# The Public Manager

The Quarterly for Practitioners

This Special Forum was organized and edited by Cisco's Internet Business Solutions Group

ASTD
WORKPLACE LEARNING & PERFORMANCE

# Contents

**Forum:**
The Obama Administration's Management Agenda

# Introduction: What Is Happening, Why, and So What?

by Alan P. Balutis

Authors from the Spring 2008 Special Issue of *The Public Manager* offer insights on the progress of the new administration's management agenda.

In mid-2007, the Cisco Internet Business Solutions Group (IBSG) began an effort to contribute to the new administration's management initiatives, which are designed to better implement the president's policy agenda and improve the operations, effectiveness, and efficiency of the government. IBSG developed a four-part program, consisting of small group seminars, publications, coalition and collaboration activities, and a website devoted to new ideas in government.

Individuals who participated in the series of monthly seminars were invited to prepare articles for the Winter 2007 and Spring 2008 issues of The Public Manager, *which were reprinted in a special Spring 2008 issue of* TPM. *In addition, insights were posted on several blog sites, as well as Cisco's New Ideas Website (www.newideasforgovernment.com).*

Since that time, Barack Obama was elected president, a smooth transition occurred, a new cabinet came into office, and sub-cabinet positions and senior management jobs around government were filled—with more developments still to come. During this time, the financial markets seized up, credit froze, the economy went into a nosedive, and several massive financial, economic, and auto

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*industry rescues were enacted. As the first year of the Obama presidency draws to a close, some assessment is in order.*

Updates and Status Reports

*In this Forum, the same team of analysts, experts, and government executives who outlined a management agenda for the new president report on the administration's actual agenda. Without suggesting a causal link, much of what was advocated in the Spring 2008 issue of* TPM *has come to fruition. In the president's FY 2010 budget, the administration's new management and performance agenda is based around these themes:*

✦ *putting performance first by replacing the existing Performance Assessment Rating Tool (PART) with a new performance improvement and analysis framework*

✦ *ensuring responsible spending of American Recovery and Reinvestment Act (ARRA) of 2009 funds*

✦ *transforming the federal workforce*

✦ *managing across sectors*

✦ *reforming federal contracting and acquisition*

✦ *enhancing transparency, technology, and participatory democracy.*

*Readers are invited to examine this Forum to get an update and status report on*

✦ *human resources from W. Frederick Thompson, Stephen Benowitz, Steve W. T. O'Keeffe, Robert D. Childs, and Childs' colleagues at the Information Management College at Ft. McNair*

✦ *acquisition from Allan Burman*

✦ *technology from John Sindelar, Tom Hughes, and Daniel Mintz*

✦ *performance from Robert M. Tobias*

✦ *citizen-centric government from Martha Dorris and David McClure*

✦ *collaboration and managing across boundaries from Robert J. O'Neill and Elizabeth K. Kellar*

✦ *overall management reform from Alan P. Balutis and Donald F. Kettl.*

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**Cisco Internet Business Solutions Group**

The Cisco Internet Business Solutions Group (IBSG) is the company's global strategy, innovation, and advisory arm. It helps Fortune Global 500 companies and leading public-sector organizations improve customer and citizen experience, create better public services, and increase efficiency or revenue growth by transforming the way they do business. IBSG designs innovative business processes and then integrates advanced technologies into visionary road maps that optimize results. Drawing on a unique combination of previous experience, business acumen, and technical knowledge, IBSG consultants work as trusted advisers to many of the world's leading organizations.

IBSG was rooted in and continues to draw on Cisco's experience and learning—from applying connectivity and collaboration technologies to its own business processes to benchmarking and integrating best practices from around the world. Working with the most innovative companies and governments worldwide, it has developed into an inventive think tank and incubator of transformational strategies. IBSG does not charge its internal or external customers, which gives it the freedom to advise them unencumbered by the incentives that drive many consultancies. It does not sell or recommend Cisco products or solutions. It is judged solely by the quality of the advice it provides its customers.

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# Change Is in the Wind for HR Management

by Stephen Benowitz

Grading the new administration's commitment to improving HR management.

Consider the old adage, "What goes around, comes around." Often, this refers to political appointees who return to government when their party is elected. The other interpretation is that appointees bring back policies that were developed the last time their party was in power. While long-term change does occur, it's often at glacial speed because of the political issues associated with implementing it. As a result, transformational change in policies that govern the federal civil service rarely occurs.

Has this happened with the Obama Administration—the party of "change"? It certainly has reversed a number of personnel policies that were adopted by the previous administration, many at the urging of employee unions. In the article "Human Capital—The Most Critical Asset," published in the Spring 2008 issue of *The Public Manager,* I identified a number of areas of focus for the new administration.

## HR Change

First, the president appointed a well-known and experienced executive as director of the U.S. Office of Personnel Management (OPM). John Berry took office after serving as assistant secretary for policy, management, and budget at the Department of the Interior, as an aide to Congressman Steny Hoyer working on federal employment issues, and, most recently, as director of the National Zoo. Berry has been an effective spokesman for

change in federal personnel policy, but has not had time to advance many of his proposals.

The largest group of supporters for HR change is comprised of the federal employee unions, such as the employee-management cooperation. Gaining broader support in Congress will be necessary to change laws pertaining to such issues as pay and performance.

Finally, gaining traction with the U.S. Office of Management and Budget (OMB) and department and agency heads (for example, improving skills of managers to lead others and using employment and workplace flexibility such as teleworking) is absolutely essential.
Grade: A–

## Employee-Management Relations

The next issue is employee-management relations. Building trust between these two groups will help create the environment necessary to improve pay and performance or implement greater workplace flexibilities. Berry has done well in his dealings with the unions, but has yet to convince many agency leaders to consider these options.
Grade: B+

## Performance Accountability

Performance accountability is another area of interest. No doubt this is one of the most critical issues the administration must address, at both employee and agency levels. Among other things, well-functioning programs in these areas will improve public trust in government—as long as these systems are transparent.

Efforts are underway to work with Congress, OMB, and the agencies to make improvements. OPM has not yet succeeded in convincing employees the value of performance accountability, essentially because the level of trust between employees and managers is still low. (For more details, see results of OPM's Human Capital Surveys at www.opm.gov/surveys/index.asp.)

Recently Berry convened a conference on pay reform. If a broad enough range of individuals was invited

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and heard, it is possible that a plan for pay reform (tied to accountability) can be crafted.
Grade: B– (but with a bullet—as they say in the music business)

## Agency Executive Leadership

There have been calls for a number of changes in executive leadership from members of Congress and the Senior Executives Association, among others. It is too early to understand how the administration will approach this issue.

There is little doubt, however, of the critical need to build continuity in leadership by having a good pipeline of potential managers and executives, as well as providing them with training and development opportunities to prepare them for advancement.

As a sign of his commitment to improving leadership development, Berry has established a single focal point within OPM to handle all issues related to the Senior Executive Service (SES)—activities previously were split among three OPM divisions. This process takes commitment that transcends political changes and support (time and money) to do it right.

The administration also should focus on the current group of managers and executives: What is being done to help them perform better? Again, this involves a commitment of time and money, with responsibility falling on agencies and their highest level of leadership. OPM will provide guidance, but cannot force agencies to comply.
Grade: B+

## Talent Management

The fifth issue is talent management—simplifying the hiring process, making it more transparent, and making regulations and policies more flexible to meet individual needs of agencies.

Berry has done a great job providing leadership in this area, but now agencies must produce recruitment materials and processes that are in tune with OPM changes, such as reducing the paperwork requirement for applications. They are not doing so well.
Grade: A–

## Work Life

The next issue relates to quality of work life, and there is much to discuss. Steve W.T. O'Keeffe's article "Telework Tango: Take Two, From the Top" offers a cogent article on teleworking, which not only is

a quality of work life issue, but also one related to continuity of operations during emergency situations. Robert D. Childs, Gerry Gingrich, and Michael Piller address ways to attract the Millennial Generation, including the use of new technology, in their article, "The Future Workforce: Gen Y Has Arrived."

Baby Boomers might find it difficult to learn about these new technologies, but I suspect most of them greatly value the perspective, hard work, and intelligence the Millennial Generation is bringing to government. This is an area where leaders should allow a "thousand flowers to bloom" (within IT security limits) and get on the bus or get out of the way. It's difficult to grade Berry and OPM on this so early, but comments made by Berry indicate that he values these changes.
Grade: Too early to tell

## Leadership

Finally, there is an overarching issue the administration must address: leadership. Leadership is difficult to measure and hard to describe. It relates to the interest and ability of an individual to promote appropriate change and provide the culture and environment in which change can succeed.

With regards to this important issue, Berry projects a strong role, setting expectations for all agencies and their leaders. He has promoted a significant number of changes that will take time to implement and are likely subject to possible changes by others in the administration, members of Congress, and additional stakeholders.

But fresh winds are blowing from the Theodore Roosevelt Building, home of OPM. This is where Berry shines most.
Grade: A+

# HR Strategies for Driving Change: Finding the Right Road

Is the Obama Administration using innovation to lay the groundwork for reform?

by W. Frederick Thompson

The recent Nobel Prize gives us hope that managers, employees, and political leaders who work in the United States federal civil service can work together peacefully, productively, effectively, and efficiently. I'm referring, of course, not to the Nobel Peace Prize that President Obama won, but to the Nobel Prize for Economics won by Elinor Ostrom for her work refuting "the tragedy of the commons."

Economics has long held that when there is a common shared resource that none of the parties own, competing parties will pursue their own short-term interests at the expense of long-term outcomes and will thereby over time destroy the systems on which they rely.

Professor Ostrom demonstrated that effective governance and community engagement can and often do lead to better outcomes than generally accepted theory would predict. For this to happen, however, the parties must begin to see themselves as interdependent, and they must work to jointly protect the resources that support them.

Politicians and federal employees are bound together in a common civil service system that they all want to change and improve. But they each have very different visions of how to do this. Professor Ostrom's work reminds us that peace, prosperity, and progress—in this area as in many others where interests compete—will only be achieved by joint governance and cooperation. Past history need not lead to a future stalemate. We do not have to have winners and losers to make progress.

## Strategies and Priorities

In my Spring 2008 *TPM* article, "Looking Ahead: A Human Resource Strategy," I outlined three broad strategies and three priorities for the incoming administration:

✦ attack one problem at a time and pursue civil service reform over time with a lower profile

✦ abandon old fights that pit managers and politicians against unions

✦ challenge outdated assumptions.

In terms of these broad strategies, the new administration seems to be on the right road. The president has focused on health reform as his major priority and has stuck to this as it has waxed and waned not only in controversy, but in the public's attention.

Civil service reform ideas and initiatives that the administration has proposed have been meaningful but incremental and subordinate to policy goals. They have in no way taken the limelight from or reduced the focus on important national policy discussions.

Additionally, the administration has not run any sort of campaign against existing public employees or public service and has sounded a continued message of support for those responsible for doing the day-to-day work of government. Policies of the prior administration have been criticized, but the criticisms have not focused on the institutions of government or the employees who work in them. In these respects, the right tenor has been set and credibility is being established between the political and career civil service.

The administration also has taken a relatively middle ground when faced with Congressional action related to the Department of Defense National Security Personnel System reforms. The reforms have not been abandoned in a flurry to return to the status quo. Instead, there seems to be a reasoned approach to looking at the lessons learned and trying to move forward with changes that improve performance and relationships, while backing away from changes that were seen as non-productive and confrontational.

It's too early to tell whether the administration is seriously questioning and challenging the outdated assumptions that underpin the pay and performance principles of the civil service. It will be interesting to see how broadly

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it solicits and explores new and innovative approaches to dealing with its public service management challenges.

## Innovations

In my earlier article, I also proposed three broad innovations:

✦ moving to an occupational market-based pay system

✦ creating fair rating systems

✦ emphasizing long-term career development for managers over a current GS (General Schedule) versus SES (Senior Executive Service) structure.

In most cases, we are no closer to these objectives than we were last year, but events over the last six to eight months have highlighted some of the challenges.

### Moving to an Occupational Market-Based Pay System

Little or no progress has been made on this objective. The new OPM director has suggested that he would like to make the federal government "a cool place to work"; and enthusiasm among youth for the new administration has made more people interested in public service as a career.

Nonetheless, the civil service has fundamentally changed over the last several decades, and it is now one employer among many competing for talent. As such, it needs to accept the fact that people are entering and leaving organizations—the government included—throughout all stages and levels of their careers.

Although civil service has unique attractions, including the opportunity to work for the good of the nation and to achieve policy goals as well as stability of employment in times of economic upheaval, it also has unique frustrations, with internal and external checks and balances and intense and extensive oversight.

The new competition for talent requires a new pay system that looks much more like the competitive pay systems in private industry. Occupation salaries in the private sector are driven by supply and demand, and pay ranges are regularly adjusted to account for changes.

The federal government also needs to regularly adjust its salaries in this way to continue to attract top talent over a broad spectrum of skills and experience. Rigid grade classification structures and positions classified on scope of work and supervisory roles without

an eye to the market will never accurately reflect supply and demand. More importantly, there are more opportunities to overpay for certain skills and get inadequate talent into other skill areas. Little apparent progress or discussion of these issues has been accomplished to date.

## Creating Fair Rating Systems

The National Defense Authorization Act for 2010 seems to spell the end of the National Security Personnel System (NSPS). The administration has not resisted the Congressional action, although the Pentagon did challenge some of the earlier proposals. The phase-out now looks likely.

The Obama Administration needs to do a comprehensive analysis of what NSPS created. It needs to view it as a large scale demonstration project and clearly assess the pros and cons. A joint union and management group would be a useful way to impartially look at what can be learned from this experience.

One of the underlying messages in the revocation of NSPS is that unions, management, and politicians have a stake in how the government is managed. A cooperative and collaborative evolutionary change is more likely to have lasting support than an action that is viewed as having been arbitrary and noncooperative.

## Emphasizing Long-Term Career Development for Managers

OPM announced the creation of a new Senior Executive Service Office on August 19, 2009. It's not clear how this office will change the policies and processes related to management and executive development or whether it merely centralizes and formalizes existing responsibilities. There is a lot of work to do to improve top federal government leadership at all management levels.

Booz Allen Hamilton, together with the Partnership for Public Service, released a report in August 2009 entitled, "Unrealized Vision: Reimagining the Senior Executive Service." The report looks at a service that was built on the concept that a highly mobile corps of excellent managers would move from agency to agency and would use their management skills and experience to improve the performance of government. The report found that mobility has been

**Positive statements about the government workforce are setting a new tone that creates an opportunity for cooperation and collaboration.**

negligible: Over a four-year period, only between 1.8 and 2.3 percent of SESers left their jobs for a job at another agency. The program has not produced a mobile workforce.

Of more concern, however, were the report's findings about skill sets, managerial capability, and development opportunities. It found weaknesses in all of these areas. Shortcomings in management skills in senior leaders have critical ramifications.

In its analysis of the "best places to work" in the federal government, the partnership found that leadership has the highest correlation of any factor it looked at to the perceived quality of an organization by its employees. Also, contrary to conventional thinking that the direct supervisor is most important to each employee, the review found that the quality of senior leadership was more important to employees than the skills of their own supervisors.

These results suggest that leadership and management skills need to be weighted much more highly from the time one enters supervisory ranks—it can't be left to cap off a career. It must be a cornerstone upon which a career is built. Unifying SES programs in an OPM office will prove less important than defining and unifying a management-skills strategy that stretches from the first-line manager to the senior executive. OPM needs to take a longer view of these skills and their critical role in improving government performance.

## Looking Ahead

The Obama Administration's strategy of incremental changes and low-key initiatives is appropriate for laying the groundwork for reform. Positive statements about government institutions and the government workforce are setting a new tone that creates an opportunity for cooperation and collaboration by politicians and government employees and managers.

However, to leave the government in a better position and a more sustainable position for the future, the administration will need to take action in the critical areas of pay reform and performance reform, while creating a strategy for improved management performance by senior leadership.

# Telework Tango: Take Two, From the Top

by Steve W. T. O'Keeffe

It's time to take telework to the next level.

At my college, ballroom dancing was the largest club on campus. But ask as I might, I could never find a single student who'd admit even a passing interest in the rumba. Let's cha-cha forward some 20 years: Government managers who oppose telework are like the ballroom dancing aficionados in college; we know there are a lot of you, but nobody's out on the floor.

Telework is certainly not a new craze in government. In fact, Uncle Sam has spent decades trying to move his distributed workforce to the beat. Despite legislation, the $4 gallon of gas, bird flu, H1N1, hurricane planning, green initiatives, cloud enablement, traffic gridlock, and so on, many agencies still have two left-feet in telework.

Considering its mission, how can the U.S. Environmental Protection Agency continue to sit out at the dance? When will wall flowers such as the Social Security Administration, the Departments of Health and Human Services, State, and Homeland Security find the courage to unleash their moves?

## New Groove

Against this awkward backdrop, is there any hope that regular Feds will get to dance cheek-to-cheek with telework? Even with the false starts and the slander of the Department of Veterans Affairs laptop going missing (the employee was not a teleworker, by the way), there is new skip in my step. In fact, a series of agencies are getting hip to workforce empowerment.

The Department of Defense (DOD), with the Defense Information Systems Agency (DISA) keeping time, is marching with a telework cadence. DOD's base relocation (BRAC), and pointedly, its impact on the civilian workforce, is turning all branches of the military into telework swingers. The Patent and Trademark Office (PTO), Federal Deposit Insurance Corporation (FDIC), and General Accountability Office (GAO) have the telework jitterbug. Indeed, PTO may have invented the dance.

And let's not forget the U.S. General Services Administration (GSA). While GSA's Office of Governmentwide Policy kept the telework flame alive through the dark years, it was the late Lurita Doan who reignited the fire two years ago by establishing the GSA Telework Challenge. Today, 43 percent of eligible GSA workers do the telework jig. GSA is now tangoing with the U.S. Office of Personnel Management (OPM) in the middle of the federal telework dance floor.

The recent arrival of new OPM Director John Berry, who pledged to put the "giddy-yap" into federal telework, has sent the topic to the top of the federal human resources hit parade. Capitol Hill and agencies are abuzz with praise for the new cats at OPM.

Outside the Beltway, states are snapping their fingers to the telework beat. Earlier last month, Virginia Governor Tim Kaine announced the results of the Commonwealth's first annual statewide Telework Day initiative. Based on the Virginia Telework Day study

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figures, if all U.S. white-collar workers teleworked just one day per week for a year, they would avoid driving some 134 billion miles, cut 120 million tons of pollutants, and save a staggering $161.5 billion.

And support for telework comes all the way from the band leader himself. In addition to being the world's highest profile teleworker, President Obama pledged his support for remote work practices across government in writing to the American Federation of Government Employees: "I believe that it's time we stopped talking about family values and started pursuing policies that truly value families, such as paid family leave, flexible work schedules, and telework, with the federal government leading by example."

More than just offering lip service, some 500 gathered to listen to Berry and Aneesh Chopra, chief technology officer and long-time telework advocate, cut a rug together at the recent Telework Exchange Town Hall Meeting. (Go to www.teleworkexchange.com/townhallmeeting to learn more.) Chopra is no wallflower. He's clear on the federal government's innovation agenda and sees telework as a signature move on the dance floor.

During the meeting, Berry spotlighted OPM's Investigative Services, the group that handles government personnel security clearances. The department reinvented the process and used telework as their secret move. In fact, Investigative Services reduced the security clearance processing time from one year in 2001 to less than 40 days today. Almost 5,000 investigators did the telework quickstep from their homes.

"This is the time to take telework to the next level. The technology is maturing and our people are becoming more and more comfortable with it. It is essential if we are going to make government cool again—as President Obama has instructed us to do," Berry said.

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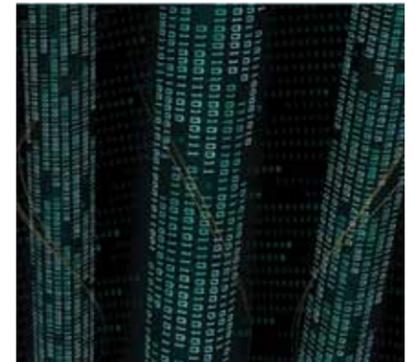
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# The Future Workforce: Gen Y Has Arrived

by Robert D. Childs, Gerry Gingrich, and Michael Piller

The federal government needs to embrace Web 2.0 to attract and retain its next generation of workers.

Steve Monforto finally caught the ball! After attending Phillies' games since he was three years old, he caught the ball on September 15, 2009. He promptly gave the ball to his young daughter, Emily, who was sitting next to him in the stands, and Emily immediately threw it back to the infield. Montforto, at first startled and caught off guard, hugged her for doing the "right thing" by returning the ball to its owners.

All of this was caught on video, which immediately began to go viral on YouTube. Fans loved the endearing and funny video, and it moved rapidly through cyberspace. But when Major League Baseball (MLB) lawyers called to tell YouTube that the video was proprietary, the video was promptly pulled from the site.

At a time of declining revenues for MLB, a video that goes viral on YouTube is an unexpected largess—one that MLB, with its old, stove-piped mindset, failed to recognize. Instead, MLB decided to make fans visit its site and its site only, thus limiting the number of times that the video of Monforto and his daughter would be viewed and reducing MLB's free advertising and goodwill exponentially.

## Going Viral

Going viral can be a great thing for an organization's products and services. In the current Web 2.0 environment, favorable electronic communications that go viral give a big boost to the featured organization. So, what would your organization do in circumstances similar to those of MLB?

Consider a video that captures hurricane victims being rescued by the Coast Guard or firefighters subduing a blaze in California. Typically, the government cannot compel anyone to take down an unclassified posting. However, does your agency recognize the potential power of viral postings? Does it encourage its employees to create communications that might go viral?

Generation Y, also called the Millennial Generation, understands the importance of going viral. Bound by a hunger for IT, especially social media and other Web 2.0 technologies, Gen Yers spend enormous amounts of time, both professional and personal, communicating electronically. Indeed, 96 percent of them belong to social networks.

Gen Yers write blogs that describe their work experiences and send instant messages to cut through the fog of information overload and reach out in real time. They use Twitter to update their friends anywhere, anytime and Facebook and MySpace to share more detailed information supported by pictures and videos.

For example, the viral spread of blogs, "tweets," and posts in the days following the recent Iranian presidential election and the impact of these Web 2.0 technologies on international relations was unprecedented. The protesters were eager to have their electronic communications spread globally, and they knew exactly how to do it.

Consider what a viral video could do for the Centers for Disease Control and Prevention or for its parent organization, the U.S. Department of Health and Human Services. Each of these agencies has a strong customer-focused mission, and yet the general public is not well educated about their day-to-day activities.

Given research, which claims that 60 percent of learning is visual, videos depicting scientists engaging in the prevention of a pandemic or searching for a cure for cancer would not only educate the public and inform the healthcare debate, they would engage citizens' appreciation of agencies that administer such programs—and of government in general.

## Beta Wagon

Gen Yers have arrived: They are your 20-something workers. What else do they get that your organization might use? Gen Y understands the importance of jumping on the "beta wagon."

The world today is dynamic and constantly changing, and strategy and tactics cannot be perfected in the way that they could throughout the 20th century. Industrial age organizations and their environments were much more stable than current organizations. As a result, they had the time and motivation to perfect their highly routine strategies.

The 21st century Information Age organization functions in a beta world, where strategy is under constant revision to keep pace with a changing environment. Gen Yers fighting in Iraq and Afghanistan know this intuitively. They're learning to fight wars and defend the United States in real time—by sharing their experiences day-by-day and minute-by-minute through social networks. Policy makers in the Department of Defense are currently wrestling with developing a social network policy. Hopefully, they'll jump on the beta wagon.

This means accepting uncertainty and ambiguity. It also means conducting pilot projects, beta tests, and experiments. Think Microsoft or Apple. These organizations practice creative destruction, continually revising and recreating their products, while retiring previous iterations. Feedback from customers—both good and bad—is used to inform revisions and to gain competitive advantage.

Government agencies are not particularly effective at listening to their customers. But ask a Gen Yer how to use a blog or a social network or Twitter to collect customer satisfaction data, and they'll provide you with a multitude of ideas. Indeed, this is how Gen Yers collect data on organizations in which they want to work. These younger workers also will be glad to explain to you that 78 percent of today's consumers trust peer recommendations, whereas only 14 percent trust advertisements.

## Social Media

Learning how to go viral and how to jump on the beta wagon will be much easier for your organization if you reach out and connect with Gen Yers through the world of social media. Social networking tools are how they communicate and connect, and they are how our government organizations need to recruit and hire.

The federal government is expected to hire more than 600,000 workers in the next three years to help repair the financial sector, fight two wars, address climate change, and fill positions left by baby-boomer retirements. Who are you going to call? More importantly, how are you going to call them?

When 80 percent of private sector companies use LinkedIn as their primary tool to find employees, it's clear that traditional models of search companies are disappearing. The federal government still uses multipage job announcements requiring GS-9 applicants to write multipage narratives for 20-plus questionnaires.

Instead, the federal government needs to follow the trend of using social networks to reach out and connect—especially if it plans to attract the workforce that can help it succeed in a hyper-connected, dynamic 21st century.

## Hope Is On the Way

By the way, there is hope. Among those 55 years and older, 70 percent use social media tools monthly, while 26 percent use social networks. In the six-month period ending June 30, 2009, there was a staggering increase of 514 percent in the number of people in the 55-plus age group using Facebook.

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# The Past Is Prologue:
# The Obama Technology Agenda

The Obama approach to performance management has the chance to capitalize on employee motivation to make a difference.

by John Sindelar, Daniel Mintz, and Tom Hughes

In Spring 2008, our *The Public Manager* article reflected on the progress of e-government under the Bush Administration and what it portended for the future of the new administration beginning January 20, 2009. While many of the themes and challenges cited then were relatively accurate, our self-congratulations is tempered by the realization that—in the words of that great philosopher Yogi Berra—"The future ain't what it used to be."

As we end the first year of the new administration, it is fitting to compare our past observations with the changes now upon us in the world of information technology (IT) and related governance.

We begin by revisiting the macro trends of e-government (recognizing that this terminology is no longer in vogue); moving to the critical drivers of Web 2.0 technologies; and examining the changing role of the federal chief information officer (CIO).

## Evolution Continues

Before we address the three macro trends driving IT that our *TPM* article cited last spring, it is important to note that the speed of innovation has had an impact on developments. The traditional model of developing policy by crossing t's and dotting i's, followed by scaled pilot programs, is less of a priority. Speed to market is now the main driver. Policy, regulatory, and even security concerns are running second—often they are struggling just to catch up. This is an important change, one that has the advantage of speeding technology implementation while opening the possibility of unintended consequences.

### Funding Pressures Require Greater Returns on IT Investment.

No one needed a crystal ball for this prognostication. But no one knew the extent funding pressures would take as a result of the American Recovery and Reinvestment Act (ARRA). The expenditures resulting from ARRA intensify and increase the priority to maximize the return on more than $70 billion of IT investments.

The good news is that mitigation strategies are in the wings to lower IT costs through such emerging technologies as virtualization and cloud computing and the continuing commoditization of IT. In fact, cloud services are essentially a way to provide shared services from a single provider to multiple customers on a scale not bound by a business parameter. Thus, shared service is now an even more viable strategy to lower IT costs.

### Global Challenges: The War on Terrorism and Competitive Markets Will Demand Leveraging Information Sharing and Collaboration.

This challenge is even more relevant today, resulting in an intensified focus on cyber security, an explosion in information sharing, transparency, and a proliferation of Web 2.0 tools for citizen access. New ways of collaboration are driving the social networking trend and changing policies, as well as the business of government.

### Constituent Demands for Transparent, Secure Online Services that Ensure Privacy Continue to Grow. Will Government Be Part of Web 2.0 and Attract the New Generation Of Leaders?

This trend is central to the new administration's IT strategy. Nearly 10 years ago, John Sindelar met with his friend Frank McDonough to discuss how society and governance would change over the next decade as a result of the Internet. While they barely scratched the surface, it was clear even then that government at all levels would need to change significantly to embrace new technology, meet citizen demands for services, and counter negative uses whether by an individual or an adversarial government.

This administration has not only embraced emerging technologies, it is making data available through multiple channels and developing policies that reflect an open government accessible by a growing list of Web 2.0 tools. It is making mountains of data transparent and providing it to citizens for many uses—the most important being to drive innovation through information and solve problems government cannot on its own.

To this administration's credit, they have not dismantled the so-called "E-Gov Initiatives" or the lines of business from the previous administration. They see the continuance of these initiatives (as we suggested in spring 2008) as compatible with—but more narrowly scoped than—new, broader plans. So the IT evolution continues into what is often characterized these days as "Government 2.0." With this evolution springs many questions and issues that need to be explored.

## Government 2.0 Revisited

Our 2008 article used the historical analogy of the move from radio to television. We said then: "Over time, everyone realized that Radio 2.0, or Television, was not radio with pictures, but something entirely different. Television had a different relationship to its viewers, with a different method of participation and experience. None of that was obvious when it began.

"Similarly, what Government 2.0 will ultimately become and how it will affect government is only dimly understood today. It is likely to have a major impact on how government services are delivered, how government is organized, and ultimately how it relates to and with the American public.

"Government 2.0 is a fact, not fiction. It will have an increasing presence in the next administration and will affect us all in ways barely imagined today."

Our two points in the 2008 article were 1) Government 2.0 would play out unpredictably and 2) it would have a large, not yet understood, impact. We believe both predictions are true today.

For example, the number of government blogs and Facebook pages are in the thousands. Even the formerly mystical realm of Twitter has many government participants. There have been practical uses of all of these social networking services; supporting emergency services is one example.

The Obama Administration—under the leadership of Chief Information Officer (CIO) Vivek Kundra and Chief Technology Officer (CTO) Aneesh Chopra, along with an active social networking community in the White House—has made it clear that these tools will be considered normal and used to the maximum extent possible. Transparency of data in the form of dashboards or in raw form made available to nongov-

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ernmental organizations (NGOs) and other interested parties to make use of as they will is an important pillar for the current administration.

## Tradeoffs in the Offing

Such activities show that power in the future will result from interconnections as the end-points of information. Power will be associated with those who learn how to share as opposed to those who only focus on what they know. These developments will likely lead to uncomfortable tradeoffs between privacy and sharing, between risk management and risk aversion, and between the simplicity of hierarchical organization and the seeming chaos of crowd-sourcing.

We should keep in mind that such changes will continue whether we resolve them or not. An example of this conflict includes the Department of Defense continuing to wrestle with what social networking services should be allowed and which ones should be avoided. The recent announcement from the intelligence community that it will shut down its unclassified email system, u-gov, even while pushing other collaborative tools such as Intellipedia, is another example.

The first generation of the web was passive; you accessed a website and retrieved information. The second generation of the web was interactive; the website would modify itself based on what characteristics you indicated about yourself or a website actually could be a service that would allow a user to interact with it.

The third generation of the web is self-defining; it answers your search with what you meant to ask, not what you actually asked. This last version is often referred to as the Semantic Web, because it would understand meaning, or semantics. However, it turns out that with more than 100 million webpages already in existence, coding those meanings (by way of metatagging them) may not be practical or even possible. And automated interpretations of meaning aren't working so well either.

## Enter Clouds and Fast Sensors

There is much to be done with the current generation of 2.0 technologies. It will take years to implement many of the changes that are already on the table from the Obama Administration. The difference is in how the government will need to plan for, secure, and implement data collection. Exposure in the land of transparency and in the not-currently-well-defined cloud will continue to be disruptive and likely inevitable.

Also, the full potential of fast sensors in our networks is waiting to be tapped. However, it is already happening in a variety of non-obvious ways.

When drones send missiles into Afghanistan while the pilots are based in the United States, sensor technology is hard at work. In everyday life, sensor technology is used when you access map software with your cell phone or a GPS location in your car or when a nurse or doctor notes readings from a wireless device attached to their patient.

## The Changing Role of the CIO

As we grapple with the implementation of 2.0 technologies and revising business processes, the role of the CIO is going to change. That change is already underway. The Obama Administration has identified technology approaches to solve government issues.

CIOs now have responsibility for their agencies' business success and therefore must partner within their organizations to facilitate outcomes such as enhanced e-customer and Internet service. New technologies such as unified communications present some of the most exciting opportunities for expanding collaboration inside agencies and hold tremendous potential for supporting mission strategies that rely on increased self service, enhanced employee productivity, and streamlined processes.

### What's Changing?

As noted above, agencies are accumulating massive amounts of information, supported by speedier processing and new technology tools. Exponential growth is projected in the amount of data that organizations will collect, store, access, and exchange over the next decade. In addition, government executives outside of the CIO office can now buy many solutions directly from vendors and skip formal decision-making efforts.

Agencies will be successful only if they view IT (and the CIO) as a full partner in planning and executing government mission strategies. But today, many federal CIOs are not leaders; they are technical managers of their information environments.

### The Problem: Vertical Stovepipes

The current vertical CIO organizational model supports a hierarchical approach. It can promote strong management of IT projects and implementation that is on budget and on schedule. But the execution can be linear and one-dimensional because this model generally carves out IT projects as separate from business change initiatives.

Performance evaluation tends to focus primarily on tactical measures—outputs rather than outcomes. In this model, the CIO manages IT investments as technology projects. Further compounding this challenge, a recent Forrester survey found that a large percentage of operations wanted to make more contribution to the delivery of IT services. So how do we best add IT and business productive capabilities for delivering stronger IT solutions?

### The Solution: Letting Go, but Collaborating

In a collaborative governance model (see Figure 1), CIOs would be more effective in driving business change throughout the organization. Once the agency head determines the vision and strategy, the CIOs role is to translate the use of IT collaboratively and horizontally across the organization.

In this scenario, the CIO becomes a business leader who understands technology. No longer a functional leader focused on technology deployments, the CIO is able to translate the vision into a business strategy without organizational bias. She would work across the enterprise to foster collaboration throughout the execution and evaluation process.

As the model suggests, the CIO builds the governance and accountable organizations to assure delivery. This requires strong support from the top executive while also requiring new organizational skills from the CIO. With this new model, there will be an emphasis on four related areas: strategy, with the top executives; enterprise architecture; overall IT security; and capital planning and budgeting.

Technology can foster this new approach to CIO collaboration through the use of Web 2.0 tools, such as wikis, blogs, and Twitter, as well as new communications platforms (unified communications being the most promising). Organizing communication technology in this way enables people to get information in the form of voice, video, or data, both instantly and simultaneously, thus moving the agency down a productive path faster.

The U.S. Office of Management and Budget (OMB) and many agency CIOs recognize that these new technologies are part of the answer. CIOs must let go of downstream IT delivery and help OMB drive a new vision in order to deliver both government and national competitiveness in the years to come. It will require knowledge, faith, and courage.



## Figure 1. Tomorrow's Collaborative CIO Enterprise Model

Vision
CEO Business Goals

Performance
Strategic Measures to Assess
Business Outcomes

Strategy
CIO Has Major Role in IT Plan

Execution

Decision-Making
Workgroups

Collaborative Group
Web 2.0,
Unified Collaboration

Accountable
Long-Term Boards

**This requires the CIO to**
- Operate as a business leader
- Set up collaborative processes and measures
- Provide for horizontal, multidimensional management of major projects.
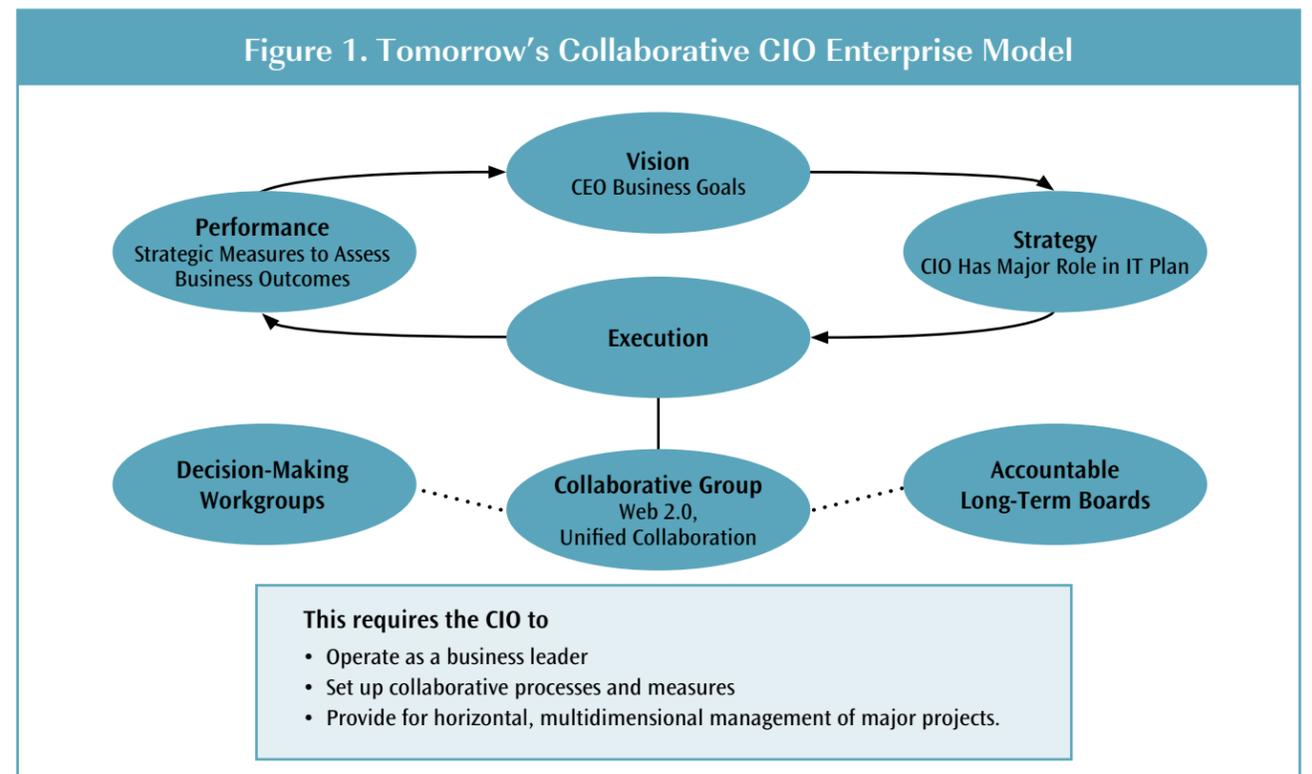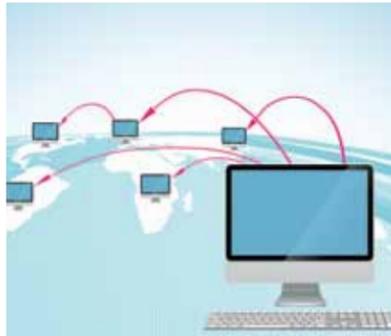
# Inherently Governmental Functions: Has the Debate Changed?

How government workers can interpret the latest multisector outsourcing guidelines.

by Allan Burman

There has been a long-standing policy, codified in the U.S. Federal Acquisition Regulations (FAR), that functions intimately related to the public interest should only be performed by federal civil servants. Typically, these types of "inherently governmental" functions require either the use of discretion or the making of value judgments to apply government authority.

A formal governmentwide policy stating this notion has been in place since 1992, reinforced in law by the 1998 Federal Activities Inventory Reform Act (FAIR), and further reinforced in the May 2003 revisions to the U.S. Office of Management and Budget (OMB) Circular No. A-76, *Performance of Commercial Activities*. Although the definitions in these documents are not identical, the idea of governmental activities being "intimately related to public interest" serves as the foundation for each of them.

In translating these definitions into management guidance, there are some obvious examples of functions that only government officials should perform, including awarding contracts, supervising government employees, and engaging in activities related to life and liberty. There are also activities that are clearly commercial in nature, such as performing minor maintenance or repairing machinery. But for every clear-cut example, there are hundreds of others that ultimately must be decided based on the merits of a particular situation.

Some observers have expressed frustration that laws and policies offer agencies no bright-line test. As a result, contractors often perform work that should be carried out by civil servants. The Spring 2008 issue of *The Public Manager* asked the question: Should the government rethink its long-standing policy on contracting out work? The answer: Yes.

Congress, in the FY 2008 Duncan Hunter National Defense Authorization Act (NDAA), tasked the current administration with producing a new "single consistent definition" of inherently governmental functions that can be applied governmentwide. Perhaps, more importantly, it also required the administration to develop criteria for identifying agency positions that, while not considered inherently governmental, should nevertheless only be carried out by agency employees.

The latter requirement reflects a willingness to move away from the legal niceties of a definition that by its very nature proves difficult as a management guide. Rather, the task moves the administration toward an approach that focuses on the much more practical question of what agencies need in terms of staffing and resources to ensure they have the capacity to govern.

In the June 22, 2009, report by the Congressional Research Service, "Inherently Governmental Functions and Department of Defense Operations: Background, Issues and Options for Change," John R. Luckey, Valerie Bailey Grasso, and Kate M. Manuel argue that what is at stake is much more than a narrow interpretation of law or policy, but rather "a larger debate about the proper role of the federal government vis-à-vis the private sector."

## Obama's Outsourcing Concerns

Recent documents put forth by both the president in March 2009 and OMB in July 2009 reinforce the notion that what is at stake here is in fact the broader issue.

> **The line between inherently governmental activities that should not be outsourced and commercial activities that may be subject to private sector competition has been blurred.**

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In his March 4, 2009, Memorandum for the Heads of Executive Departments and Agencies on Government Contracting, President Obama states: "Government outsourcing for services raises special concerns." He goes on to say, "The line between inherently governmental activities that should not be outsourced and commercial activities that may be subject to private sector competition has been blurred and inadequately defined. As a result, contractors may be performing inherently governmental functions."

In a subsequent July 29, 2009, memorandum, OMB Director Peter Orszag writes, "Agencies must be alert to situations in which excessive reliance on contractors undermines the ability of the federal government to accomplish its missions." The memo further cautions, "Over-reliance on contractors can lead to the erosion of the in-house capacity that is essential to effective government performance."

Moreover, the memo describes the problem as real, not hypothetical, and brought about by previous administration management priorities. These priorities, according to the memo, favored identifying functions to outsource while ignoring the costs "stemming from loss of institutional knowledge and capability and from inadequate management of contracted activities."

Competitive sourcing—that is, opening up government activities to private sector competition—was one of the major themes of President George W. Bush's President's Management Agenda. Both President Obama's and OMB's memorandums reflect a not-so-subtle change in the nature of the debate. The issue becomes less one of clearly differentiating activities that by law or policy must be performed by government officials to one of promoting a capable and robust federal workforce that can effectively oversee contractor support and react to contractor advice.

When presented in this light, the issue of whether an activity is or is not defined as inherently governmental becomes less important because the decision as to what activities to outsource becomes much more subjective. The decision will be based more on what the agency considers to be its core competency, irrespective of whether such a capability can be widely found in the private sector. For example, if meteorologists are critical

to the National Oceanic and Atmospheric Administration's mission, then it is the responsibility of the agency to see that the ability to carry out these roles is maintained in the agency and not outsourced.

What is at stake is the question of whether government agencies can effectively manage their own operations and successfully accomplish their missions. As a result, depending on agency core missions and interests, similar functions may be outsourced in one agency while determined to be critical and not to be outsourced in another.

## Multisector Sourcing Implications

With respect to operating in a multisector workforce environment—that is, one with both civil servants and contractors working together to meet agency needs—OMB provides a framework for agencies to use in making their sourcing determinations on staffing in its July 29, 2009, memo. That framework offers three categories of functions:

✦ inherently governmental (presumably determined by law or regulation or by new OMB guidance)

✦ critical, but not inherently governmental (determined by agency officials on an agency specific basis)

✦ essential, but not inherently governmental (determined by agency officials using a cost-comparison approach to seek the "most cost-effective source of support for the organization").

Only federal employees can perform inherently governmental functions, but this set of activities may be relatively small and likely based on those examples already included in FAR. The second or "critical" category, however, could be considerably larger, with the test here being that only federal employees should perform the work "to the extent required by the agency to maintain control of

its mission and operations (or if required by law, executive order, or international agreement)."

The third or "essential" category seems to follow the types of cost comparison approaches facilitated for many years under OMB Circular No. A-76, with all its attendant issues of developing a level playing field for government and contractor bidders and arriving at a fair outcome.

With regard to the basic determination regarding outsourcing, however, as opposed to a government-wide test, each agency will be using its own judgment to decide whether activities are critical to the agency's ability to manage effectively and, therefore, should be performed by civil servants. More important, these decisions will be made irrespective of whether activities are commercial or not. And determinations will be much more difficult to second-guess.

The focus of the debate will then have shifted from the legal or policy question of whether a function is inherently governmental to more practical issues of an agency's capability to acquire the necessary and skilled staff in a reasonable time frame to carry out their core functions.

## Future Impact

What will be the likely impact of this focus shift from policy toward ensuring operational control? Perhaps not much—at least as of yet.

With regard to staffing acquisition positions for the Department of Defense (DOD), Professor Steven Schooner, co-director of the Government Procurement Law Program at George Washington University, in his July 21, 2009, statement to the Defense Acquisition Reform Panel of the House Armed Services Committee states, "For the foreseeable future, government reliance on the private sector for acquisition support is necessary and, arguably, should be increased. Only when DOD shows demonstrable success in rebuilding its acquisition workforce should this issue be revisited."

> **Each agency will be using its own judgment to decide whether activities are critical to the agency's ability to manage effectively and, therefore, should be performed by civil servants.**
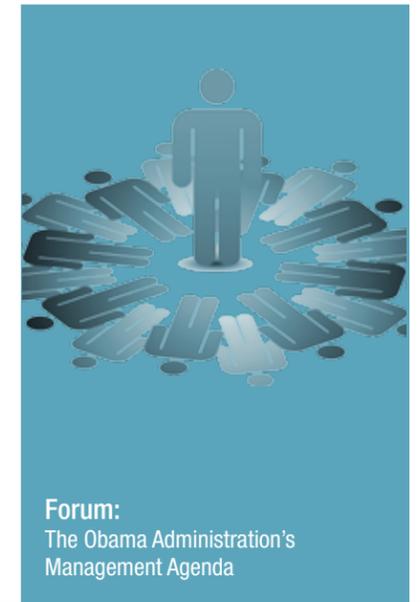
# Performance Management Progress

by Robert M. Tobias

In addition to being the most powerful person in the world, the person elected president of the United States also is the chief executive officer (CEO) of the executive branch of government. Ordinarily, the organizational results "buck" stops at a CEO's desk, but recent presidents have seemed more interested in running *against* the machinery of government.

Unlike his predecessors, however, President Obama has chosen to reverse this trend. He has announced that he plans to adopt a "lead-from-the-top" strategy to improve executive branch performance. Rather than pretend that the executive branch is inhabited by aliens who operate on a separate planet, President Obama seems to be taking responsibility for the results of executive branch performance.

## Government Performance and Results Act

Prior presidents have complained about executive branch performance, and some have tried to do something about it. For example, President Clinton supported and signed the 1993 Government Performance and Results Act (GPRA), which for the first time obligated agencies to identify outcome performance goals and the plans to achieve them.

> The Obama approach to performance management has the opportunity to capitalize on employee motivation to make a difference.

## Program Assessment and Rating Tool

During his term, President George W. Bush created the Program Assessment and Rating Tool (PART) to supplement the GPRA in assessing the performance of 1,100 executive branch programs. Neither President Clinton nor President Bush, however, followed through on these efforts by, for example, meeting with cabinet officials—the president's "direct reports"—to discuss policy goals or the results of their efforts to achieve those goals.

## High-Priority Goals

In contrast, President Obama is asking agencies to identify goals that he will personally monitor and discuss with cabinet officials. The "Analytical Perspectives" portion of the President's 2010 Budget asks "each major agency" to identify "a limited set of high-priority goals, supported by meaningful measures and quantitative targets." Obama then states he will do what no other recent president has done: meet personally with "cabinet officers to review their progress toward meeting their performance improvement targets."

There is a wide gap between public policy creation and its implementation. Washington, D.C., is filled with people who make policy—or wish they did. Implementing policy in the workplace, however, requires a different focus and consistent contact between creation and implementation. By pledging publicly to meet regularly with cabinet officers about whether they have met their performance objectives, President Obama has assumed responsibility for implementing public policy.

While presidents have regularly met with cabinet officers to discuss policy development, they have not generally concerned themselves with its implementation. When a president spends his personal time on an issue, it sends an emphatic message to the executive branch that the issue is important. Political appointees understand that improving performance will reflect favorably on them, and they may now look to the U.S.

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Office of Management and Budget (OMB) and the U.S. Office of Personnel Management (OPM) for advice.

## Strategy for Improved Government Performance

The tactical strategy for creating increased government performance has been identified by OMB and OPM:

✦ OMB Director Peter Orszag has called for agencies to identify their high-priority goals; create 2011 budget submissions that identify how agencies will better their standing in the Best Places to Work in the Federal Government survey; and conduct "rigorous, independent program evaluations" to determine "whether government programs are achieving their intended outcomes as well as possible, and at the lowest possible cost."

✦ Chief Performance Officer and OMB Deputy Director for Management Jeffrey Zients indicates that the administration will focus on improving the Bush Administration's Program Assessment and Rating Tool; urge agencies to incorporate performance results into their decisions about improving performance; and, because "the government has missed most of the private-sector productivity gains made possible by information technology," develop better information technology in the federal government.

✦ OPM Director John Berry and Zients have called for creating a faster, better government hiring process.

✦ Berry also has ordered a new governmentwide performance evaluation system that links individual performance with agency goals and objectives.

These tactical strategies are not entirely new; they have been advanced by prior directors of OPM and OMB and by good government groups, but they have not been implemented. OPM has been seen as a nag without teeth, and OMB as a hammer without nails when it comes to improving government performance. What has been missing is personal, presidential attention.

> By pledging publicly to meet regularly with cabinet officers about whether they have met their performance objectives, President Obama has assumed responsibility for implementing public policy.

## Presidential Vision and Leadership

Because the president is interested in improving performance, meaningful conversations will occur in agencies about how to increase performance. OPM's ideas for prompt hiring of the best and the brightest, employee engagement, training, leadership development, and effective succession planning become grist for the discussion mill. Likewise, OMB's call for program evaluation as data for program improvement, better technology, and the methodology for measuring results becomes critical to achieving success.

If the discussion about improving performance among department political appointees turns from the abstract to the concrete, policy implementation will include career leaders at all levels, together with bargaining among unit employees, to define the changes needed and obtain support.

Federal employees will welcome the opportunity to improve the performance of their agency. As McKinsey & Co. found in a recent survey of *Government Executive*

subscribers, government managers "understand and embrace the direction and vision of their organization and are motivated to make a difference." This is true in the federal sector "more than in the private sector" and applies to both managers and nonmanagers.

The labor-management partnering activities during the Clinton Administration revealed that federal-sector unions and the bargaining unit employees they represent want to improve government performance. What the McKinsey study found is that the missing link between workers and performance improvement was a dearth of "management practices related to fostering employee engagement, talent management, and accountability."

The Obama approach to performance management has the chance to capitalize on employee motivation to make a difference and will provide incentives to remove the barriers to substantially improve individual and agency performance in the federal sector. The question is whether Obama's promise to personally focus on public policy implementation will be fulfilled.

# Developments with Intergovernmental Cooperation

A conversation about the Obama Administration's progress on the intergovernmental agenda.

by Elizabeth K. Kellar and Robert J. O'Neill

In our article, "Now Is the Time for Collaboration," we urged the new administration to seek honest dialogue and pragmatic solutions to the most important nondefense issues facing our nation: jobs, healthcare, education, environment, and long-term economic security (retirement, Social Security, and Medicare). We pointed out that states and local governments have a vital role to play in financing the policy and developing program strategies most likely to succeed.

What progress has the Obama Administration made on the intergovernmental cooperation agenda? We had an open-ended conversation with Donald Borut, executive director of the National League of Cities, and Raymond Scheppach, executive director of the National Governors' Association, to discuss what is working—and what has not yet been addressed.

## Recovery Initiative

All agreed that communication has been very good on the American Recovery and Reinvestment Act (ARRA). Troubleshooting has been done by an ad hoc group because the timeframe for implementation was compressed and all three levels of government share the risk of failure. People came together because they wanted to make the recovery package work, not because there was a formal structure for engagement. The additional transparency and intense public interest in the initiative were significant motivators to come together to address implementation issues.

Vice President Biden has had weekly meetings with governors and mayors. Both the vice president and the U.S. Office of Management and Budget (OMB) have worked with their intergovernmental partners in good faith. "The cooperation on the ARRA personifies what we need," observed Borut. "We have regular, two-way communication about the issues and our federal partners are not defensive."

Scheppach added, "The administration has made changes as we have raised issues. For example, they have made changes in the way that they are aggregating data and have given us more time to clean up the data. They have listened."

The ARRA has been a good model because state and local governments were chosen to implement the initiative through existing programs.

"Another plus is that the U.S. Government Accountability Office (GAO) has been out in the field, checking with 16 states on their experience at the front end of the process," said Scheppach. "The GAO has been included in discussions with the OMB, something that happened almost organically."

Borut added, "Having knowledge of how state and local governments operate was important because there were not enough resources to carry out the administrative responsibilities required for the program." Once GAO made those points clear, Congress adjusted the grant guidelines.

There are many positive developments regarding the process of engagement, but experts and pundits alike can be expected to criticize all levels of government once the October 2009 reports are analyzed. Certainly, good progress has been made in building a framework for reporting, though the quality of the reports rightfully can be questioned.

## Healthcare Reform

Healthcare reform looms as an even greater intergovernmental challenge. It is a huge legislative bill with significant potential intergovernmental implications. Because it is the president's signature issue, politics tend to overwhelm many other considerations. States and the federal government share the costs of Medicaid, for example, so depending on how that program is altered or expanded, there could be cost shifts to state governments.

"Early on, the administration brought Democratic and Republican governors into the discussions. As Congress looked for more ways to control federal government costs, the communication dynamic changed. States began to worry about the potential of unfunded mandates," said Scheppach. Because state and local governments are also major employers, they are watching closely to see how any new legislation may affect their benefit plans and future compensation structures.

## Homeland Security

"Having a former governor as head of the Department of Homeland Security makes it easier to address intergovernmental issues," said Scheppach. "Secretary Janet Napolitano recognized that the former plan for Real ID could not be executed, so we have been able to discuss the issues openly and work together on needed changes."

There have been ample opportunities for local and state governments to provide feedback to the administration on many strategies and tactics. In fact, one of the challenges is to identify which issues merit the most time and attention from state and local leaders.

## Federal Agencies Show Leadership

"We've seen agencies take initiative to work together on issues they are passionate about," observed Borut. "For example, the U.S. Departments of Housing and Urban Development and Transportation and the Environmental Protection Agency have developed a metropolitan initiative. They actively seek local government involvement and feedback."

"This kind of exchange energizes local government leaders," said Borut. "While it is too soon to know what the outcome will be, our elected officials and state league directors appreciate the process of engagement."

## A More Structured Approach

So far, the White House Office of Intergovernmental Relations has functioned similarly to those of prior administrations. It serves as an outreach and communication arm to connect with elected leaders and to promote the administration's agenda. It has not yet taken a lead role in domestic policy development.

Last year, we encouraged the new administration to create a structured approach to engage representatives from major state and local governments, perhaps meeting quarterly to assess progress on issues requiring intergovernmental cooperation. While developing more institutional capacity to leverage these relationships has not been a priority, on certain initiatives—such as the ARRA—the administration has demonstrated model behavior for a productive relationship. As Scheppach noted, "If people want to communicate and there's some risk for everyone, the model works well."

We would argue that such communication should be less episodic and idiosyncratic. What's needed is a structure that can assess the capacity and health of the intergovernmental system to be sure that it can deliver on the nation's priorities for government services.

With the Obama Administration, the foundation of the intergovernmental partnership is being strengthened. There is still much left to address on this unfinished agenda. Now is the time to institutionalize the way conversations are held with key leaders.

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# The Obama Technology Agenda: Open, Transparent, and Collaborative

The technology agenda is game-changing, bringing collaboration, participation, and transparency to government in a big way.

by David McClure and Martha Dorris

The Obama Administration's technology agenda is game-changing, bringing collaboration, participation, and transparency to government in a big way. As more information makes its way onto the Internet, an increased level of focus and flexibility is required to balance privacy and security concerns with the desire to make information more readily accessible. For many people, the move toward more open, transparent, and collaborative government is regarded as "change management on steroids." To maintain perspective, focused leadership from government executives and managers is paramount.

The collaboration and transparency push has already made an impact on government in some very interesting ways. Collaboration within government has improved through the use of lightweight, and often free, tools and technologies that provide fast, cheap, and effective support and enable us to expand government's reach and engage with citizens more broadly.

Additionally, government presence on external social networks has exploded. Many federal agencies have established a presence on at least one of the mainstream social networks: Twitter, Facebook, MySpace, YouTube, or Second Life. Government is learning that it needs to go where citizens already are. However, the prevalence of social networks presents its own challenges as employees use and access them from their workspaces.

More over, increased transparency and collaboration are opening a deluge of government data to the public. At every level—from federal to state to local—government has put more of its data online for public consumption. Citizens are leveraging this information in new and exciting ways that add value.

## Opportunities and Challenges

Despite the eruption of interest in and use of collaborative and transparent tools, the concepts behind them are still in their infancy and provide opportunities and challenges within and across federal agencies and with the public.

Internally, agency employees are able to cross traditional organizational lines to find new ways to communicate, analyze, interact, and work with each other. Colleagues in different agencies are able to work across government tiers on common needs and priorities without going through traditional hierarchies and formalities that can hinder cross-agency collaboration.

In a transparent environment, government's dialogue and interaction with citizens allows for feedback and participation. Citizens can be the source of new ideas and solutions not considered by government. This interaction must focus on collaboration and not just deliberation.

These collaboration and transparency challenges are felt even more acutely by the federal information technology managers who oversee their agencies' IT plans.

## Disclosure Management

Government databases often intertwine nonsensitive, publicly available data with personally identifiable information and other protected data, such as financial, contracting, and proprietary information. The time periods for releasing and sharing more government information are shortening, and as this information is mashed-up with other information, there is an increasing need to review it more thoroughly before posting.

As a result, disclosure management is becoming a new capability that falls somewhere between web content management and vulnerability management, which is largely focused on policy compliance and traditional security and access controls.

## Data Sharing

Data sharing in Gov 2.0 is accelerating the push for raw or machine-readable data (for example, www.data.gov), which is then consumed by third parties or citizens for their own purposes. However, there also is a need for government to effectively package and synthesize this tsunami of data and deliver it in formats easily digested

by diverse audiences. This creates challenging questions about the boundaries for government information ownership and control, as well as starting and ending points for government accountability.

## Data Quality

The accuracy, integrity, timeliness, and reliability of government data and information are a recurring problem in government, but they take on even greater priority as the amount of government information being pushed onto the web grows. We're defeating the purpose of transparency if we're pushing out not only bad data but irrelevant data.

## Multichannel Information, Interaction, and Service Delivery

Not only do we have challenges in getting information and services to the public via multiple delivery channels (such as the Internet, contact centers, face-to-face, and printed materials), but agencies must also realize that they are interacting with citizens in a three-screen environment. Government agencies must enable users to view, download, and reuse content on mobile devices, personal computers, and large video screens. We must be able to engage and connect with citizens in each of these environments.

## Data Analysis

Because of the volume of data and the push to use it for sharpened performance and operational management in government, we believe we will witness the re-emergence of knowledge management (KM 2.0)—and direct attention to overall information management. This will include search and query tools, which are an important method of citizen interaction and engagement with government. At the U.S. General Services Administration (GSA), we are investigating new search and query capabilities to get the right information to citizens faster, improving information services and understanding emerging and priority policy needs.

## Disruption

Cool, innovative technologies often are very disruptive to the status quo. In government, a "circle the wagons" mentality can root, but new social media tools provide some interesting insights into how markets, applications, and providers will undergo significant changes. In such an environment, flexibility and agility are important foundational elements to embrace.

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## The Number of New Media Tools Is Astounding

The U.S .General Services Administration is leading a team of federal agencies in negotiating Terms of Service agreements that federal agencies can legally sign with social media providers, or use as a framework to negotiate their own provider agreements. This chart shows the providers who have signed agreements; those in italics are in process. The completed agreements can be found under Social Media Apps on Apps.gov.

**Bookmarking/Sharing**
- AddThis

**Display of Multimedia, Data, and Maps**
- Cooliris
- Dipity
- Socrata
- Google Maps
- Google Earth
- Google GViz

**Social Networks**
- Facebook
- MySpace
- FriendFeed
- TwitVid.io
- Ning
- Facebook APIs

**Blogs and Microblogs**
- WordPress
- *Twitter*
- *Google Blogger*

**Challenges & Prizes**
- VenCorps

**Analytics, Surveys, and Search Engine Optimization Tools**
- OpenCalais
- *Google Analytics*
- *4Q Survey*
- *QuestionPro*

**Widget Creation**
- Google Gadget

**Open Source Software Development and Sharing**
- SourceForge.net

**Video, Photo, Audio Hosting/Sharing**
- blip.tv
- YouTube
- Vimeo
- Flickr
- TubeMogul
- *iTunes, iTunesU, iPhone, iPod Touch*
- *Hulu*
- *SchoolTube*
- *Picasa*

**Document Sharing on Websites**
- Scribd
- SlideShare

**Idea Generation/General Discussion**
- IdeaScale
- UserVoice
- *Google Moderator*
- *IdeaFactory (Transportation Security Administration tool to share)*

**More In-Depth Discussion Tools**
- IntenseDebate
- Disqus

**Wikis**
- MixedInk
- Wikispaces

**RSS and Other Syndicated Feeds**
- Google FeedBurner

**Event Registration**
- Eventbrite

Note: List is accurate as of November 4, 2009.

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## Defining and Measuring Impact

While the early focus has been on technologies, it is critical for us to understand whether openness, transparency, and collaboration are helping us achieve better government performance results and increase citizen trust. For example, are policy-making processes getting better, faster, and more agile, and are we encountering more success in achieving intended results?

As in prior administrations, we are fixated on technology, even though other components are important: policies, practices, methods, and the ability to match innovation to performance improvement pain points. We're learning that it's not all about websites; we have to design an engagement process that helps achieve a desired outcome.

## Time to Innovate

Web 2.0 tools and collaboration are indeed relevant during this time when people are not only being pushed to innovate, but also are being constrained by tight fiscal environments. These tools take very little investment but can provide great benefits by engaging groups outside government. While traditional resources are cut, these tools provide new means to serve and offer value to citizens. They also help government create the impression of a modern working environment to a new generation of employees.

To be sure, there are bound to be some surprising twists and turns on this technological roller-coaster ride. But in the end, citizens will have greater access to—and influence on—their government as a result.

**Forum:**
The Obama Administration's Management Agenda

# Obama's Stealth Revolution: Quietly Reshaping the Way Government Works

by Donald F. Kettl

Is the stimulus package Obama's instrument for revolutionizing government?

Quiet grumbling has surfaced among the inside-the-beltway crowd—and not just over healthcare reform. People are asking, "Where is Obama's big-bang reform of government?"

Government reform has been a staple of presidential management for the last 50 years. President Kennedy brought in his whiz kids, led by Robert McNamara. President Johnson mandated a planning-programming-budgeting (PPB) system to link program goals and costs. President Nixon upped the ante with a management-by-objectives budget system, and President Carter trumped him with zero-based budgeting, which promised to force budgeters to explain the extra value that marginal dollars would bring.

Next, President Reagan privatized everything he could and created a special commission led by a private-sector executive to review the entire government and its operations. During the Clinton administration, Vice President Al Gore identified hundreds of recommendations for reinventing government. By day 200 of his administration, President George W. Bush had launched a top-down performance system tied to the budget. Does Team Obama have something on the way?

## First Post-Bureaucratic President

There's no big-bang announcement yet, but a stealth revolution is in the works. President Obama is quietly shaping a strategy to become the first post-bureaucratic president.

Presidents might be chief executives, but they don't really behave much like CEOs. Nevertheless, for more than half a century, presidents have felt obliged to demonstrate to voters—and especially to the permanent government—that they take the job of running the government seriously. Presidents seem to have worked out of the vending-machine model of government: insert cash (a lot of it), push the button, and wait for services to come out. The goal: Figure out how to make the vending machine work better.

Pressed by angry taxpayers, most presidents have tried to squeeze out more services for the same amount of money. Reagan tried to rewire the vending machine by giving the private sector more management over more of its parts. Clinton's reinvention of government was part good cop (trying to smooth government's machinery for federal employees caught in bad systems) and part bad cop (downsizing the machinery itself). Bush torqued down the machine by forcing managers to better explain what they were trying to accomplish and to measure how well they did.

Enter Hurricane Katrina. Team Bush recovered from a remarkable collection of crises, but the blow from which it could never bounce back was FEMA's fumble. October 2005 was the first time that the president's negative ratings exceeded his positive numbers. It was not just a public relations disaster; it was a profound failure of vending-machine government. The administration inserted the cash and pushed the buttons, but the mechanism jammed.

For Team Obama, ever mindful of history, the lesson is clear. The top-down, process-driven, budget-based reforms of the last 50 years have run out of coins. The vending machine is broken, and more presidential tinkering cannot fix it.

## In Search of a New Idea

It is time for a new idea. It will have to be outlandishly huge to get the attention of government workers, who have become used to the escalating

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promises that have come with the regular rising and setting of the reform sun. However, there isn't a consensus of what "big idea" ought to drive the next beam of government reform.

Top administration officials also know that they need a new plan. They need it in part to demonstrate their seriousness about government and in part to make sure their own—inevitable—Katrina doesn't torpedo them as it did Bush. So, they're hitching up their governance strategy wagon to transparency and working organically from the bottom up. They want to test their ideas before they latch themselves to a loser.

The stimulus is proving the perfect test vehicle. It's moving broadly (so it's affecting almost everything in government), and it's moving fast (so no one is looking too closely at what's coming). It's a stealth revolution quietly taking shape with very little notice.

But what does this stealth revolution look like?

## Virtually Connect with Citizens

The Obama Administration came to Washington as master of the new media. The White House was soon "tweeting" out its own exclusives. Damon Weaver, an 11-year-old ace reporter from Florida, got an interview with the president. Even though his broadcast news show reaches only 500 students at Canal Point Elementary School, his "tweeted" interview and YouTube video soon hit the broadcast networks and reached millions.

Obama has sometimes gotten clobbered in turn by the viral media, especially in the storm of opposition to his healthcare reform. But those in the administration are betting that the virtual networking force will be theirs—even if they've banned Twitter from the White House and the Oval Office.

## Create Czars to Sidestep Bureaucratic Roadblocks

From Katrina, Obama learned that coordination failures can cripple a president, both administratively and politically. To break the bureaucratic boundaries, the administration has appointed a gaggle of policy czars—three dozen by one count—loosely coordinated by Chief of Staff Rahm Emanuel.

There's a bank czar to oversee executives' pay and a car czar to reorganize the auto industry. There are special envoys for Afghanistan and the Middle East, and czars for energy and the environment, as well as for healthcare and the stimulus package. None of

these officials are confirmed by the Senate or answer to Congress. This is part flattening-the-hierarchy, part move-fast/travel-light, part don't-let-Congress-meddle, and part don't-let-the-bureaucracy-slow-you-down. All presidents have used special representatives for particular issues, but this is a revolutionary-in-scale move to maneuver past the permanent bureaucracy.

## Herd Cats When Dealing with Congress

From every corner, there has been criticism of Obama's strategy of setting broad principles on big issues—the stimulus, climate change, healthcare reform—and then tossing the debate to Congress to resolve. This strategy has led to a porkfest in the stimulus package, a giveaway of hundreds of billions of dollars of pollution credits in the climate change bill, and wobbly wheels on the healthcare reform wagon.

Although it hasn't been easy to watch, straightforward presidential proposals have become a skeet shoot on Capitol Hill, with specifics tossed up only to be shot down. Congress is good at short-term deals, building broad coalitions by horse trading, and stopping big ideas dead in their tracks.

Obama is willing to accept half a loaf rather than no loaf, because he believes there may be a chance in the future for another trip to the bakery. It appears that Obama won't make that trip if he can't get some policy wins, however. Take what you can get, fix it later, but make sure you get something to sign now for the 2012 campaign later seems to be the administration's strategy. So far, it's gotten the stimulus bill enacted and seen movement on climate change and healthcare reform.

## Redefine Accountability Through Transparency

Team Obama quickly concluded that it couldn't steer the government through the usual mechanisms. No one would pay attention to more rules, and traditional authority broke down. The budget is the usual presidential ace card, but with Washington printing money so fast that it risked brownouts, the budget was useless.

Instead, the administration has pushed out enormous quantities of information about federal programs and relied on citizens (and interest groups) to digest the data and figure out what it means. The stimulus program is the point of the spear. Want to know where the money is going and how it's being used? Go to the Recovery.gov website for a dazzling—and staggering—collection of information. But that's just part

of the enormous avalanche of data pouring out of the new administration.

Vivek Kundra, Obama's information czar, brought the strategy from his previous position as Washington, D.C.'s chief technology officer. The city's "Apps for Democracy" contest produced hundreds of new ways to "mash up" real-time data. The city received several new applications at relatively little cost, citizens received access to data on programs ranging from crime to construction to vacant property, and Harvard's Innovations Award named Kundra's effort a finalist for "democratizing data."

Building virtual links with citizens, sidestepping bureaucracy, herding Congress, and democratizing data; without having launched a big-bang initiative, a stealth revolution has come together in Obama's first nine months.

## Wither Transparency?

This stealth revolution is an incredibly high-risk venture. It's a game changer. Two things seem clear. One is that transparency is the "next big thing" in governance—even though no one really knows what "transparency" means. Like so much of the rest of the Obama's frenetic policy juggernaut, there's a shell without much content.

The other is that we're post-bureaucratic, with players across many federal agencies, multiple levels of government, public-private-nonprofit sectors, and international boundaries.

Consider the 2008 dog food recall. Melamine was introduced into the canine food chain through a Chinese company, imported by a Canadian company, manufactured in plants in New Jersey and Kansas, and distributed through more than 100 dog food brands throughout the United States. Getting leverage on such complex policy networks, which are proliferating throughout all of government, while at the same time operating through traditional bureaucracies, is a fundamental challenge of 21st century government.

So Obama is conducting a post-bureaucratic, stealth revolution—through transparency—to deal with networked policy problems. The administration has the problem defined just right. However, the strategy is not only unproven, it's full of risks that could blow up.

The implosion of healthcare reform illustrates the risks of the congressional strategy. They might get some kind of signable bill, but in a policy world where everyone plays and no one leads, the rudder is sitting there for anyone to grab. And while the administration has mastered virtual networking, opponents have flipped

the game back on it. The electronic campaigns of the death boards show how easily it is to die by the sword as to live by it. No one owns or steers the new media.

The policy czars give the administration "point persons" for its policy making. But making the policies work will require bringing in the permanent government, which has been dealt out of the policy flurry. Except when it comes to problems. The National Highway Traffic Safety Administration, the regulatory agency charged with overseeing child safety seats and auto recalls and drunk driving rules, was attacked for not moving the Cash for Clunkers money fast enough, a program about as far from its mission as one can get. Feds everywhere are nervously eyeing the transparency rules embedded in the emerging stimulus reports.

Experienced feds know that eagle-eyed critics will mine the data for horror stories. Glenn Beck has already hijacked Recovery.gov to attack the stimulus for "just peeing your money away."

## Results-Oriented Problem Solving and Leadership

If the Obama Administration has defined the problem correctly, it's going to have a serious problem solving it. If the federal government is post-bureaucratic—and no agency can control any problem it's given to manage—solutions can't come through spontaneous combustion produced by dumping information into the Internet.

Hurricane Katrina showed how post-bureaucratic government ought to work. When Coast Guard Admiral Thad Allen replaced Michael Brown as coordinator-in-chief, things started to move—through two lessons. First, government works when problem solving rather than boundary protecting defines who does what. Second, this requires a leader with the instinct—and salty language, if necessary—to drive relentlessly toward results.

So far Obama's stealth revolution has the post-bureaucratic vision. However, it needs to learn the Katrina lessons—fast—if President Obama is going to avoid having the tough realities of 21st century government eat him up as they did his predecessor.

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# The Obama Management Agenda: Five Steps Toward Transformation

by Alan P. Balutis

Our 44th president has started down a path to reshape public services.

In the Spring 2008 Special Issue of *The Public Manager,* nearly 20 current and former government executives, academicians, and private and nonprofit sector leaders outlined a management agenda for the incoming 44th president of the United States. Those authors were part of a luncheon seminar series in 2007 and 2008 organized by Cisco's Internet Business Solutions Group (IBSG), the company's global consulting arm.

In that issue, the authors outlined where and how our next government should differ from those preceding it. The ideas were grouped into four categories: human resources (HR), acquisition, technology, and execution. Together, they began to describe a new model of government. There was no reason, they argued then, that "government cannot operate with as much speed, responsiveness, and resiliency as the private sector. In fact, there is no reason government should not be the leader when it comes to technology adoption, human capital management, and service delivery."

The articles also discussed how the government should go about accomplishing a transformation; what the president and executive management team should do differently; as well as the topics that deserved their attention early in the first term.

It's been one year since a healthy majority of American voters elected Barack Obama to change America. Within his first few months in office, President Obama signed the largest economic recovery package in a generation and significantly boosted government assistance to banks and auto manufacturers. His administration has augmented the role of U.S. troops in Afghanistan, has moved to categorically renounce torture and set a deadline for closing the Guantanamo prison, and is working to withdraw combat troops from Iraq. The president nominated the first Hispanic to the Supreme Court, accepted the scientific consensus on climate change, and invested in "green" jobs and a "smart" grid. Finally, his administration is working on

healthcare reform, an issue that has challenged presidents and congresses for over 40 years. Indeed, Obama is addressing the major issues facing Americans—and he received a Nobel Peace Prize, too.

At the time of publication, the president will have been in office for approximately one year. So we reassembled almost all the original contributors—and added just a few new ones—and asked them to assess the Obama Management Agenda.

## The Management Agenda

In the opening article of the Spring 2008 Special Issue, Professor Donald F. Kettl argued that never before have we so badly needed new and big ideas on government management and never before have we so badly needed strong managers and leaders in government.

He wrote: "No self respecting president can enter office without a management plan…A management plan …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. More importantly, those who follow the broad strategies of government management seek to devise 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?"

The signals on how management mattered came early. In his inaugural address, President Obama said, "The question we ask today is not whether our government is too big or too small, but whether it works." He added, "And those of us who manage the public's dollars will be held to account, to spend wisely, reform bad habits, and do our business in the light of day, because only then can we restore the vital trust between a people and their government."

The very next day, his first full day in office, the president's earliest directive was a Memorandum for the Heads of Executive Departments and Agencies on "Transparency and Open Government." Obama stated on January 21, 2009:

- ✦ government should be transparent
- ✦ government should be participatory
- ✦ government should be collaborative.

He appointed Jeff Zients as the government's first chief performance officer and Vivek Kundra as its first chief information officer in the U.S. Office of Management and Budget (OMB). He appointed Aneesh Chopra as the government's first chief technology officer in the U.S. Office of Science and Technology Policy.

> *Management matters— with each new administration, the fresh question is how?*

## Six Major Themes

In early May 2009, the president sent the FY 2010 budget to Congress. In the Analytical Perspectives volume that accompanies the budget message, the administration indicated that they were developing a new management and performance agenda based around the following themes:

- ✦ Putting performance first; replacing the Bush-era Program Assessment Rating Tool (PART) with a new performance improvement and analysis framework.

- ✦ Ensuring responsible spending of American Recovery and Reinvestment Act (ARRA) of 2009 funds.

- ✦ Transforming the federal workforce. Noting the pending retirement wave of federal employees, the administration indicated a focus on recruiting and retaining new talent and "implementing 21st century systems and processes to acquire, develop, engage, compensate, recognize, and effectively retain talented employees."

- ✦ Managing across sectors by partnering with the private and nonprofit sectors and collaborating across levels of government.

- ✦ Reforming federal contracting and acquisition. On March 4, 2009, the president issued a memorandum on government contracting that instructed the director of OMB to issue guidance on reviewing contracts; maximizing use of competitive procurement processes; using all contract types appropriately; assessing the capacity and ability of the federal acquisition workforce to develop, manage, and oversee acquisitions appropriately; and clarifying when outsourcing is and is not appropriate.

- ✦ Installing transparency, technology, and participatory democracy. Transparency promotes accountability and provides information for citizens about what the government is doing. Technology increasingly allows the government to provide citizens with improved access to information about the use of tax dollars and with the opportunity to give feedback. It is critical that the government manage its information technology program effectively and securely while addressing privacy concerns.

## Four Key Barriers

As yet, there isn't a high-profile label for this new performance and management agenda; no "Reform 88," no "Thousand Points of Light," no "Reinventing Government." There isn't even a "President's Management Agenda (PMA)." Rather, the administration is focused on four key barriers to improving federal performance, which Zients has indicated that he has personally encountered:

- ✦ a lack of focus on management by senior political leaders

- ✦ failed efforts at upgrading the government's information technology infrastructure

- ✦ an overly cumbersome contracting process

- ✦ an equally burdensome federal hiring process.

There is a strong alignment between the guidance and recommendations offered by our team of expert authors and the initial actions of this new president and his management team.

A partial listing would include abandoning old fights and engaging union leadership (Thompson), building on e-government shared services initiatives (Sindelar et al.), enhancing and expanding intergovernmental collaboration (Kellar and O'Neill; McClure and Dorris), a national broadband strategy (Hughes), revisiting guidance on what constitutes "inherently governmental" (Burman), making improved performance "the president's thing" (Tobias), and so forth.

In fact, while reviewing the special issue, I quickly found almost 20 recommendations made by our team of experts and executives that have appeared as part of the "new performance and management agenda." A few deserve special mention to demonstrate this strong correlation.

## HR Strategy

In his initial article two years ago, "Looking Ahead: A Human Resources Strategy," W. Frederick Thompson called into question the relevance of the classification and the General Schedule (GS) system established many years ago. He outlined some assumptions implicit in the current GS pay system and proposed changes. Among those changes was replacing the specific GS grade structure with "a broad structure of three or four levels of job mastery…."

On November 2, 2009, John Berry, director of the U.S. Office of Personnel Management (OPM), hinted that he believes the GS system needs a major overhaul. What would replace it? Berry suggested career ladders with three stages: apprentice, journey-level, and expert.

Let's stay with OPM and Director Berry for another striking parallel. Stephen Benowitz, in his initial article, "Human Capital—The Most Critical Asset," advocated convening "a task force representing the federal agencies, employees and their representatives, and other key stakeholders to develop practical and politically acceptable changes to the federal personnel system."

On October 28, 2009, the Harvard Kennedy School, along with the University of Maryland and OPM, held a six-hour meeting of administration officials, members of Congress, Capitol Hill staffers, employee organization heads, private-sector leaders, and academics to overhaul the personnel employment process.

Cisco IBSG began this effort more than two years ago to "contribute to a management agenda for the upcoming 44th President of the United States." Simon Willis, vice president of the public sector for IBSG, said then: "We hope these articles can begin an important dialogue in the months leading up to Election Day and during the transition that follows." That dialogue began, and it continues one year into the first term of President Obama.

## Government for the Future

As the president's new management and performance agenda moves forward (assuming that it does and these issues remain an important priority), a new model for government is likely to emerge. That likelihood is heightened not only by a dynamic, young chief executive and the management team he has convened, but it is driven by a confluence of factors—a perfect

management storm—that will force us toward a 21st-century government:

✦ A "retirement tsunami" in the federal workforce as a large percentage of rank-and-file employees and top managers retire and leave.

✦ The large—and growing—fiscal imbalance driven by an aging population, which will dramatically increase healthcare and retirement costs.

✦ Other national challenges, such as the continuing war on terror, competition from emerging world powers such as China and India, rising energy costs, environmental concerns, the changing economy, and unknown new problems and threats.

✦ An emerging new workforce of digital natives who bring with them distinct perspectives and expectations of collaboration, instantaneous communications, and innovative technologies.

✦ A desire to reverse the trend toward contracting out many tasks to the private sector while enhancing government's ability to oversee and manage contract dollars and actions.

✦ Powerful new strategic information and communication technologies that promise to change government.

✦ Global trends and innovative approaches that are transforming government's delivery of services to its citizens.

✦ Revolutionary new business models for government and elevated citizen and customer expectations.

✦ Heightened expectations that government must deliver on its policy promises.

## Agility and Accountability

Whether this is a stealth revolution as Kettl argues in his article or something more obvious is less important than the clear reshaping of how government works. Government must be more agile and accountable to meet the problems and challenges that will develop and evolve more rapidly than our traditional models can address.

In addition, the new government needs to be more nimble and responsive. The failures following 9/11 and Katrina highlight that management lapses can impose serious political consequences and greater accountability is called for.

## Engagement and Execution

In acquisition, government must do a better job of engaging and managing a contract workforce that now works in partnership with government employees to deliver essential services to our citizens and businesses.

> Our 44th president has an opportunity to reshape the government, public services, and policies that limit our global competitive posture.

To achieve results, government must be able to execute. It must be able to deliver on the policy promises made in the campaign and party platform.

It must focus on management, not only because citizens are skeptical, but also because difficult economic and budgetary times and new challenges demand it. For the people, the pending workforce crisis provides an opportunity to reshape government, flatten hierarchies, re-create the way government and citizens interact, and change the culture of the bureaucracy.

## Bottom Line

Our 44th president has an opportunity to reshape the government, public services, and policies that limit our global competitive posture. President John F. Kennedy's inaugural address in January 1961 inspired a whole generation of young people to enter public service with his call to: "Ask not what your country can do for you; ask what you can do for your country."

Fifty years later, our new president must rally and challenge a new generation to join in creating a 21st century government.

What needs to be done? The federal government can take five steps to get on the road to transformation (see sidebar on next page). The articles in this forum suggest that the Obama Administration has already started down a path to success.

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## Five Steps Down the Road to Transformation

**1. Create a different culture by taking advantage of the need for new hires.**

The next four years will bring an increase in retirements (the retirement "tsunami"), which will offer a unique opportunity for government to recruit individuals with the desired set of skills and behaviors. Historically, the results of orientation and training of new hires have been mixed. They often receive little or no preparation for the government workplace. ("Sign these forms. Let me show you the restrooms. Now get to work!")

This can change. For example, two-week orientation sessions can be designed to explore what it means to be a "resilient and flexible employee." Skills needed to collaborate and be more responsive and agile can be discussed. The government needs to provide skills, behavior training, and a cultural orientation in addition to the traditional technical training many employees receive. The Department of Defense sets the precedent: Training and professional development of our career military takes months or years, compared with the developmental training for government civilians, which is often measured in hours, days, or weeks at best.

**2. Give all employees new collaborative technologies.**

We know that Millennials will furnish the majority of new hires to government. We also know that these young people have grown up using computers and collaborative technologies. The challenge for government will be to learning how to apply these tools—social networking, wikis, blogs, and virtual worlds—to make government more connected and less hierarchical.

That government will become less hierarchical, whether it wants to or not, has long been hypothesized because information is now available to all—government employees and citizens. The "boss" can no longer hold or portion out information for bureaucratic reasons. The access to information will change the way government operates and will require consideration of new security and privacy issues and reengineered processes.

**3. Develop new relationships between the government and its contract workforce.**

A major challenge for the new administration will be to forge a true partnership between employees and contractors. To do so, it will have to transform a relationship that currently is adversarial rather than collegial. The number of federal employees may increase in the coming years, but the government is likely to continue to use contractors, and the trend toward a "blended workforce" will remain.

A proactive approach is needed to help government employees and contractors better understand their respective roles and find ways to work together effectively. We need to build and train our contract officers and program managers, discussing anew what constitutes "inherently governmental."

**4. Enhance collaboration between the federal government and state and local governments, as well as with the nonprofit and private sectors.**

The federal government alone cannot effectively respond to all the challenges now facing the nation, ranging from sustaining the environment to combating terrorism. Citizens have more interactions with their local and state governments than they do with the federal government, which argues for a local-state-federal approach rather than the other way around. The administration must develop new ways to improve intergovernmental collaboration to meet these challenges.

Most of the examples of successful collaboration over the last decade have been ad hoc ones; they have occurred because of the efforts of a dedicated team or a unique leader. The next administration should learn from these efforts and ensure that such working relationships become the norm rather than the exception. This same concept also applies to the federal government's work with the nonprofit and private sectors. A transformed federal government should no longer try to go it alone.

**5. Become more citizen-centric.**

Citizens want government to work effectively, seamlessly, and openly. They don't care what happens in the "back office" but are concerned about how quickly their applications are processed, their claims are adjudicated, and their questions answered. A transformed government would focus on seamless and transparent interactions between government and citizens. And it would concentrate as much—or more—on responsible execution and operational excellence as on the initiation of new policies or programs.

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