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Government-Wide Management Reforms Vision, Obstacles, Remedies

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Abstract

President Bush's management agenda, initiated in FY 2002, is the latest in a long series of management reforms that have been introduced in the Federal sector with the intent of improving government efficiency and effectiveness. All of the reforms bear a strong similarity in that they are soundly conceived, enthusiastically launched by the incoming Administration, implemented on a broad scale, and then fade with time as the perceived return on investment declines. As the Bush Administration enters its second term, the timing is appropriate to raise the question: What can public sector managers do to enhance their return on investment in these reforms? This article reviews key conditions that should be met to aid in successful reform implementation; challenges to meeting these conditions; and suggestions for addressing the challenges.

I. The Ongoing Cycle of Government Management Reforms

The familiar pattern and drum beat of government-wide management reform has been repeated throughout the 1970s, 80s, 90s and into the first decade of the 21st Century. Program Planning and Budgeting Systems [PPBS], Management by Objectives [MBO], Zero Base Budgeting [ZBB], and the Government Performance and Results Act [GPRA] have all followed essentially the same path:

Ushered in by a new Administration. Government management reform has historically been high on the agenda of new Presidents. It is often based on a campaign pledge to come to Washington and help create a more responsive government. The core of the reform is based on a planning, management or budgeting approach that has been tried in the private sector, or perhaps in state or local government – with varying degrees of success. For example, PPBS [Program Planning and Budgeting Systems] was developed by analysts from the Rand Corporation and introduced by Robert McNamara at the Department of Defense [DOD]; MBO [Management By Objectives] was imported from the private sector by Lyndon Johnson and based on Peter Drucker's writings of two decades earlier; ZBB was brought first from Texas instruments by Peter Pyrrh, and then introduced in the state of Georgia when Jimmy Carter was Governor. He eventually brought the method to Washington. GPRA was largely based on the results of a successful performance measurement system in Sunnyvale, California when John Mercer served on the City Council, but it was quickly and heartily endorsed by the Clinton-Gore Administration. Many components of President Bush's Management Agenda were imported from practices in the state of Texas. Positive publicity usually surrounds the introduction of the reform. Sponsors and advocates of the reform tout its success – perhaps prematurely. Here is a recent excerpt from a Performance Institute Press Release, demonstrating such optimism:

> *"Now in its third year of implementation, the President's Management Agenda has become one of the most successful management reform initiatives undertaken by the federal government in modern history. Nevertheless, much is left to be done to achieve the ambitious goals of the PMA to transform the operations of every federal agency to make them citizen-centered, results-oriented and market-based". [1]*

Expanded to all Federal agencies. The pace of expansion varies. But the ultimate goal is for total emersion. PPBS started at DOD and was introduced into civilian agencies a two years later before it died a slow death [except for DOD] beginning in 1965. [2] MBO and ZBB spread virtually instantly to all Federal agencies; GPRA started with a small number of agencies on a pilot basis, with the intention of expanding to all agencies. GPRA took about three years to cover all agencies. The President's Management Agenda is still in its expansion stage .

Linked with the budget cycle. Reforms are timed so that agency responses to their requirements may be used to inform budget decisions. Agencies dedicate long hours preparing massive documentation to satisfy the requirements of the reform, and as evidence of well-planned and managed programs. The hope is that their efforts will lead to favorable budget decisions. Their hopes are often not well-founded – partly because the appropriations process is inherently political; but often because high quality evidence cannot be produced within a budget cycle time frame. Further, appropriators find it difficult to assess comprehensive information within the context of an incremental decision making environment.

Lowered expectations - When agency administrators and program managers fail to see a strong relationship between the amount of effort dedicated to these reforms and favorable budget decisions they are increasingly reluctant to continue investing at the same levels. The 'proof of effectiveness' problem is exacerbated in the case of knowledge-based, or prevention-based programs, where results are difficult to discern.

Minimal investment - Agency leadership scales down their involvement. Senior managers delegate progressively larger parts of the job to staff functionaries, and then to the newest staff people hired. This tendency is accentuated in times of tight budget constraints.

Residual effort – The Reform continues to generate annual requirements, which are addressed on a pro forma basis until the next reform emerges. Institutional inertia, combined with the persistence of legislative and administration requirements maintains the reform in place until the next generation emerges.

This repeating pattern has led to much wasted effort over the years. All government reforms have asked essentially the same questions of Federal managers:

- Are you producing results that make a meaningful difference to taxpayers?
- Can you provide evidence that you are, in fact, producing results?
- Are you saving taxpayers money by managing programs efficiently?

A cadre of staffers spread across government spend exorbitant amounts of time providing answers to these questions. But the answers have minimal impact on budget decisions made by the U.S. Office of Management and Budget [OMB] and Congress; or on how Federal programs are run on a day-to-day basis. The 'government reform' business has its own producers, marketers, products and customers. It is a closed system in which 'good government' representatives in the Executive and Legislative Branch have dialogues with each other, and pass evidentiary documents back and forth. But the wheels of government management reform never really touch the ground in terms of affecting decisions that affect taxpayers lives. There are always exceptions that prove the rule – such as selected Federal programs whose good management practices mimic the requirements of one of the alphabet reforms. But the high cost of rote, massive responses to government management reform requirements far outweighs the benefits that taxpayers ever see. And the high cost is multiplied with the dawn of each new government management reform cycle.

The question is: How do we get the 'wheels to touch the ground?' The answer has three parts: First, choose a realistic model for implementing government reforms; second, identify obstacles to implementing the model; and third, suggest approaches for overcoming the obstacles. In the remainder of the article I address this three part answer.

II. A model for reform success

The model for government management reform success described below represents an amalgam of the thinking of many who have thoroughly considered the unique challenge of improving organizational effectiveness in both the public and private sector. They reflect, among others, criteria outlined in the Malcolm Baldridge award [3], OMB's current PART [Program Assessment and Rating Tool] [4], John Bryson's landmark book on Strategic Planning in the Public Sector [5], and Chris Mihm's work at the U>S. General Accounting Office [GAO] which outlined a clear protocol for implementing strategic and performance planning to meet GPRA requirements. [6]

Seven organizational conditions are suggested that are leading indicators of successful government reforms: management support and use; stakeholder ownership; alignment and integration of Agency internal management systems; availability of relevant information and knowledge management; analytical rigor; and effective communication. These conditions are described briefly below.

Management support and use – Managers at all levels in the organization are receptive to the use of formal, fact-based planning and management systems to steer their operations. They establish clearly defined goals to set a course of improvement for their organization, use performance information to make long and short range decisions, and develop the supporting structures, systems and processes that allows a results-oriented culture to flourish. Managers who have a formalized system in place will be in a better position to produce the evidence required by government-wide reforms, than managers who have no such formal system in place.

Stakeholder ownership – Processes are in place which allow both external and internal stakeholders and customers to have substantive input into managers' decisions about future directions and current programs. Stakeholders have shown clear evidence of their support for and commitment to goals established by management. Management has also formulated and implemented clear strategies for leveraging and amplifying the continued support of stakeholder advocates; and minimizing the adverse impacts of stakeholders who may disagree with Agency or program directions.

Alignment and integration – Planning and management systems have been aligned and integrated throughout the agency. Similar harmonization has also been achieved with all relevant external stakeholder groups who participate with the target agency in achieving common goals. Performance information is also closely linked with both budget and accounting information; and there is congruence between organizational goals and goals outlined in individual performance plans and appraisals.

Relevant information and knowledge management– Managers can access valid and reliable information to assess performance and as a basis for making future strategic and performance decisions. Knowledge systems are in place that enable information sharing, and which provide the right information at the right time to decision makers. Organized initiatives are underway to develop appropriate performance information for new or emerging performance goals that are not supported by existing databases. Baseline performance data are captured by automated data bases that are scalable, interoperable, web-based and used.

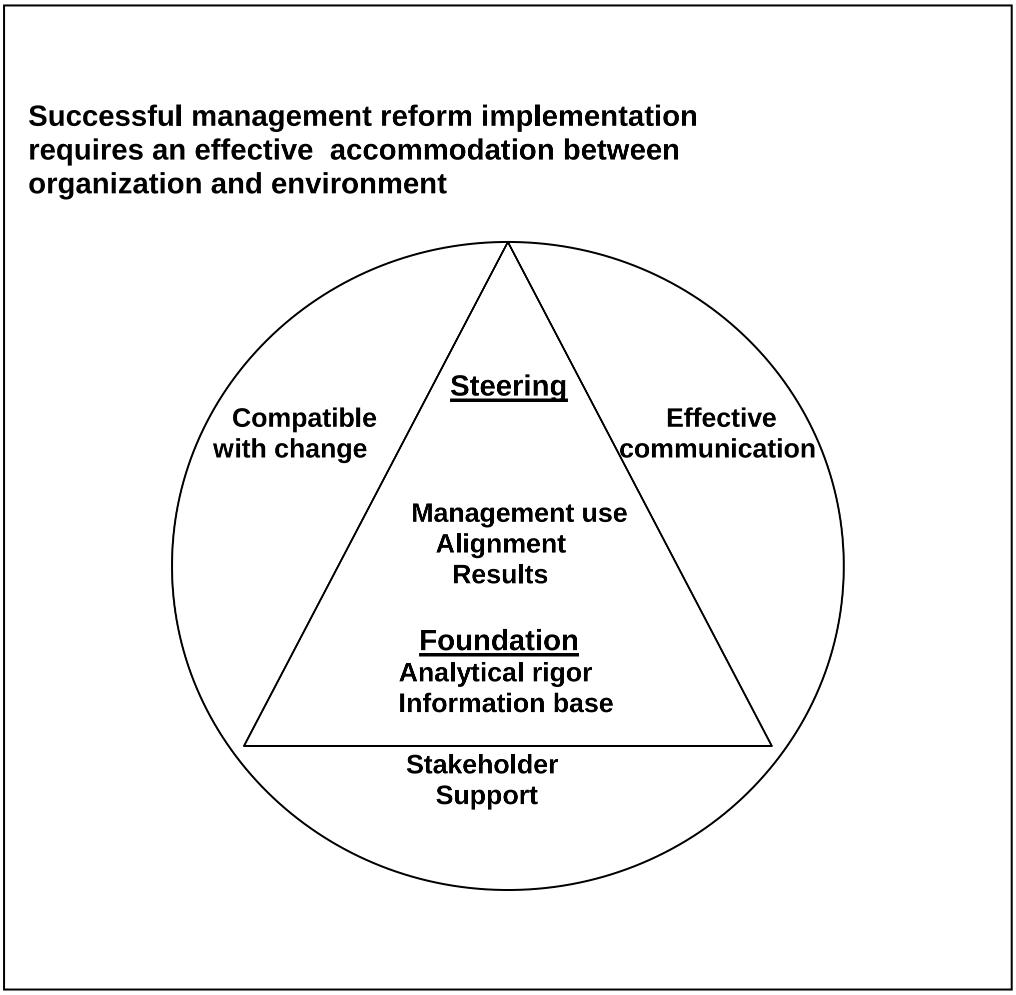
Analytical rigor – A firm analytical underpinning has been established to support the development of rational and relevant goals; and the analysis of progress toward the goals. Analysis and evaluation also provides a systematic understanding of the logic that connects program components, and how programs are linked to their external environments. This permits a better understanding of which performance indicators are critical to successful program outcomes.

Effective communication – Communication strategies have been formulated and implemented to convey clear and understandable messages about planned and actual achievements to all key stakeholder and customer groups. Communication strategies are tailored to the particular characteristics of these groups, but are consistent in terms of performance content. Internal mechanisms have been established to vet all outgoing performance information so that there is a minimum of conflicting or out-of-context statements on performance. All written performance documents are in 'Plain English, and menu-driven to accommodate the information needs and capacities of target audiences.

Compatibility with change initiatives – The Agency has developed structures and processes that enable it to behave as a 'learning organization,' These include: 1) the ability to deconstruct their environment. To 'deconstruct' is to see new possibilities beyond traditional or dominant frames of reference. 2) the ability to self-organize in order to address the problems/challenges at hand. Organizations are not tied to a command and control structure, nor to a network structure. They select the structure that will most effectively address the situation at hand. 3) an active feedback mechanism that allows the agency to process and interpret information in a way that goes beyond supporting status quo positions, and may lead to entirely new ways of acting.

Taken together, if these conditions are satisfied, the vision of government management reforms – meaningful results, accountability, and efficiently managed programs – is more likely to be fulfilled. As the Figure One below illustrates, these conditions also play an integral role in helping the Federal organization make a reasonable accommodation to its external environment.

Figure 1:



III. Challenges to Successful Implementation of Government Management Reforms – Some Hypotheses

Despite a broad consensus on models for action, such as that described in the above section, persistent obstacles remain. These obstacles should be understood and addressed if a government management reform has any reasonable chance for success. The challenges described in the following sections emerged from many discussions with Federal employees who have worked across the spectrum of agencies; and who have tried diligently to make government reforms work. These challenges represent a diagnostic inventory to begin codifying the reasons why government reforms are not as successful as they could be. They are also offered as hypotheses to be tested by practitioners. And, as such, they are potential topics for further research.

1. There are inherent difficulties in applying conventional private sector planning paradigms in the public sector

The generic reasons for failed private sector-generated planning reforms in the public sector are well-documented. In an earlier article I reviewed these limitations:

- Public sector agencies live in a multiple stakeholder environment that pulls agencies in several different directions simultaneously. This limits the Administrator's ability to implement a unified direction for the Agency based on universally accepted goals.
- Political appointees to Federal agencies often mean rapid turnover at the top. This creates a schizophrenia between a long term and short term emphasis; as well as between politically-motivated goal setting and careerist-inspired implementation.
- Public sector problems are often more complex and convoluted than those encountered by CEOs in the private sector. This complexity limits the ability of conventional private sector planning to establish stable linkages among levels of planning, and between inputs, outputs and outcomes. [7]

The above characteristics represent structural factors that virtually all Federal agencies must face. And to a certain extent, the characteristics are serious constraints on just how successful any private sector-inspired reform can be in a government setting. Within this public sector context of 'givens,' however, there are additional obstacles which Federal managers have more latitude to address, and which can spell the difference between reform failure and a modicum of success. These are discussed briefly below.

2. Federal managers do not have the incentive to participate in reforms

The most critical prerequisite to successful reform implementation is that Federal managers must be motivated to support and use the information generated by management reforms to steer their programs. But the appropriate incentives for support and use are not in place. Here are some of the more formidable disincentives that I have observed:

Administrators and managers are not rewarded with more resources, nor protected from resource reductions. Despite the urging of OMB and other 'good government' advocates to use these reforms as management improvement opportunities, many managers may be motivated to authentically participate only if it improves the prospects for favorable budget decisions. Since budget decisions at OMB and in the U.S. Congress are, at heart, politically-driven there is little prospect that there will ever be across-the-board evidence of a direct link between well-formulated responses to government reform requirements and favorable budget decisions. To exacerbate the disincentive, an intensive management reform effort diverts scarce existing resources from mission-critical activities. This is particularly burdensome when civilian agency budgets and flexibility continues to shrink.

Why should managers become over-wrought with the latest management reform when they know that a new one will soon take its place? This is true for seasoned managers, in particular, who have been exposed to the parade of government reforms that are relatively short lived. They may not want to invest too heavily in the 'reform de jour' because they will have to change course when the next Administration or Congress introduces a new version.

Managers often do not see how management reforms help them manage better, or result in more efficient and effective programs - What can management 'experts' who are remote from programs tell program managers about running more effective operations? Guidance from OMB is replete with information on formats, processes and definitions that clarify tools such as strategic plans, performance plans, output goals, outcome goals, etc. In my experience, very little of that information helps managers to run more efficient or effective programs. This concern was driven home during the period of time when GPRA was being implemented across Federal government. OMB strongly encouraged management training across government in the techniques of performance planning and measurement. Many managers within FDA attended two day training courses in which these techniques were taught. Although many of my colleagues thought that the courses were intellectually satisfying, they could find little receptivity among their peers back at the office; and virtually no opportunity to apply these methods in the real world, day-to-day operation of programs. Knowing how to establish baseline data and measure outcomes, for example, doesn't help a program manager who has no funds to collect the necessary information; and is much more worried about how to address the immediate concerns of a disgruntled employee who is not delivering program services to an irate and important customer.

3. Stable Reforms – Dynamic Agencies and Programs

Government management reforms work most efficiently in stable environments where relationships among variables within a program, and those between the program and the outside world are relatively durable. Under such controlled environments, analytical rigor can provide the underpinning for planning and performance assumptions. However, the complex and changing issues that Federal managers must deal with on a regular basis [terrorism, health crises, inflation, unemployment, etc.] do not lend themselves to the orderly planning and management approaches embedded in these reforms. There appear to be few, if any, accommodations made by the authors of these reforms to acknowledge that generating 'proof of performance' is virtually impossible in landscapes characterized by 'high velocity' changes and unavailable data that can map these changes.

An ongoing tension also exists between the desire to have uniformity and consistency across government to aid in coordination and oversight, and the need to tailor the reforms so that they meet the managerial needs of specific agencies, programs and stakeholders. There may not be sufficient sensitivities built into the design of these reforms that reflect an understanding of the very basic differences between a research agency, such as the National Institutes of Health [NIH], and a transaction-based agency such as the Social Security Administration. The GPRA requirement for annual performance goals in mission-critical program areas, for example, makes much more sense for transactional activities, such as processing Social Security Checks than for research enterprises.

4 . Competing agency cultures

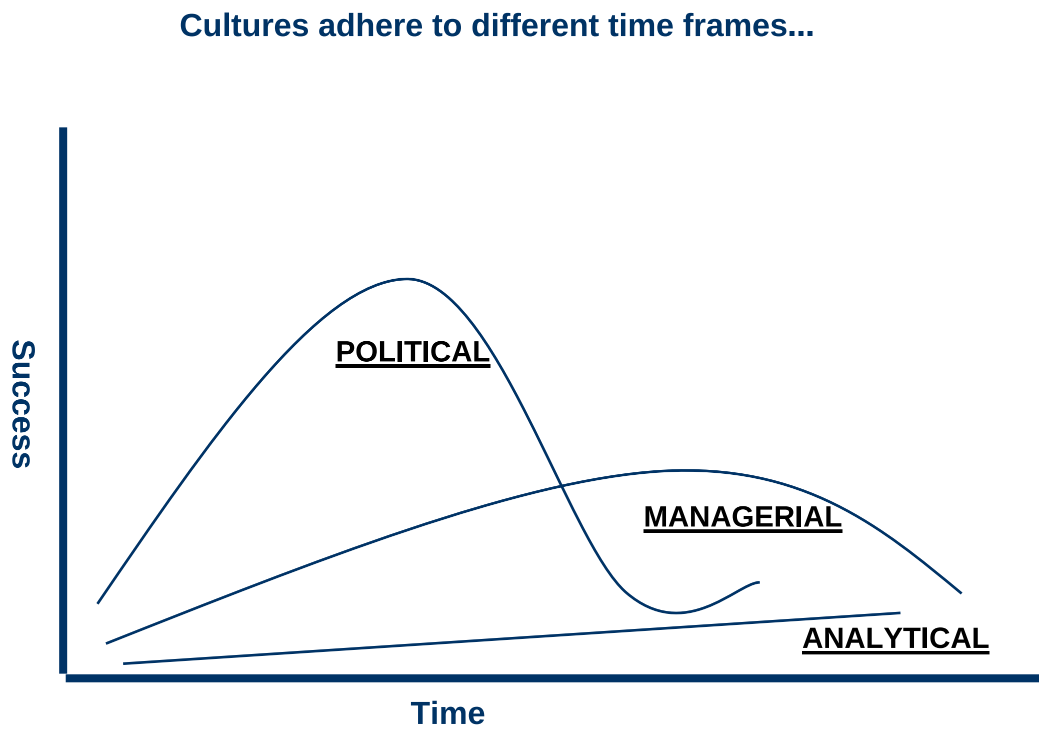
Federal agency environments are diverse - characterized by different and, often, conflicting perspectives. Several organizational cultures may compete for the predominant 'world view. Among the organizational subcultures who must be relied upon to implement government management reforms, are those that focus on problem solving, boundary management, accountability, change, and program stability. Although each of these orientations are valuable in a fully integrated management regime, government managers and operatives tend to define themselves, and live primarily within one of these orientations at a time. The Figure below illustrates the different cultural orientations.

Figure 2:

Organizational Culture	**Prime Values**	**Success Criteria**
Boundary Managers	• Protection • Persuasion • Consensus	• Resources • Support
Analysts	• Intellectual rigor • Creativity	• Understanding • Discovery • Solutions
Accountability Protectors	• Control • Closure	• Clear chain of command • Responsibility for actions
Program Stabilizers	• Stability • Predictability	• Adherence to mission • Maintaining cohesion • Retaining control • Predictable results
Change Agents	• Innovation • Flexibility	• Successful adaptation to environmental shifts

Differences in cultural orientation are also manifested in the management reform process in the form of political, managerial and analytical perspectives. Each of these perspectives is required for successful reform implementation, but each run on different time frames [Figure below]

Figure 3:



It is extremely difficult to modify the time orientation of these perspectives – which is one of the greatest challenges associated with the successful implementation of management reforms. For example, analytical efforts to support budget justifications within a political time frame become squeezed and often distorted in order to fit within 'political' time where decisions must be made quickly and often precipitously.

A colleague who worked in a consumer protection agency described the urgency of connecting evidence of program effectiveness to that Agency's budget request. "We've got to show them dead bodies in the streets as a consequence of not funding our request!."

Although such cultural diversity ultimately may enable the Agency to adapt more efficiently to a wide variety of unique local situations, in many cases great organizational diversity can also hinder an Agency's ability to respond efficiently to the monolithic requirements of government reforms.

Other Agency Disconnects

Cultural and stakeholder diversity present a challenge to Federal agencies in developing a cohesive response to government management reforms. An additional obstacle is the degree of fragmentation in how activities are planned, budgeted, organized and implemented. This fragmentation manifests itself in several different forms, including: disconnects between strategic and operational planning; planning and budgeting efforts that are not synchronized; and misalignment between organizational goals and individual goals. Each of these fissures does its part to constrain a unified response both to government reform requirements, and to effective Agency management.

6. Proliferation of Government Management Reforms

The host of government management reforms generated since the early 1990s have produced a myriad of 'good government' signals that Federal program managers are being asked to follow. Many reforms are asking Federal managers to make similar, and often overlapping, planning and management improvements – e.g., set reasonable goals, consult stakeholders, assess risk, evaluate alternatives, estimate costs, monitor and report. Yet, each of the reforms has its own set of requirements that must be addressed. It would appear that pluralistic approaches to resolving issues in Congress apply as much to management reforms as they do to any substantive policy concern. Some agencies have made attempts to integrate responses to these reforms into an enterprise-wide approach. Most have not. OMB has encouraged cross-cutting solutions to some of these challenges, but their recommendations are rather generic. The onus is on the Agencies to develop creative solutions to the coordination and integration challenges posed by the overlapping requirements of 'good government' reforms

7. Communications Challenges

The potential power of management reforms to produce the kind of results envisioned by its sponsors is often diluted by an inability to accurately, clearly and persuasively convey the intended messages in appropriate ways to the right audiences. There are three types of communication problems: 1) obscuring the message with technical or bureaucratic terminology; 2) not tailoring communications for appropriate audiences; and 3) the absence of an overall communication strategy. Federal managers often take a 'one-size-fits-all' approach to planning and performance communication documents. Differences in information needs have not been accommodated. This may also at least partly explain why Congressional appropriators do not find the planning and performance documentation submitted by Agencies to be particularly useful. An overall strategy should extend far beyond the communications document itself. Most communications strategies associated with government management reforms fall short because audiences to not have the information when and where they need it, and in the right form.

9. Analytical rigor is expensive and difficult to achieve

Formidable obstacles face managers who are asked to provide proof of program effectiveness and cost-effectiveness. Effectiveness is difficult to trace back to a single program because it involves outcomes that usually only result when many institutions – not just the program in question – are doing what they're supposed to do.

The development of effectiveness/outcome data is expensive, time consuming and often not reliable. The degree of environmental change often obliterates any durability in the nature of the relationship between program efforts, outputs and outcomes. This, in turn, makes outcomes/effects almost impossible to predict. Cost-effectiveness information is not valid, particularly when effectiveness is defined in terms of outcomes. Many categories of costs are common costs that are allocated to mission-critical activities based on criteria that have little to do with outcomes – e.g., pro rata, based on volume of activity, or politically based.

10. Information is costly, often not accessible, and of mixed quality.

Information necessary to fulfill requirements of management reforms is costly to obtain or develop, often not accessible, and of mixed quality. When information is available it is often not integrated into the management system so that it is useful for decision makers. The management reforms we have been discussing demand rigorous analysis to support the establishment of goals and strategies, and reporting on progress. But a prerequisite for conducting this analysis is the availability of a strong and reliable information foundation. This entails first accessing or developing the appropriate information, and second managing and validating its quality and reliability. There is often little management support to fund requests for the development of baseline data because the return on investment is perceived as being too remote and low priority compared to other pressing agency or program needs.

IV. Remedies

There are no comprehensive, foolproof solutions for getting the most out of government management reforms. What works in one venue will not necessarily work in another. Nevertheless, Federal agencies are already making a variety of accommodations that allow them to be responsive to the requirements and at the same time get some value from them. In this section these adaptations are summarized into seven categories. Taken together, these categories represent a systemic approach to achieving success.

1. Address the incentive problem

The incentive challenge is addressed by acknowledging early in the process that not all parties are participating in this process for the same reason, nor should they be.

Nevertheless, common ground can be found. Here are some suggestions for finding that common ground:

Assign a 'point person' responsible for working with the senior leadership team in implementing management reform – This person can be the director of the Agency's planning function, or someone else – but the assignment should be made by the top executive in the Agency. Because management reforms are associated with the budget cycle, it is important for the point person to share operational responsibility with someone in the budget office.

Clarify purposes of participation in management reform – This includes acknowledging that there are different roles for each participant, and different expectations from each participant. If there is an unstated, but implied assumption that better planning should lead to more favorable budget decisions, that assumption should be made transparent and seriously questioned at the outset of the process. Other purposes should be surfaced and legitimized. The process should be designed so that at the outset, the Agency administrator clarifies whether he/she intends to use information generated by management reforms to support policy and resource decisions made during the course of the year. Clarification of purposes is absolutely critical because it drives the kind and extent of participation throughout the entire process.

Encourage and facilitate managers' ownership in process design – This step is crucial in achieving buy-in. Congress, OMB and cabinet-level planning staffs have outlined the intent of these reforms, and suggested formats to be used, questions to be addressed and deadlines to be met. But it is difficult to sustain the interest of agency leadership in process per se. They must be able to see how participation in a process will enable them to more effectively address the program issues that capture their interest. Senior leadership's role should not end with the determination of Agency priorities. They should take a hands-on approach in determining steps in the planning and measurement process, what questions should be addressed first, who should participate and how much time should be allowed for each step. Without that specific level of involvement, OMB management reforms revert to staff exercises. This is an ownership issue.

Forge a unified senior team that is connected to a strong organizational culture – The development of a strong organizational culture that is led by a unified senior management team usually does not occur in the throes of a new management reform, or in the midst of any particular budget cycle. It requires time to emerge. Leadership will need to invest trust in a planning expert within their agency who is both familiar with the management reform, and with the culture, management style and technical capabilities of the Agency. Veteran managers have seen the life cycle of these reforms, and may be inclined to take a skeptical view about any real 'value added' by the latest incarnation. Involving a unified leadership, authentically connected to a strong organizational culture can dampen the skepticism. Even if the leadership does not expect that more funds will be received from Congress as a result of their participation and support, they will be more apt to stand by a reform if they have helped fashion it.

Assign a champion – Successful management reforms require a champion to focus the agency on the task and to inspire first and second level managers to achieve desired results. The champion's role is separate from the roles of critical point people on the planning and budgeting staffs, who are responsible for helping to operationally steer the management reform through the agency. The champion should be closely identified with the reform. He or she must be an individual who has enough visibility and power in the agency to command respect from both internal managers and employees. The champion must also be an excellent communicator who can serve as a spokesperson for the Agency to external stakeholders such as high level Administration officials, Congress and others.

2. Encourage transition mechanisms

Transition mechanisms allow an agency to demonstrate that progress is being made toward the establishment of a mature planning and management regime. The goals of management reforms are ambitious and agencies are generally not in a position to produce instant results. To illustrate, outcome goals cannot be simply asserted. They require the development of baseline data, in-depth program evaluations, and alliances with outside organizations to help achieve them. Identified below are strategies that allow an agency to bridge from current knowledge to ideal knowledge.

Formulate a data development plan - Outline the tasks necessary to build and/or access the baseline information that is required to evaluate current performance, and to serve as a basis for establishing meaningful outcome goals. A major component of this Plan is to develop transitional information systems that are sufficiently flexible to capture new data as it is developed, and provide information in simple formats. The irony is that traditional information systems, being reliable and credible sources of performance and budgeting data, are in the best position to respond to management reform requirements. But the baseline information generated by these systems become outmoded in times of change. Management reformers from OMB and the Hill must be patient in working with transition systems, even perhaps on a permanent basis to be able to handle the exigencies of change.

Establish developmental goals - The use of ‘developmental goals’ also enables managers and appropriators to identify milestones that will build toward an outcome measurement and outcome achievement capability. Some examples:

- establish key alliances that will enable organizations to join forces to achieve outcomes that the individual organizations could not achieve on their own;
- design a data acquisition strategy whereby an agency would ‘piggy-back’ their data needs onto existing outcome data bases; or purchase existing data that are relevant to their needs

Establish intermediate outcome goals - Intermediate outcome goals are those that stand between output goals which a program manager may have considerable control over, ultimate, outcome goals over which the Program has little or no control. Traditionally, program managers have been very reluctant to establish end outcome goals that they would even be partially responsible for because they exert such small influence over such a goal. But output goals are often of little interest to stakeholders because there is only a remote connection to outcomes that really make a difference to them. Intermediate outcome goals infer that managers can influence the goals, but not control them entirely. Here is an illustration in the educational grants arena. Congress and other education advocates want to see evidence that these grants are resulting in such end outcomes, as improved test scores and higher graduation rates for the target population. However, this is an end outcome over which the granting agency may have little or no influence or control. An example of an intermediate outcome goal that the granting agency has some influence over would be how faithfully grantee agencies are spending grant monies for intended purposes. Achievement of this goal can be influenced by monitoring grantee behavior through quarterly reports and on-site visits; and risk reduction measures designed to correct any detected problems in spending patterns.

Encourage pilot efforts - Another excellent transition mechanism is the pilot program, OMB has utilized pilot programs and pilot periods as part of the GPRA and PART management reform processes. Pilot periods were not associated with the earlier reforms – e.g., PPBS, MBO and ZBB. Pilots are useful mechanisms for correcting problems early in the implementation of a reform before it is implemented on a full scale basis.

Use training as a transition device - Training is a tried-and-true method of preparing agencies to become proficient in implementing government management reforms. Thus, training interventions are good transition mechanisms. OMB has encouraged training as part of the reform ramp up period. In the Washington D.C. area, in particular, a myriad of training opportunities are available from private contractors on every conceivable topic surrounding management reforms.

Use process maps and logic models to facilitate program understanding - Process maps outline the program's internal world. Logic maps relate the programs to institutions and events outside of the program in cause-effect relationships that lead to desired end outcomes. Both kinds of maps should be utilized for three purposes:

- to lay out the theory or concept of the program and its relationship to the outside world;
- to compare the theory with empirical evidence of how the real world operates; and
- to serve as a basis for redesigning, or re-engineering the relationships so that improved efficiencies or effectiveness is achieved.

Process maps and logic models serve as both diagnostic and improvement tools. Since the aim of government management reforms is to improve government operations, but also to have the ability to monitor improvements, process maps and logic models help Federal programs to gradually build those programs. Further, the establishment of maps that accurately describe one's program and surrounding environment is, in itself, a milestone toward management improvement.

3. Capitalize on Networks to Extend Influence and Effectiveness

While management reforms are designed for implementation within command and control environments, they are actually implemented, increasingly, in networked environments. These networks are made possible by a combination of new and old factors. A new factor is technological accessibility, made possible in large part by the internet. A more traditional factor is the informal network of relationships that serves as the main vehicle for managing a wide range of public sector issues. A workable remedy in this area is to use the power of the network to strengthen the effectiveness of plans that are developed in response to management reform requirements. This can be achieved in a number of ways:

Utilize inter-agency forums to share best practices, and as laboratories for testing and receiving feedback on new ideas or approaches. Interagency Forums are useful vehicles for providing mutual support among Federal agencies in the implementation of government-wide reforms. The Federal Interagency Management Reform Work Group has served as an excellent illustration of how a community of practice operates in the management reform arena. Over the past seven years, over fifty Federal agencies participating in thisWork Group have engaged in a wide range of discussions on reform topics – including strategic planning, performance planning and measurement, evaluation, outcome analysis, customer service, performance-budget integration, and the balanced score card.

Create vehicles for establishing a dialogue with stakeholders, and soliciting their input into Agency planning and priority setting processes. It is critical to consider and incorporate where possible, the views of key players who will shoulder a good portion of the responsibility for making Federal programs work .at the implementation stage. There are many vehicles for soliciting such input, including web-based inquiries, written surveys, grass roots meetings that cover the broad range of agency programs, and single issue meetings where attention is focused on one topic for which stakeholder input is requested.

Create strategic alliances to achieve and measure meaningful outcomes. The power of the network should be tapped to create the strategic alliances necessary to both measure and achieve outcomes that could not otherwise be accomplished when agencies are acting independently. The idea of leveraging through alliances is applicable to a wide variety of challenges posed by management reform requirements. The power of the network was evident in the development of a 2001 National Food Safety strategic Plan under the auspices of the White House Council on Food Safety. In that effort, the Departments of Health and Human Services, Agriculture and the Environmental Protection Administration joined forces to reduce mortality rates associated with foodborne illness. The interagency network proved valuable in launching a coordinated set of research, surveillance, enforcement and education strategies to achieve the outcomes; and that network also coordinated efforts to develop the necessary outcomes data base that would allow measurement of progress toward achieving outcome goals.

4. Galvanize the Power of Multiple Cultures and Multiple Perspectives

When multiple cultures in an organization remain as independent, provincial entities, the result can be wasted resources at best, and open conflicts at worst. Legitimization and clarification of differences in cultural values and goals is a desirable first step.

It is especially critical to focus on boundary solutions at the intersect between marketing, analytical, accountability, stability and change-oriented cultures within an agency.

Each of these perspectives must interact during the course of reform implementation. Accommodations between perspectives must be made because they have the potential to work at cross purposes and result in wasted resources and/or open conflict. To illustrate, the role of ensuring accountability and the role of encouraging major change both fit comfortably within the broad rubric of improving program effectiveness; but the specific aims of accountability and change may be at odds. Change initiatives often move rapidly and discontinuously in an open environment. The requirements of speed, discontinuity and openness necessary to accommodate responsive strategies in a high-velocity environment are the very characteristics that thwart attempts to maintain accountability. A boundary accommodation in this arena would require that appropriate controls be instituted – for example, to track expenditures on new ventures . But the controls can not be so onerous that they impact the necessary freedom to pursue the change. The key, in this instance, is to design a specific governance and monitoring mechanism that can accommodate both flexibility and control.

Coordinate political-managerial-analytical time frames - A workable remedy to the political-managerial-analytical phasing dilemma is to coordinate time frames. Clearly defined and communicated time frames within the budget cycle can provide managers with reasonable estimates of when analytical products need to be prepared in order to be useful for budget decisions. Resource decision makers should manage their expectations concerning the kind of analytical support that can be tailored and used productively within a budget decision-making timetable. Management decisions affecting the directions that programs take during their normal course, must follow the timetable that is dictated by events affecting the program. These decisions are more deliberate and usually require a longer time to test and implement than the time available during a budget cycle; but they probably require less time than is necessary to build an analytically sound case.

5. Establish Agency-wide Linking Mechanisms

Linking mechanisms provide the institutional 'glue' to align and integrate efforts in order to achieve greater economies of scale. Since management reforms focus on effective planning and performance, those linking mechanisms that integrate and align planning and performance information across an agency are particularly valuable.

Design a governance system

Perhaps the most critical linking mechanism in implementing government management reforms is the establishment of a governance apparatus that extends across the traditional command-and-control stovepipes. Some common forms of governance mechanisms to augment the formal organizational roles are planning councils, committees and boards. These specialized arrangements should be explicitly agreed upon by the senior leadership of the Agency and given the specific responsibility for guiding management reform implementation within the agency. The governance arrangement should be a shared vehicle with representatives of all key organizational components represented. Heterogeneous teams provide multiple perspectives on challenges that agencies face. Experience has taught, however, that the strength of a multi-disciplined team can only be capitalized upon in the presence of strong leadership. A natural tension exists in these situations between the line officers of the Agency who are contributing resources to the teams, and the team leaders who have been given responsibility for producing results. Creative tension can be a positive force because it helps to create a market place of creative solutions. However, the tension must be managed and kept in check by strong leadership.

Establishment of the essential governance apparatus is an important first step in moving toward an aligned and integrated agency effort in implementation of management reforms

Improve relationships between budgeters and planners

Those in the Agency who are responsible for these two functions must establish a protocol for interaction long before products must be integrated as part of the budget cycle. Continuous interaction between planning and budget shops must be established as a normal, every day part of the organizational culture regardless of the specific organizational locus of these two functions.

Strengthen linkage between strategic and operational planning –

Alignment of strategic and operational planning is being accomplished by an increasing number of agencies through the mechanism of the balanced score card. The Balanced Score Card is an approach used to assess the total effectiveness of an organization. The technique was introduced in1993 by Robert Kaplan and David Norton in a Harvard Business Review article of the same name [8]. Learning and growth; business process, customer satisfaction, and financial health. In each of these perspectives objectives are established, performance measures are defined, performance targets are established and initiatives to achieve these targets are formulated.

Link organizational goals to individual commitments - As part of the alignment process, it is also critical to establish credible linkages between organizational goals and individual commitments. If individuals throughout the agency are rewarded by engaging in activities that support the organization's directions then resources are being well spent. A useful vehicle for assuring that this kind of alignment occurs is the performance contract. Performance contracts are formal agreement between managers and their direct reports that goals identified in the contract will be achieved. In order for the performance contract to be effective, goals contained within the document must be synonymous with or be supportive of the organization's goals.

Formulate a management reform integration mechanism and strategy
Federal agencies today must comply with a multiplicity of management reforms. Because of the extensive overlap among these reforms there is large potential for inefficient use of agency resources. A recommended remedy for this situation is the establishment of an agency-level management reform integration team that can perform coordination and integration functions. The Team can create economies of scale by serving as a clearing house for multiple requests for planning and performance information from various reform sources; and multiple responses to these requests. To facilitate the coordination of reforms, common agency portals can be established which consolidate key information about the reforms – e.g., the nature of reporting requirements and their timing. Widespread access to these portals enables all officials to quickly see the possibility for synergies . Instead of having to 'reinvent the wheel' by developing slightly different versions of the same information requirements, information could be developed just once to satisfy multiple reform demands imposed by Congressional mandates such as GPRA, and Administration-initiated mandates such as PART.

Establish agency-wide information portals pertaining to government reforms – e.g., digital dashboards - The use of digital dashboards is an effective way to encourage alignment and availability of information that is critical to management decisions at all levels in the organization. It should be emphasized that such electronic steering mechanisms will not, in themselves, enhance organizational alignment. If information is obsolete, inaccurate, or simply not relevant to a decision-maker's needs, then the ease of access made possible by a digital dashboard will not cure those more basic problems. But good information that is made more accessible to management via such a vehicle should provide an incentive for managers to participate in the process and will accelerate the coordination and alignment process.

6. Tailor reforms to agency needs

Foster goals that are useful to Agency managers - A major criticism leveled at government-wide management reforms is that the coordinators of these reforms adopt a 'one-size-fits-all' mentality. This is done primarily to make the job of coordinating government-wide responses somewhat manageable. But the fact that reforms can be made uniform for 'bulk handling' by OMB does not add value to the Federal manager at the local level. Reform requirements must be integrated with ongoing agency and program planning activities. The GPRA performance plans ask for agencies to identify a few of their most important performance goals. To synchronize reform requirements with program needs, these few goals must truly be indicators that measure performance at critical points in the program that indicate whether the entire program is being successful or not. They should be indicators that managers actually use to steer the program.

Encourage tailored, hands-on training efforts - The most effective training sessions are those that are dedicated to individual agencies and programs, as opposed to being generic in nature. This means that the training efforts should be designed to incorporate agency and program information and examples, and sessions designed to tackle specific agency and program issues.

Increase face-to-face dialogue between OMB representatives and Agency representatives - Such dialogue increases the likelihood that there will be genuine appreciation for the unique circumstances facing each Federal agency. The quality of face-to-face interaction can result in a much more realistic assessment of how individual agencies are faring in implementing reforms. And it can also lead to positive outcomes in terms of Agency management efficiency and effectiveness.

7. Develop a coordinated communication strategy

An effective communications strategy consists of more than clear and compelling planning and management documents, although clear documents are a crucial component. Communication documents should also be tailored to the audience that they are intended. In the case of management reform publications such as the GPRA Performance Plan, several audiences can be targeted in the same document. Executive summaries provide a birds eye view for busy executives; the main body of the document may be of greater interest to the appropriator, and appendix material may hold the interest of staff analysts whose job may be to verify the details of such reports. Enlightened agency administrators and managers are capitalizing on multiple pathways to communicate management reform information in light of our current communication proclivities. Many agencies, for example, now have versions of strategic and performance plans available in 'hard copy,' in brochure form suitable for handouts at meetings, on the web and on CDs. Another critical part of an effective communication strategy is the timing of information dissemination. A variety of vehicles should be considered as part of the total communications strategy, and release of information through the different vehicles should be timed for maximum impact, and so that communication vehicles build on the momentum of each other. Press releases, briefings to key stakeholders and personal, one-on-one visits are all useful pathways; but the selection of the appropriate vehicle should be tailored to meet the needs of the particular market target. In the case of new management reforms, a personal visit to the Agency's Congressional appropriations staff is an excellent way to familiarize key staffers and even Congressional representatives with planning and performance information. And it is out of the line of fire associated with appropriations hearings and the associated questions and answers.

V. Summary

The implementation of government-wide management reforms over the past 40 + years has been a mixed success at best. In this article, several challenges have been identified, and remedies recommended. In a larger sense, the struggle for success can be characterized as 'mechanism vs. organism.' Government reforms can be viewed as a mechanistic intrusion into the natural, self-organizing organism known as the Federal agency. Federal agencies may be fairly inefficient organisms, but they have a rhythm of their own, and from an ecological perspective they have made a successful accommodation within their 'habitat.' The notion of a government-wide 'fix' represented by the GPRAs and the PARTs of the world represents an unnatural phenomenon. After experiencing a number of these phenomena, however, veteran federal managers minimize their response in order to preserve their natural function. Resources, the 'bloodstream' of the agency, still protect the heart rather than an annoyance that hovers around the extremities.

The solution is to create an organic, rather than a mechanistic environment surrounding the implementation of these reforms. This means that accommodations need to be made by both the Agency and the purveyors of the reform, itself. From the Agency's perspective, incentives must be afforded to managers to encourage authentic participation. The Agency must establish a series of governance mechanisms to appropriately link its internal components in a coordinated response. They must capitalize on both the multiple perspectives provided by internal cultures; and the power of the external network to develop and achieve the goals demanded by government reforms. Finally, the Agency must establish a coordinated communication strategy to effectively tell its story to the outside world.

From the perspective of the reform authors, they must build in transition mechanisms which allow reforms to accommodate the changes that are occurring in turbulent Agency environments. And they must also be flexible in allowing reform requirements to be tailored to the unique situations faced by individual agencies.

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Biography

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