johnson said that he had learned a lot about management from his time in federal office. He offered his observations on what makes for a successful transition, based largely on his experiences in the Clinton-to-Bush and Bush-to-Obama transitions. He emphasized that, regardless of the players involved, there are some things that *always* need to be done to ensure a smooth transition.

In the not too distant past, presidential candidates felt they could not plan for a transition for fear of being attacked as presumptuous. This has, fortunately, changed. The transition from President Bush to President Obama was organized and effective. Four years later, Romney and his staff did an incredible job of being prepared for a transition had the governor been elected. Johnson believes that transition planning and preparation can be further enhanced by building on past lessons learned.

Presidential candidates are understandably more focused on fulfilling their promises to the American people than they are on implementing effective management practices. "Presidential candidates have to focus on what they've promised the American people they will do. Having been around campaigns, [t]here is a commitment to do these things."

Recognizing the importance of public management, one of the most important innovations of the Bush Administration was the president's management agenda. Every program had to have outcome goals, efficiency goals, management standards, and so on. At the outset, the administration evaluated 20 percent of the federal programs, half of which did not have output goals. The federal government needs to continue to develop a real outcome orientation with clear and specific goals.

Good government groups like the Academy have a keen interest in improving how the federal government operates. In giving management insights and advice before and during a presidential transition, it is important for such groups to put this in the context of how a new administration can more effectively implement ideas to which it is already committed. When issuing these recommendations, it is also important to keep in mind that the intention is to help the new administration get off to a fast and effective start.

Another transition truth that Johnson outlined is the importance of finding the best people to do the job. In the George W. Bush Administration, the president told Johnson to find the best people, not to focus on the politics. In finding the right staff, Johnson said, your staff and your budget must be tied to your goals. If you want 400 people in place by August of the first term, consider having 12–15 special assistants instead of 6–7.

Later in the Webb Lecture, Johnson moved from a transition-specific discussion to discussing ways that the federal government can improve its overall effectiveness and restore confidence of the American people. Johnson placed a strong emphasis on the need for specific goals in government programs. Outcome goals are *the* key to success—not one of many keys, but *the* key.

Every program, Johnson said, "has to have outcome goals, efficiency goals, management standards…. There is a huge dearth of real outcome orientation in the federal government. Your goals cannot be clear enough and specific enough." The good news, Johnson emphasized, is that federal employees like having outcome goals—the vast majority of employees seek both transparency and accountability. In closing, Johnson underlined one final time the importance of establishing and institutionalizing outcome goals in all government programs, forcefully stating, "Outcome orientation … if we could do one thing well, it is that … the most important thing."

About the National Academy of Public Administration

The Academy is an independent, nonprofit, and nonpartisan organization established in 1967 and chartered by Congress in 1984. It provides expert advice to government leaders in building more effective, efficient, accountable, and transparent organizations. To carry out this mission, the Academy draws on the knowledge and experience of its over 800 Fellows–including former cabinet officers, members of Congress, governors, mayors, and state legislators, as prominent scholars, business executives, and public administrators. The Academy helps public institutions address their most critical governance and management challenges through in-depth studies and analyses, advisory services and technical assistance, Congressional testimony, forums and conferences, and online stakeholder engagement.

About the KPMG Government Institute

The KPMG Government Institute was established to serve as a strategic resource for government at all levels, and also for higher education and nonprofit entities seeking to achieve high standards of accountability, transparency, and performance. The Institute is a forum for ideas, a place to share leading practices, and a source of thought leadership to help governments address difficult challenges such as effective performance management, regulatory compliance, and fully leveraging technology. Visit www.kpmg.com/us/governmentinstitute.

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