



Perspectives on the President's Management Agenda

**Standing Panel on the Public Service
March 2019**





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PERSPECTIVES ON THE PRESIDENT'S MANAGEMENT AGENDA

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION
STANDING PANEL ON THE PUBLIC SERVICE

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Preface

By Teresa Gerton

The [National Academy of Public Administration](#) is an independent, non-profit, nonpartisan organization chartered by Congress to address important governance and public management issues. The primary source of the Academy's expertise is its membership of more than 900 distinguished Fellows who bring their public administration experience and expertise, developed over remarkable careers in the academic, public, private, and non-profit sectors, to solve the most pressing problems of government. One way the Academy organizes the input of its Fellows is through Standing Panels.

The purpose of the Academy's Standing Panels is to convene thought leaders around topics critical to the success of public administration. The Panels meet regularly to discuss these specific issue areas, learn from experts, and produce new insights that advance the field of public administration. The Standing Panel on the Public Service recently completed a series of seminars with key leaders from the Trump Administration to discuss implementation strategies for the President's Management Agenda (PMA), released in March of 2018.

While it is important to understand how current leaders are approaching the implementation of the PMA, it is equally important to understand from those who have seen many PMAs come and go what lessons might be applied to this new PMA to avoid common pitfalls, shorten implementation cycles, improve and increase institutionalization of goals and process, and in short, increase the likelihood of success.

I am so appreciative of Alan Balutis' expert leadership of this Standing Panel, and for the insights of the dozen other Fellows who contributed their voices to this collected set of essays. Our intent here is not to critique but to advise, and to identify opportunities for improvement in both approach and program that can lead to better outcomes from the worthy initiatives included in the Trump PMA. If we are successful, we will have advanced our vision of "a government that works, and works for all."

Ms. Gerton was named President and CEO of the National Academy of Public Administration in January 2017. Ms. Gerton has nearly 12 years of experience in the Senior Executive Service as a career member and as a political appointee, and 20 years of service as an active duty Army officer. She is a recipient of both the Distinguished and the Meritorious Presidential Rank Awards. Ms. Gerton is a Fellow of the National Academy of Public Administration.



Foreword

By The Honorable Margaret Weichert

The challenges and opportunities facing the American people in the 21st Century are complex, interconnected and critical to the future of our nation and our democracy. Today the Federal Government provides unparalleled levels of support for a diverse range of missions, from

- protecting Americans at home and abroad;
- creating economic opportunities for our people, in cities, towns and rural communities;
- fulfilling our obligations to the veterans who have protected our nation;
- protecting Americans and their property from natural disasters and man-made threats;
- preserving national treasures via our national park systems; and
- supporting scientific inquiry; to
- defending American liberties and rights;
- and many more activities that are critical to all Americans.

Even though Federal support for these missions has expanded, public trust in government institutions nevertheless has hit historic lows.

Against this backdrop, we face an urgent call to action to improve and modernize our Federal government, so that it better lives up to the expectations of the American people. Acceptance of the “status quo in Washington” or even modest, incremental change is not sufficient to meet the challenges we face today. The fiscal realities of entitlement obligations and debt service threaten to crowd out the ever growing demands on discretionary spending, making it even more important that we achieve transformational improvements in both the efficiency and the effectiveness of Federal spending. Legacy IT challenges, inconsistent and antiquated data capabilities, and outmoded personnel systems all make it difficult for Federal government agencies to easily adapt to the needs of the country.

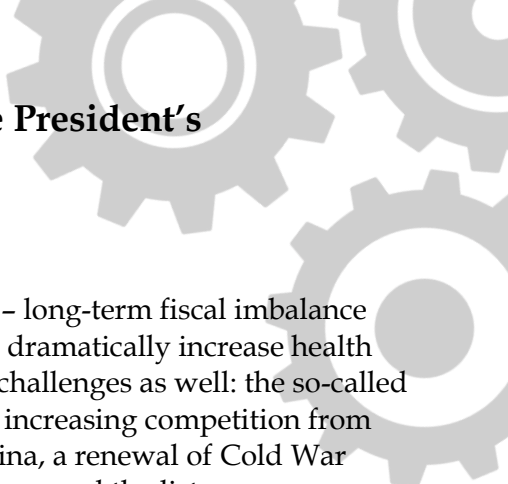
The President's Management Agenda (PMA), released by the Trump Administration in March of 2018, represents the starting point for aligning Federal government resources with the leading practices of the private sector, academia and the "good government community." The intent of the PMA is to frame and focus past government reform and modernization efforts, and create a platform for more transformational reform to take place in the future.

The key drivers of the PMA focus on root cause challenges including *IT Modernization, Data Accountability and Transparency*, and *People and the Workforce for the 21st Century*. Moreover, the PMA identifies 14 concrete cross-agency priority goals (CAP) goals that are the focus of near term attention and resources. Efforts to make measurable progress on these CAP goals are being tracked quarterly and published on www.performance.gov.

This volume, *Perspectives on the President's Management Agenda*, is a promising contribution to the bipartisan spirit of support that will be central to translating government reform and modernization ideas into action. The contributing authors each bring a unique and practical perspective to the task of transformation that lies ahead.

I am proud to join with these authors, the dedicated public servants and all those who believe in "government of the people, by the people and for the people," in promoting a platform for dialogue and discussion that leads to the transformational change required to meet the Mission, Service, and Stewardship needs that are required in the 21st Century.

Ms. Weichert currently serves as Deputy Director for Management at OMB and Acting Director at OPM. Ms. Weichert is a seasoned business executive who has served as a Principal at Ernst & Young, LLP since 2013. In her 25-year professional career, Ms. Weichert has also held executive leadership positions at Market Platform Dynamics, First Data Corporation, Bank of America, and Andersen Consulting focused on strategy, innovation, and business process improvement in banking and payments technology.



Introduction and Overview: The President's Management Agenda (PMA)

By Alan P. Balutis

The President faces a large – and growing – long-term fiscal imbalance driven by an aging population, which will dramatically increase health care and retirement costs. There are other challenges as well: the so-called “fiscal cliff,” the continuing war on terror, increasing competition from emerging world powers like India and China, a renewal of Cold War hostilities in Europe, environmental concerns, and the list goes on.

This Administration, then, certainly has no shortage of problems to solve. The question is whether it will adapt new approaches to the management of government to meet the challenges it faces. Facing these challenges will require a “changed” government. And by that I don’t mean a clichéd bumper sticker government – one that “does more with less” or is “leaner and more efficient.” I mean a twenty-first century government transformed to operate on demand.

Years ago, I organized and published “A Management Agenda for the Next President,” a series of articles by current and former government executives, management experts, and informed observers. One of those experts was Donald Kettl, now at the University of Texas (Austin). Back then, he said the following:

No self-respecting president can enter office without a management plan. Not that ordinary Americans expect it; most know little and care less about who delivers their public services and how. (Nor should they: public-sector transparency means that operations ought to be open to public view, not that everyone has to look.) A management plan, however, conveys important signals to key players. The federal executive branch’s 2.6 million employees look for clues about where the new boss will take them. Private consultants tune their radar in search of new opportunities. Most important, those who follow the broad strategies of government management seek to divine how the new president will approach the job of chief executive, where priorities will lie, and what tactics the president will follow in pursuing them. Management matters, with each new administration, the fresh question is how.

Still drawing from that seminal essay, he argued that while “the focus on management has tightened...the stock of ideas for improving it has not.” I came to Washington in 1975, on what was going to be a one-year fellowship. Back then, agencies were still struggling with Lyndon Johnson’s Planning, Programming and Budgeting System and Richard Nixon’s Management by Objectives. Jimmy Carter had Zero-Base Budgeting. Ronald Reagan kicked off Reform ‘88 and committed to privatizing the government. Bush 41 continued those efforts, burnished by “a thousand points of light.” Bill Clinton had Reinventing Government. Bush 43 gave a speech in July 2000, focused on “citizen-centered, results-oriented and, wherever possible, market based” government. In 2009, President Obama rolled out his plan to make government more transparent and to appoint a Chief Performance Officer and a Chief Technology Officer.

Now we have President Trump’s management agenda. One will not note much difference from previous agendas and that is reassuring. Because bringing about change in a Fortune One company like our federal government takes time, leadership commitment, and continuity. With the economy improving and the prospect of bipartisan action on government reform, perhaps the Administration can turn to information technology (IT) and acquisition reform, personnel modernization, and management. These may sound boring to some, but you have to get them right to make government exciting, attractive and effective again. As the Post’s E.J. Dionne, Jr. observed in a recent column, “The greatest obstacle . . . now is not the anti-government theorizing of the right. It’s the dismal view of government performance held by the vast majority of Americans. The antidote is a well-run government.”¹

In this volume, members of the National Academy of Public Administration (NAPA) review and comment on the current PMA. Overall, they offer praise, mixed with suggested improvements and initiatives that may need more attention.

¹ The Washington Post, *E.J. Dionne: Obama Needs to do more, not less, on his own*, (February 23, 2014), <https://wapo.st/2UH124M>.

Donald Kettl and David Mader start us off with an overview of the PMA. Stan Soloway and David Berteau, the former and current heads of the Professional Services Council, comment on the acquisition challenges. Although the Federal acquisition workforce remains largely flat -- increasing about 3 percent since fiscal year 1999 -- Federal contracting dollars more than doubled in the same period. Alan Shark notes that innovation often starts with those closest to the customers, in this case local governments who directly serve citizens.

The future is inevitable in terms of technology reshaping the way government carries out its business. Long-time IT stalwarts Dan Chenok and Dave Wennergren provide their insights. And Martha Dorris, one of the real visionaries in the public sector today, charts trends and innovative approaches in transforming government's delivery of services to its citizens.

Finally, recent reports from the Office of Personnel Management suggest that the long predicted "retirement tsunami" has finally arrived. The market for recruits has never been more competitive, and government recruiters are locked in a fierce contest with the private sector. Human Resources executive Jeff Neal offers his thoughts. Wrapping up this volume, John Kamensky, Shelley Metzenbaum, and Harry Hatry offer thoughts on organizational health, employee engagement, the importance of data and analytics to management improvements and the key role of OMB's Cross-Agency Priority (CAP) Goals in achieving them.

Not surprisingly, since these essays were written, change has occurred. Progress is being made along the lines recommended by some of the authors. For example, www.performance.gov now makes it easier to find and access Key Performance Indicators for several of the CAP goals.

Working with the most innovative departments/agencies and governments across this Nation, NAPA has developed into an inventive think tank and incubator of transformational strategies. The practices, prophecies, and proposed improvements contained in these essays seek to contribute to the management agenda for the forty-fifth President of the United States. President Trump has the opportunity to set policy that improves government operations and execution. This special volume from NAPA outlines how it can be done. We hope these articles can begin as important dialogue. If so, we in NAPA will have achieved our ends.

Mr. Balutis is a Distinguished Fellow and Senior Director, North American Public Sector for Cisco Systems' Business Solutions Group, the firm's global strategy and consulting arm. Mr. Balutis joined the networking leader after more than 30 years in public service and industry leadership roles. He is a Fellow of the National Academy of Public Administration.

Chapter 1: Ten Things to Know about the President's Management Agenda

By Donald F. Kettl

The [President's Management Agenda](#), released by the White House on March 20, 2018, is a fascinating document, different in virtually every respect from the plans of previous administrations. Here are 10 reasons why.

1. **It's a big deal.** The agenda goes right after the fundamental challenge at the very start: citizens' declining trust in government. And it pins the blame for low trust directly on the government's poor performance. Problems flow from files of outdated regulations, inadequate collaboration across agencies, a failure to bring data to bear in important questions, and antiquated technology. The plan begins with a very frank admission that trust in government is at an historic low – and that the cause flows from government's poor performance.
2. **It isn't a "drain the swamp" report.** It's a mandate to make government work in the areas where citizens expect it to work. The management agenda isn't remotely connected with much of the rhetoric swirling around Washington. In fact, there's a graphic ([p. 4](#)) that makes the powerful point that people want government to work – and that too often it under-performs.
3. **It's goal-driven.** Mission is first in every part of the agenda. There's plenty of talk about process reform, but mission drives every bit of it. This is an agenda that builds – perhaps surprisingly – a powerful case for a strong and effective government.
4. **It's a plan for the long haul.** Most previous management agendas had narrow time frames, focused on months with targets aimed at the end of presidential administrations. This report says "The vision for reform must be multi-generational." In fact, "We cannot pursue short-term fixes only to see government quickly become outdated once again." The agenda says explicitly that real transformation will require work far beyond the end of this administration.

5. **It's a focus on administrative action, not a legislative agenda.** There are calls sprinkled through the report for new laws, but the agenda's call for reform rests on the executive branch. Most of what the agenda calls for can be done without congressional action, a critical strategy at a time when any congressional action on anything important is elusive.
6. **It builds on a small collection of big tools.** The agenda isn't a rearranging-the-deck-chairs kind of plan. It focuses clearly on three big drivers of change: better information technology, better use of data, and a workforce matched to the mission of a 21st century government. That's remarkably laser-like, compared with previous management agendas.
7. **It uses the language of data.** The language is very different from that of previous initiatives. Everything about the agenda is about learning what works, building a language of change based on real-world/real-time data, and fitting government's workforce with the capacity to drive results.
8. **It reaches far in measuring results.** The Bush management agenda focused on outputs and had stoplights to measure progress. The Obama management agenda built on agency-driven outcomes, with agency-defined measures of success. The Trump management agenda seeks broad results that connect back to the underlying problem of trust in government: improving the customer experience, continuous improvement in operations, and shifting government activities from low-value to high-value work. This is a much bigger bite of a much larger apple.
9. **It sees a very positive role for government employees.** In this document, government workers aren't monstrous swamp-dwellers. Rather, they are the instruments of the work that citizens expect government will do. It's been a long time since a presidential-level document frames such a positive role for government employees. The role is challenging – the agenda calls for a radical transformation of the federal workforce. But it makes the case for doing just that to make public employees even more effective – and important.
10. **It's clear about the who and the what.** All of the specific cross-agency priority goals identify the challenge, what it seeks to accomplish, how reform will work – and, most importantly, what success looks like and who will be responsible for accomplishing it. The range of issues and the connect-the-dots pieces are unprecedented.

The very ambition of the president's management agenda, of course, means it will be hard to accomplish. There's a Category 5 hurricane in Washington that always threatens to swamp all the other boats. Achieving results will require, in particular, Trump appointees and the Office of Management and Budget to be on the same page, and there are already [deep tensions](#) here.

Perhaps most fundamentally, it will require building a much new intellectual capital and analytical capacity. Just how will the government focus on mission, transform its workforce, maintain lasting values, and develop the data systems needed to drive a 21st century government? How will it build the center-of-government capacity it needs, along with the mission-driven systems – people, technology, information – in agencies? There is, of course, [no time to wait](#) in moving down this road. And, if we want to rebuild citizens' trust in government, there's no choice but to move down this road.

So Trump's management agenda is both a world-class plan for transforming the government and, between the lines, a powerful diagnostic for what ails it. It's an important, perhaps surprising, contribution to the public debate.

Dr. Kettl is a professor at the University of Texas at Austin. He was professor and former dean in the School of Public Policy at the University of Maryland. He is also a nonresident senior fellow at the Volcker Alliance, the Brookings Institution and the Partnership for Public Service. Dr. Kettl is a Fellow of the National Academy of Public Administration.

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Chapter 2: 7 Requirements for Successfully Managing Government Reform

By Dave Mader

The Trump administration is expected to unveil a plan in the coming weeks to reorganize governmental functions and eliminate unnecessary agencies. The goal, as expressed in a [memorandum](#) to agencies from Office of Management and Budget Director Mick Mulvaney in April 2017, is to create a leaner, more accountable, and more efficient government.

As a result of this and other recent reform initiatives, many federal managers are fundamentally rethinking how to meet their missions. There is much room for reform, and many of today's legacy approaches for delivering government services and executing missions should be reconsidered in the face of new operating models and innovative technologies that are transforming service delivery in the commercial sector.

While I am hopeful we will see some promising reform plans emerge in the coming weeks, I'm not as optimistic about their chances of sustained success. Despite people's best efforts and intentions, many reform efforts fall short of their goals. In my experience as a long-time government leader and private sector consultant, I have found that public sector transformation initiatives *can* be successful if pursued the right way. There is a methodology to transformation that significantly increases the likelihood that reforms will be successful and sustained over time.

That said, government transformation is not an exact science. Not all reform initiatives are alike, nor do all organizations respond similarly to change. But, to be successful, certain transformation imperatives must be properly addressed. These include:

A clear and compelling vision. Leadership must articulate why change is necessary, define a future state that delivers improved customer experience and mission performance, and win buy-in from affected stakeholders.

Organizational shifts. To define what organizational changes are required to meet the stated vision, planners must think broadly and look at their organization from multiple perspectives. They should look “outside in” to better understand their constituents’ needs and how to better serve them; and look “inside out” to better understand the internal changes needed to navigate shifting external trends and forces.

Integrated initiatives to achieve those shifts. Implementation initiatives should focus on moving the needle toward the desired organizational shifts and articulated vision. These initiatives should be approached with an integrated mindset, considering people, culture, processes, and technology; and they should be plotted against defined measures of success.

Prepared leadership. Executives and managers throughout the organization must be engaged from the outset so they are prepared for, aligned with, and comfortable with the coming changes and their roles in making those changes successful.

Engaged stakeholders. Both internal and external stakeholders have important roles to play. Their buy-in (or conversely, their opposition) can often be critical to an initiative’s success or failure. But they should also be viewed as important resources whose perspectives can help validate and refine the strategy to be more effective.

Informed, prepared, equipped staff. Success or failure ultimately rides on the shoulders of the people executing and sustaining the change. Leaders must commit to informing, preparing, supporting and empowering staff through a strong change management plan, uninhibited two-way communications, and incentives for success. Effective tools and training for affected staff are also critical.

Targeted oversight. Leadership must empower a dedicated office to drive the reform effort by managing risk, process, and governance policies. This office should be responsible for synchronizing and integrating schedules, tracking milestones, and enhancing transparency in the process.

Managing these seven imperatives well is critical for any large government reform effort, but it is also important to understand that not every effort demands the same tactics or approaches. Each situation is unique, and leaders must carefully calibrate their approaches accordingly.

A final caution: Leaders can sometimes place too much emphasis on point solutions, such as redrawing an organization chart or deploying a new IT system when attempting to fix problems or address pressing requirements. Employing focused solutions that solve a narrowly defined problem in this way is like pulling on a snag without considering the rest of the fabric. Meaningful change often requires making adjustments across the board – in operations, the workforce, and constituent engagement.

Mr. Mader is the Chief Strategy Officer for the civilian sector with Deloitte Consulting LLP in the Federal Government practice. Prior to joining Deloitte, he served as controller of the Office of Management and Budget (OMB), and also served the Internal Revenue Service (IRS) for more than 30 years. Mr. Mader is a Fellow of the National Academy of Public Administration.

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Chapter 3: Thoughts on the PMA: Kudos...With a Caution

By Stan Soloway

Amidst whatever the current political climate might have been, for the last half dozen administrations, the President's Management Agenda (PMA) has consistently set forth a vision for government that not only serves as an important foundation for agency operations and priorities, but has consistently also built on the work of previous administrations. Indeed, while every PMA has reflected some of the priorities of the relevant administration, for the most part the agendas have been apolitical and reflected a logical, if slow, progression in the modernization of government.

The Trump Administration's PMA is no different. To the Administration's credit, it avoided a "not invented here" mindset and grounded its plan in rationale, goals, themes, and, in some areas, specific priorities that reflect challenges and problems similar in nature to those identified for many years by previous administrations. Striving for better mission outcomes? Check. Improving customer service? Check. Improving fiscal stewardship? Check.

Similarly, the PMA's "root cause" analysis also strikes some very familiar chords: regulatory burdens, siloed governance and management, sometimes torturous decision-making processes, concerns about workforce capabilities and competencies, leadership and culture. Further, the core management initiatives are, in the main, consistent and logical, as are the Cross Agency Priorities. Their implementation is now underway.

As with all such efforts, there will be heated debate over some elements, particularly in areas like regulatory reform and agency reorganization. Indeed, anyone who has lived through any of the several rounds of military Base Realignment and Closures can appreciate the challenges associated with major, organizational changes. And while some might harp on the fact that there is little "new" in its themes, the authors of the PMA have wisely chosen to recognize that despite the clear (if uneven)

progress achieved by earlier administrations, the core challenges facing government have neither been solved nor disappeared.

That's all to the good. And good government practitioners and activists of diverse political perspectives are all working with OMB and the agencies to help those initiatives succeed.

Given the solid foundation on which the PMA is built, there are, nonetheless, two important opportunities that warrant additional attention.

First, on a macro level, while some initiatives have clear White House backing, there is not enough visible evidence of serious leadership engagement – Cabinet secretaries, top White House officials, even the President – which we have seen in previous successful government reform initiatives. Indeed, the most successful government transformation efforts have been marked by visible, unceasing attention and support of the very top leaders.

For example, the Clinton Administration's National Performance Review was assisted by the direct involvement of the Vice President. To be recognized by him with a "Hammer Award" was an aspiration across almost every federal agency. During the Bush II years, the Administration was very open about the fact that key initiatives, for example, E-Government, were reviewed at Cabinet meetings, thus putting Cabinet members on notice that their progress (or lack thereof) had attention from the highest levels.

In short, top leadership engagement is a core principal of change or transformation. And leadership and culture are among the administration's and PMA's primary targets for improvement. As such, leadership itself has to be far more visible and engaged across all of the initiatives than has been evident to date. As the Administration seeks to address the leadership challenges, risk aversion, and other characteristics that beset the federal government, it will have to openly and consistently "walk the walk" and incentivize and reward change.

At the micro level, the PMA frankly doesn't provide adequate guidance or leadership on one of the most important levers available to the government to improve agency performance and customer service: acquisition. Over fifty percent of the discretionary federal budget goes out through contracts; even more through grants. It is thus no exaggeration to suggest that "as goes acquisition so goes the government."

Within the context of the PMA, two of the eleven priority goals are primarily focused on acquisition: Category Management and Improving Major Acquisition Programs. Both are important. But both are also subsets of a larger framework which the PMA does not address. Category Management and improving major acquisition programs are both good goals, but they do not exist in a vacuum.

That is not to say that we need a raft of new acquisition policy "reform" proposals. In fact, that may be just what we don't need. But what we do need is a more holistic vision that cuts across the full scope of acquisition initiatives and processes and across the PMA's core themes and root causes themselves.

In fact, one idea is to specifically apply the PMA's core themes to acquisition and to establish a set of metrics for measuring progress on each, particularly in the context of the PMA's primary objectives of improving mission outcomes, customer service, and fiscal stewardship. This would elevate the acquisition conversation to the fundamental and cross-functional level it merits, and also provide a clarity of vision for the future.

Think about it this way:

***Regulatory burdens:** there have been countless efforts to reduce the regulatory burdens that so frequently slow the acquisition process and create barriers to market entry. And the efforts and reviews continue. But when it comes to regulatory reform, the PMA is silent on this critical topic. That could be easily changed.

Possible metric: Measure the increase in the number of federal procurements that include BOTH traditional and non-traditional federal contractors.

***Management through silos and improved customer service:** Indeed, while government-industry communications remain a common topic of concern, massive communication gaps within the government, largely between end-use customers and contracting officers, also continue to dog the process. Most contracting officers believe the program folks have taken over the world. Meanwhile, most program managers say just the opposite.

Likewise, the explosion in the use of “Other Transactions Authority” (which enables procurements outside of the bounds of the Federal Acquisition Regulation) is largely being driven by customers who are frustrated by the pace and results of the current process. Fairly or not (and there is truth on both sides), they place much of the blame on the acquisition community. If improved customer service is a core goal, this perception cannot be ignored. Both challenges could be at least partially addressed through the use of customer satisfaction metrics – using an intentionally broad definition of “customer.”

Possible metric: conduct post-award 360-degree process evaluations in which all stakeholders, across both government and industry, evaluate the quality of the process---collaboration, clarity, responsiveness, etc. And use them as a tool for developing data to illuminate that which should be replicated and that which needs to be changed, driving improved organizational performance and, most importantly, outcomes.

***Overly lengthy decision-making processes.** Where else but in government does it take six months to award a small contract...or two or more years to award one of size? Time is money and, in the current world of technology, two years can be multiple generations. We don't really measure it. Let's start - openly and across the board.

Possible metric: Measure and report actual Procurement Acquisition Lead Time (PALT) Some agencies are taking some steps in this direction; yet there is no reason the initiatives couldn't be broader and accelerated.

***Workforce capabilities:** Many acquisition leaders believe the workforce has dramatically improved, but that view is not necessarily shared by their "customers." And there is little other than self-evaluations and certification levels to back up claims in either direction. Yet, the acquisition workforce of the future is among the government's most critical human capital needs. Much work has been done, mostly by government professionals, to define the acquisition organization of the future. Imperfect as it may be, the "AoF" model offers a valuable starting point for building an acquisition capability maturity model of the type that we have and rely on for software. And in the process, it also provides a compelling picture of the skills and capabilities the workforce of the future will need.

Possible metric: Formalize the AMM (acquisition maturity model) and measure organizational attainment of targeted AMM levels.

***Leadership and culture:** Last on the list but perhaps most important of all, the government has a great deal of work to do to build the kind of culture needed in today's environment. Nowhere is this truer than in acquisition.

Simply put, the acquisition environment is fraught with risk aversion. Numerous surveys of the federal workforce at large and acquisition professionals specifically, have documented the fear that if something goes awry, leaders will not be there to defend and protect the front line workforce. The good news, however, is that by implementing all or most of the above initiatives – especially the Acquisition Maturity Model and the 360 Evaluations--leaders will have more data to rely on and that, in turn, should serve to buttress their ability to support their people.

Beyond those initiatives, there are a range of tools, commonly utilized in dynamic private sector organizations, to encourage innovative thinking and reasonable risk taking. And while government functions within the context of a body politic that is often unforgiving, strong leaders can and will provide cover and reward to those of their teams who step out.

Possible metric/initiative: Agency sponsored "Innovation Awards;" internal "Innovation Challenges;" White House-led "Champions of Change" awards (similar to the Hammer Awards of old)

The PMA reflects a unique opportunity for each administration to put its stamp on improving government performance. For them to be effective and to drive the degree and scope of change hoped for, they must not only set a vision, but also create a roadmap. In some areas, the current PMA seeks to do just that (IT modernization, for example). But in other critical areas, especially in acquisition, the PMA's vision is less clear and the map is generally non-existent. It's certainly not too late to fill that gap. A failure to do so could represent a significant opportunity lost.

Mr. Soloway is president and CEO of Celero Strategies, LLC. He formerly served as president and CEO of the Professional Services Council, and was deputy undersecretary of Defense for acquisition reform and director of the Defense Reform Initiative during the Clinton administration. Mr. Soloway is a Fellow of the National Academy of Public Administration.

Chapter 4: Four Ways to Improve the PMA

By David J. Berteau

Every Presidential candidate in modern times has campaigned on a platform of improving government, although the implications of that phrase have changed over time. The latest iteration of that dynamic under the Trump Administration is the President's Management Agenda (PMA), issued in March of 2018. The PMA document and its implementation plans create expectations of results, as documented in other sections of this publication. In addition, the multi-agency nature of Cross-Agency Program (CAP) goals represent the kind of integrated approach best undertaken by the Executive Office of the President, rather than under the auspices of a single agency.

However, despite the quarterly reports on progress and the potential for measuring results tied to goals, the PMA overlooks what may be the single greatest source of system and process improvements in government: the companies with whom the federal government and its agencies contract for services and solutions.

Opportunities for Improvement

Contractors have played vital roles in supporting the U.S. government since the dawn of the republic: enabling national security, developing and applying technology, providing access to needed workers and skills, and extending the reach of the government wherever needed. Those roles continue today. In many areas they have expanded, as federal requirements increasingly can best be met through a combination of public and private sector efforts. Reform and improvement initiatives across the government depend on contractors for success.

Agencies and the White House may be missing out, though, on additional opportunities to draw from the talent and expertise of companies. Here are four ways that could happen:

1. Technology Modernization

Economists emphasize the time value of money as an essential element of making choices. Money spent today can yield future savings, but those savings must be discounted, because future dollars are not as valuable as current ones. In the federal government, though, if current dollars are not available (perhaps because of the constraints of a Continuing Resolution or insufficient funds from an annual appropriations statute), it doesn't matter how great future savings would be – the money cannot and will not be spent. From an economics viewpoint, failure to invest today when future savings warrant hurts both the government and taxpayers.

The enactment of the Modernizing Government Act (MGT Act) as part of the Fiscal Year 2018 National Defense Authorization Act (P.L. 115-91) helps address that by creating a small central account to fund up-front costs of technology modernization projects that promise future savings. The MGT Act also authorizes agencies to create their own working capital funds that, once initially capitalized, can be replenished with a portion of those future savings. The core of those savings will come from reductions in spending on outdated, expensive legacy operations that new products and services will replace.

These efforts are only a beginning. Many companies who contract with the government are readily able to identify additional areas for modernizing, based on their own practices. Federal agencies could gain savings and improve performance if they sought and took advantage of that contractor knowledge.

2. Access to Outside Innovation

For decades, government agencies have relied on innovation that came from federal Research and Development (R&D) investments. Since the 1990s, though, the federal share of R&D spending has declined, falling well below 5% of global spending. This trend is due in part to the growth of innovation throughout the commercial sector and around the world. The question is, how can the federal government take better advantage of innovation that comes from outside? A number of PMA goals depend on this access.

Part of the answer to this question depends on specific government initiatives, such as the Technology Transformation Service in the General Services Administration or the Defense Innovation Unit efforts in centers of innovation such as California, Austin, and Boston. Far more can be done if the government uses its existing contractor base to identify and incorporate outside innovation into their offerings.

Contractors bring key attributes to this challenge. They understand government requirements, what it takes to comply with government rules and processes, and how to translate system and process innovations into solutions that meet government needs. The challenge for federal agencies is how to tap into those contractor attributes. The answer is to engage those companies at every step of the process.

This engagement means open exchanges with contractors and a meaningful dialogue, not just writing requirements and soliciting and evaluating proposals. It also means flexible contracts that permit changes as technology and solutions arise, changes that might not have been visible when the contract was first awarded.

3. Contracts as a Management Tool

A third way that government contractors can add value to the PMA is through increased use of the discipline inherent in the contracting process. The very act of soliciting bids from companies for a contract requires the government first to define the work it needs done, and second, to describe how it will evaluate bids against those work requirements.

Often, the work definitions (“requirements” in contracts) and the evaluation criteria help the government be more precise regarding the specific work needed, with better ways of measuring performance. In other words, the use of contracts is a process that encourages and even forces the government to do a better job articulating what it needs. This is a key advantage in every management improvement goal, and federal agencies should use the discipline of the contracting process to create more successful outcomes.

4. Knowing and Allocating Government Costs

For contracts to lead to better outcomes at less cost, we need more than just a good contract. We also need a basis to determine whether a contract offers better value to the government than other options. That requires being able to compare both the results and the costs of those options. While the PMA focuses on ways to measure and report results, often the federal government has inadequate knowledge of its own costs, making such comparisons difficult at best.

Contractor costs are known by the government. Contracts are generally structured in one of two ways. In the first, the government reimburses contractors based on their allowable costs. Those costs are provided to the government in accordance with detailed cost accounting standards and criteria for allowability, subjected to formal audits.

The second type of contract is fixed price, under which contractors propose to deliver results or perform specific tasks at a fixed price. Even here, contractors must provide a detailed “basis of estimates” for their proposed fixed price, and the government usually reserves the right to examine costs during and after contract performance. Under fixed price contracts, the government knows the full price it will pay.

Such detailed knowledge, in advance, of contractor costs and prices is not available to the government for its own costs. Marginal costs are knowable, but they are largely limited to payroll costs for government civilian workers. Government overhead costs, ranging from facilities to maintenance of equipment or access to networks, are not allocated to activities and in many cases are not even easy to determine. Unlike state and local governments, the federal government rarely amortizes capital investment costs over time or across projects.

The absence of government cost data makes it impossible to compare the value of contracts with internal government options. Fixing this is the fourth way in which contracting can help improve the President’s Management Agenda. This will require the Office of Management and Budget to direct a more comprehensive collection and allocation process for all government costs. If such action were undertaken now, this shortcoming could be addressed in the next iteration of the PMA.

Conclusion

The President's Management Agenda has evolved into a disciplined process to define improvements, assign responsibilities, and measure results. It can evolve further if the federal government takes the steps outlined above to engage and draw from its contractors. The results will be tremendously beneficial. There is no better time to start than today.

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Chapter 5: Innovation Starts Local

By Dr. Alan R. Shark

The President's Management Agenda (PMA) provides an important opportunity to re-examine how government can work better and be more efficient, effective, and equitable. No one doubts the role technology has played and will continue to play as it has become ever inseparable from issues of policy development alone. Cities and counties are almost always viewed as the primary interface with citizens. Local citizen engagement satisfaction is dramatically higher than state and federal government combined. One is not alone in promoting the fact that local governments serve as laboratories for technological innovation. Those navigating the PMA might want to explore how technology innovation at the local level supports all aspects of government operations. This need not be a one-way process; much can be gained from sharing experiences and challenges across all levels of government.

Local governments have many advantages. Chief among them is size, and therefore scale. Further, local governments are far more visible and thus more directly accountable to the publics they serve.

A person's experience with government begins at birth -- starting with the birth certificate--then perhaps state drivers' license, and then at the federal level obtaining a Social Security number and later perhaps a passport. At each level of government, complexity tends to grow as citizen experience frustrations.

Local governments do a reasonable job of interacting with their citizens through the successful citizen-centric design of websites, apps, and effective use of social media platforms. One might be surprised to learn that the Federal government maintains thousands of citizen-facing apps that are catalogued at www.usa.gov under the heading "Mobile Apps Directory". But how does a citizen know of this and learn how to find them? One idea is to work more closely with local governments and view them as gateways to information supplied by the federal government. In many cases, this is already happening. But much more can be done in promoting such content through dynamic linking. One excellent example

can be found with www.data.gov. One can find datasets by subject and then drill down to source. The gap is that federal datasets are separate from local datasets so one must go to each locality to see what they have available.

In another example, states and local governments have turned their attention to the opioid crisis and have developed highly effective data models that track both patients and fatalities. They are able to project this vital data on interactive maps using the latest in GIS technology. By developing these sophisticated systems and then sharing critical data among participating local agencies, localities can save lives and provide better treatment for those who struggle with addiction.

Local governments were first to record and catalog/index public meetings, and many now provide the opportunity to testify remotely using simple web-based audio/video technologies. While the Federal government continues to wrestle with drone use regulations, local governments are already deploying them for traffic and crowd control, traffic flow monitoring, city/county fly-over mapping, road and zoning inspections, and search and rescue missions to name a few applications in use today.

Blockchain is already in use in local government. In Illinois, the Cook County Recorder of Deeds embarked on a pilot program that focused on the land records and real estate records management system utilizing blockchain technology (see: <http://cookrecorder.com/blockchain/>). The system they developed enables “unhackable” public records, distributes storage across all offices, and allows staff to focus on accuracy and efficiency. Overall, the system reduces cost, minimizes fraud and already is viewed as a success and a model for others.

Localities continue to focus on the customer (citizen) experience and hundreds are experimenting with or using artificial intelligence in the form of Apple’s Siri, Amazon’s Alexa or Google’s Assistant -- interactive, self-learning, communications systems. Since many deploy dynamic multi-channel 311 systems as the front-line for incoming communications, human operators are being augmented with sophisticated chatbots.

Since movement among local governments is critical for quality of life, economic development, and safety, intelligent transportation systems are managing traffic flow through time and demand speed postings, apps that help locate available parking spaces and dynamic traffic signals. This leads to the larger issue of what appears to be a movement to what have been dubbed Smart Cities.

Smart City advocates believe technology can serve as an enabler for positive change while promoting a holistic approach towards management and planning. For example, cities may be considered smart for having a comprehensive transportation system or a responsive public safety program due to strong community policing, predictive analytics and social media outreach. "Smart" implies not simply smart applications - but integrated solutions that force "inter-silo" management, coordination, and cooperation.

No mayor wants to be the leader of a "dumb" city. Instead, mayors enjoy bragging about how great their cities are. "Smart City" has become a popular term that has many ways to explain what it is and what it looks like. Other terms seem to overlap smart cities - "sustainable", "intelligent", "connected", "livable", and "resilient", to name a few of the more popular descriptors. They all share a common theme in describing changes to existing cities - and let us not forget counties, townships, and villages too. "Smart City" implies that quality of life is improved due to the adoption of intelligent use of technologies and coordinated systems that improve upon the quality of living. Cities simply do not become "smart" by accident or without thoughts regarding sustainability.

Federal agencies would be well-served by studying local governments and how they are using technology to solve problems and make the citizen experience richer and more positive. (See pages 31-32).

As the PMA progresses, the following recommendations/considerations may help managers obtain the best results through the use of technology:

1. Improved intergovernmental relations and communications to and among cities and counties. An easy way to initiate an expanded role for intergovernmental relations is by including the key public organizations such as the Public Technology Institute

(PTI), The International City/County Management Association (ICMA), The National League of Cities (NLC), the National Association of Counties (NACo), and perhaps the National Association of Regional Councils to name a few in discussions about technology, development, deployment, and policy.

2. The Federal CIO Council could lead the expanded effort of including local government input on a formalized basis. The idea of quarterly meetings may be a good start.
3. Fund experimentation and recognize innovation. Creating a Local Government Innovation Fund could benefit those at the forefront of innovation - especially when citizen engagement is concerned. A Local Government Innovation Fund would help cash-strapped governments in further experimenting and documenting innovative practices. The Federal government would not be the only beneficiary; successful and unsuccessful applications can be shared so all can learn from the experience of others. Monies would be awarded on a competitive basis. The Fund could also serve as a means of advancing innovation practices through a non-monetary awards program that recognizes innovation in local government.
4. Create CIO executive exchange or Fellows program. The exchange program might provide opportunities to have select staff exchange roles for a limited period of time between a Federal agency and a local government. This proposed effort might go a long way in building a stronger appreciation for their respective roles and responsibilities and surface new ways of solving problems through innovation and leadership.
5. Create a comprehensive intergovernmental web portal that serves as a repository for information and research. Publish case studies, and maintain an active listing or directory of cooperating institutions with individual contact information.

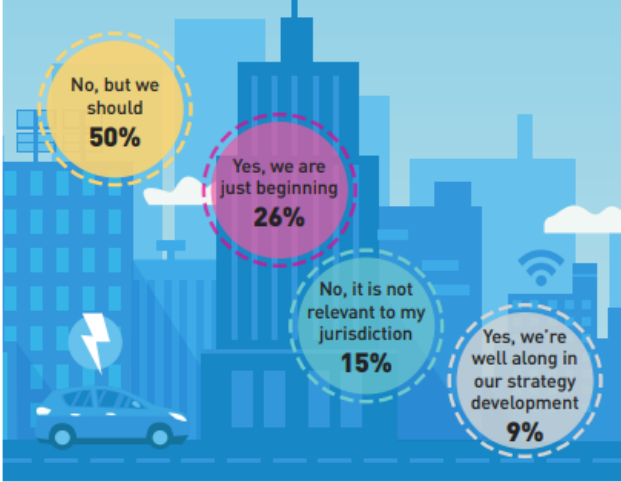
6. Develop a comprehensive framework that views local government as the main point of entry for relevant federal government apps and services. Citizens looking for information about programs and services would benefit from having one main place to start their search. In some ways, this could be viewed as a comprehensive intergovernmental federated and networked 311 system.
7. Raise the program requirement for Technology Leadership for the Senior Executive Service (SES). Technology is barely mentioned as a core competency; it is listed as a sub-indicator that is left to each agency to determine its own criteria. Today, there are four universities that offer CIO Leadership Certifications for local government employees: The University of North Carolina School of Government, Florida Institute of Government (Florida State University), The Public Technology Institute in partnership with Rutgers University Center for Government Services, and The Carl Vincent School of Government at The University of Georgia. The Public Technology Institute serves as the coordinating hub, and this group could be very helpful in reviewing the current program offerings and criteria, and exploring their applicability to federal service.

The PMA is a far-reaching initiative that holds the potential to more effectively streamline and modernize government operations. We acknowledge that “intergovernmental relations” is nothing new and many strategies have been tried over the years with varying results. Those of us who have observed such undertakings take note that when a senior executive endorses and promotes intergovernmental relations with consistency and active determination one can expect a greater degree of progress in obtaining realistic results. Perhaps one can learn from the locals through meaningful engagement.

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Smart City/County Strategy and the Role of the Information Technology Department

Does your I.T. Department have a main role in developing or implementing your government's Smart Strategy?



What makes a City or County Smart?

- Smart Transportation
- Smarter Digital Infrastructure (Digitization)
- Citizen Engagement & Digital Citizen Services
- Smart & Big Data
- Data Visualization
- Public Safety
- Healthcare Services
- Leadership & Vision
- Citizen Satisfaction

Every one of these factors has at least one or more technology components. Source: Dr. Alan Shark, 2018

If your I.T. Department has a role in your jurisdiction's smart strategy, which of the following components have you considered?



A roadmap that communicates the IT vision for a smart city/county

78%



An accountable IT leader who will champion the operational and strategic implementation

71%



An IT governance structure that enables inter-agency and inter-jurisdictional information sharing

50%



Incorporating the smart city/county standards and guidelines into project and portfolio evaluation

41%



Shifting the view of data management from the agency to the city-/county-wide level

40%

In July-August 2018 PTI conducted a survey of local government I.T. executives representing cities and counties across the U.S.



www.pti.org

Which emerging I.T. areas will have the most impact on local governments in the next 3–5 years?

#1

INTERNET OF THINGS (IOT)

#3

BLOCKCHAIN

#4

CONNECTED/
AUTONOMOUS
VEHICLES

#6

AUGMENTED/
VIRTUAL
REALITY

#2

ARTIFICIAL
INTELLIGENCE/
MACHINE
LEARNING

#5

UNMANNED
AIRCRAFT
SYSTEMS (UAS)



In July-August 2018 PTI conducted a survey of local government I.T. executives representing cities and counties across the U.S.



What is the
role of I.T.?

The deployment of these technologies has a direct and beneficial impact on cities and counties, both in terms of the quality of life for our communities and the quality and speed local government service delivery. Local officials need to consider how these technologies can transform government services, transform the economy, and impact society.

PTI advocates taking a strategic and thoughtful approach to examining the

implementation of any new technology or service. Because the adoption of these technologies relies on accessing a community's telecommunications or technology infrastructure, the I.T. Department **MUST** be part of the discussions when it comes to implementing emerging technologies. Is your city or county able to take advantage of these emerging technologies? If not, what are the obstacles to implementation and how might these obstacles be overcome?



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Chapter 6: Implementing Successful IT Modernization in Government

By Daniel J. Chenok

The very first of the new Cross-Agency Priority (CAP) Goals released recently by the Office of Management and Budget (OMB) addresses IT Modernization. Specifically, this goal states that:

The Executive Branch will build and maintain more modern, secure, and resilient information technology (IT) to enhance mission delivery and productivity – driving value by increasing efficiencies of Government IT spending while potentially reducing costs, increasing efficiencies, and enhancing citizen engagement and satisfaction with the services we provide.

There are opportunities to: expand the use of modern commercial technologies that are effective, economical, and secure; reduce the impact of cybersecurity risks by safeguarding IT systems, sensitive data, and networks; leverage common solutions and innovative practices to improve efficiency, increase security, and ultimately meet citizens' needs.

In order to help drive progress in achieving these key objectives, OMB has leveraged the recent establishment of the Technology Modernization Fund (TMF), authorized to drive what was initially funded as a \$100 million investment portfolio as part of last year's Modernizing Government Technology (MGT) Act. OMB, the General Services Administration (GSA), and the Federal CIO Council have developed a governance framework to approve and oversee TMF modernization projects. This framework is led by a multi-agency board of IT and acquisition leaders, chaired by Federal CIO Suzette Kent and overseen by OMB Deputy Director for Management Margaret Weichert. A sound governance process is a critical success factor for success in cross-agency IT modernization, and early reports show that the first funded projects are off to a strong start.

Even given this progress, Congress is continuing its longstanding interest in cross-agency IT and innovation funding, which has been true of several similar funds authorized in the last two decades. What are the prospects for the TMF, especially when Congress continues to ask questions about return on investment (ROI) as a condition of future funding? There is reason for optimism because OMB and the agencies continue to build on lessons learned from those experiences.

Key Success Factors for IT Modernization

The TMF program elements – purpose, principles, processes, people, and more – are clearly displayed on the Federal CIO Council website at www.tmf.cio.gov. And OMB and the CIO Council have held multiple industry briefings and interactive discussions to learn about effective practice, including “reserve industry days” where industry briefs government about options for successful paths forward. Over time, agencies, Congress, and industry stakeholders will be able to leverage this transparency in improving fund operation and oversight. Congress has legitimate questions about how these funds are being spent to build successful modernization activities in agencies; given the experience from past Administrations, similar transparency about results will help OMB secure additional TMF resources in the 2019 budget and beyond.

The TMF criteria reflect best practice in modernization, including:

- A digital services approach that embodies agile and iterative development methods, continuous testing and user feedback, and the incremental introduction of emerging technologies including AI, blockchain, Internet of Things, and mobile in a manner tied to agency mission goals
- A focus on the data that agencies collect over modern technology infrastructure and applications, reflected in the data strategy cross-agency priority (CAP) goal under the President’s Management Agenda (PMA) that is tightly linked to the counterpart goal for IT modernization.

- Integrating security into the modernization lifecycle, from the onset of planning to the scale of delivery, rather than having security be bolted onto applications after development, which has been the cause of many IT failures in both the public and private sectors.
- Driving innovation as a practice by the government workforce supported by industry stakeholders, which will promote a culture of innovation while building governance norms that reward risk taking.

Moreover, GSA has advanced the practice of IT modernization for adoption by agencies through its five Centers of Excellence (CoE) that reflect private sector best practice in cloud migration, infrastructure optimization, data and analytics, customer experience, and call center efficiency, with security embedded as a key element throughout. GSA is working with the Department of Agriculture as a lead agency; scale success will come when multiple agencies can leverage these Centers, as multiple agencies do now with GSA functions like acquisition support and property management. Just recently, the Department of Housing and Urban Development (HUD) was announced as a second lead CoE.

In this advance, agencies and overseers will need to recognize that modernization will not occur in the short term. Just as industry's continuing journey to adopt 21st century approaches relies on discovery and planning to migrate applications over a period of years, government will achieve positive results by recognizing that a "hybrid" environment is necessary for continued delivery of services that rely on legacy systems while introducing cloud-based applications.

How Can Industry Help?

Agencies can learn from private sector practice in taking the next steps toward a modernized IT environment. Industry has experience with commercial investment models that capture ROI across years and over time. As this year's IBM Center report [*A Roadmap for IT Modernization in Government*](#) by Greg Dawson of Arizona State University notes, industry uses a full cost model where benefits are measured and recognized over a time, and an understanding of the full costs can be identified and applied. However, government rules generally do not allow budgetary

recognition of the out-year benefits and ROI. The MGT Act has enabled some movement in this direction by authorizing multi-year funding that addresses ROI recognition over time. Dawson's report notes, however, that this "does not solve the cross-accounts problem. Hence, spending rules may still inhibit an enterprise view of technology and force a more myopic (and costly) view."

The Technology Business Management (TBM) Framework, introduced in the last Administration and captured as another PMA CAP goal, also provides agencies with an industry benchmark for IT cost allocation. Ideally, TBM could also help agencies adapt such financial estimation to the procurement process in re-introducing gain sharing and share-in-savings approaches to contracting. This category of acquisition initiatives was authorized for technology modernization as part of the E-Government Act, but the provision expired in 2007 with no actual project implementation. Government could look to adapt similar models used for energy savings performance contracts, which have received an exemption from annual budget scoring rules to promote multi-year ROI capture.

Industry can also help by bringing forward commercial experience, both small scale start-up innovation and enterprise transformation. However, current government procurement rules do not often reward commercial qualifications. Agencies who lean forward to incentivize companies that can show how private sector practice can be adapted will likely drive greater innovation, and do so more rapidly. Agencies can also promote capacity for companies to bring forward ideas and prototypes in a way that does not rule out their ability to compete for downstream work because of a conflict of interest.

Next Steps: Findings from Research on Modernization

The Center's IT Modernization report by Greg Dawson recommends a modernization roadmap based on research into past experiences in IT modernization at the federal and state level, as well as in industry. The report draws lessons from his research and extensive case interviews with Federal and State Chief Information Officers (CIOs). Using these lessons, the author frames impediments to modernization and risks for agencies that do not modernize, including continued cybersecurity weaknesses.

The report uses this framing to develop eight key lessons for government leaders at various stages of IT modernization, and concludes by setting out a roadmap for implementation that agencies can adapt to address these key lessons.

This report provides a resource for agencies to understand how best to develop a modernization business case, establish and implement a change management strategy, and put in place both a long-term initiative and short-term steps that can help agencies measure real progress. The report examines the status of IT modernization in the public sector, and identifies key lessons from private industry and government agencies that include:

- Understand the organizational drivers for modernization;
- Plan at the enterprise level, and implement at the local level;
- Communicate value to citizens and shareholders;
- Focus on people, then address processes, and only then technology; and
- Make modernization a long-term commitment.

Based on these key lessons, the roadmap below illustrates how successful IT modernization can take place in government, in a manner consistent with the MGT Act. Major points from the roadmap include:


- Modernize as an on-going process rather than a single standalone event, to allow for continuous improvement rather than costlier sporadic “catch ups.”
- Seek feedback throughout the process to capture lessons learned and act accordingly.
- Focus on how technology is supporting mission goals.
- Identify stakeholders for each step, making leaders and operational staff aware of their requirements and empowering them to act.
- Ensure check-ins with agency leaders, functional leaders, technical leaders, and key users take place throughout the process.
- Blend a strong execution strategy, technical approach and the right team.

- Provide 360-degree communications to foster knowledge and buy-in.
- Measure results both inside and outside the organization.

If the government embraces these lessons, agencies can reduce operating costs, lower the risk of cybersecurity attacks, and position themselves to take advantage of new technologies, including cloud, analytics, mobile, and artificial intelligence.

The report concludes with a recommendation that government make key investments in IT modernization, identifying and prioritizing the necessary initiatives for maximum effectiveness. Priority investments should be integrated into the budget planning cycle to provide a foundation for continuous innovation and improvement. With recent statutory and agency progress, the federal government is well-positioned to move forward with effective IT modernizations that improve mission performance.

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Chapter 7: The Imperative for IT Modernization: Creating the path for substantive change

By David M. Wennergren

The Case for IT Modernization. Every day, new technologies and applications offer opportunities to change the way we work, live, learn and play. We want to be connected, always, from any device, from anywhere. The Wall Street Journal proclaimed that the most disruptive force in technology today is us, and our expectations on how the ubiquitous availability of technology in our personal lives will change the nature of how work will get done. And this frenetic pace of change and ever increasing sense of expectation is only rivaled by the ever-increasing number and sophistication of cybersecurity threats that we face.

Given this environment, it is fitting that all three of the key areas covered in the President's Management Agenda (PMA) recognize the inestimable role that technology will continue to play in the days and years ahead. The promise of this technology-enabled future is within our grasp -- with opportunities for the Federal government to make great strides at widespread transformation, improved services to citizens and greater mission effectiveness.

The single greatest obstacle to the government's move to a web-based, mobile, digital world is the focus of the first key area of the PMA – Information Technology (IT) Modernization. Success at IT modernization will indeed achieve the PMA goal of “creating the platform for change.” Yet, the compelling need for IT modernization is not a new issue. The lack of significant progress to date speaks to the complexity of the issue and the need to embrace change management principles to create the future IT environment. Today, the vast majority of the over \$95 billion that the federal government spends annually on IT still goes to support aging legacy computing infrastructure and systems. Agencies are spending 80% or more of their IT funding on antiquated hardware and software no longer supported, impeding the adoption of new technologies, apps and approaches and introducing significant cybersecurity vulnerabilities.

Agencies stand at an inflection point, with a compelling need to embrace change and make dramatic progress on modernization. IT modernization may not only reduce the current cost of IT operations, but can also provide the engine to optimize business processes, improve customer experience and allow for the adoption of new technologies, tools, and best practices. Fortunately, we are witnessing a convergence of intent from both the executive branch (through the PMA and the American Technology Council Report to the President on IT Modernization) and the legislative branch (through the Modernizing Government Technology (MGT) Act). Times of change are times of opportunity, and the progress on IT Modernization will be an early gauge on the overall success of the PMA.

Moving to the Cloud. Eight years after OMB issues their “cloud first” policy, and on the heels of the recently issued “cloud smart” strategy, cloud migration remains a top priority for Federal leaders seeking to get out of the business of maintaining aging and obsolete IT infrastructure. Moving aging IT infrastructure and data centers to the cloud is an important step in their modernization journey. The value proposition of moving to commercial cloud solutions is clear. In the face of budget uncertainty (e.g., lack of appropriations, continuing resolutions, etc.), agencies can re-purpose Operations and Maintenance (O&M) funding currently spent on outdated systems for use in consumption-based cloud buying, eliminating capital investments in favor of paying only for what an agency uses. Cloud also provides the ability to rapidly scale, provides agility, and paves the way for the rapid adoption of innovative new technologies and tools.

Expanding the IT Modernization Aperture. While the movement to commercial cloud is an important first step, IT modernization entails so much more than just moving infrastructure to the cloud. A spectrum of solutions exists to achieve the benefits of IT modernization, and prioritization of these efforts should reflect the agency’s most compelling needs and vulnerabilities.

Retire, Replace, Refresh. A major focus going forward will be on rationalizing the numerous legacy systems that agencies maintain, with a keen eye as to what to retire, what to replace, and what to refresh. Many critical government missions depend on these legacy systems – some of which date back to the age of punch cards and green screens. Reliance on obsolete technology opens government agencies to serious risks, and the increased cost to maintain legacy mainframe systems can prevent the investments required to modernize. There are many options to consider in addressing legacy systems and applications, and the use of portfolio management tools can help prioritize and align modernization efforts. Depending on the most pressing challenges an agency currently faces, opportunities exist to move to new commercial off-the-shelf (COTS) solutions, automatically update or “refactor” the COBOL code for old but reliable legacy mainframe systems, introduce process robotics, improve customer-facing services by “going digital,” consider shared services or migrate to “capabilities as a service.”

Applications Modernization. Dealing with legacy systems must be a top priority, and in many cases obsolete systems should be retired and replaced with COTS solutions. Successful and proven commercial solutions exist for everything from financial and human resource services to customer relationship management, and there are many reasons why successful companies rely on these COTS solutions rather than custom developing their own solutions. A COTS solution works well to support common business process, and leverages economies of scale from this standardization to reduce cost, streamline software maintenance, and facilitate end user support. Use of COTS solutions can also drive much needed business process change/optimization by avoiding the temptation to customize the COTS software and instead aligning the agency process to leading industry practices. That said though, not every legacy system needs to be replaced. In cases where a legacy system is still performing, but running on old software (COBOL, Natural, PL/1, etc.), agency leaders should consider using automation technology, to include automated code refactoring, as a low-risk, low-cost approach to near-term modernization.

Adopting New Technologies. Implementation of commercial cloud and application modernization solutions help to accelerate the adoption of new technologies. There are a number of new technologies that can dramatically improve mission outcomes, to include blockchain, the Internet of Things, augmented/virtual reality, etc. New technology adoption is an important element of modernization plans and near-term wins leveraging new technologies can build confidence on the IT modernization journey. One example gaining traction with a number of Federal agencies is the use of process robotics. This computer-coded, rules-based software uses ‘bots’ to automate human activities for repetitive, lower-value tasks, and is reshaping how the Federal Government delivers services to its citizens and the nation.

Focusing on the Core Mission. Agencies are also recognizing that certain support functions are best performed by others, freeing up agency government personnel to focus on core mission responsibilities and inherently governmental work. For some functions, the answer is to take advantage of a shared service provider, either elsewhere in government or in the private sector. When deciding to outsource a support function, agency leaders are recognizing the power of contracting for an outcome rather than building/buying yet another new system. Using consumption-based buying approaches long established for seat management and cloud computing contracts, agencies can likewise buy a “capability as a service” and improve access to commercial innovation, reduce capital investments and use funding to pay for results rather than development efforts.

There are many solutions available; each agency’s next step will depend on their most pressing priorities. Creating or improving agency IT modernization plans requires the commitment of the entire agency leadership team. Challenges facing agencies today rarely nest neatly within a single organization, and the cross-boundary challenges of modernization efforts require the successful creation of coalitions across the leadership team.

IT Modernization as an Opportunity for Change. The PMA correctly points out that IT modernization is an opportunity to improve IT operations; to address cybersecurity threats and vulnerabilities; and to bring innovative approaches, leading practices and technologies into an agency. At the heart of improving agency effectiveness, outdated, cumbersome and labor intensive processes must be optimized. Changing processes can be very challenging, as current employees may be familiar and comfortable with the existing processes of an agency. Today though, expectations among employees have never been higher to leverage technology at work as we do in our personal lives. The opportunity to “ride the waves” of technology change can go a long way to help overcome institutional resistance to changing the processes with which we’ve become content. Jumping on to the IT modernization bandwagon provides the opportunity to drive more substantive change at agencies, avoiding adopting new technology solely as a quest to grasp at new “shiny objects,” and instead, improving the fundamental business processes that drive government service delivery.

Measures that Matter. As in all change management efforts, measuring the outcomes that matter is crucial to success. The right IT modernization metrics will help track progress, but they will also help to build confidence within the agency as employees go through the inevitable perturbations of change – both by marking/celebrating successes and recalibrating, as necessary, to improve results.

Understanding the Technology Challenge. The classic way of looking at an IT challenge is to think through three spheres of activity: people, process and technology. Changing technology offers federal agencies tremendous opportunities. Winning the hearts and minds of agency personnel is crucial to successfully embracing these new technologies. And, a “people focus” must address the need to attract and retain the workforce of the future, provide new skills/learning to the workforce of today, and help the entire workforce embrace cultural change. It is only through a willingness to let go of personal control and embrace the necessary change that agency personnel will be able to move to optimized business processes.

The PMA provides a strong demand signal to improve government effectiveness by accelerating IT modernization efforts. While it may seem a daunting challenge, it is an absolutely crucial thing to move forward on. Have a plan. Take action. Move with speed. IT modernization works best when it stays ahead of the pace of technology change. Engage the customer throughout the modernization journey. Communicate relentlessly. Measure your progress. Celebrate your successes. By embracing consumption-based buying models, agencies will likely increase access to innovation and avoid future modernization dilemmas resulting from owning obsolete hardware and software. Government contracting processes are challenged to keep pace with new technologies' buying capabilities-as-a-service may help agencies stay ahead in facing the bold new future that stands before us.

Some content in this article was drawn from an earlier article, "Accelerating IT Modernization in Government," WSJ CIO Journal, 10/3/2018.

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Chapter 8: Establishing a Framework for Improving the Citizen's Experience with Government through the President's Management Agenda

By Martha A. Dorris

How do the recent legislation, guidelines and recommendations provide agencies with the support needed to drive improvements to the experience with government that veterans, travelers, farmers, ranchers, producers, consumers, seniors, students, etc. have? First, let's define customer experience to level set what it is and what it isn't. Customer experience is the perception that your customers have with your organization. In the case of government, it's the perception that the public has with the government. It's an overarching concept of areas that impact the way the government delivers service. Putting the customer/citizen at the center of the organization is easier said than done. When the government engages its customers, understands their expectations and prioritizes based on the impact on their customer/citizen, it begins to move in the right direction. Another important distinction between customer service and customer experience is that customer experience encompasses the full journey the citizen experiences from the time they have a need that requires the government through the delivery of the service (and beyond).

Without a clear definition of the roles and responsibilities of those organizations that impact the experience, nothing gets accomplished. There is much controversy as to whether a Chief Customer Officer is necessary. What is the role of the Chief Information Officer? How do the Program Offices that deliver services leverage the internal organization to obtain the resources they need to deliver outstanding services? Customer experience functions attempt to break down silos that have been formed in government for decades. Of course, no one can achieve the customer goals alone. It's everyone's job. This requires a roadmap that focuses on the customers by clearly articulating who the customers are, what kind of experience is currently provided in terms of service levels, what's the vision of the experience you want to provide in terms of efficiency and effectiveness, and what initiatives will the agency take to achieve the

vision. This strategy should include a robust voice of the customer and voice of the employee program to understand the customers/citizens. Leveraging the concepts of human centered design and agile development bring the users into the design, build, test and implementation process to ensure that what's being developed is meeting the needs of customers early in the process. Finally, as Peter Drucker stated, "Culture eats strategy." Without a culture of "service," it's almost impossible to make the changes necessary to drive these improvements. Issues such as "this is the way we've always done it," or "we've tried this before," to "that's not my role," make it difficult to drive the needed changes.

To address some of these issues, the White House, Congress and the Office of Management and Budget (OMB) have passed laws and released guidelines that provide federal agencies with new requirements that will bring focus within the agencies to transform their services. Providing outstanding services to citizens and businesses improves the trust and engagement the public has in government, increases employee engagement; increases the efficiency of government; and simplifies the life of Americans. Improving the citizens' experience should be a national priority.

Today, Chief Information Officers (CIOs), Program Managers, and agency leaders have a framework of requirements they can leverage that empowers them to improve customer service and experience. These include:

1. Modernizing Government Technology Act (MGT Act)
2. Delivering Government Solutions of the 21st Century, Reform Plan and Reorganization Recommendations
3. President's Management Agenda, Cross Agency Priority Goal #4 - Improving Customer Experience with Federal Services
4. Section 280 of A-11, Managing Customer Experience and Improving Service Delivery

Taken together, agencies now have: budget flexibility for innovation, the requirement for agencies to create an action plan based on the results of a Customer Experience (CX) Maturity Self-Assessment, the requirement to collect real-time customer feedback with core questions that will be collected by the Office of Management and Budget (OMB), provided to the public through their website and made available to the Congress; encouragement to create a Chief Customer Office; the framework to recognize those who have improved service delivery; and opportunities to realign government functions to improve service delivery.

The [Modernizing Government Technology Act](#) was passed in December 2017 and gives agencies the ability to apply for funds to modernize their information technology (IT) infrastructure from a central Technology Modernization Fund (TMF). In addition, it gives agencies the authority to create working capital funds to use for future modernization initiatives from efficiencies saved from other efficiencies. Agencies that have received funding from the TMF are the US Department of Agriculture, Housing and Urban Development, and the Department of Energy. Details about the projects can be found at <https://tmf.cio.gov/projects/>.

[Delivering Government Solutions for the 21st Century, Reform Plan and Reorganization](#) provides recommendations to realign the government to be more efficient and improve the citizen's experience. As stated in the report, "As the United States faces the challenges of serving the broad and diverse needs of our growing country, it is important to reexamine the organizational alignment of the Executive Branch government institutions to ensure that our organizational constructs are well aligned to meet the needs of the 21st century." "Reorganization is one tool among many that this Administration is using to drive transformational change in Government. Meeting the needs of the American people, as well as the President's mandate for greater efficiency, effectiveness, and accountability, requires a range of transformational approaches to support reorganization.

[CAP Goal #4 of the President's Management Agenda's](#) goal is to create a modern, streamlined and responsive customer experience. This means raising government-wide customer experience to the average of the private sector service industry, as measured by external organizations; developing indicators for high-impact federal programs to monitor progress towards excellent customer experience and mature digital services; and providing the structure and resources to ensure customer experience is a focal point for agency leadership. Examples of programs where improved customer service will impact millions of Americans include Federal Student Aid, airport security screening, national parks, veterans' health care, passport services, emergency and disaster relief, and Medicare.

These strategies are being used to:

- Improve the usability and reliability of the government's most critical digital services;
- Bring federal customer experience to 21st century standards by enabling self-service and leveraging customer data/feedback for high-impact programs; and
- Reward individuals and initiatives that demonstrate outstanding customer experience.

[Section 280 of A-11, Managing Customer Experience and Improving Service Delivery](#) implements some of the strategies of the CAP goal through a measurement framework. The framework requires High-Impact Service Providers (HISP) to collect customer feedback for transactions, journeys and the overall relationship the customers have with the agency. HISPs are designated by OMB based on either high volume of interactions or the impact of the service to the citizen. They will determine their high-impact journeys and collect feedback on the overall satisfaction and confidence, the quality of service, the ease and efficiency of the process and employees' helpfulness in accomplishing their task. Agencies are required to submit data to OMB in February 2019 for the quarter ending December 31, 2018. In addition, the Action Plan they create based on the results of a Customer Experience Maturity Model Self-Assessment should be included in the Agency's Performance Plan.

While most of these laws and guidelines tout their goal as modernizing government technology, the ultimate goal is to improve government services. The President's Management Agenda, the Recommendations for Reform and Reorganization and the updates to Section 280 of A-11, establish a framework that includes:

1. **Create the Government Effectiveness and Advanced Research (GEAR) Center.** The creation of the Government Effectiveness and Advanced Research (GEAR) Center would be a non-governmental public-private partnership that would engage researchers, academics, non-profits, and private industry from disciplines ranging from behavioral economics to computer science, to design thinking to use creative, data-driven, and interdisciplinary approaches to re-imagine and realize new possibilities in how citizens and government interact.
2. **Designate the Roles and Responsibilities for Citizen Experience.** While the governance question hasn't been solved, the Customer Experience Improvement Capability section of the Recommendations for Reform and Reorganization suggests that federal agencies consider creating Chief Customer Officers to serve as a focal point for customer-focused activities as is a best practice in the private sector. Some agencies have already created this position which brings focus on the customer whether they are a veteran, student, business, farmer, or consumer.
3. **Create CX Action Plans based on a CX Self-Assessment.** The High Impact Service Providers (HISPs) are the government services and agencies designated by OMB because of their large customer base or high impact on those served by their programs. HISPs are required to create an action plan to be included in the agency's annual performance plan based on the results of self-assessments using a CX Maturity Model results. Action Plans should address the strategy, understanding the customer current experience, and how to measure the customer experience which is also addressed in Section 280 of A-11. These insights will serve as a roadmap for future improvements.

4. **Create a Consistent Measurement Framework.** Creating a consistent measurement framework will drive improvements to the most important services delivered by the government and enable comparable metrics to be collected across the government. This enables agencies to learn from others that are ahead of them in delivering outstanding services. Core measures and questions are provided while leaving flexibility for agencies to add additional questions to address their specific services. Bringing transparency to these service levels and citizen feedback through a dashboard that will be created and submitted to OMB and made public on the agencies' website will highlight the successes and opportunities for improvement.

5. **Increase Customer Experience Maturity Across the Government.** Maturing the capability to improve customer experience across agency silos and improve the customer focus can lead to greater efficiency and effectiveness in agency operations. As stated in the Recommendations for Reform and Reorganization, this requires technical expertise, enhanced business processes, management support, and new government authorities to create cross-agency, government-wide services. To accomplish this, OMB is recommending the establishment of a government-wide customer experience improvement capability that would support existing agency efforts and create new government-wide approaches to improve the way the public interacts with the Federal Government.

6. **Digitize Electronic Records and Forms.** As agencies implement electronic processes in place of paper, it will be easier for the public to connect with the Federal Government and apply for and receive services, improving customer satisfaction. Electronic records will reduce processing times and decrease the probability of lost or missing information. Electronic records will greatly improve agencies' ability to provide public access to federal

records, promoting transparency and accountability. Over the long term, this also will reduce agencies' records management and storage costs and streamline the records management process, freeing resources for other high priority activities. This will also allow agencies to provide more timely and accurate assistance to their customers in a way that has not occurred previously.

7. **Recognize Public Servants Who Improve Service.** Culture is one of the most critical challenges to improving government services. The only initiative that addresses culture is the recognition program under Strategy #3 of the CAP Goal #4 which was expanded to include the GEAR Awards proposed in the "Delivering Government Solutions in the 21st Century." Recognizing service delivery is an effective approach to demonstrating the value of their work to federal employees.

While these efforts may not totally solve the challenges in government, they in combination, provide agencies with permission to address some of their challenges to deliver a robust citizen experience that can improve the way the government operates, delivers services and improves the lives of citizens. Transforming the citizen and businesses' experience with the Federal Government's most critical digital services, and creating measurable improvements in customer satisfaction by using the principles and practices proven by leading private sector organizations will increase trust in the Federal Government and overall employee engagement across government.

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Chapter 9: A 21st Century Workforce

By Jeffrey Neal

A key element of the President's Management Agenda (PMA) is "Developing a Workforce for the 21st Century." Clearly, the more than 2 million federal workers can make or break any reforms. The PMA includes proposals for human capital management reforms, strategic workforce management, talent acquisition, continuous learning and agile operations.

None of the proposals are unreasonable, nor are they partisan. They are simply sound management practices that are essential for any kind of large-scale government transformation to succeed. But being reasonable and nonpartisan does not guarantee that the government has the capability to execute the proposals. One essential element that can stand in the way is the federal government's human capital infrastructure. Does the HR community have the capability to do what the president has proposed? And do laws, regulations and practices provide a framework for success?

The answer is probably no. The federal human capital infrastructure is primarily transaction oriented, and there has been no successful large-scale human capital reform since the Civil Service Reform Act of 1978. Agencies have under-funded their human resources offices, and the Office of Personnel Management (OPM) has focused on asking agencies to do more rather than updating their own outdated regulations. There are three steps that the Administration should take if it hopes to make the PMA's goal of a 21st century workforce a reality.

Review and update OPM regulations to provide the most flexibility allowed under the law. While observers typically point to federal laws as the barrier to good hiring, the reality is that much of what gets in the way is contained in OPM regulations rather than in statute. That means OPM could rewrite many of them with an eye toward simplification, flexibility, and modernization. For example, the job classification process is so slow, rigid and confusing that potential job seekers may have no idea what kinds of jobs they should be looking at. There are as many as 400 different

job series, with multiple grades for each. Add to that job qualification standards that are often outdated and unnecessarily complex, and it is not just job seekers who are frustrated. So are federal managers who want to move employees around to better use their skills and meet mission requirements. The grades in the General Schedule are prescribed by law, but the hundreds of jobs series and the qualifications standards were mostly created by OPM. That means OPM has the power to reduce the number of job series and the complexity of the classification and qualifications processes, with no legislation required. There are other steps that can be taken under authorities granted to the Director of OPM.

1. **Pursue statutory relief to modernize federal hiring, beginning with veteran preference.** The federal hiring process is complicated, slow and burdensome. Virtually no one is happy with it, and it is a substantial barrier to the government's ability to recruit top talent. While the private sector is content to recruit using resumés, the government continues to demand lengthy job applications and uses dozens of hiring authorities that leave managers and applicants alike confused and frustrated. One of the chief drivers of the complexity of the hiring process is veteran preference. Veteran preference has been a requirement of the civil service system since President George Washington first considered military service for appointments in his Administration. The objective of recognizing military service with preference in hiring continues to justifiably receive strong support from the public and the Congress. It has also resulted in the profusion of hiring authorities that agencies use, most of which are designed to allow agencies to bypass veteran preference. A dramatically different method of providing preference to veterans could lead to a radically simplified federal hiring process. The current approach screens out almost all nonveterans from many jobs and leads agencies to pursue simplified hiring authorities that give them greater control over hiring. Congress could authorize OPM to replace the current veteran preference rules with a blanket "direct hire" authority that would allow any agency to hire any veteran for any job for which the veteran is qualified. That approach might improve hiring opportunities for veterans, while eliminating the plethora of hiring authorities that complicate hiring. In addition to simplified veteran preference,

Congress could expand “demonstration project” authority to enable agencies to test human capital practices that are working in the private sector and in state and local government. Such practices, once proven effective in demonstration projects, should routinely be made available to every agency.

2. **Modernize federal HR Offices.** Federal HR offices tend to have a transaction focus, based in large part on the clerk-to-specialist career path of many HR practitioners and the crushing workload that many of them experience. With the requirement that they understand and apply hundreds of rules for hiring, job classification, and every other aspect of human capital management, it is a wonder that federal HR offices succeed to the degree they do. Most are so busy just keeping the basics working that they have no time to focus on strategic human capital issues. HR practitioners have pursued the holy grail of “strategic advisor to managers” for decades, but the inability to keep the hiring process running smoothly means many of them will never reach that goal. If that is not enough, we can add the antiquated systems that many are using, including some systems written decades ago in COBOL. Even if the Congress could muster the bipartisan support for reformed federal hiring processes, there is little certainty that an unreformed HR community would be able to execute reformed processes. They will need better training, adequate resources, and modern HR systems to have any chance of successfully making the transition from transaction processors to strategic advisors.

Modernization of the government’s human capital legal and regulatory frameworks are essential underpinnings of a 21st century workforce. Building a professional HR capability is equally essential.

Mr. Neal is currently a Senior Vice President for ICF, and formerly served as Chief Human Capital Officer for the Department of Homeland Security and Chief Human Resources Officer for the Defense Logistics Agency. He is also a Fellow and the Chair of the Board of Directors at the National Academy of Public Administration and a Partnership for Public Service SAGE.





Chapter 10: Improving Organizational Health and Employee Engagement

By John Kamensky

OMB's Cross-Agency Priority Goal, "[Developing a 21st Century Workforce](#)," has a lofty objective:

"Effective and efficient mission achievement and improved service to America through enhanced alignment and strategic management of the Federal workforce."

It is one thing to envision such a goal but quite another to achieve it! To do so will involve changes of both organizational culture and individual incentives at the policy, agency, and individual levels. A set of realistic strategies are needed for the long term, reaching across multiple administrations, as well as near-term successes.

Background of the Workforce CAP Goal

Three top federal executives have been designated as co-leads for this Cross-Agency Priority Goal (CAP Goal):

- Lisa Hershman, Deputy Chief Management Officer for the Department of Defense
- Michael Rigas, Deputy Director of the Office of Personnel Management; and
- Peter Warren, Associate Director for Performance and Personnel Management at the Office of Management and Budget.

They have outlined three broad strategies to achieve this goal:

- Improving the existing human workforce administrative systems and processes,
- recalibrating the mix of skills and capacity within the workforce, and
- focusing on the role of frontline managers and employees in delivering on their respective organizations' missions.

Working with the Office of Management and Budget, they have jointly outlined [a plan of action](#) that addresses each of these three strategies, with a near-term priority on those that can be undertaken within the existing statutory framework. This includes streamlining hiring practices, developing workforce reskilling strategies, and improving employee performance and engagement.

Under the sub-goal to improve employee performance and engagement, the plan pinpoints strategies such as:

- strengthening organizational management practices and accountability for employee engagement, and
- focusing intense employee engagement improvement efforts on the lowest-performing organizations, to reduce mission risk.

Key milestones for this sub-goal include:

- Each of the larger bureaus and components within each department and major agency will identify its bottom 20 percent on the 2017 Federal Employee Viewpoint Survey's Employee Engagement Index and target a 20 percent improvement of those units by 2020.
- All agencies will have clear operating procedures for disseminating FEVS data to all organizational levels
- OMB's Tiger Team will complete at least five organizational assessments on work units whose employee engagement scores provided opportunities for improvement and that also provided opportunities to understand causes of disengagement.
- OMB and GSA will use the Tiger Team to test the use of a "parachute team" approach to assist agencies in performance management issues.
- All agencies will ensure first-line supervisors possess critical leadership competencies within the first year of appointment, either through selection or development.

NAPA's Study on Improving Organizational Health

As OMB was developing the Workforce CAP Goal plan during the latter part of 2017, it encouraged the Nation Academy of Public Administration (NAPA) to undertake a study of what agencies could do to strengthen their ability to perform. A panel of experienced NAPA Fellows found that reformers “have not given sufficient attention to the building blocks of performance – healthy organizations with engaged employees, who have the capacity and tools to deliver on their mission.”

The panel examined various approaches used successfully in large private sector corporations, governments in other countries, and pioneering federal agencies to identify potential strategies best suited for government today. They found that federal agencies have greater access to granular data – such as employee engagement survey results – than ever before, yet front line managers are not leveraging these data to inform their decisions.

The panel concluded that organizational units within agencies – such as Social Security field offices -- need to become the new building blocks for improving performance, and that a new emphasis should be placed on increasing the health and capacity of these frontline units.

In its January 2018 white paper, [*Strengthening Organizational Health and Performance in Government*](#), the panel recommends expanding – not replacing -- the existing federal performance management framework. Creating this new approach would have three strategic components. The Academy's study recommends that the Office of Management and Budget create a governmentwide focus on organizational health in order to:

1. ***Strengthen unit-level health and performance.*** Start by using existing data, such as the employee engagement index derived from the annual government-wide employee viewpoint survey, to assess and diagnose the state of unit-level organizational health and performance. These survey data are available to managers of 28,000 work units across the government via [UnlockTalent.gov](#). The panel says agencies should expand and refine their analyses over time to include the use of other data sources, such as operational and mission support performance data.

2. *Create a learning-based approach to improving results.* To act on these data-centric assessments and diagnoses, the government should encourage the use of a learning-based approach (rather than a top-down directive approach) to improve organizational capacity and performance in agencies. This should be done by engaging front-line organizational units to develop their own individually tailored plans for improvement.
3. *Employ the power of data analytics to manage.* To sustain the learning-based approach over time, managers will need to make effective use of a flood of new data relevant to their operations. They need to be given tools to access, analyze, and apply those data, as well as the skills to manage in this new data-rich environment. The panel encourages the creation of communities of practice where managers can learn from each other's experiences well as from more formal training opportunities.

The Academy panel says that "Leadership for this effort must come from the agencies." The panel encourages the Office of Management and Budget to work with the President's Management Council -- comprised of departmental deputy secretaries and chief operating officers -- but the agencies themselves must see this as their opportunity to collectively drive performance by ensuring that the foundations of healthy organizational units are in place.

Furthermore, the panel cautions that merely measuring employee engagement isn't enough.

While both the federal government and private companies measure employee engagement, these assessments only tell leaders and managers "what" is going on. Survey assessment data do not explain the "why." If leaders want to replicate a success or turn around a problematic work unit, they have to dig deeper and use other sources of data. These deeper diagnoses involve both quantitative and qualitative analyses.

A wide range of both public- and private-sector models show that an engaged front-line workforce delivers better services and results. These models can help inspire a new approach to improving performance in the federal government. They typically have three elements:

- An assessment element that is often quantitative and that identifies specific measures of organizational capacity, such as employee engagement;
- A diagnostic element that is often a mix of quantitative and qualitative components and that helps interpret why an organizational unit scores at a certain level in its assessment; and
- An action element comprised of strategies and plans that translates the diagnostic elements into changes in capacity and performance.

The Corporate Executive Board (CEB), now part of Gartner, noted in its 2013 study, [*Rethinking the Workforce Survey*](#), that “engagement is necessary but not sufficient” and that “[t]he world’s best workforce survey programs capture information about universal and strategy-specific capabilities, and supply the data necessary for talent management and other leadership decisions in the context of the business priorities and strategies unique to their organization.”

There is no silver bullet, no “one size fits all” approach, to improve the organizational health and capacity of federal agencies to perform their missions. Improving organizational health and performance will require different approaches for different agencies and operational units.

What the CAP Goal Leaders Have Done to Date

As of mid-2018, the Workforce CAP Goal co-leaders report that they are “on track” with each of the major milestones within the sub-goal addressing improved employee performance management and engagement. For the sub-goal related to understanding low-performance work units, the [OMB Tiger Team](#) visited a handful of frontline work units to learn firsthand what was working well, what was not working well, and what the frontline staff saw as opportunities for improvement. In its interviews and supplementary analytical research, the Tiger Team looked for ways to create conditions in the workplace that would improve performance.

While low engagement often related to the quality of leadership or management, the team found that another important driver of engagement related to what an agency does and how central a role in the mission a job series or work unit had. Employees are often more engaged in professions or job series that were mentally stimulating, provided the

opportunity to use creativity and innovation, and that provided opportunities for autonomy in their work (e.g. scientists and park managers). Staff in workplaces that were less engaged and satisfied were often in job series that were less directly linked to the agency's mission, but who, nonetheless, provided critical support roles such as human resources, budgeting, law enforcement and protective services, and maintenance workers.

In addition, the Tiger Team found that staff in front-line units were open to conversations about their survey results and ways to improve engagement. For example, units that described themselves as more engaged with their work had good career managers, support from their top political leadership, and were more transparent in their operations and with performance-related data.

Potential Next Steps

Much of the public attention to the broader Workforce CAP Goal focuses on reforms to civil service policies and laws governing the overall federal workforce system. However, the NAPA white paper and the initial work by the CAP Goal team show promise in introducing concrete changes to improve organizational health, employee engagement, and performance.

In addition to the work plan outlined on OMB's [Performance.gov](https://www.performance.gov) website, the Workforce CAP Goal team may want to incorporate some of the lessons learned by the Tiger Team and by the NAPA panel:

- Analyze employee survey data not just by work units in geographic areas or agency hierarchies, but also by job types.
- Create better tools for frontline managers such ways for them to seek advice from peers, creating communities of practice or learning networks, and on-line clearinghouses of best practices gleaned from other agencies and industry. For example, USDA integrates its employee engagement scores into the performance agreements for their senior executives, who in turn, cascade them to frontline managers.

- Where appropriate, incorporate the “whole workforce” concept into front line operations. For example, include in their employee viewpoint survey all on-site partners in delivering mission services – such as contractors, non-profits, and/or state and local partners.

Conclusion

We envision that, within a few years, this focus on building organizational health would help managers at all levels in the federal government better collaborate. It would create a continuous data-driven management improvement effort and help them learn more quickly about how to use resources more effectively to accomplish their goals. Our combined observations and experience tell us that making the government more capable of performing at a high level is no day trip. It is better thought of as an odyssey that requires a sustained commitment from managers at all levels.

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Chapter 11: Progress, Problems, and Possibilities: Communicating Government Performance Information

By Shelley Metzenbaum

It is not easy to write about the President's Management Agenda (PMA), especially the performance and evidence-informed part of that agenda, with an Administration that talks about alternative facts. Nonetheless, aspects of the Trump Administration's PMA are moving in the right direction and deserve recognition, while opportunities for further improvement abound. At the same time, slippage in a few areas should be reversed.

The long-term nature and simplicity of the Administration's PMA framework – concentrated on mission, service, and (fiscal) stewardship – is appealing. It is short, sweet, and to the point. Key to its credibility is complementary identification of the goals, strategies, and actions the Administration is using to advance progress; explanations of why those were chosen; names of goal leaders guiding progress; and quarterly public updates analyzing progress and problems along with planned next steps posted on [Performance.gov](https://www.performance.gov).

One management tool the Administration has embraced is goal-setting. During transitions, well-framed goals are an easy way to convey to large numbers of people inside and outside government which priorities will stick and which will shift. Goal articulation functions as a strong change-communicating-and-driving tool. This is especially true when organizational leaders involve key players able to make decisions and take actions that can affect the pace of progress in data-rich discussions to look for progress and problems, understand why they are happening, and decide next steps and additional research and analyses needed.

Not surprisingly, many of the goals in Federal agencies' strategic and annual plans shifted between the Obama and Trump administrations. Indeed, some changes in mission statements and strategic goals grabbed the attention of general press reporters, not just the government trade

press, because they were so significant.² This kind of goal clarity is good in a government geeky way, although many may find the changes themselves distressing. It is especially good when the public can see new strategic goals and plans compared to prior goals and trends, a comparison once but no longer possible on [Performance.gov](https://www.performance.gov).³

Since the Trump Administration first announced its priority goals, four quarterly progress updates have been released. These are required by law. It is, nonetheless, good to see them embraced and continued in a timely, seamless way.

Unfortunately, few give attention to the content of these quarterly updates. Why don't journalists and policy experts do what investment analysts do – pour over quarterly reports as soon as released to write about trends moving in a direction or at a pace other than expected, possible explanatory factors behind those changes, positive and negative outliers, and variables that could affect future performance?

Aside from the obvious lack of an incentive as compelling as the ones motivating financial reporters, one likely reason so few pay attention to the quarterly and annual performance updates on [Performance.gov](https://www.performance.gov) is the clunky way the federal government presents this information – as downloadable Power Point decks. These decks (started in the Obama Administration for cross-agency priority goals) can be helpful for managing progress on milestones. They are not, however, enough. The public and delivery partners need more.

Sadly, little progress has been made improving the coherence and relevance of federal performance information since [Performance.gov](https://www.performance.gov) and [Recovery.gov](https://www.recovery.gov) were launched during the Obama Administration and [ExpectMore.gov](https://www.expectmore.gov) during the Bush Administration. Indeed, in important ways, backsliding has occurred. It is no longer possible to find archival information or sort on budget themes to see government goals advancing

² See, for example, <https://wapo.st/2Sw7L3Y>

³ The final set of Obama Administration goals and objectives can be found at: <https://obamaadministration.archives.performance.gov/>, although without a link to agencies' prior strategic and annual performance plans and performance reports as [Performance.gov](https://www.performance.gov) previously enabled. Earlier versions of [Performance.gov](https://www.performance.gov) also linked to the Bush Administration's [ExpectMore.gov](https://www.expectmore.gov) site.

shared or similar objectives, as was possible on [Performance.gov](#) during the Obama Administration. Nor is it possible to sort on program types to facilitate benchmarking across similar processes (e.g., regulatory, R&D, credit programs) as the Bush Administration made possible on [ExpectMore.gov](#).

This is disappointing given the tremendous amount of progress that has been made sharing performance information around the country, across the world,⁴ and even within the federal government itself. For example, related to its priority goal of combatting the opioid crisis⁵, the Department of Health and Human Services (HHS) posts an easily understood strategy “map” linking to succinct explanations of why the goal is important, why strategies were chosen, statistical trends, analyses identifying variations in patterns across different subsets of the population, and discussion of causal factors that should inform treatment design.⁶

The map also links to data sets and relevant research. In communicating this performance information, HHS goes beyond simply complying with its legal performance reporting requirements. It directs its efforts, instead, to communicating in ways that inform and support decisions and actions in and outside government – at the national, state, local, and international level and in the private sector – to reduce problems and advance opportunities. Moreover, it communicates in ways that boost government’s accountability to the public by being clear about government’s priorities, strategies, and progress.

⁴ See, for example, [ResultsNOLA](#); [The Colorado Governor’s Dashboard](#); [Montgomery County’s CountyStat](#) and [Transforming India’s Performance Dashboard](#)

⁵ [Performance.gov](#), *Department of Health and Human Services: Reducing Opioid Morbidity and Mortality*, <https://bit.ly/2GpNve4>

⁶ U.S. Department of Health and Human Services, *5-Point Strategy to Combat the Opioid Crisis*, <https://bit.ly/2LUswmE>

Oddly, the information about HHS's opioid priority goal on [Performance.gov](#) does not link to HHS's coherent opioid strategy map.⁷ Shouldn't all federal agencies organize information the way HHS does for the opioid issue, not just complying with performance reporting requirements but communicating in ways that inform, support, and sometimes galvanize needed national, state, local, international, and private sector actions? Shouldn't this information simultaneously boost government's accountability to the public by being clear about priorities and why they were chosen, strategies and why they were selected, trends moving in the right direction and those not, relevant data, relevant research, and planned next steps? Shouldn't the public be able to find this information easily in a timely, readily understood manner?

The way the federal government currently communicates performance information is especially disconcerting given dramatic advances in business intelligence and visualization, declines in their cost, and intriguing visualization models the private sector has created, often using government data, such as [USAfacts.org](#) and Hans Rosling's [Gapminder project](#). USAfacts illustrates more intuitive ways to display trends. Rosling's work demonstrates more coherent, succinct ways to display relationships between indicators and trends over time in multiple places with different characteristics.

One area where the Trump Administration has made noteworthy progress is with its process-focused cross-agency priority (CAP) goals. Two CAP goals that are particularly intriguing are the CAP goal for Results-Oriented Accountability for Grants and the one for Data,

⁷ There are some other noteworthy areas of progress. For example, in addition to the opioid abuse reduction example, HUD's third quarter performance update on its priority goal to protect families from lead-based paint displays both incremental and cumulative trends. All government goals with annual increments of progress cumulating over time should similarly display both types of trends. In the future, it would also be good to see HUD and others complement these trends with information about the size of the problem (e.g., number of known lead-contaminated units and children living in them) and dollars spent to address the problem to provide context for accurate interpretation of the goal, progress, and remaining needs.

<https://bit.ly/2D8c8Zo>

Accountability, and Transparency. A look at the quarterly updates and information to which they link suggests noteworthy progress on these two goals. A look at several other CAP goals – such as Workforce for the 21st Century, Getting Payments Right, and Category Management – also suggest progress collecting and analyzing data to find ways to do better.

More disappointing, however, are the Trump Administration’s mission-focused CAP goals. There are only three, two of which feel like baked-over process goals. Why is there no CAP goal for reducing opioid abuse when both HHS and Justice have priority goals in this area, and agencies such as the Education Department, Labor, and even the Environmental Protection Agency⁸ are (or should be) taking actions to tackle this serious problem? Why isn’t there a CAP goal to help the unemployed get on a path to gainful employment in such a robust economy, to strengthen the country’s significantly deteriorating infrastructure, and to reduce persistently rising commute times?

Why isn’t it possible to look across goals and objectives to find which departments and agencies are working on shared and similar objectives to support their cooperation? Why aren’t there better filtering tools to make it easier for agencies managing similar processes – such as research and development, benefits processing, credit programs, and harmful incident reduction – to learn from each other’s experience and co-invest in solutions? Why doesn’t government organize performance information around the people and places served, enabling analyses of the sort proliferating in the private sector, such as the “Popular Times” charts that pop up on Google location searches showing historic traffic patterns for each hour of the day and each day of the week?⁹ Why don’t government offices let people know not just historic traffic patterns, as Google does, but also processing times at different times and locations for different types of services as well as real-time data about current wait times at each location? This would inform visitor planning and staff assignments.

⁸ U.S. Environmental Protection Agency, *Administrator Wheeler Releases Memo to Improve Drug Take-Back Programs and Help Fight the Opioid Crisis* (September 12, 2018), <https://bit.ly/2GaV7li>

⁹ See, for example, <https://bit.ly/2PK2QXM>

These changes obviously cannot all be done at once. In the age of agile, however, incremental improvements should be more apparent. Let me suggest 5 readily do-able next steps:

1. Make it easier to see the performance trends government tries to influence (since program inception, if possible) and government programs working to influence those indicators. Make it easier to see trends for multiple dimensions of customer service in high-impact, customer-facing programs.¹⁰ Show and link trends on key social indicators¹¹ to cross-agency, departmental, and agency goals and objectives and to relevant evidence (e.g., evaluations, descriptive and predictive studies, and data sets.)
2. Add into [Performance.gov](https://www.performance.gov) performance information from sub-cabinet units the public knows (e.g., Food and Drug Administration, Federal Aviation Administration) and from non-Cabinet federal government entities to provide a more complete, accurate, and resonant picture of the work the federal government does.
3. Structure data collection to facilitate learning and decision-making across organizations and by the public (e.g., time-stamping, geo-coding, standardizing on categories of people served, program type) and to enable use of search filters, APIs, and other analytic techniques. Tap mobile and other technologies to collect, analyze, disseminate, and visualize information in ways that make data and other information (e.g., photographs) more useful to more people, including and especially those on the front line as well as those whom government serves.
4. Build visualization tools that aid national and sub-national analyses, showing where progress is occurring, where it lags, possible causal factors, and positive and negative outliers. Experiment to find ways to make government performance

¹⁰ Performance.gov, *CAP Goal Action Plan: Improving Customer Experience with Federal Services* (FY18 Q3 Quarterly Update, September 2018), https://www.performance.gov/CAP/action_plans/FY2018_Q3_Improving_Customer_Experience.pdf

¹¹ The annual Analytic Perspectives of the President's Budget includes a table of key social indicators. It does not, however, complement the numbers in the table with trend lines that would make it easier to see where progress is trending in the right direction and where it is not, nor does it share that data in a machine-readable, downloadable way to make it easier for others to use.

information more actionable so more people use it. Experiment to find ways to translate evaluation findings to practitioners, enabling the search not just for what works on average (the current focus of most What Works Clearinghouses), but also for what is comparatively more effective and cost-effective, impact distribution, and what works well in some situations but not others.

5. Reestablish links from [Performance.gov](https://www.performance.gov) to archival performance information, including previous department and agency strategic and annual performance plans and reports and strategic goals and objectives, to enable the public, other government agencies, and solution innovators to learn from experience and build trust.

In 2019, the federal government needs to modernize the way it communicates and uses performance information to enhance performance, productivity, and people's trust in government. Who knows? Perhaps making government's information more meaningful and actionable can also be a step toward healthy de-politicization of the work that needs to get done.

Dr. Metzenbaum was the founding President of the Volcker Alliance. She has held several senior positions in federal and state government. Between 2009 and 2013, she served as Associate Director for Performance and Personnel Management at the White House Office of Management and Budget. Dr. Metzenbaum is a Fellow of the National Academy of Public Administration.



Chapter 12: Good Data Are at the Core of the PMA: Eight Suggestions for Strengthening It

By Harry Hatry

The President's Management Agenda (PMA), throughout its 50 or so pages, identifies and presses for application of data and data analyses. This certainly is appropriate. The need for modernization in the federal government is brought about by the major advances in data handling technology that have occurred in recent years. Further advances seem highly likely in the foreseeable future.

The PMA focuses on ten [Cross-Agency Priority \(CAP\) Goals](#), listed on page 27. The goals are commendable in laying out a framework for cross-agency federal management efforts, a vision that seeks to modernize the management of federal government activities. At the core of performance management is the availability to public managers of relevant and quality data.

It can be argued that a major reason managers, and Congress, have not been interested in the Government Performance and Results Act's annual reports is that they do not provide the data they need. Such data often do not address specific issues of their interest, at the time they are needed, and in sufficient detail to be of much use.

Below are eight suggested "technical" actions that OMB and other Federal agencies could take to strengthen federal managers' ability to obtain information for use in managing their programs. These are basic steps, but basics are too often neglected. These suggestions apply to each federal agency and their efforts to use data to improve services.

1. **Enable managers, supervisors, and non-management employees involved with a service to easily obtain the latest available relevant data that the manager believes can help improve decisions. Data findings would be "at their fingertips."** For example, enable managers to easily obtain such data as cross-tabulations and multi-cross tabulations of performance indicators from their own electronic device. Inroads already are being made here, but easy-to-use applications have a long way to go.

This would allow managers to dive deeply into the data. The manager should be able to examine not only the aggregate value for a performance indicator but also obtain, when needed, the performance values broken out by customer characteristics (such as customer demographic characteristics), or by service characteristics (such as providing the data on each federal office providing the service), or by workload characteristics (such as by distinguishing complexity levels for the incoming work). This will provide information considerably more action-able and useful. For example, a manager should be able to readily examine and track not only the aggregate average number of days it takes to determine eligibility for a federal service, but also the averages for each level of complexity of the incoming applications.

The information available should provide selected comparisons wanted by the manager, such as displaying comparisons of performance between different reporting periods, between different offices, between different customer groups, and between complexity levels.

Furthermore, that data should be available to users in a user-friendly format, with clear and full labels, so the data presented are clear and easy to understand, making full use of data visualization procedures that translate the data into attractive, meaningful, presentations (using charts, graphs, tables, etc.), with use of color to help identify the data likely to need attention.

- 2. Be flexible in methodology requirements when calling for data rigor when attempting to identify the cause of outcomes. Encourage federal agencies before deciding on the evaluation method to undertake “evaluability assessments” of the feasibility and timeliness of proposed evaluations.** This will avoid wasting funds on methods that may prove intractable or require excessive time before findings become available. In recent years, federal agencies, prompted by OMB, have pressed hard for highly rigorous program evaluations. Rigor is certainly desirable for making major policy, program, and funding decisions. Procedures such as randomized controlled trials (RCTs) can add considerable accuracy in determining the causes of interventions. However, for the bulk of program decisions that are

frequently being made, and needed soon, RCTs and other highly rigorous statistical methods can be very expensive and often are difficult to implement.

Managers need to make many choices on their programs throughout each year. Evaluation options are available at lower cost that provide more timely findings. However, they will have less ability to determine who or what caused the outcomes. Reports on the data need to make this clear. (Example of these options include before-versus- after comparisons and “natural experiments” in which data can be obtained and then compared on both a group of customers who used the program and a similar group of customers who did not use the program.) Regular program performance reports should provide the program’s best estimates of the reasons for any outcome values that appear to be of special concern such as values that appear especially bad or especially good.

The most rigorous studies are likely to be infeasible for most federal program managers. These highly sophisticated methods typically require resources and timelines beyond the programs’ capabilities. It is better to be roughly right than precisely ignorant.

3. **Place more emphasis on replicating findings from single studies, even if the study has been highly rigorous.** Do the findings stand up when implementation is attempted in other locations? Single studies, such as a program evaluation, have the problem of small sample size. Study outcomes can be greatly affected by conditions special to the location, such as the quality of staffing, state laws, or other local circumstances.
4. **Explicitly call for identifying unintended effects, especially negative effects.** Some unintended effects can be anticipated during the evaluation’s planning stage, such as the side effects of economic development programs on the environment or the reverse. These unintended effects should be included in the program’s performance assessments. During an evaluation’s implementation, other unintended effects might appear. When evaluating the program, not only should the pre-identified performance indicators be considered but also the unexpected, unintended, effects.

5. **Require program evaluation studies and regular outcome reports to identify the limitations of the information presented.** For example, when reporting the findings from federally sponsored population surveys, require reporting of: response rates; dates when the survey was conducted (how old are the data?); gaps in coverage of particular demographic groups; and, when samples are used, margin-of-error rates. Such added information can reduce misunderstanding and misuse of the data.
6. **Place more emphasis on the estimation of future program outcomes. Include monetary costs as well as non-monetary benefits.** Program evaluations and regular performance reports primarily examine the past. However, policy and program decisions that managers need to make are usually about the future. Place more emphasis on estimating future costs and benefits. Of course, such estimates will be considerably more uncertain than assessments of past performance.

Examples of federal use of such approaches include the “cost-benefit” analyses undertaken for regulatory studies and the United States Army Corps of Engineers for decisions on dams. More use of the less expensive approach, “cost-effectiveness” studies, seems warranted and more practical. Such studies separately estimate the future costs and effectiveness of alternative approaches but do not attempt to monetize the benefits. The need for more rigor in estimating future costs and benefits is becoming recognized, often thriving under such terms as “predictive analytics.”

7. **Continue to push for cross-agency collaborations. Expand federal collaborative efforts to include other sectors. Make these true “Performance Partnerships.”** Involve as partners not only federal agencies but also state and local government agencies and, for some issues, the private-sector, both the nonprofit and for-profit sector. The PMA, through the CAP goals, is already pushing hard to undertake cross-federal agency efforts to improve outcomes. (The notion of multi-sector performance partnerships was raised by OMB in the mid-1990s.) An example of current efforts is the United States Interagency Council on Homelessness. A principle of such efforts is that all partners are striving for the same high-level goals, but each

has its own set of goals and sub-goals, relevant to its own scope of authority, ones that would contribute to achieving the higher-level joint goals.

- 8. Finally, make the data and data analyses available to all federal employees that have a role in a service's delivery or otherwise have an interest in the information. Show each level the link between their work and their sub-goals and higher level goals.** This should be a major management function.

Final Note

Most of these suggestions require no additional funding and can be introduced at any time. A partial exception is the first suggestion: providing managers with the latest performance-related data and basic analysis capability at their fingertips. Full implementation of this requires software that has not yet been fully produced but appears to be within current technology's ability to produce.

Mr. Hatry is a distinguished fellow at the Urban Institute, where he has been a leader in developing performance management/measurement and evaluation procedures for public agencies since the 1970s. He has worked with a wide range of local, state, and federal agencies – internationally and nationally – to develop outcome measurement procedures for such services as public safety, health, transportation, education, parks and recreation, social services, environmental protection, and economic development. Mr. Hatry is a Fellow of the National Academy of Public Administration.



Chapter 13: Towards a 21st Century Government

By Alan P. Balutis

This monograph on President Trump's Management Agenda was organized and assembled by the National Academy of Public Administration. The end goal of the PMA is to create a transformed government for the twenty-first century. What characteristics would a transformed "twenty-first century" government have? What are some of the elements of such a government? Although the outline of such a government is becoming clearer, the literature has yet to describe a real model. In the last few years, several texts have offered various visions:

- Several trends are transforming government: (1) the "rules of the game" are changing in human capital, financial management, and organization structure; (2) performance management is increasingly used; (3) governments are taking market-based approaches, such as competition, choice, and incentives; (4) government is moving from business as usual to performing on demand; (5) citizens are becoming more engaged; and (6) governments are using collaborative networks and partnerships to deliver services and solutions.
- These trends – and the formidable challenges facing the nation – will drive government to reconfigure itself to serve the needs of its citizens in the twenty-first century. As Professor Donald Kettl has put it, "At the core is a fundamental problem: the current conduct of American government is a poor match for the problems it must solve." Thus, Kettl notes five imperatives for the performance of government in the twenty-first century: (1) a policy agenda that focuses more on problems than on structures; (2) political accountability that works more through results than on processes; (3) public administration that functions more organically through heterarchy than rigidly through hierarchy; (4) political leadership that works more by leveraging action than simply by making decisions; and (5) citizenship that works more through engagements than remoteness.

- A new, transformed, on-demand government would have different characteristics than today's government. It would be responsive, agile, resilient, flexible, dynamic, flatter, more connected, less hierarchical, dynamic, seamless, more personalized, and transparent.
- Such a transformed government might deliver services by three different approaches to policy implementation: reinvented government, government by network, and government by market.

These trends will drastically affect what it is like to work in the public sector. New forms of coordination and control will evolve. Governments will place a premium on the skills of orchestration and facilitation and the ability to recognize the credibility and authority of sources of policy insight and advice outside the formal structures of the public sector. New accountability methods will be developed to match the radically dispersed and collaborative nature of public purpose work. Governments will need to make their own workplaces flatter, more connected, and less hierarchical, more in tune with the values and behavior of the talented people that need to be attracted to the public sector. The President has the opportunity to reshape the government, public services and policies that limit our capacity to respond to current challenges.

Conclusions

The federal government will be undergoing tremendous change on many levels over the next several years. This monograph has described the forces that drive that change:

- The complexities of government operations and the challenges and problems the nation faces today have evolved faster than government's ability to solve them;
- The current federal workforce is about to undergo a radical change. The workforce, especially its top leaders, is rapidly graying and many are eligible for retirement;
- Over half a million new workers will enter the federal workforce in the next five years, bringing with them new perspectives and

expectations as “digital natives.” Government will transform as a function of generational replacement.

- Innovative 2.0 technologies will allow this future workforce to communicate and interact effectively, collaborating with colleagues around the nation and with state, local, and private sector partners through virtual networks; and,
- Heavily indebted and increasingly broke, government is searching for a new model. That may mean doing less with less, a reduced role for government, vesting communities and individuals with fresh powers, and peddling a new era of volunteerism.

Any one of these would be a major driver for government. But their convergence creates “a perfect management storm” – to paraphrase the well-known movie and book – for our nation today. Thus, the weakness of the current bureaucratic, 20th century government in dealing with accelerating changing is only a part of the multi-flanked attack on traditional notions of government management.

The strategy consultant Gary Hamel is a leading advocate for rethinking management. He has built a new, online management “laboratory” where leading practitioners and thinkers can collaborate on innovative ideas for handling modern management challenges. No new model has yet emerged, either for corporations or for that Fortune One Company, the Federal Government. This much, though, is clear: It will need to be flexible, agile, able to quickly adjust, and ruthless in relocating resources to new opportunities and challenges. Power and decision-making will need to be pushed down the organization as much as possible, rather than concentrated at the top. Traditional bureaucratic structures will have to be replaced with ad-hoc teams of peers, who come together to tackle projects and then disband. Information gathering will be broader and more inclusive. New mechanisms will need to be created for harnessing the “wisdom of crowds.” Feedback loops will need to be built that allow services to constantly evolve in response to new information; change, innovation, and adaptability all have to become the norm. The Net Generation, with its inherently more collaborative and IT-savvy nature, will embrace and enable the changes.

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“Trump’s management agenda is both a world-class plan for transforming the government and, between the lines, a powerful diagnostic for what ails it. It’s an important, perhaps surprising, contribution to the public debate.”

— **Donald F. Kettl**

Professor at the University of Texas at Austin

“Given this environment, it is fitting that all three of the key areas covered in the President’s Management Agenda (PMA) recognize the inestimable role that technology will continue to play in the days and years ahead. The promise of this technology-enabled future is within our grasp -- with opportunities for the Federal government to make great strides at widespread transformation, improved services to citizens and greater mission effectiveness.”

— **David M. Wennergren**

Managing Director at Deloitte Consulting LLP

“The long-term nature and simplicity of the Administration’s PMA framework – concentrated on mission, service, and (fiscal) stewardship – is appealing. It is short, sweet, and to the point. Key to its credibility is complementary identification of the goals, strategies, and actions the Administration is using to advance progress; explanations of why those were chosen; names of goal leaders guiding progress; and quarterly public updates analyzing progress and problems along with planned next steps posted on Performance.gov.”

— **Shelley Metzenbaum**

Founding President of the Volcker Alliance and former Associate Director for Performance and Personnel Management at the White House Office of Management and Budget

