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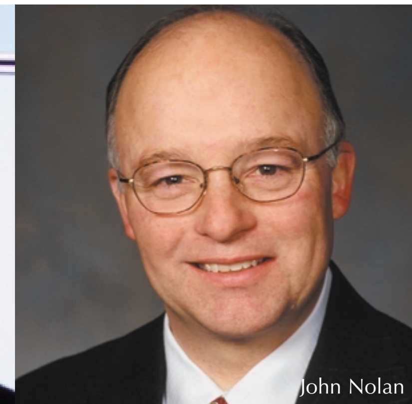
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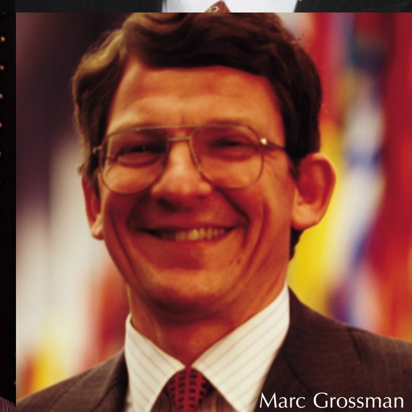
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[FROM THE EDITOR'S KEYBOARD]

by Ian Littman

As the new Bush administration ponders various ideas for transforming government management, two clear messages are coming from advisory groups and individuals across the political spectrum: Don't throw out the intent and framework of the 1993 Government Performance and Results Act (GPRA), and overhaul the federal civil service system now.

Like many things in Washington, GPRA was designed with the best of intentions that were later undermined by uneven implementation throughout government. Over the past eight years, it has weathered skeptical government managers, lack of alignment to the all-important budget process, and lack of consistent and constructive attention from the Office of Management and Budget (OMB) and Capitol Hill. The basic objectives of the act are to increase accountability for results, improve management, and inform decision making with reliable and timely performance information. These attributes are surely at the heart of any presidential initiative to improve the management of government.

GPRA has had some major accomplishments. Since 1997, when the act went into effect across the government, agencies have created the infrastructure needed — strategic plans, annual performance plans with measures and targets, and annual performance reports. These, however, have not yielded the "results" that many had hoped to see. The key message to the President on GPRA is to build on the established foundation rather than start all over again with a brand-new platform.

The Results Act can do more, though. The act can be used to establish a government-wide culture of "results-oriented" management — determine the desired outcomes and then measure the results. In a broad sense, these include a clean environment, fair and equitable justice, economic growth, reduced mortality and disease, a quality education, jobs with living wages, low crime rates, national security and other desirable attributes for society and our nation. Linking the management of government to these desired results is essential. Once we have confirmed that we're going in the right direction, achieving results better, faster, or for less cost is the "good management" next step.

A recent report sponsored by The PricewaterhouseCoopers Endowment for The Business of Government entitled *Memos to the President: Advice from the Nation's Top Public Administrators* offers President Bush the wisdom of thought leaders from academia, think tanks, and others interested in improving government management. Dall Forsythe and Richard Nathan of the State University of New York sum up the advice of many regarding GPRA. "Although you certainly bring with you your own ideas about management and accountability, you should avoid the temptation to pick another three or four letters of the alphabet and start all over again. After eight years of cautious implementation of GPRA, it makes sense to stick with it for a few more years and try to get some return from that investment of time and management talent."

In contrast, it does not make sense to stick with the existing legislative framework for the federal civil service system. The federal civilian workforce in this country is much smaller than it was a decade ago and older than its commercial counterparts. Today, many of our public services are being effectively delivered by private and nonprofit organization employees rather than government employees. Our national approach to government employment doesn't fit well in the 21st century. It has evolved into a work-around system rather than one that reinforces the attributes of a modern, highly skilled, and dedicated workforce.

Comptroller General David Walker and others are suggesting that agencies look at their workforce as human capital to be invested in, rather than the traditional view as a cost. This more enlightened perspective requires a civil service system that hires the best talent based on clear competency requirements, tracks and evaluates performance fairly, incentivizes high performance, compensates competitively, trains and develops the workforce, and swiftly eliminates poor and non-performers. The current civil service system does none of these.

The President has a unique opportunity. The footprints of GPRA and the Civil Service Reform Act of 1978 are worth building on. Furthermore, the will of the agencies and the federal workforce is much more closely aligned to take on significant change than ever before. Change management experts would say that the platform is burning and the path to transformation is as clear as it gets. It would be a shame if this opportunity for leadership were left to those who have kept things close to status quo for far too many years.

Ian Littman is a partner at PricewaterhouseCoopers and co-chair of the Endowment's Advisory Board. His e-mail: ian.littman@us.pwcglobal.com.

A Management Agenda for the New Administration

by Mark A. Abramson

In October 2000, PricewaterhouseCoopers released Memos to the President: Management Advice from the Nation's Top CEOs. *In that volume, 23 chief executive officers from across the nation offered the President-elect advice on creating vision, managing change, leading people, and leveraging technology. In March 2001, we were pleased to publish a companion volume,* Memos to the President: Management Advice from the Nation's Top Public Administrators.

Introduction

In his Introduction to *Memos to the President: Management Advice from the Nation's Top CEOs*, James J. Schiro wrote, "Every new president enjoys an abundance of policy advice. Management advice is less plentiful. Yet the task of managing the federal government — including close to two million employees who work in the numerous departments and agencies that comprise the executive branch of government — is one of the president's most important responsibilities."

During his first months in office, President George W. Bush has certainly received much policy advice — ranging from ideas on foreign policy to education to tax policy. As Mr. Schiro predicted, management advice has indeed proven less plentiful. Yet management issues will be crucial to the success of the Bush administration. In his *Memo* to President Bush, Robert O'Neill, president of the National Academy of Public Administration, states that the President's leadership on management issues will, in large measure, determine the success of his policy initiatives.

The Bush administration is fortunate to take office when a growing consensus appears to be emerging in the public administration community about both the specific management challenges facing the administration and potential responses to those challenges. The four challenges that emerge from the 22 experts asked to write a *Memo* for the new volume are:

- The challenge of creating an electronic government,
- The challenge of reforming regulations,
- The challenge of revitalizing public service, and
- The challenge of implementing performance management.

This emerging consensus is reflected in the creation of the Government Performance Coalition, a collection of 14 diverse organizations that joined together to prepare a *Memorandum* to President-elect Bush setting forth nine major management challenges facing him and the new administration. In addition to the four challenges cited above, the *Memo* also addressed the issues of the importance of presidential appointees as leaders and managers in their organizations, the continuation of chief operating officers in government, procurement reform, ways to rationalize public policy and reduce program overlap, and the need for program research and evaluation.

Creating an Electronic Government

The George W. Bush administration is the first administration in history to be positioned to take full advantage of the revolution in technology that occurred during the decade of the 1990s. When the prior administration took office in 1993, no federal agency had a website and the concept of "electronic government" had yet to be developed. Building on the *Electronic Government Blueprint* recently issued, Council for Excellence in Government President Patricia McGinnis sets forth eight specific recommendations that the President and Congress can implement to make e-government a reality. McGinnis writes, "The blueprint offers you concrete proposals for realizing the potential for e-government to revolutionize the performance of government … and to reconnect the people with their government." Council recommendations include the appointments of a new assistant to the president for electronic government and a new federal chief information officer.

In his *Memo*, Carl D. DeMaio, director of the Center for Government Redesign at the Reason Public Policy Institute, supports the creation of a new federal chief information officer to supervise e-government progress at each agency. DeMaio also recommends that the President expand on current statutes to "require that all services provided by a government agency be partially or entirely accessible through the Internet or other electronic means within three years."

The theme of leveraging technology was also emphasized by private sector chief executive officers (CEOs) writing in *Memos to the President: Management Advice from the Nation's Top CEOs*. In that volume, Sol Trujillo, former CEO of U S WEST wrote, "The Information Age has just begun, and with it comes an opportunity for both business and government to realize unprecedented gains in productivity." The e-government recommendations set forth by McGinnis and DeMaio in their *Memos* offer specific actions that can be taken to bring about the gains in productivity envisioned by Trujillo.

Reforming Regulations

In his *Memo*, Charles E. M. Kolb, president of the Committee for Economic Development, writes, "The Internet revolution over the last decade has presented government regulators with fresh challenges and new targets. Regulators are already under serious pressure to adapt their methods to the new economic concerns." Just as the new administration is the first to have the opportunity to leverage technology to improve the delivery of government activities, the new administration also faces the challenge of reassessing current government practices, including regulations, to fit the new economy.

Just as McGinnis and DeMaio recommend a series of new offices to more effectively meet the e-government challenge, Kolb recommends the creation of a new congressional regulatory office, in addition to the Office of Management and Budget (OMB), to provide advice to Congress on regulatory matters. Similar to the way the Congressional Budget Office currently advises Congress on the budget, a new regulatory analysis agency would "offer a competitive alternative to OMB's analysis."

Revitalizing the Public Service

It has now been 22 years since the last major reform of the nation's civil service system. Among the participants in this volume, there appears to be near unanimity that it is once again time to undertake civil service reform. The agreement seen among the leaders in this volume is the reflection of growing concern throughout the public administration and public service communities that the current system will not be adequate to meet the challenges of the 21st century.

In his *Memo*, Thomas F. Dungan III, president of Management Concepts, recommends to the President that he "create a blue ribbon panel of private citizens, business leaders, elected officials representing all levels of government, and political and career civil servants." The commission would be tasked to "analyze the civil service system and recommend appropriate policies, structure, functions, and accountability that would create a culture of excellent public sector leadership." Dungan also recommends the establishment of a Commission on Leadership and Training to examine the effectiveness of the federal government's current large investment in training, learning, and executive development programs.

Civil service reform is also advocated by Alvin Felzenberg, Virginia Thomas, and Robert Moffit of the Heritage Foundation. In their *Memo*, it is recommended that the administration send to Congress major civil service reform legislation that would include allowing greater flexibility in staffing, shifting from a tenure-based system to a performance system, and establishing new pay and benefits packages that are flexible, generous, and portable. Based on the need to compete in a 21st century economy, the new system would place a higher premium on employee choice, diversity in career development, and mobility. During the transition to a new system, they advocate effectively using tools now in place under the Civil Service Reform Act of 1978.

The need for civil service reform is being prompted, in part, by a growing consensus that a new public service is emerging. In the new public service, comments Rosslyn Kleeman, chair of the Coalition for Effective Change, "there will be fewer permanent employees, more temporary employees, and more functions performed by contractors and grantees. There will not be a uniform civil service, with a rigid job classification and pay system.… There will no longer be a single employer — individual agencies, rather than the federal government as a whole, are emerging as the employers of the future." If civil service reform is undertaken, Kleeman suggests that it be governed by a clear set of principles of reform that she sets forth in her *Memo*.

The future will also require, according to Robert Tobias, director of the Institute for the Study of Public Policy Implementation at American University, a new and improved relationship between the federal government and federal unions. His *Memo* traces the history of federal labor-management

Excerpts from *Memos to the President:* *Management Advice from the Nation's Top Public Administrators*

On Creating an Electronic Government

From Patricia McGinnis, president and chief executive officer of The Council for Excellence in Government:
In a speech on June 9, 2000, you [President George W. Bush] noted that information technologies have given citizen consumers more choices, more information, and community power…. The Council believes that much of your agenda can be achieved with greater efficiency and effectiveness if it is infused with creative e-government approaches to implementation and management and that the public's response to it and confidence in it will be all the more positive for this approach.

From Carl D. DeMaio, director, Center for Government Redesign, Reason Public Policy Institute:
In the past several years, the federal government has made progress in its use of information technology (IT) to better serve the American people. Unfortunately, the federal government's application of technology has all too often been more transactional (making existing processes more efficient) than transformational (dramatically substituting old brick and mortar processes with electronic ones.) More troubling, as the private sector expands its use of transformational IT to provide seamless and efficient services, citizen expectations of government will skyrocket.

On Reforming Regulation

From Charles E. M. Kolb, president, Committee for Economic Development:
Regulation is a sensitive business. Even the best intentions of regulators do not always lead to sound policy. Responsible regulation based on scientific analysis and information can effectively protect the public interest and encourage competition, but good information is not always easy or cheap to obtain. If we wish to achieve our regulatory goals and maximize net benefits, we will have to invest the necessary effort and resources. All significant current and proposed regulations should be subject to benefit-cost analysis. Benefit-cost analysis means nothing, however, if it is not properly reported. OMB should strengthen its annual report by including net benefit and net cost calculations for each individual government regulation. Even more significantly, Congress should establish an independent regulatory analysis agency to offer a competitive alternative to OMB's analysis.

On Revitalizing Public Service

From Rosslyn Kleeman, chair, The Coalition for Effective Change:
A new public service is emerging in which there will be fewer permanent federal employees, more temporary employees, and more functions performed by contractors and grantees. There will not be a uniform civil service, with a rigid job classification and pay system, or with detailed regulations and procedures issued by a central personnel office. There will no longer be a single employer — individual agencies, rather than the federal government as a whole, are emerging as the employers of the future….

From Robert Tobias, director, Institute for the Study of Public Policy Implementation, American University:
Political appointees at the highest government levels will not be able to improve agency productivity unless they engage career senior executives, managers, and employees through their collective bargaining representatives. Political appointees do not have a corner on the public policy implementation idea market. Effective public policy implementation will be achieved by creating inclusive and flexible processes. Synergy develops when we are all included, including the unions that speak for federal employees. Inclusion of collective bargaining agents requires something more than what we have known as traditional bargaining. Improved performance requires political appointees to devote time and energy to dealing with career managers and employees through their unions — in effect, to collaborate not to fight.

From Thomas F. Dungan III, president of Management Concepts:
Federal managers want to be held accountable. They recommended compressing the hiring process, delegating hiring authority to line managers, giving agencies the flexibility to utilize workforce and succession planning, and developing classification and incentive systems that align goals with agency mission. They stressed the need for performance criteria and performance management systems that reward achievers and hold poor performers accountable. In short, public servants need authority to produce expected results.

From Alvin S. Felzenberg, director, Mandate for Leadership 2000 Project, The Heritage Foundation; Viginia L. Thomas, director of Executive Branch Relations, The Heritage Foundation; Robert E. Moffit, director of Domestic Policy Studies, The Heritage Foundation:
You should develop and send to Congress major civil service reform legislation designed to improve flexibility in staffing the civil service, with an emphasis on changing the culture from one of bureaucratic tenure to high-performing public service, and establishing new pay and benefits packages that are flexible, generous, and portable. Federal management must adapt itself to a 21st century economy, which puts a premium on employee choice, diversity in career development, and mobility. You can improve the functioning of federal departments and agencies, while building federal employee support for a solid package of portable private-sector-style benefits for current and future federal personnel….

From James Thompson, assistant professor of Public Administration, College of Urban Planning and Public Affairs, University of Illinois - Chicago; Fred Thompson, professor of Public Management and Policy, Atkinson Graduate School of Management, Willamette University:
… The time has come to put into place an Office of Federal Management (OFM). An Office of Federal Management, under the direct supervision of the president, would serve as an institutional home and point of reference for the federal management corps. Such an office could take responsibility for overseeing implementation of the 100+ crosscutting management laws, such as the Paperwork Elimination Act and the Freedom of Information Act.

On Implementing Performance Management

From Maurice P. McTigue, distinguished visiting scholar, Mercatus Center at George Mason University:
Public sector organizations have often been created to promote or protect non-financial values, such as ending hunger or homelessness. Those values can be measured, also, and ultimately the same kinds of signals that are applied in the marketplace can be sent to public providers of these types of goods and services. By continuously testing various approaches to solving any given social problem, government can create an internal market and deliver the benefits of innovation and creativity that characterize healthy competition. Citizens have grown accustomed to such natural phenomena in other areas of their daily life….

From Robert J. O'Neill, Jr., president, National Academy of Public Administration:
In many countries around the world and in numerous state and local governments in this country, the standards for government performance are being raised. The Government Performance and Results Act (GPRA) was enacted to improve the effectiveness and efficiency of federal programs. While progress has been made, it is uneven and much work remains. You have an opportunity to reach out to the congressional leadership and develop an agreement on how performance information will be used to inform policy and resource allocation decisions. Given the committee structure in Congress and the silos of federal agencies, this will be no easy feat.

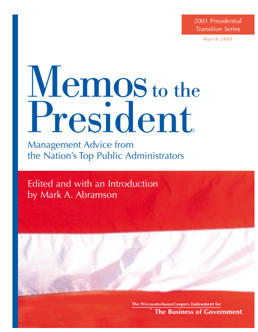
From Kathryn Newcomer, professor and chair, Department of Public Administration, The George Washington University:
Federal agencies have now completed their first cycle of planning, measuring, and reporting on programmatic performance required by the Government Performance and Results Act (GPRA) by submitting the first performance reports in the spring of 2000. The analytic work needed to report performance data, draw apt comparisons, and to probe the validity of the measures raises questions about potential roles for program evaluation to support continued performance improvement. How can evaluators' expertise contribute to this work? Efforts undertaken to report on performance raise many issues concerning roles for evaluation that need continued involvement from agency executives and managers.

From Marc Holzer, president; Mary Hamilton, executive director, American Society for Public Administration (ASPA):
As chief executive of the federal government, you will want to know whether federal programs and policies are working, and governments in the United States and around the world are finding a set of tools that can help. Increasingly, government leaders are regularly and publicly setting goals and measuring progress against them — that is, managing for results.… Managing for results is a powerful tool that can help you ensure that your aspirations are translated into action. It holds great promise as a means to effectively steer the millions of people, policies, and practices that comprise the federal government. Of course, good management does not guarantee policy success, but poor management will almost certainly result in policy failures.

From Dale Jones, director; Dominic Cloud, research associate, Government Performance Project, Alan K. Campbell Public Affairs Institute, The Maxwell School of Syracuse University:
GRPA (the Government performance and Results Act) is a powerful tool for the new president to set goals in agencies and hold agencies accountable for achieving results. The president has the opportunity to capitalize on GPRA as the mechanism for communicating the administration's vision and strategic direction into annual performance plans, emphasizing managing for results, and monitoring outcomes. In this way, the president can reinforce the value of performance-based management systems at all levels.

From Donald F. Kettl, professor of Public Affairs and Political Science, The Robert M. La Follette School of Public Affairs, University of Wisconsin-Madison and nonresident senior scholar, The Brookings Institution:
The biggest mistake we can make in pursuing performance measurement is to conceive of it as primarily a measurement problem. It would be deceptively easy to allow government performance to degenerate into a process-based, numbers-driven exercise. In fact, that is precisely what undermined previous federal experiments with tactics like the Planning, Programming and Budgeting System (PPBS), Management by Objectives (MBO), and Zero-Based Budgeting (ZBB)…. In the end, performance is much more about communication than measurement. And it is Congress's appetite for and use of performance information that will determine the ultimate success of GPRA and similar performance-based management systems.

From Dall Forsythe, senior fellow, and Richard P. Nathan, director, The Nelson A. Rockefeller Institute of Government:
The co-authors of this Memo still argue about whether performance management in the federal government is a glass half full or half empty -- whether we should be optimistic that GPRA will help improve management in Washington, or worry that it will turn into another costly and unused paperwork burden for the federal government like PPBS, MBO, or ZBB. Implicit in this discussion is one further recommended for your new administration. Although you certainly bring with you your own ideas about management and accountability, you should avoid the temptation to pick another three or four letters of the alphabet and start all over again. After eight years of cautious implementation of GPRA, it makes sense to stick with it for a few more years and try to get some return from that investment of time and management talent.



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relations and envisions a future in which joint task forces are created and a commitment made to maintain a healthy relationship. This type of relationship, according to Tobias, has "saved millions of dollars in unfair labor practices not filed, arbitrations not invoked, and negotiations not requested." Tobias concludes that it is possible for the government to choose to create and maintain new, highly productive labor-management relationships.

But reform is never easy or self-implementing. Based on their extensive analysis of the National Partnership for Reinventing Government, originally called the National Performance Review, Professors James Thompson and Fred Thompson develop five lessons for future reforms. The first lesson is the importance of organization capacity. They write, "The key question is not what should be done to make agencies more effective, but whether there exists the capacity to implement needed changes." The elements of this capacity are: one, top-level leadership, and two, capacity at the middle and lower levels of the organization to follow through on agreed-upon reforms. Another related lesson is the need to actively engage employees at all levels throughout the organization and encourage "bottom-up" solutions rather than just "top-down" solutions.

Implementing Performance Management

Just as the new administration is fortunate to be able to reap the benefits of the technology revolution, it is also fortunate to be positioned to solidify the substantial progress made in federal government performance management throughout the 1990s. Nearly all the participants in this project pointed out that President George W. Bush is the first President to have the benefit of a government-wide statutory planning and reporting system already in place at the start of his administration. In 1993, the Government Performance and Results Act (GPRA) was enacted by Congress. The act was spearheaded by former Senators William Roth (Republican-Delaware) and John Glenn (Democrat-Ohio) and received strong bipartisan support.

The question facing the Bush administration is now how strongly to embrace GPRA, also known as the Results Act, as its vehicle to accomplish the administration's policy goals. In their *Memo*, Dall Forsythe and Richard Nathan of the Nelson A. Rockefeller Institute of Government advise President Bush to avoid the temptation to pick "another three or four letters of the alphabet" and start all over again with another management system. "After eight years of cautious implementation of GPRA, it makes sense to stick with it for a few more years and try to get some return from that investment of time and management talent," advises Forsythe and Nathan.

The consensus of the participants in this volume is that GPRA offers the Bush administration a unique opportunity to capitalize, build upon, and solidify the existing system now in place. Felzenberg, Thomas, and Moffit from the Heritage Foundation set forth the advantages to the Bush administration of using the existing GPRA process:

> First, it provides an established infrastructure for setting goals, clarifying expectations among new government officials, systematically tracking performance against them, and holding subordinates accountable for achieving them. Indeed, the Results Act is now the existing venue for enforcing performance accountability in the federal government and building a team with focused objectives. Second, it also provides you and your team a shared language with Congress, which can be used to frame the debate in Washington in terms of results-oriented, bipartisan, performance-based decision making. Third, it can be a vehicle for demonstrating your administration's accomplishments to the American people in a highly visible and transparent way.

The importance of GPRA as a communication vehicle was emphasized by several other participants in this volume. From the American Society for Public Administration, Marc Holzer, president, and Mary Hamilton, executive director, stated that the President has the opportunity through GPRA to clearly convey goals and priorities to his managers, Congress, and the American public, and that he can monitor those goals to ensure that his "aspirations are, in fact, becoming reality." Holzer and Hamilton recommend that the President and the director of the Office of Management and Budget regularly discuss progress on key performance goals with cabinet members, and "ideally … agency heads would conduct similar discussions with their key managers."

As Forsythe and Nathan emphasized, much has already been learned about the challenge of implementing performance management. In their *Memo*, Dale Jones, director, and Dominic Cloud, research associate, of the Government Performance Project at Syracuse University, set forth four key actions which the President can take to send a clear message throughout the federal government that his administration is serious about producing tangible results for the American people: communicate vision, mission, and values; prosper from benchmarking; emphasize outcomes over outputs; and use performance agreements to link expectations with goals.

One of the key lessons learned about performance management over the years is that it is not really about measurement, but is rather about communication. This view is articulated by Don Kettl, professor of public affairs and political science at the Robert M. La Follette School of Public Affairs at the University of Wisconsin-Madison. Kettl describes performance management "as a way to talk better about what results government programs produce, and therefore, to make better decisions about what ought to be done, how much ought to be spent in doing it, and how the work could be done better." Performance-based management, according to Kettl, is about political communication and occurs on three different levels: within the agency, between the Executive Office of the President and the agency, and between the executive branch and Congress.

In his *Memo*, Maurice McTigue, distinguished visiting scholar at the Mercatus Center at George Mason University, emphasizes the role of Congress in performance management. McTigue writes, "What is required now is for Congress to scrutinize those annual reports and challenge federal agencies to demonstrate their effectiveness at achieving desired results, or program 'outcomes.'" He argues that such actions by Congress will dramatically influence the future behavior of agencies. If used effectively, Congress has the potential to create precedents and incentives for good performance — by allocating more money to high-performing programs instead of rewarding poor performance.

It is pointed out by Kathryn Newcomer, professor and chair of the Department of Public Administration at George Washington University, that effective implementation of GPRA requires the use of information and data obtained from program evaluation activities. According to Newcomer, one of the weaknesses of GPRA to date has been the weak link between program evaluation and GPRA. In her *Memo*, Newcomer sets forth a variety of actions that should be taken to improve synergistic relationships between program evaluation and performance-based management efforts. "A key strategy," writes Newcomer, "is to leverage resources available to use evaluative tools in creative ways. The bottom line is that strengthening evaluation capacity and use will enhance the likelihood that the performance measurement and management framework being institutionalized via GPRA will result in both improved program management and desired results."

Another challenge facing the administration is to begin using GPRA as a government-wide program to track the effectiveness of cross-agency activities. This challenge is described by Robert O'Neill. O'Neill writes, "Most of the work to date has focused on the performance of narrow programs and agency operations. Two of the most significant challenges are: 1) to develop cross-program and cross-agency measures; and 2) to develop meaningful outcome measures for activities that require intergovernmental partnerships to be successful.… If we are truly interested in accountability, our performance management systems must reflect the reality of this cross-agency and intergovernmental perspective."

In her *Memo*, Pat McGinnis strongly supports O'Neill's recommendations. She observes that "virtually every important issue addressed by our complex government structure … engages major programs and activities of more than one agency, more than one level of government, and many non-government entities. "This is as true," she writes, "of early childhood education and child care as it is of counter-terrorism." McGinnis recommends, as does O'Neill, that OMB work with agencies to create meaningful cross-agency goals and objectives for common government strategies.

The final *Memo* in the new volume was prepared by Margaret Yao, a consultant to The PricewaterhouseCoopers Endowment for The Business of Government. In December 2000, Ms. Yao transmitted a *Memo* to President-elect Bush advocating the continuation of the President's Management Council (PMC), which was created in 1993 as an outgrowth of the National Performance Review. Yao argues that the PMC has proven to be an effective vehicle for the President to use in implementing his management agenda. If GPRA is going to be used as the performance management system of the new administration, the PMC should be the vehicle to oversee its implementation.

The new administration is well positioned to substantially improve the management of the federal government over the next four years. It comes to office at a time when technology promises to revolutionize the way both the private and public sectors do business. It has the unique opportunity to build on existing performance management initiatives, such as GPRA, rather than having to build a new initiative from scratch. The time also appears ripe for a major attempt to overhaul the nation's civil service system. We wish the new administration well as it undertakes the exciting challenge of improving the management of government. ■

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Becoming an Effective Political Executive: 7 Lessons form Experienced Appointees

by Judith Michaels

In January 2001, the Endowment published Becoming an Effective Political Exective *by Judith Michaels, to provide practical advice to new political appointees.*

Introduction

Federal service in Washington, D.C., is a unique experience for which no other training can prepare you. Nevertheless, research offers clues about who will do well as appointees, who will enjoy their tenure in the nation's capital, and who will be less than successful. Analysis informs this research, which is offered as a tool for those considering or newly entered into life as a political appointee, in the hopes that you will not only survive but thrive. This report is based on studies of and interviews with Senate-confirmed presidential appointees (PASs) in the fourth year of George H. W. Bush's administration (1992) and in the fourth year of Bill Clinton's first administration (1996).

The report is organized into the "7 Lessons from Experienced Appointees," each of which discusses specific aspects of appointee work, including relations with career staff and other political appointees, stress, and relations with the White House, the Congress, and the media. It employs survey results, discussion, and direct quotes from political appointees and long-time career executives.

Based on the insights gained from these political appointees and career executives, we arrived at the following "7 Lessons from Experienced Appointees":

1. Turn to Your Careerists
2. Partner with Your Political Colleagues
3. Remember the White House
4. Collaborate with Congress
5. Think Media
6. Pace Yourself
7. Enjoy the Job

1. Turn to Your Careerists

As a presidential appointee, you will learn to relate to a variety of federal employees across many agencies during your time in federal service. Success will come from having the flexibility to know whom to consult and when, and whose judgment to trust. Experience has shown that appointees have much to gain by leading and utilizing the career employees, who too often are labeled as over-protected, inertia-laden, 9-to-5ers whose loyalties presumably lie with the previous administration. More often, though, careerists are very supportive of their boss, accept leadership readily, and identify much more with their agency than with a political party. As a result, most appointees come to rely heavily on their careerists in every aspect of their work, both political and administrative. Many appointees speak of their trust in careerists and how much they depend on them for policy guidance, as well as how they have kept them informed about the culture of their agency.

Some 73 percent of the past appointees surveyed gave a very positive assessment of the competency of their careerists, while 65 percent applied the same assessment to careerists' responsiveness.

Clearly, careerists can be a great help to you throughout your stay in Washington's halls of power. Of course, knowing that the data overwhelmingly supports careerists is one thing; knowing how to utilize your careerists' expertise and, at the same time, understand and minimize the effects of those cultural attributes unique to Washington's career brigade is yet another.

2. Partner with Your Political Colleagues

Political appointees encompass a diversity of skill levels and "political smarts." As in any workplace, you will find some of your colleagues to be very good, while others leave something to be desired. As one Clinton appointee put it: "The good ones have strong interpersonal skills, take great pride in their work, have a good work ethic, people judgement, are consummate professionals and politically savvy. Either they come that way or they pick it up quickly, but they are not politically driven, they have a degree of trust, can work in a situation of give and take, are not excessively authoritarian, work in the pluralism and decentralism in a bureaucracy and know how to make it work. These characteristics come in any variety of people — men, women, gay, straight, black, white, military, civilian."

One George H. W. Bush appointee judged the quality of her political peers as good, attributing it partly to "the Senate confirmation that insures better quality. The non-confirmed political staff, on the other hand — the chiefs of staff and special assistants (non-career SES and Schedule C) — are the more troublesome. They are the right-hand person, the closest aide to the secretary, and they often try to push around and dominate the political structure. They operate ruthlessly with the careerists. They aren't in charge of any line operations; they serve their principal and carry personal loyalty only to that person."

In observing what makes an effective appointee, Charlie Grizzle, former assistant administrator for administration and resources management at the Environmental Protection Agency (EPA), notes, "The successful ones are open-minded, willing to learn, to trust, they possess a sixth sense of when to delegate and when to make a decision oneself, noting the fine line between responsibility and authority."

3. Remember the White House

Relations with the White House, the Office of Management and Budget (OMB), and the Office of Personnel Management (OPM) require tremendous effort from appointees. Appointees feel a pull outward to the White House and a need to be responsive to the president who appointed them. Further, their rewards come from being a good team player. On the other hand, they feel a strong pull inward to be responsible leaders of their agency. In a time of constricting resources, it is often difficult to reconcile the two demands when, for example, the White House is demanding cutbacks at the expense of agency needs.

The late Elliot Richardson noted, "This government requires an element of trust and a high degree of comity to work. Washington is a city of cocker spaniels more ready to be loved and petted than to wield power." He continued, "Decision-making is the easiest thing I do, say one-seventh of the job. But once you make a decision you have to get the support of the staff, OPM, OMB, the Hill, interest groups, the president and the general public. All the players have to be at least considered and in some cases brought on board — the complexity of the governing process increases and grows faster than any of the trends that contribute to it.

"The function of the political process is to make choices among competing claims. There are no simple answers or easy decision making and there is no objective way to decide among them. Any politician who doesn't waffle doesn't understand the problem. Politicians should have the imagination and intelligence and empathy to understand the jostling of competing claims."

Ginger Ehn Lew, former deputy administrator of the Small Business Administration, noted that in regard to the White House, "It's more a matter of personal relations than anything else, the same for Department of Commerce connections. It helps to have those connections because there's so much personal interaction in Washington."

4. Collaborate with Congress

A federal bureaucracy that is lodged in the executive branch but overseen in the legislative is inherently cumbersome. Turf and political battles go with the bureaucratic territory, but if government is divided, as it has been for much of the past several decades, the partisan warfare can leave both career and political federal employees feeling like the proverbial grass trampled between two fighting elephants (or donkeys, as the case may be). As the African saying goes: "When elephants fight, it is the grass that suffers."

Our numbers reveal that in terms of dealing with the Congress, only 34 percent of the appointees considered it generally or very easy, while 37 percent considered it generally or very difficult. Additional research shows that only 57 percent declared themselves satisfied with their dealings with Congress, while 24 percent were generally or very dissatisfied.

A George H. W. Bush appointee notes, "There is a lack of clear direction of congressional oversight from the committees. The oversight hearings are muddled. You never know what to expect from them, but usually someone's going to get bloodied for political splash."

Oddly paired with lack of direction, he noted, "There is always micromanagement from the legislative branch. The General Accounting Office is under the gun to produce this also. The fault-finding and micromanagement wear you down. Taking a chance and the risk of producing a mistake are not tolerated. You take constant berating and battering, and there's not much you can do about it — you don't have the leverage to make reform in the federal government. There's a lot of second guessing." The zero-defects-and-intolerance-for-error atmosphere of Washington combines infelicitously with the natural executive/legislative tension, but in this appointee's opinion, it was more an issue of turf than party.

5. Think Media

In a town in which the media is ever present, it can be surprising for appointees to learn the amount of effort required to get their story out to the public. The media can be your best ally in promoting your issue, but they can also be your worst enemy when something goes amiss. By consistently helping the media best do their job — by being available, by being forthright — you will benefit the most in both good times and bad. Still, it's always an uneasy alliance.

Appointees expressed a certain ambivalence about the media. Some 42 percent found dealing with it generally or very difficult, though 61 percent said they found their contact with the media satisfying. But as one George H. W. Bush IG said, "I have no or low respect for the media. I don't trust them. They are very interested in my reports but only as headline-grabbers ('Scandal at Agency X!')." Ivan Selin, former chair of the Nuclear Regulatory Commission, was something of an exception. He noted, "The media are the avenues to the people. Every public servant should consider it part of the job to deal with the media. It's the prime way to deal with their employers (the public). I have more sympathy for the media and Congress than do most appointees."

6. Pace Yourself

Washington is, in many ways, a tough town. It is difficult, particularly for people who come from outside the area, to find comfortable pockets of friendship, safe harbors to let off steam, or places simply to talk about something other than politics. There certainly is an awareness of the importance of dealing appropriately with stress. As William O. Studeman, former deputy director of the Central Intelligence Agency, noted, "Managing your health is a big issue around town. You have to avoid getting emotionally tied to it and develop stress management techniques, or this town will run you over and kill you deader than a doornail."

"I always feel stressed" is, unfortunately, a common feeling among appointees. As Admiral William Crowe, former Ambassador to the United Kingdom, observed, "Only in America are you presumed innocent until you're appointed by the president to a political position." As a new appointee, you will need to find ways to manage the stress you encounter.

"People in Washington tend to go to extremes about exercise," commented Martin Kamarck. "Either they are fanatics or they do nothing. There's lots to do in Washington but no real social life. Everything is politics; you have to watch yourself at all times, lest you let something slip out in an unguarded moment or behavior."

Another Bill Clinton appointee concurred: "You miss important family events, particularly when you're on the road. There are tensions between you and your spouse over your absences. It's really hard when I feel I am trying to do a good job, which entails travel, but I get the resentment at home, which, I must admit, I resent."

"The stress level is high," Studeman acknowledged. "You're used to doing it if you're already in town, but outsiders coming into town to take a political position might have a harder time adjusting to stress. You have to pick and choose priorities. There's also the social demands. My wife is an unpaid worker for the government."

"Careerists have it as part of their culture to support the boss.…Their program identification is very high and they will tend to resist change there.... I have trusting relations with the careerists in the building. They keep me informed about what's going on."

— Anthony McCann, current Republican Staff Director, House Subcommittee on Labor, Health, and Human Services and Education and former Assistant Secretary for Management and Budget, Department of Veterans Affairs

"There's a danger of building a wall between yourself and the career staff; you can do damage to the agency if you shut them out. Rely on careerists. They helped me cement my relationship with the career staff, restored relationships, and healed scars left by the previous director, who had alienated careerists."

— Appointee who served both the Bush and Clinton administrations

"My goal is to empower careerists in policymaking, make them stakeholders."

— Deborah Wince-Smith, former Assistant Secretary, Technology Policy Office, Technology Administration, Department of Commerce

"Motivation is very important for the mission of your agency. If you don't believe in it, if you don't believe it will make a difference in the lives of ordinary people, stop doing it. Go do something else. Because if you don't believe in it, it's going to show to everybody. Everybody will notice that you're there more for the ride than for the goal." *(From Trattner, p. 51)*

— Former White House official

"There is a lot of paranoia on both sides of the political/career divide. Government needs managers who can divide fact from fiction."

— Bill Clinton appointee

"They are a joy to work with. It's a pleasure to try to live up to them by trying my best to be a good leader for them. Most civil servants are here because they like doing the deals, they like the sense of completion, accomplishment."

— Martin Kamarck, former Chair, Export-Import Bank of the United States

"Public servants are obvious targets — your tax dollars pay for them, so you feel you can rough them up. We can't afford the luxury of trashing public servants."

— Charles Baquet, former Deputy Director, Peace Corps

7. Enjoy the Job

Despite the frustrations inherent in government service, appointees find many satisfactions in it. Ginger Lew values, "Being able to implement policies that make a real difference in peoples' lives, such as our microlending programs. For example, there was a woman who was in a shelter, a victim of domestic violence. We gave her a loan three years ago so she could start a small business selling lapel pins. She now has $1 million in annual sales and employs 20 women who were all victims of domestic violence. This is good stuff, there are great success stories to share."

The chance to work in a particular area of expertise with colleagues one respects attracts many. Reflecting on her time at the Department of Interior, Bonnie Cohen said, "It was an opportunity to make a difference in an area (the environment) that I think is a critical area." Doyle Cook, former board member, Farm Credit Administration, noted the satisfaction of "being able to put into practice what I've learned over the years, developing policies, fixing situations." For Nicolas P. Retsinas, former assistant secretary for housing at the Department of Housing and Urban Development, the satisfaction came from "the opportunity to be at the table for every housing issue facing the country."

Anthony McCann found his "greatest sources of satisfaction are relations with the staff and redemption of lost souls (careerists who have been sidelined or shunted aside). Once placed in different positions where their skills match the job, where they are given something meaningful to do where their skills are best used, they have flourished." ■

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"You can't develop policy without dealing with careerists. On balance they're pretty good; there's a remarkable level of competence considering the level of protection they have."

— Roland R. Vautour, former Under Secretary for Small Community and Rural Development, Department of Agriculture

"The competence of an appointee influences her or his willingness to ask questions, to seek the counsel of careerists. The more competent and self-confident, the more willing to ask questions and seek counsel. There are three areas where appointees trip up the most: their inability to deal with the Congress, the media, and interest groups."

— Constance Berry Newman, former Director, Office of Personnel Management

"If the secretary leaves, there is a revolution within the agency. Cabinet government is dictatorship. The departure of the secretary ends the agenda within the agency. It's life and death for the appointees in the agency. It's less of a problem when lower-level appointees leave; it has less of an impact on the agency."

— Frank Keating, Governor, State of Oklahoma, and former General Counsel, Department of Housing and Urban Development

"I measure success by the degree of change in an agency: the programs changed, if there are no scathing Inspectors General or General Accounting Office reports, if the appointee hasn't done anything to embarrass the administration. Avoid the appearance of scandal, real or trumped-up."

— Charlie Grizzle, former Assistant Administrator for Administration and Resources Management, Environmental Protection Agency

"As an appointee you should help build up your agency and leave it better than when you found it, as opposed to those appointees with no experience in government who want to use it to pursue their own agenda and in a fairly ruthless way. They use people and don't understand how bureaucracy functions. It takes so long to learn that they are gone before they do learn. We can't have two-year training programs in the government, senior officials who show up at the wrong meeting because they want to control everything — they gut their whole hierarchy by taking over and showing up inappropriately at lower-level meetings and taking over. They don't understand the system."

— George H. W. Bush appointee

The Office of Faith-Based and Community Initiatives: The Road Ahead

by Corinne Minton

A major initiative of the Bush administration is the use of faith-based and community organizations to provide social services. Within days of taking office, President Bush created, by executive order, a new organization within the Executive Office of the President: the Office of Faith-Based and Community Initiatives (OFBCI).

It will be the responsibility of the new office to build public and faith-based partnerships. The initiatives of the OFBCI will expand upon a section of the Personal Responsibility and Work Reform Act of 1996, which includes a statute referred to as "Charitable Choice."

Three experts on Charitable Choice and community organizations — Dr. John P. Bartkowski, Robert Goodwin, and Janet Sharma — recently appeared on The Business of Government Hour to discuss management issues related to the new OFBCI.

Remarks by President George W. Bush on the Office of Faith-Based and Community Initiatives

"Starting now, the federal government is adopting a new attitude to honor and not restrict faith-based and community initiatives, to accept rather than dismiss such programs, and to empower rather than ignore them."

"In welfare and social policy, the federal government will play a new role as supporter, enabler, catalyst, and collaborator with faith-based and community organizations. We will build on past innovations, most notably bipartisan Charitable Choice legislation, but move forward to make federal programs more friendly to faith-based and community solutions."

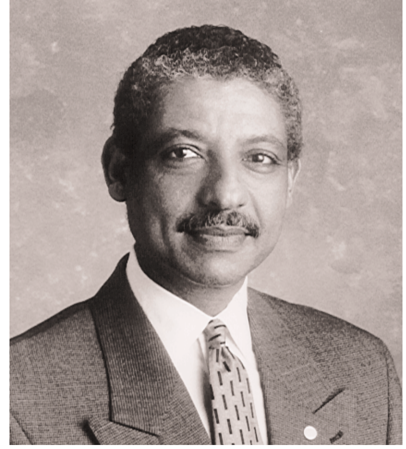
"Government cannot be replaced by charities, but it can and should welcome them as partners."

Taken from: www.whitehouse.gov/news/reports/faithbased.html
Dated March 1, 2001

What is Charitable Choice?

"[The] Charitable Choice ... law ... essentially says that state providers of aid, when they put out requests for proposals, cannot discriminate against religious organizations on the basis of their faith," explains Dr. John Bartkowski, assistant professor of sociology at Mississippi State University. "There are two dimensions of choice in Charitable Choice law. One is the notion of giving faith-based providers the choice of competing for purchase of service contracts with the government. Previously, religious providers of social services had to strip away all kinds of religious imagery, icons, and language from their service provision efforts in order to compete for and receive public monies. Charitable Choice undoes that stipulation, so it gives faith-based providers the chance to claim and retain their faith while competing for public monies. Then, the second side of choice is that any type of recipient of public money cannot be forced to accept services from a faith-based provider. So, you have religious freedom for faith-based providers to pursue public monies, and you're also supposed to have the religious liberties protected of the recipient [of services]," notes Bartkowski.

Given that Charitable Choice has already been implemented at the state level during the past five years, volunteer and social service professionals have firsthand experience with it. Janet Sharma, executive director of the Bergen County [New Jersey] Volunteer Center explains: "We recently did a study of [volunteer] centers all over the country, and virtually all of them are already working with faith-based organizations. A good deal of the work being done at the very local community level is being done by faith-based groups." She also notes, "Some of the most important programs in the community are faith-based. The Catholic Charities, Habitat for Humanity … they've just done wonders, and a lot of that is because they feel they have a moral obligation that's fueled by their religious background to help others in need." However, Charitable Choice is currently administered solely by the states, and not all states have embraced Charitable Choice with enthusiasm. Dr. Bartkowski observes, "It seems that a number of states are interpreting Charitable Choice as meaning that states have the choice about whether to participate in the program or not, and that's clearly not the intention [of the statute.] It's not an optional program for states, but some states are interpreting it as something that they can choose to be part of or not.… This is a mandatory program, and if you're contracting out services, you cannot exclude service by faith-based service providers as potential providers of relief." Even with federal-level resources for nonprofits and faith-based organizations, there are coordination issues that may make direct communication and information dissemination to organizations difficult.



Robert K. Goodwin

Another potential benefit of the OFBCI is the centralized evaluation of the performance of faith-based organizations with a focus on demonstrable results. "There's … talk from the Bush administration right now about how to evaluate programs, and their answer is very simple: performance. If you can teach illiterate children how to read, you will be able to get the money and maintain the relationship if you can stay competitive," observes Dr. Bartkowski.

Potential Strengths of the OFBCI

Advocates of using faith-based organizations to provide social services believe that the Office of Faith-Based and Community Initiatives will be a technical assistance provider to states and organizations with questions about contracting with the government. "I think social structures like organizations such as the Office of Faith-Based and Community Initiatives are going to have a pretty profound impact on faith-based service delivery, and service delivery in general," predicts Dr. Bartkowski. He continues, "I think that this is going to help address a lot of questions that some state policy makers have, and they could probably position themselves as educators of states when called with questions or even some kind of circulating memoranda to try to make sure that the states are understanding precisely what Charitable Choice entails." Another possible benefit of centralizing the responsibility for overseeing faith-based work is the increased focus and attention to the efforts and results of religious organizations. Robert Goodwin reflects: "It [the OFBCI] will certainly add immensely to both the emphasis and focus of our work [volunteering].… Through the emphasis of President Bush, the father, and President Clinton and now President George W. Bush, I think more and more people are coming to a realization that service is not simply nice, but truly is necessary, and this emphasis on faith-based initiatives will reiterate that position.… I would imagine that many of the organizations that are in the business to serve others will find that they have more receptive ears hearing that message, and who can provide valuable support, whether it's time or money, to advance those missions."

Potential Strengths for Faith-Based Service Providers

If these are potential strengths of the centralization of the duties of the OFBCI, what are the compelling strengths of using faith-based organizations to provide services? Dr. Bartkowski explains: "One of the strengths [of faith-based service delivery] is the social networks in religious organizations. Social networks, in religious communities especially, are very, very powerful mechanisms for promoting social change.… If it weren't for a lot of the African-American congregations here, we probably wouldn't have seen the same civil rights movement that we saw in the 1950s and 1960s. So, social networks in congregations can be very powerful engines for social changes and transformation, and in the case of poverty relief, Mississippi congregations do a lot in that regard. Mississippi is actually the most giving state in the nation, despite the fact that it's the poorest state in the United States. It also marks the most monies spent in charitable contributions. So in Mississippi, because it's a highly churched population, a lot of the culture in Mississippi — and throughout the United States — is formed along the lines of church and faith community fellowships." Dr. Bartkowski notes: "Why wouldn't you just go with a secular model? Religious folks would say that what they're doing is distinctive and different. They're appealing to this idea of a higher power. So, there are particular concerns and theological considerations that motivate human action and religious organizations in a way that they don't in other organizations, say, secular providers of social services."

Dr. John P. Bartkowski

Perhaps one of the most obvious strengths is that, for the most part, these organizations may employ a less bureaucratic method to provide services, particularly face-to-face services. Janet Sharma observes: "I think they're [faith-based organizations] more efficient, in many cases, than the government because they don't have to go through so many levels of decision making." Dr. Bartkowski reflects: "We spent time interviewing pastors in Mississippi and spent time in congregations actually observing the types of relief practices that congregations engaged in. Local faith communities employed a number of different strategies for providing aid to local poor populations. Intensive engagement calls for sustained face-to-face contact between congregations that are providing relief and poor populations that are receiving relief through local faith communities. This is a very, very powerful form of aid provision that a number of congregations provided." "There are also the larger nonprofits that have been around for many years, providing excellent service, like Catholic Charities and Habitat for Humanity and Jewish Family Services," observes Sharma. "Volunteer Centers also work with them.... This isn't really new; we've been doing it."

Challenges for the OFBCI

Although there are strengths in using these organizations and centralizing the responsibility in the new OFBCI, there are many challenges on the road ahead. Dr. Bartkowski highlights one: "One of the challenges I think they're already facing is that certain religious communities are going to be jockeying for a kind of collaborative clout with the Office of Faith-Based Initiatives.... There are a lot of religious groups that have some degree of historical antagonism between them or are at odds on certain theological, practical, and social issues, and I think that this is one of the big challenges they're going to face."

He further explains: "I'm uncomfortable with any one person or board of directors or a particular office making choices about [what] religions are legitimate and what are not. I would support the Office of Faith-Based Initiatives in a sense that they're really trying to promote a message of religious diversity.... But I would say, once you get all those people to the table, you're going to be probably facing some antagonism and some power dynamics that play out there that are going to require some careful adjudication."

Others echo concern about the politics of the new territory. Robert Goodwin shares his experience: "The Points of Light Foundations enjoyed a high degree of visibility during President Bush's, the father [George H. W. Bush administration]. And this both presented wonderful opportunities, as well as some challenges. People were quick to assume that there was a political ideology being pursued in this notion of everybody being a point of light, and that caused them to overlook the real power of the message that was transmitted by then-President Bush's challenge. I think that this office will face some of the same challenges. People who even recognized the power and the potential of social services being delivered through grassroots and mainline, denominationally-related organizations will be perhaps distracted by their view of whether or not there is some political ideology being pursued here."

Another challenge will be coordination with other federal agencies and all of the state programs that will implement Charitable Choice. One of the directives of the OFBCI is to coordinate faith-based activities and policies with federal departments and their OFBCI offices. Specifically, the Departments of Treasury, Justice, Housing and Urban Development, Health and Human Services, and Education are required by Executive Order to set up departmental Offices of Faith-Based and Community Initiatives. Brian Murrow, the leader of the PricewaterhouseCoopers e-Philanthropy practice, describes this collaboration: "Past attempts at interagency collaboration have not been highly successful. Programs initiated in the 1960s and 1970s to address urgent and specific social problems, in fact, increased compartmentalization amongst agencies. These efforts failed in part due to the complexity of the reform itself and the lack of agreement among agencies on 'turf' issues.... These efforts faced many difficulties in achieving success, such as different funding and service planning requirements, lack of clear communication among various agencies, differences in professional discipline/agency orientations, and varying perceptions of the scope of the mandates."

Murrow believes that the complexity of the existing organization of similar social service programs could be included in Charitable Choice programs. He explains, "Currently, there are many uncoordinated programs across federal agencies that help the same stakeholder groups. However, the resources available to faith-based and nonprofit organizations are organized by federal department, not by stakeholder. No central organizing force exists at the federal level that oversees the federal resources available for faith-based and community organizations."

Perhaps the biggest challenge that OFBCI will face is the lack of resources available to "put their money where their mouth is." A bill to provide funding for these initiatives and for social services is now facing intense congressional scrutiny and debate. Dr. Bartkowski explains: "As I understand it, the Bush administration is not providing additional money to provide extra services through faith-based organizations, but it's trying to provide a federal structure." Although states receive block grant funds for social services and can outsource those services, to date, this new office will not receive any additional funding for those services.

Faith-based service providers will also face multiple challenges, although many faith-based organizations are already operating service programs. One of the concerns for new organizations is the actual definition of a faith-based organization. Janet Sharma explains: "Right now there are no parameters around what constitutes a viable faith-based organization. The ones we've been working with [at the Volunteer Center in Bergen County, New Jersey] are generally already 501(c)(3) tax-exempt nonprofits, but the Bush administration seems to be opening that portal, so more faith-based groups can participate."

Once an organization provides services, there will continue to be ongoing oversight needs to ensure legal compliance. "There are concerns of how are you going to actually monitor and manage Charitable Choice implementation. There are other issues beyond performance in terms of evaluating programs, and that's monitoring and making sure that the programs are keeping with the law," asserts Dr. Bartkowski.

Challenges for Service Providers

One of the most often-heard concerns about using faith-based organizations to provide services is the potential for withholding services unless the participant becomes involved in religious services. Dr. Barkowski articulates this concern: "Charitable Choice is supposed to protect the ... clients — for instance, the poor families' religious liberty. They cannot be forced to accept services from a faith-based provider. There has to be a secular alternative there. But there are some concerns that people have ... regarding Charitable Choice implementation. The ideal of the law is to protect religious liberty, but one of the concerns people have in ... rural areas where it might be hard to provide a secular and a faith-based option right in the same locale [that a participant may not have a secular option]…. Faith-based providers are forbidden from requiring the recipients or clients that they serve from attending worship services…. Will congregations try to skirt around these types of principles to say, 'Well, so and so really isn't interested in receiving the full gamut of our services because this person isn't, say, coming to church on Sundays?'…. I'm not saying that congregations will try to skirt around the prin-

Executive Order: "Establishment of White House Office of Faith-Based and Community Initiatives"

Issued Jan. 29, 2001

The new Office of Faith-Based and Community Initiatives was created by Executive Order. The responsibilities of the new office are to:

- **Develop, lead, and coordinate the administration's policy agenda** affecting faith-based and other community programs and initiatives, expand the role of such efforts in communities, and increase their capacity through executive action, legislation, federal and private funding, and regulatory relief
- **Ensure** that administration and federal government **policy decisions and programs are consistent** with the President's stated goals with respect to faith-based and other community initiatives
- Help **integrate the President's policy agenda** affecting faith-based and other community organizations **across the federal government**
- **Coordinate public education activities** designed to mobilize public support for faith-based and community nonprofit initiatives through volunteerism, special projects, demonstration pilots, and public-private partnerships
- **Encourage private charitable giving** to support faith-based and community initiatives
- **Bring concerns, ideas, and policy options to the President** for assisting, strengthening, and replicating successful faith-based and other community programs
- **Provide policy and legal education to state, local and community policy makers** and public officials seeking ways to improve the opportunities, capacity, and expertise of such groups
- **Develop and implement strategic initiatives** under the President's agenda to strengthen the institutions of civil society and America's families and communities
- **Showcase and herald innovative grassroots nonprofit organizations and civic initiatives**
- **Eliminate unnecessary legislative, regulatory, and other bureaucratic barriers** that impede effective faith-based and other community efforts to solve social problems
- **Monitor implementation** of the President's agenda affecting faith-based and other community organizations
- **Ensure** that the efforts of faith-based and other community organizations meet **high standards of excellence and accountability**

ciple of the law, but I do think that the ideal of the law lends itself to many different interpretations about what exactly does religious liberty mean."

Janet Sharma also expresses these concerns: "I think the government has to make clear as to what the funds are going to buy. If they're going to buy services that are open to the broad community without regard to religion, then that's fine. That's the way it should be. But if somebody has to attend a service before they can get food, then that's wrong. That's proselytizing, and that should definitely not be part of the picture." Robert Goodwin believes that this issue can be addressed adequately: "I think once we get beyond the question of whether or not there's any precedent or what are the safeguards to ensure that federal money does not go for proselytizing, we can focus on the real question of what's the best way, the most efficient way, for public monies to support the work of private organizations who have wonderful track records in truly changing the quality of life of people."

Another concern with using faith-based service providers is whether the supply will be able to meet the demand for services, particularly without additional funding. Janet Sharma expresses this concern: "I would think if you just said, 'Okay, now faith-based, it's up to you to solve all the problems in your community,' that's a pretty tall order. But if you give them some resources, so they can get the training and the capacity building, and also learning how to work with other organizations as some community-building kind of work that's done, people can be effective. It's just like a business. I mean, whether you look at it as a nonprofit or a morally-based business, it's still a business. You have to have good business practices to get things done."

Business concerns may be new for many faith-based organizations and may require additional information gathering and education. "Religious congregations can educate themselves about financial management issues, what it takes to become an incorporated organization to compete for contracts with the government, and how to set up an account if they receive those monies. These are the types of issues that I think congregations need to be educated about," says Dr. Bartkowski.

Lessons Learned about Charitable Choice

Although it may seem premature to offer possible remedies for problems that are still considered potential, the current implementation of Charitable Choice statutes provides clues about potential solutions. In addition, the radio interview guests shared their lessons learned in working with faith-based organizations.

According to Dr. Bartkowski, program monitoring will be a critical component of successful implementation: "There are concerns of how are you going to actually monitor and manage Charitable Choice implementation…. There are other issues beyond performance in terms of evaluating programs, and that's monitoring and making sure that programs are keeping with the law." The OFBCI should encourage states to carefully monitor these new service partners. Monitoring of a state program, even when faith-based organizations provide the services, is critical to ensure that all organizations are complying with the statutes. In addition, monitoring can be a management tool for new organizations to review performance and become aware of best practices. We further recommend that OFBCI collect and share results of monitoring reviews with other providers of similar services. In this way, monitoring reviews and recommendations can become planning and self-monitoring tools for new organizations. All monitoring and program evaluation should foster a spirit of community building and work to enhance partnerships at all levels of government.

Robert Goodwin provides the following advice about the importance of clear communication: "The real challenge will be to clarify the intentions [of the OFBCI], ensure the guidelines are consistent with the accepted tradition in law, and then to focus people on the real outcomes that are envisioned by empowering people to do a better job in their delivery of social services, even if they are affiliated with faith-based organizations." Clear communication and directives to federal departmental faith-based and community initiative offices, states, and local service partners will be critical to ensure that outcomes will be positive and in keeping with the statute.

For service providers, Janet Sharma offers this advice: "The worst thing you can do with a volunteer is not give them a clear sense of what needs to be done. We've learned through years and years of volunteer management — and this holds true regardless of what the task is and whether it's faith-based or not — that people need real jobs. They need a description of what the ultimate outcome is so they'll know what is expected of them, so you don't have a lot of people just running in circles."

As a controversial innovation in the delivery of social services, the implementation of Charitable Choice will be closely watched. States' experience in implementing Charitable Choice provides useful lessons for the Office of Faith-Based Initiatives. ■

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Reflections on Charitable Choice and Faith-Based Initiatives: Lessons from the States

by John P. Bartkowski, Assistant Professor of Sociology, Mississippi State University

President Bush will likely face challenges in getting faith-based organizations more involved in federally funded programs for the needy—and many of the most formidable challenges go beyond philosophical questions about the appropriateness of church-state alliances. Charitable Choice law requires state governments to permit faith-based organizations to compete with secular service providers, and with one another, for public funds. As the law is written, competition for public monies should occur on a level playing field in which no prospective provider — faith-based or secular — enjoys an unfair advantage. Under the administration's new Office of Faith-Based and Community Initiatives, government administrators should be especially attentive to the ways that Charitable Choice could genuinely promote — or unintentionally undermine — equal opportunity for religious congregations.

Recently, some colleagues and I sought to explore Charitable Choice receptivity by conducting open-ended, intensive interviews with local religious leaders in Mississippi. Intensive interviews provide pastors with a forum for articulating their views in their own words. We interviewed 30 pastors of various ethnic backgrounds who, taken together, serve a wide range of religious communities. Mississippi's robust levels of religious adherence and charitable giving, along with the state's high poverty rates, made this locale an excellent case study in faith-based poverty relief. Mississippi also led the nation in faith-based welfare reform through a state-level Faith & Families program. Faith & Families of Mississippi, created in the state prior to the passage of federal welfare reform, encouraged local congregations to sponsor needy families in their transition from welfare to work.

We found that African American pastors and those from moderate, socially engaged faith traditions typically expressed a more favorable view of Charitable Choice. Yet, intensive interviews enabled us to look beyond these pastors' first-blush reactions. And when we did, we noticed that every religious leader in our study expressed a great deal of ambivalence and some trepidation about forging service provision partnerships with government entities. Several pastors were concerned that the wide latitude and great success they enjoyed with donated monies would be severely compromised if they relied on funds from government coffers. Others worried that they would have to abandon their most effective ministerial strategies — proselytizing while providing relief, inspecting the congregational affiliations of regular aid recipients — if they allied themselves with the government. Still others expressed fears that they would be forced to conform to a bureaucratic mold if they pursued and accepted public monies.

In short, many of the religious communities in our study were marked by a lack of trust in government. For many, the government is believed to operate on core principles — bureaucracy, impersonality, and narrow definitions of performance — that are fundamentally at odds with the spirit of religious benevolence. As social scientists, my colleagues and I are hesitant to generalize our findings from Mississippi pastors to religious leaders throughout the United States. But when paired with social scientific research that shows national declines in citizens' trust of government, the administration should recognize that the greatest obstacle to expanding Charitable Choice may be overcoming local religious leaders' fears about partnering with the government in a more formal and codified way than they have done in recent memory.

As we analyzed the interviews we had conducted in local Mississippi religious communities, it also became clear to us that our sample of congregations did not approximate anything near a "level playing field." Religious communities in Mississippi, like those throughout the United States, are notorious for being segregated by race and social class. Local ministerial associations and interfaith relief agencies were populated largely by regionally dominant faith traditions — in Mississippi, Baptists and Methodists. And parachurch agencies generally represented congregations with full-time professional ministers. We surmised that if public funds were routed through parachurch agencies with the intention of providing the broadest benefit to local religious communities, marginalized faith traditions and those with part-time lay pastors — specifically, small black churches in rural Mississippi — would likely find themselves without direct access to these resources.

Moreover, congregations with connections to local universities, and those that counted government administrators and professional researchers among their own members, would gain a tremendous advantage in writing grants to compete for state monies. These congregations were linked to the right social networks and enjoyed a proficiency in the unique jargon of the social service sector — for example, knowing that "RFP" means Request for Proposals. In such cases, a simpleminded adherence to the principle of local empowerment would likely mean the empowerment of some congregations at the expense of others.

In many ways, American religious congregations have been and can continue to be a valuable ally in society's efforts to transform the face of American poverty. But if not carefully expanded, Charitable Choice could end up reproducing privilege and social inequality rather than providing a genuinely level playing field for faith-based service providers. The most equitable expansion of Charitable Choice will likely be facilitated by giving careful attention to social research conducted at the grassroots of American religious communities.

To Obtain "Religious Organizations, Anti-Poverty Relief, and Charitable Choice: A Feasibility Study of Faith-Based Welfare Reform in Mississippi":

Electronic Version
- In .pdf (Acrobat) format at the Endowment website: endowment.pwcglobal.com/pdfs/bartkowski.pdf
- In .pdf (Acrobat) format at the Hartford Institute for Religious Research website: hirr.hartsem.edu/org/faith_congregations_research_misspartners.html

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Ida L. Castro

Chairwoman
Equal Employment Opportunity Commission

Ida Castro is a change agent. When she arrived as chairwoman of the U.S. Equal Employment Opportunity Commission (EEOC) in 1998, the commission was the target of a great deal of criticism. "All of our customers and stakeholders were unhappy. The primary question had to be: Why is it that such an important agency with such an important mission has such a terrible reputation? And then work backwards and see what is it that we could correct immediately and what were the longer-term projects," she explains.

The Equal Employment Opportunities Committee was created to enforce Title VII of the Civil Rights Act of 1964, and has since been tasked with enforcing antidiscrimination regulations for the elderly, disabled, women, and minorities. The mission of the EEOC is to promote equal opportunity in employment through administrative and judicial enforcement of the federal civil rights laws and through education and technical assistance. The EEOC receives approximately 80,000 charges annually and has approximately 2,500 staff.

The first Latina to serve as EEOC chairwoman, Castro has been strong advocate of equal rights through her work in employment law and academia. Prior to joining the EEOC, Castro was the acting director of the Women's Bureau at the U.S. Department of Labor (DOL) from 1996 to 1998 and assistant secretary and director of the Office of Worker's Compensation Programs. Castro was the first tenured Latina at Rutgers University, where she taught at the Institute for Management and Labor Relations. She was also an attorney in private practice, focusing on labor and health care issues.

Castro found that the problems at EEOC included infrastructure, staffing, and morale. "The Equal Employment Opportunity Commission, although it's always had a very noble mission and a mission that's difficult to accomplish given the universe of need, had experienced a time of about 15 to 20 years where it was understaffed and under-resourced. And that longtime resource starvation had had an incredible impact on the infrastructure of the agency as well as staff morale," Castro explains. "We had been involved in a series of articles that were extremely critical of the agency. At the time, everyone thought of the EEOC in terms of its backlog, in terms of the length of time it took to get to a charge and investigate the case. [It was] about two or three years before you even got an investigation," she remembers.

Castro had an unusual benefit for a new chair. "I came in with an increase in budget, a $37 million increase.… We were able to expand our staff. We were able to improve on technology. When I arrived in '98, we couldn't even communicate through e-mail and people were complaining about, for example, quality of work, uniformity of decisions.… And how can I guarantee that one region does as the other one does when they can't even communicate? So, clearly, that was a big issue for us," Castro remarks. She was able to put this budget increase to immediate use: "We were able to connect all of our offices, upgrade all of the computer technology, and therefore improve on our productivity while at the same time we're expanding staff."

Castro also streamlined the EEOC's core processes. "We were able to refocus on our mission, clarify our mission, look at the way we were doing our work, and ask staff to really think through these processes. And think through them not just as staff members, but through the eyes of all of our stakeholders. [We asked them to] advise me on how it is that we can address all of these processes so that we can accomplish [results]," she asserts. The streamlining effort also promoted new teamwork and cooperation within the EEOC. "For the first time, we brought together our lawyers and our investigators, who had been bifurcated for the history of our commission. We had them working early on in the charges so that we can identify priority charges from the beginning," remarks Castro.

What has all of this effort produced? "Over a five-year period, EEOC has slashed its backlog, which stood at one point at 111,000 charges, by 70 percent. This year, we came in at a 17-year low of less than 36,000 charges. We've increased all of our performance indicators. In many instances, [we've] tripled and quadrupled our performance indicators. We have had two record years in terms of obtaining benefits on behalf of charging parties," Castro observes. "Average processing time in the private sector used to be two to three years, and now it's all the way down to about 210 days. We hope, within the next year, to reach our goal, which is by regulation 180 days."

Castro hopes for a future where the EEOC becomes almost unnecessary because incidents are prevented. "I would rather reduce my backlog by individuals not feeling compelled to come to my office, rather than having to ask for more money or streamline more processes," she reflects. ■

"THE AMERICAN PUBLIC EXPECTS US TO DO OUR JOB AND DO IT WELL. THE EMPLOYER COMMUNITY UNDERSTANDS THAT VIOLATIONS OF THE LAW NEED TO BE PURSUED, BUT THEY EXPECT US TO DO THAT AND DO IT WELL. CHARGING PARTIES WHO ARE VICTIMS OF DISCRIMINATION CERTAINLY EXPECT JUSTICE AND TRUST THIS AGENCY WITH FINDING DISCRIMINATION AND DOING IT WELL. SO WHAT IS OUR RESPONSIBILITY? WE HAVE TO DO IT WELL."

Radio Interview Excerpts

Ida L. Castro
Chairwoman
Equal Employment Opportunity Commission

TRANSFORMING THE AGENCY

On EEOC responsibilities

The Equal Employment Opportunity Commission was created around 35 years ago as a result of the enactment of Title VII of the Civil Rights Act, and our responsibility is to enforce antidiscrimination laws throughout the workforce. Some years later, we were also given the responsibility of similar types of enforcement and promotion of equal employment opportunity in the federal government as well. Throughout the years, our jurisdiction has expanded significantly. Initially, it was race and general and national origin and the well-known areas. As you know, throughout the years, there have been additional laws that have been enacted, whether it's age discrimination or disability discrimination.

In addition to enforcement in the private sector and in the federal sector, the Commission is also responsible for policy questions, for issuing guidance rules and regulations in guiding the employer community and the employee community on their rights and responsibilities under the law.

On starting with EEOC

All of our customers and stakeholders were unhappy. The primary question had to be: Why is it that such an important agency with such an important mission has such a terrible reputation? And then work backwards and see what is it that we could correct immediately and what were the longer-term projects.

On communication at EEOC

When I arrived in '98 at EEOC, we couldn't even communicate through e-mail and people were complaining about, for example, quality of work, uniformity of decisions. Employers would raise this all the time. And how can I guarantee that one region does as the other one does when they can't even communicate? So, clearly, that was a big issue for us. [Using our budget increase] we were able to connect all of our offices, upgrade all of the computer technology, and therefore improve on our productivity while at the same time we're expanding staff.

On getting results

If we're here to identify discrimination, then how quickly can we do this? How well can we do this? And how strongly can we do this, in the sense that once we've identified discrimination, do we have everything in place so that we can followup accordingly? Have we explored all of the tools available to us to resolve discrimination? I mean, once we identify the problem, then what are the mechanisms that we have at play to increase the resolution of these disputes? And then how is it that we strengthen our actual enforcement capability?

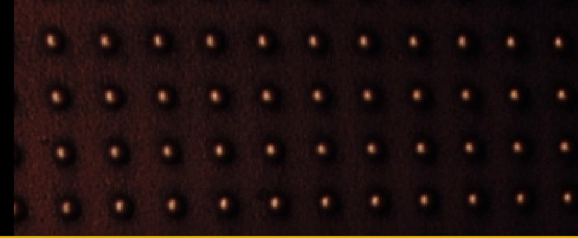
On outcomes

Over a five-year period, EEOC has slashed its backlog, which stood at one point at 111,000 charges, by 70 percent. This year, we came in at a 17-year low of less than 36,000 charges. We've increased all of our performance indicators. In many instances, [we've] tripled and quadrupled our performance indicators. We have had two record years in terms of obtaining benefits on behalf of charging parties. Average processing time in the private sector used to be two to three years, and now it's all the way down to about 210 days. We hope, within the next year, to reach our goal, which is by regulation 180 days. Now we're within a real good distance. It's a very achievable goal for us.

REENGINEERING EEOC

On streamlining processes

We were able to refocus on our mission, clarify our mission, look at the way we were doing our work, and ask staff to really think through these processes. And think through them not just as staff members, but through the eyes of all of our stakeholders. [We asked them to] advise me on how it is that we can address all of these processes so that we can accomplish [results]. For the first time, we brought together our lawyers and our investigators, who had been bifurcated for the history of our commission. We had them working early on in the charges so that we can identify priority charges from the beginning.



"BUT I THINK … [WE HAVE MADE] THE COMMITMENT TO MAKE SURE THAT AMERICA HOLDS UP TO ITS DREAM, AND CERTAINLY TO ITS WELL-EARNED REPUTATION. AMERICA NEEDS TO MAINTAIN ITS NUMBER-ONE STANDING IN TERMS OF NOT ONLY ITS EMPLOYMENT OPPORTUNITIES, BUT THE ENVIRONMENT IN THE CONTEXT OF THE WORKFORCE OPPORTUNITIES THAT ARE OFFERED IN AMERICA."

On risk management

We established a national mediation program, which has allowed us to take an enormous amount of charges, refer them at the outset -- without any government investment in investigation and resources -- to a qualified mediator in hopes that it could get resolved without the need of government intervention. In 18 months, we've successfully resolved more than 13,000 charges. It's voluntary and free to the parties, and they tailor-make their own resolution.

We [also] strengthened our litigation program. [We modified] the policy that whatever the cause we found in our enforcement side had to be litigated regardless of the strength of the case [because] it did not allow us to prioritize our own cases and invest the taxpayer's dollar….

On clarifying regulations

I think it's extremely important from the federal perspective to make sure that one understands what are the other agencies that would normally be involved in this questions and bring them together, so that you can provide an answer that makes sense for the receiver of your directive.

On partnering with employers

For the first time, [we] have opened up a very good dialogue with the employer community. I am very, very confident that most employers want to comply with the law and there's no reason for me to treat everyone as if they were evil or violators of the law. On the contrary, I want to encourage those employers that wish to comply with the law to work with me and help me think through the major challenges that the EEOC has been facing in the last decade and work with me to resolve them at the earliest possible point.

DISCRIMINATION ISSUES

On the importance of the mission

Our work is not just paperwork. We don't just process charges. Regrettably, there are only too many instances of very crude and egregious discrimination. There are a number of other instances that certainly provide the basis, a sound basis and foundation for pattern practice claims of discrimination, and we need to work with all of our stakeholders to begin to resolve these questions. The media and our public perception is key to turning that around and making the relationship a far more positive one.

On the changing workforce

That is the reality that we have such a large workforce, which is almost kind of split in half, and half of our workforce is already in the work place of the so-called future while the other half is in your more traditional work place setting [with] the fixed hours, fixed place, and so forth.

On the impact of discrimination

The stress that's caused by discrimination, the stress that's caused by the uncertainty of the work environment, the stress that's caused by the fear of retaliation, however, has the same effect on the workforce, on its productivity, and on its loyalty, of course, to the employer and should be concerns to any employer in that industry. If you want to recruit the best talent, if you want to retain the best talent, and if you want that best talent to give you all that it has to give, then you have to provide a work environment that really tells this talent that they should want to work for you.

The Business of Government Hour's interview with Ida L. Castro will be rebroadcast at 5:00 pm on May 12th, 2001 on WJFK (106.7 FM) in Washington, D.C. The interview is also available via Real Audio on the Endowment's website at endowment.pwcglobal.com.

To read the full transcript of *The Business of Government Hour's* interview with Ida L. Castro, visit the Endowment's website at endowment.pwcglobal.com.

Marc Grossman

Under Secretary for Political Affairs
U.S. Department of State

"I think that the State Department is changing now, but will continue to change from being essentially a passive organization to an active organization.… Our job, for many years, was to go abroad and observe and report, and I think that … this is going to be much more of an active job in the future," says Marc Grossman, the former Director General of the Foreign Service and director of Human Resources at the U.S. Department of State. Grossman, a 25-year veteran of the Foreign Service, believes that the responsibilities of the diplomatic corps must change to accommodate the current and future environment. "All of the things we've got to do now are active things. We're no longer just advising the secretary of state on what he or she should say to the Soviet foreign minister.…"

Grossman envisions a State Department that partners with other organizations to anticipate and respond to a myriad of political and economic issues. Grossman attributes the State Department's new direction to the rise of complex new issues in the wake of the Cold War: "When this was just about the United States and the Soviet Union, we [the State Department] had a monopoly on that.… But when it's about trafficking in women and children or promoting democracy or sustainable development … we don't hold a lock on all the expertise or information in those areas." He notes that future diplomats will need to create and manage teams of stakeholders: "These people who are in nongovernmental agencies … who know about their own countries are vital now to our ability to get the job done."

Reflecting on the changing profession, Grossman notes that "when I started this business a long time ago, the number of nongovernmental organizations that we were dealing with was … a handful, and now there are hundreds. And that's what democracy is all about.… So, the amount of interaction between official diplomats and nongovernmental organizations, businesspeople, journalists, all kinds of people who are involved now in foreign policy has made a tremendous difference to our lives. And … I think that's a good thing … and is a wonderful reflection on our democracy."

Grossman is well positioned to comment on the future of the State Department, with 25 years of Foreign Service experience. He began his career in 1976, and has served in Pakistan, Belgium, Turkey, and in Washington, D.C., in positions that include assistant secretary of state for European affairs and U.S. Ambassador to Turkey. He was confirmed by the U.S. Senate as under secretary of state for political affairs in March 2001.

In order to prepare the State Department for this new diplomatic vision, Grossman implemented and improved several recruiting initiatives while serving as Director General. "We are responsible, in the Bureau of Human Resources, for everything from recruiting people to retiring them, for promoting them and sending them to the right place, getting them to the right training." Toward this end, Grossman improved and modernized recruiting practices: "People are not interested in sending a self-addressed, stamped envelope to find out what your business is like; they want to look on your website. So, we have revamped our website for recruiting. We have also tried to get as many people as possible signed up for the Foreign Service written exam on the Internet."

Grossman's own management style reflects his training and the combination of generalists and experts in the State workforce: "… you have to let other people make decisions.… You have to be ready to be … big enough to recognize that you've got to hire people that are smarter and better than you are and let them do their own jobs." Grossman's style capitalizes on the strengths of others and the State Department's core values: "I can only sit behind my desk and make one telephone call at a time or be on one radio show at a time. But I'm hoping that back at my office, all the people who we've worked together with now and tried to inculcate with our values are making the right decisions and I don't need to be there. I need to just believe that they're going to do right, and that's what we ask people to do."

Grossman is confident that the State Department can meet the challenges of diplomacy in the 21st century and encourages candidates to join him: "I tell people [considering careers at the State Department] without reservation it's a good thing.… You get to work in an office where the American flag flies, and I think that's worth a lot. The things that drew me to the Foreign Service — service to the public, service to the United States, service to American citizens, and service to those of us in the service — are all still compelling reasons to be in the State Department, whether you're in the Foreign Service or the civil service." ■

"THE THINGS THAT DREW ME TO THE FOREIGN SERVICE — SERVICE TO THE PUBLIC, SERVICE TO THE UNITED STATES, SERVICE TO AMERICAN CITIZENS, AND SERVICE TO THOSE OF US IN THE SERVICE — ARE ALL STILL COMPELLING REASONS TO BE IN THE STATE DEPARTMENT, WHETHER YOU'RE IN THE FOREIGN SERVICE OR THE CIVIL SERVICE."

Radio Interview Excerpts

Marc Grossman
Under Secretary for Political Affairs
U.S. Department of State

TECHNOLOGY

On the impact of technology at the State Department

Technology is … utterly changing the way that we do business. The Internet, the rapidity of information, the amount of information that you have, trying to sift it to make sure that what you have is right. All those things are changing the way diplomats work and who they work with.

On technology and leadership skills

Certainly, some of the things that leaders need to know have changed.… Being technologically able -- I don't say adept, but able -- wasn't at all a quality you needed in 1976, but you sure need it now. I don't mean to say that you have to be a technician, but you have to understand the capacity of technology to help you.

On the use of technology to recruit candidates

I'm pleased to say that 78 percent of the people who took the test in November 2000 did actually sign up online, and that's a good thing — saved us, actually, a lot of money, and I imagine, seemed more modern to all of those people. We've also started … chat rooms for people interested in the Foreign Service.… On the State Department website, we know that people are interested … because after consular affairs, after the travel warnings and advisories, it's recruitment that gets the most hits on our website.

HUMAN RESOURCES

On human resource challenges at the State Department

We're trying to figure out new ways to recruit, new ways to retain people, new ways to honor people when they are promoted or when something happens to them … we're dealing with the new issues in human resources of, you know, elder care and life care and all kinds of people's family situations, and then also trying to make sure that when people leave our service, they leave it with dignity and … that someone has said thank you … for their service to the United States.

Challenge number one is to deal with the complexities of dual-career families … who are both in the Foreign Service.... We currently have about 1,000 people in all who are members of what we call tandem couples. Over the years, we've had to change many, many regulations and ways of doing business to deal with those issues as that number has grown. We … need to make sure that we're not disadvantaging those people who are not a part of a tandem couple.… We've tried to deal with it by applying as much transparency as possible to any arrangements that we make.

On the "War for Talent"

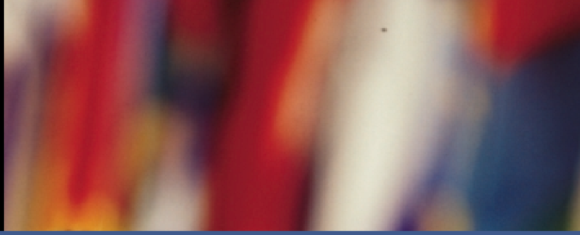
The War for Talent Study … opened our eyes … to two things. One is that we were in competition with the rest of the marketplace in the United States for talent.… We used to think that we had a monopoly on all the people who wanted to participate in international affairs. That isn't true anymore, because if there are NGOs and other people who are working in the field now, they need talent.… The second eye-opening thing … from this study was the intimate connection between our ability to recruit the right people and work that we're doing to retain the right people.… If we're not doing a good job in retention, word gets out that we're not a very good employer.

On the importance of management training

We often make a mistake of asking people to take management positions before they've been trained to do it, and then we wonder why they don't do so well. Well, that's not their fault; that's really the responsibility of the business.… We have got to bring people up to their full potential when we ask them to lead other people. And so we've got to deal with that on a continuum across people's careers.

On managing a solid team

You have to let other people make decisions and you have to be ready to … be big enough to recognize that you've got to



"I TELL NEW OFFICERS NOW THAT I ENVY THEM BECAUSE THEY'RE GOING TO BE PIONEERS IN DIPLOMACY AND A PROFESSION THAT I'M NOT SURE WE CAN EVEN SEE YET."

hire people that are smarter and better than you are and let them do their own jobs.… You must also recognize that if people make 500 to 600 decisions in a week, not every single one of them is going to be right.

On work and life balance

We are trying our very best to pay attention to Foreign Service families in the same way that our military colleagues are paying much more attention to military families.… We ask people to go abroad, sometimes into difficult circumstances, and the employee goes to work during the day … but the family is out there. We need to provide more language training. The other thing that has … become a big issue … is … looking after elderly parents. We have just instituted a new program called Life Care, which is really based on a program of elder care, to provide for people overseas information and support what they need if they're faced with having to manage the challenges of an elderly parent. This is an increasing challenge, and I know it's not one that we have alone, but when you're out … in Bangladesh, it's magnified and we need to step up to our responsibility.

THE FUTURE

On the future business model

I think that the State Department is changing now, but will continue to change from being essentially a passive organization to an active organization.… Our job, for many years, was to go abroad and observe and report, and I think that … this is going to be much more of an active job in the future.

All of the things we've got to do now are active things. We're no longer just advising the secretary of state on what he or she should say to the Soviet foreign minister.

On future priorities

I guess the term of art is to become a knowledge-based organization, and that's what we need to become. Information and people are the two most important assets that we have, and we need to manage both of them better. And we need to start managing information by recognizing that everybody has to be a part of the information chain if we're going to go forward…I believe that how we deal with information to our public — not the American public only, but to our foreign public as well — has to become much more technologically adept.

On future careers with the State Department

If you look at the 18 or 19 things in the State Department's strategic plan today, you see things that are traditional: make sure that we're protecting the United States, no regional conflicts, protecting American citizens abroad. But if you look at the other things on that list — stop trafficking in women and children, stop the proliferation of nuclear weapons, make sure that there's more democracy in this world, make sure we have a sustainable environment, sustainable economic growth — those are not issues I was dealing with 25 years ago. I tell new officers now that I envy them because they're going to be pioneers in diplomacy and a profession I'm not even sure we can even see yet.

On future partnerships

When this was just about the United States and the Soviet Union, we [the State Department] had a monopoly on that.… But when it's about trafficking in women and children or promoting democracy or sustainable development … we don't hold a lock on all the expertise or information in those areas.… These people who are in nongovernmental agencies … who know about their own countries are vital now to our ability to get the job done.

When I started in this business a long time ago, the number of nongovernmental organizations that we were dealing with was … a handful, and now there are hundreds. And that's what democracy is all about.… So, the amount of interaction between official diplomats and nongovernmental organizations, business people, journalists, all kinds of people who are involved now in foreign policy has made a tremendous difference to our lives.

Deidre A. Lee

Director of Defense Procurement
Department of Defense

"If you look at our department or actually government-wide, we used to buy more products than services. We are now buying more services. In fact, we're moving onto the continuum of what I like to call solutions … bring me the whole solution, which may include buying products and providing a service and the support and the data.… And that makes our business arrangements very different," observes Deidre Lee, Director of Defense Procurement. This change is leading to a change in the skills and responsibilities of the procurement officer and will require more public sector flexibility, according to Lee.

As the director of Defense Procurement, Lee oversees the procurement of $130 billion annually. The Office of Defense Procurement "develops and promotes department-wide procurement policies for planning, pricing, award, and administration of contracts and other transactions for supplies," explains Lee. "We're also trying to make sure that, as the department spends money, we get the best value for the taxpayer and, of course, the right systems, programs, and services to support the warfighter," Lee remarks.

Although new to her current position, Lee is not new to either the Department of Defense (DoD) or managing large procurement agencies. Previously, she was the head of the Office of Federal Procurement Policy, and associate administrator for procurement at the National Aeronautics and Space Administration (NASA), where she was awarded NASA's Outstanding Leadership Medal and Exceptional Achievement Medal. "I started … as a GS-5 and worked in the field. I did logistics support. I did major weapons systems. I did base activity at the Department of Defense. So, I hope that gives me a good grounding and understanding of what people in the field are out there doing, and some of the challenges they face," reflects Lee.

Communication is one of Lee's biggest priorities. "You cannot do too much consultation or provide too much information to your colleagues and partners.… That doesn't mean that you shouldn't go ahead and implement [your ideas], but coordination and consultation help you sort out the things that are less than perfect. That helps you improve your product or your service, and it also [makes] your partners aware [that] they're part of the solution," Lee explains.

Her focus on improving communication extends beyond the Department of Defense and into the industry. "Industries are our partners. We cannot accomplish these weapons systems. We can't provide the services. We're all about contracts and those business relationships," Lee states. "There is no specific department or position where you stand isolated. Everything that is done in an agency is interdependent with either other agencies or other services.… So the necessity is to understand and work with others and be able to look at things from their point of view and understand how you support each other."

Changing the focus of procurement will also change the skills needed for procurement officers. "The focus for [contract officers] is to be …'business brokers'. I'm looking for contract people to be very involved in actively managing their business arrangements. And when something isn't going right, take a remedy, and when something is going great, share that information with others. Be sure to congratulate your business partner on doing a great job," observes Lee. "They're going to need to … understand the rules and regulations because they do exist. And they exist for valid and good reasons, including fairness and integrity, to make sure our system holds forth in that activity. But they're also going to need to understand better the business environment and the transactions," she reflects.

Lee hopes that flexibility will bring back some of the excitement about public sector work that she experienced when she began her career with the Department of Defense. "We don't do a very good job of telling people how exciting government service is.… Think about the things we do as a government. It is truly phenomenal. Look at the weapons systems -- truly the cutting edge of technology. Look at the space program. In the early 1960s, engineers graduating from school wanted to go [to the National Aeronautics and Space Administration].… Somehow we've lost that excitement and we're not communicating it well to people in college or whatever to say: 'This is an exciting field. Come work here. There are many opportunities'," she explains. Lee encourages new and mid-career employees to join the department: "Our workforce is such that we ought to be welcoming mid-level people who have been out of school for several years or are in the middle of their career and saying, 'I want to contribute. I want to go back into the government and I want to contribute for three years, or five years, or 10 years.' And we need to encourage that flexibility." ■

"WE ARE NOW BUYING MORE AND MORE COMPLEX ACTIVITIES. WE'RE LOOKING FOR YOU TO BRING IN INNOVATION AND TECHNOLOGY AND DELIVER A SOLUTION. SO, WE'RE HAVING MORE COMPLEX BUSINESS ARRANGEMENTS."

Radio Interview Excerpts

Deidre A. Lee
Director of Defense Procurement
Department of Defense

PROCUREMENT

On DoD procurement

The Department of Defense is approximately 70 percent of the contracting dollars [of the government procurement budget] … our focus is to support the warfighter and the national defense. So, the mission is very clear. It's absolutely a focus … [of] how each and every one of us is contributing to the support of the warfighter. And that includes business systems.

On the Defense Acquisition Regulations Council

Congress provides us with some statutory language, or we identify something that needs to be worked, or we need to implement a policy. The Council actually does the staffing and the work to come up with the words that need to go into the regulation. They also take care of the publication for public comment. They categorize and answer comments. If we have public meetings on that topic, they support that activity. From that, they promulgate the final rules.

On lessons learned

There is no one solution.… If you look at procurement activities … the actual implementation and how it affects different groups, different agencies, different services, different people and different products, the concept may be solid but the implementation is important…and must be tailored to unique applications.

DELIVERING RESULTS

On procurement officers' new responsibilities

The procurement community contracting that started 25 years ago was very process-oriented. You were rewarded for knowing the rules. Now we're saying to people, ' Certainly, you must know the rules.… They protect the taxpayer and hopefully provide fairness to the community.… But you also need to have more focus on the business arrangement, and is it a good business arrangement?'

In the past we focused a great deal on getting the contract out. Now your work is not over when the contract is out. In fact, in many cases, it's just beginning. What is the final result of this? Have you made sure that the product or service is delivered? If not, why not? How do you remedy that? How do we do better?"

On GPRA

What we're trying to do is make sure that we, every time we start thinking of a business solution, that we understand what the mission is and what the expected results [will be.] This fits in with the Government Performance and Results Act. [Ask] how does this fit in? What is the end product? And then, let's write the right business solution. And it makes us think differently about the challenge.

On the impact on the taxpayer

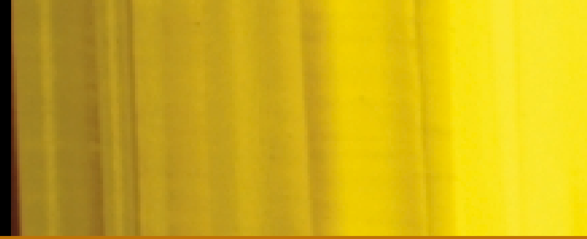
What we're looking for people to be is to be more attuned to the end-product delivery and make sure that they can deliver on the end product and show the value of the business arrangement. And actually…to be able to say to the taxpayer 'We did this well. The national defense is important to you and therefore, here's the spectrum of weapons systems and the application of those systems'…[We want] to make sure we can deliver.

We're also trying to make sure that, as the department spends money, we get the best value for the taxpayer and, of course, the right systems, programs, and service to support the warfighter.

TECHNOLOGY

On Internet procurement technology

"One of the things we're working on is federalbusinessopportunities.gov, where we will actually have posted on the [Internet] all of the government business opportunities. And with a very, very simple e-mail system, anybody can get on there and … say "I want to receive opportunities from the Department of Defense." … Someone can … register and get opportunities sent to them by e-mail."



"WE'RE NOT IN PLACE JUST TO ISSUE CONTRACTS. WE'RE IN PLACE TO ACHIEVE BUSINESS SOLUTIONS. SO THE BUSINESS ARRANGEMENT IS MERELY THE TOOL BY WHICH WE ACHIEVE THAT MISSION."

On the impact of technology

Information technology has changed all of our lives significantly. As I mentioned earlier, just the massive amount of information that is available … has changed the contracting field. But we've also tried to make use of information technology to flow the information that we have and, hopefully, [provide] seamless business transactions.

On the limits of technology

Some people think, "Oh, information technology will totally solve this." We still [need] the fundamental definition of what is it that I want to buy? You need to know what that is…to put that information out to a broad audience. You still need that methodology. You need a way to get a proposal back from that large contingent.… And then you need the business arrangement. Then … you need [to] manage the relationship and make sure that we deliver on our promises.… What we're trying to do is involve information technology to make a more efficient process, so that … it's not hard to find government opportunities.

GOVERNMENT CAREERS

On mobility

I also have a personal belief that if you've been working at a job for five to seven years, it's time to do something different. Not only to expand your own horizons, but also to give somebody else a chance in that position you were in. So I've always had this personal desire, after five to seven years, to do something different.

I'd really like to see all of us come into the government and perhaps work for a couple of years. Maybe go into industry and then be able to come back into the government and have those flexibilities. One of the things I'd really like to see us do better in the Department of Defense is inter-service employment.… Currently, you're in the Air Force or you're in the Army or you're in the Navy or the Marines.

On marketing

We don't do a very good job of telling people how exciting government service is.… Think about the things that we do as a government. It is truly phenomenal. In the early 1960s, engineers graduating from school …[wanted to go to the National Aeronautics and Space Administration]. That was where it was at. Somehow, we've lost that excitement and we're not communicating it well to people in college or whatever, to say: "This is an exciting field. Come work here."

On retention

We all talk about recruitment … but we've also got to think about the people that we have working today.… So, how do we make sure that their quality of work-life is good? We also need to focus on the people that are working in the civil service and say, "Are we taking care of their quality of life? Are we offering them the technological opportunities? Are we making sure that they have communication opportunities? Can they be mobile and move around and try new jobs?"

On teamwork

One of the key parts is understanding the interconnectivity [within the federal government]. There is no specific department or position where you stand isolated. And everything that is done in an agency is interdependent with either other agencies or in the department to other services. Or interacts from a procurement or contracting field. Or you interact with other functional activities, whether that is finance or the program management. So the necessity to understand and work with others and be able to look at things from their point of view and understand how you support each other … is absolutely essential.

The Business of Government Hour's interview with Deidre L. Lee will be rebroadcast at 5:00 pm on May 19th, 2001 on WJFK (106.7 FM) in Washington, D.C. The interview is also available via Real Audio on the Endowment's website at endowment.pwcglobal.com.

To read the full transcript of *The Business of Government Hour's* interview with Deidre L. Lee, visit the Endowment's website at endowment.pwcglobal.com.

John Nolan

Deputy Postmaster General
United States Postal Service

"I think what you're going to see [in the future] is a Postal Service that has moved with technology and understood clearly what customers are trying to accomplish. You're going to see a lot of different models setting up in different areas.… I think that there are certain areas where the post office ought to have a whole lot of services that it doesn't have today, and in other areas, that just wouldn't be appropriate," observes John Nolan, the Deputy Postmaster General of the United States Postal Service (USPS).

The United States Postal Service has used technology to transform mail sorting and delivery, provide new services, and become a "dot-com." The Postal Service delivers mail to 134 million addresses, with about one million new addresses added each year. USPS has an annual operating revenue of $63 billion and employs almost 800,000 career employees.

Nolan began his career with USPS in 1970 as a management intern. He has been the Postmaster for the USPS New York division, the largest at USPS and worldwide. He left the Postal Service and worked at Merrill Lynch for 11 years, but returned as Deputy Postmaster General. Nolan is responsible for marketing, sales, product development, pricing, and the new corporate and business development area.

For many decades, the Postal Service has had a near monopoly on delivering mail and merchandise. Other delivery services, such as United Parcel Service and Federal Express, have taken customers away from USPS for some of the most profitable activities, like priority mail. With the growth of the Internet, where customers can send electronic mail and conduct business online, the Postal Service has lost some of the monopoly power. In addition, several foreign mail-delivery firms are petitioning Congress to allow them to compete with USPS to deliver American mail.

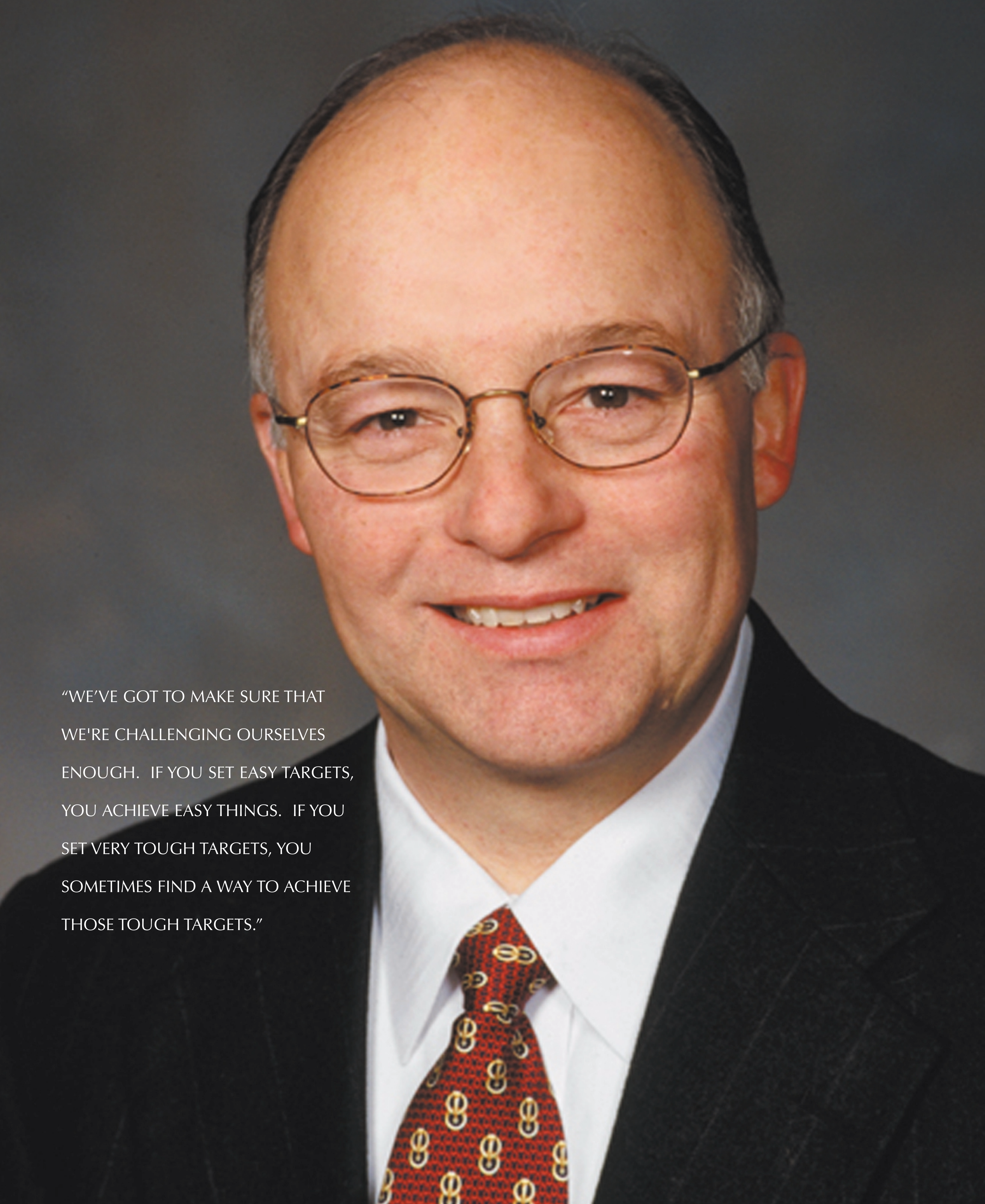
"I think the challenge, from our standpoint, is to make sure that we understand what it is going to take to be competitive, to meet the needs of the marketplace, and then to try and exceed those and set tough targets," predicts Nolan. He believes that USPS will take a lesson from the private sector as it responds to this competition: "Just as any other company would seek to diversify if part of the product line was in jeopardy from diversion, we're diversifying. But the big thing is that it's what our customers want us to do."

Nolan believes that USPS must change significantly to meet customer needs in a cost-effective manner. "I think that [USPS must] offer new products. There are a lot of people that have questioned why are you into these things, the Internet, et cetera. And yet when other companies do it -- boy, that makes a lot of sense. Well, there's no difference here," he notes. Nolan also believes USPS must be able to invest in its partners: "From an investment standpoint, when you're going to work very closely with a company, the opportunity to make investments so that you grow two ways certainly makes a lot of sense."

In order to respond to this new environment and to provide better services to the customers, USPS is providing several new services, including eBillPay and NetPost Certified. eBillPay is an Internet-based, free bill-paying service. Nolan describes eBillPay as a customer-driven activity: "Some people want to pay bills online.… We believe that nobody in America or in the world offers a better bill payment service than we do. We've partnered with a very good company there as well, Check Free. So we bring strengths and they bring strengths. We think this is helping us be a complete answer for our customers."

During 2001, USPS also plans to develop and implement NetPost Certified, the electronic equivalent of today's hard-copy certified mail. NetPost Certified will provide confidential, assured delivery of electronic documents to government agencies. "We've partnered with some very, very good people in AT&T and IBM.… [You have to] be sure you're very crystal clear about what you know and what you don't know, what you should do and what you shouldn't do, and leave [information technology] to partners on the outside who do this for a living," Nolan explains.

Nolan points to honesty and trust as critical success factors for USPS and for his own management abilities. "I think honesty is very important. If you're going to do something, if you need to do something, you ought to be honest about it and get it on the table and discuss it. I think I try and work hard to understand the other's viewpoint and be direct about what my viewpoint is and to encourage them to see things from my side as well," Nolan remarks. "We bring a tradition of trust. The secure messaging, the old game 'who do you trust?' When people ask that question, we come up very high on the list," he notes. ■



"WE'VE GOT TO MAKE SURE THAT WE'RE CHALLENGING OURSELVES ENOUGH. IF YOU SET EASY TARGETS, YOU ACHIEVE EASY THINGS. IF YOU SET VERY TOUGH TARGETS, YOU SOMETIMES FIND A WAY TO ACHIEVE THOSE TOUGH TARGETS."

Radio Interview Excerpts

John Nolan
Deputy Postmaster General
United States Postal Service

CUSTOMER SERVICE

On being a customer and a manager

I was a customer, so I know what it's like to be a customer at the Postal Service and the satisfaction and sometimes the frustration of dealing with a very large organization. I had an advantage [as Deputy Postmaster General] because I knew about the inside of the Postal Service. But I saw the way people had to deal with the post office, and I think it enabled me as we get into discussions of key policies, programs, future, et cetera. [I could] stop and say, "Well, wait a minute, what would I be thinking if I were sitting on the other side of the fence?" And I think that's an advantage.

On using a customer focus to improve performance

We tried to focus on the customer to make sure that what we were doing made sense for the customer. We paid a lot of attention to that, as well as paying a lot of attention to detail. In our kind of business, it's what have you done for me lately. And it's sticking to the knitting every day and making sure you're doing the fundamentals right.

A lot of times, what we do is say, "if we do our job right, then the customer benefits because obviously what we're doing is in the customer's best interest." That's an operations-centric look at this, and basically what we're doing may not be the right thing for the customer, and what we've got to understand is what [products and services] the customer wants. It may be that they're using our products, but they're using our products in spite of the fact that the product is the way it is, and they wish that something could be done slightly differently. What we've got to do is constantly look at what our customers are telling us. What do they want? Certainly, if you meet your budget goals and you meet your service goals, in general that's got to be good for customers, but it may not be enough.

TECHNOLOGY

On using technology at USPS

We're as big a user of technology as almost anybody in the world. That's why we have so many companies eager to do business with us.… When it comes to the use of mechanized equipment, automated equipment, bar code technology, scanning devices, electric vehicles — technology is everywhere in what we do.

On using technology and business acumen

Things move very quickly. Things … seem really interesting and exciting, and a lot of companies want to jump at them right away without thinking. You've heard that dot-coms caused everyone to lose their judgment about what makes sense in business. You've got to go back and do what makes sense in business and not just get enamored with a new technology.

On the Internet

The Internet is both disruptive and supportive technology. It's disruptive in the sense that some of our business could go away, and bill payment and bill presentment is certainly a very big part of our company — approximately 25 percent of our revenues. And so to the extent that that's threatened, that would be categorized as disruptive. On the other hand, it's supportive. The most important thing we're doing on the Internet now is using the Internet to reduce our internal costs.… It's enabling us to build an information platform more efficiently that enables us to manage better what we do every day.

On the need for technology

[USPS is] finding new ways for customers to reach us using the Internet at usps.com, and finding ways of making call centers more efficient by using artificial intelligence. There's very little that we're not looking at or working on. Technology is critical for our future.

LEADERSHIP

On key leadership qualities

I think that leaders challenge limits. They challenge processes that exist to make sure that we are on the right track. I think leaders have to inspire a shared vision.

"YOU HAVE TO UNDERSTAND THE TECHNOLOGY, UNDERSTAND THE CUSTOMER AND WHAT THEY WANT. STICK WITH THE THINGS THAT YOU DO WELL, AND PARTNER WITH THE BEST FOR THE THINGS THAT YOU DON'T."

I think leaders find a way to enable others to do their best and to really serve as a role model, to encourage the heart. It's not just the things that you do, but why you do them and to get enthusiastic about those. I think leaders have a tremendous performance bias. It's not "let's sit down and think about," it's "let's go, let's do, let's make something happen."

On future concerns for leaders

I think there may be the need for increasing flexibility because of the speed at which change occurs … has risen to the top of the list of things that leaders have to be aware of and concerned about. So, I think that flexibility, of all the things … is number one.

NEW BUSINESS MODELS

On managing a large organization

I don't know that size is the problem, but it is a bias within the organization [that can be an issue]. Size can be a tremendous advantage because you've got tremendous resources to bring to bear on a given issue.

I think the big thing is that you can't get into this mind-set that this is a big ocean liner and when you turn the wheel it takes all those analogies that you always hear. The fact is that you give an order and a whole lot of dust can start to move in one direction if you get people moving that way. So, you can make some pretty big changes in a hurry if you're crystal clear about what you're doing, why you're doing it, and you are able to communicate that.

On building successful partnerships

I think what you do is make sure you're careful about whom you partner with. Second, you've got to sit down very carefully and make sure that you understand, along with your partners, what it is that each member of the team wants out of this relationship; what it is that each person on the team brings to the relationship; and how we can make sure that those things are being delivered. Then, constantly re-evaluate that to make sure that you're asking the question "Is the equation changing or are we still in good shape here?"

On partnering with competition

[The partnership with FedEx] is a two-part agreement, and it's a business alliance. The first [part] is a transportation contract where they're transporting express mail, priority mail, and some first-class mail for us on both the night and day network, just as we have contracted with other airlines in the past, except that they just happen to be one of the largest airlines in the world and have a network that's very beneficial for us and our customers. The other [part] is a retail agreement where we are agreeing to enable them to put their collection boxes in front of our post offices, so that in areas that we can't hit with the services that our customers want, FedEx might be an answer to their shipping needs. So, it becomes more convenient for customers, and it's something that FedEx wanted because it's a whole lot easier to explain to people where your boxes are if you say "Go to the Post Office."

Who would have thunk it? I mean, who would've thought that the Postal Service would actually be partnering with one of its competitors? We're going to compete like crazy in certain spaces where we do compete. Some areas we just don't overlap at all. But I think it does signal for people in this country that this is a Postal Service that's going to do whatever it takes to make sure that we are effective for our customers and are there for them with solid services that are very affordable.

The Business of Government Hour's interview with John Nolan will be rebroadcast at 5:00 pm on May 26th, 2001 on WJFK (106.7 FM) in Washington, D.C. The interview is also available via Real Audio on the Endowment's website at endowment.pwcglobal.com.

To read the full transcript of *The Business of Government Hour's* interview with John Nolan, visit the Endowment's website at endowment.pwcglobal.com.

Michael T. Smokovich

Chief Financial Officer
U.S. Agency for International Development

"As the CFO [Chief Financial Officer] at USAID [U.S. Agency for International Development], I'm charged with managing all of our accounting and reporting systems and in my particular case, managing the development and integration of our accounting systems. And making sure that when we have any systems initiative underway, whether it's procurement, personnel, payroll — that it all comes together," explains Smokovich. "The other big area of responsibility that we have is that we are an operating CFO organization, both in Washington [D.C.] and in the field. And we're providing direct accounting support and financial management support to people in Washington and to the 75 missions where we have operations."

The U.S Agency for International Development is the government agency that administers economic and humanitarian assistance worldwide. USAID has a budget of approximately $7.8 billion with a staff of 2,000 Foreign Service Officers and civil service personnel. The department has programs in health, food and nutrition, humanitarian assistance, training, and education, and USAID also works with foreign governments to promote and develop good governance and democracy.

Smokovich, a 30-year veteran of public service, has been the CFO at USAID since 1999, and is known as an authority and innovator in the financial management field. Smokovich credits the Chief Financial Officer Act of 1990, which created the CFO position in government departments and agencies, with providing additional visibility, accountability, and improved performance. "The visibility of CFOs has increased dramatically.… The CFO community worked hard to get visibility. Well, we've gained visibility," Smokovich notes. "Across the world, there's been a tremendous increase in the demand for accountability. How many CFO types or program types or CIO [Chief Information Officer] types talk to you without raising the issue of accountability? The other thing is performance. With changes in the ways services are delivered, people expect more," he explains.

"A CFO cannot be successful today, nor can an organization be successful today, if we continue to think of our business processes as a collection of organizational boxes that really separate us," he asserts. Smokovich also believes that agencies need to improve training efforts: "It's not systems that solve problems: people do. CFOs … have to train people. We need to educate people, and we need to acquire and retain people who can deal with the new business processes."

One of Smokovich's charges at USAID was to implement a new financial management system on a short timetable. "[US]AID has needed an accounting system for more than a decade. And when we got our management team to make this the first priority, it become relatively easy," he explains. Smokovich was able to turn the challenges of the project into successes. "We know that we process a lot of transactions, both on the accounting side and on the procurement side. We're looking for ways to really improve our practices. If we can engage people and provide them with information about the results of their business practices today, we can engage our whole workforce, begin to manage the change process, and also begin to look forward to implementing the systems," he suggests.

Smokovich has several lessons to share with other government leaders who are considering or implementing new systems. "One of the best practices was to…acquire an off-the-shelf system and to implement an off-the-shelf system. Typically, what most agencies will do is they will buy an off-the-shelf product and then they will develop their plans to customize it. We had a different plan. We were going to buy an off-the-shelf system and we were going to make zero changes to that system. That was key to our strategy, and that was a best practice," he advises.

"We also really looked to our users in the acquisition and the implementation process. We spent a lot of effort defining our requirements very precisely and very finitely. That helped us in the acquisition because both we and the vendors understood what we were buying. And that enabled us to have numerous understandings and avoid protest," asserts Smokovich. "We also scheduled the developmental process very tightly…in terms of working users. When we had certain developmental plans completed, they could check in and check out fairly quickly. We spent a lot of time with users, bringing them on board," he reflects. ■


"ALL GOOD LEADERS HAVE TO HAVE COURAGE.
MAINTAINING THE STATUS QUO DOESN'T
REQUIRE LEADERSHIP. SEEING THAT THINGS
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IT FOR A LONG TIME."

Radio Interview Excerpts

Michael T. Smokovich
Chief Financial Officer
U.S. Agency for International Development

TECHNOLOGY

On CFO technology needs

Technology enables a CFO in an organization to get work done. Without technology, you can't process your transaction. Without technology, you don't have productivity. But for the CFO and for all of the managers, [if] you don't have good technology, you don't have good information. And that means you don't know what's happening.

On the context for systems implementation

In the past 10 years, we've seen a lot of change in the way we do business, and government quite often is slower to change than industry. I think the issue is seeing what needs to be done to transform the organization, to transform the agency about the way it does its business. My charge was to put an accounting system [in], but the types of changes that are needed in the next five to 10 years require more than just putting in a system. I think they require a commitment and a need to transform the business so we can connect with the customers, our suppliers, and our stakeholders in ways that we haven't done before.

On using best practices for system implementation

One of the best practices was to read and follow and believe in all the guidance that the CFO Council and the central agencies have developed, which is to acquire an off-the-shelf system and to implement an off-the-shelf system. Typically, what most agencies will do is they will buy an off-the-shelf product and then they will develop their plans to customize it.

We had a different plan. We were going to buy an off-the-shelf system and we were going to make zero changes to that system. That was key to our strategy and that was a best practice. I would recommend to everyone that as an agency or as a management team, you keep it at zero. If you can't keep it at zero, keep [customization instances] in the single or double digits at worst.

On incorporating users into the developmental process

The other thing [we did] is to schedule the developmental process very tightly from a developmental perspective and in terms of working users, so that when we had a certain developmental phase completed, [users] could check in and check out fairly quickly. We spent a lot of time with users bringing them on board. This comes down to the negotiation process. In USAID, we have many offices, and they all have diverse needs. One of the issues in the agency was standardized reporting. We spent a lot of time with the management team, both policy people and program people, deciding that we would have a standard account coding structure - down to a point. But then we would let our operating units define their business needs and processes, and we would accommodate those. That created a lot of work for everybody, but it also bought us loyalty and buy-in and confidence and pride in the result.

On implementing on a short time frame

When we got our management team to make this [accounting system] the first priority, it became relatively easy. We said, "How do we support that priority?" We took our best and brightest from our operating units and from our systems organization and from our CIO organization. We used a public accounting firm. We used the vendor for our accounting system and we used our integrator to build a team of people who would focus on getting the system implemented.

The other consideration we had was that this was not a small effort for us. We looked at it from a risk-management perspective. The objective was to get operational in Washington, and we developed a strategy that would allow us to do that by saying, "Okay, how do you make Washington operational?" And the way you make Washington operational is to turn the vendor's product on. We made decisions looking at the team, looking at our skills, our strengths and weaknesses. We said, "No changes to the software, stick to the schedule, make decisions." A lot of these projects get off schedule because the vendor and the government cannot make a decision in a timely way, and the clock turns.

"I KNOW THAT MEASURING SCARES PEOPLE. BUT IN THE CFO BUSINESS, IF YOU DON'T KNOW WHAT YOU'RE DOING AND DON'T KNOW WHERE YOUR OPPORTUNITIES ARE, YOU CAN'T DEFEND YOUR ORGANIZATION AND YOU CAN'T FINE TUNE IT."

WORKFORCE

On the aging workforce

Our Foreign Service [average age] is 49 years old, our civil service is 47 years old, and we have an aging workforce at AID. The other issue that we have…is that because of the downsizing of government, there just are not many people in the pipeline.… Without the right people, we're hard-pressed to provide the right services.

On recruitment

It's very expensive to hire people, but it's more expensive not to hire them.… One of the things we can do in organizations is recruit people based on what we believe their career will be. There are many jobs in government. But the way you attract people is to convince them that you're a good place to work and then sell them on a future.

On retention

People should not be promoted based on how long they've been in the organization; they should be promoted based on how well they're performing.… If we can't attract and retain and reward people based on a CFO's management assessment of the priorities and performance of the types of people we need…we're going to lose out. Not to industry. We're just going to lose because we will not be able to retain the people.

On technology skills

I think the biggest challenge is having to deal with the fact that business has changed dramatically in the past decade. The PC was…not common in the workplace, even in many computing firms. The Internet was not here. And those things are ubiquitous now and we're all pressed to transform the way that we do business.

LEADERSHIP

On CFO responsibilities at USAID

As the CFO at USAID, I'm charged with managing all of our accounting and reporting systems and, in my particular case, managing the development and integration of our accounting systems, and making sure that when we have any systems initiative underway, whether it's procurement, personnel, payroll — that it all comes together. So, there are a lot of CFO, chief information officer, and information technology aspects tied to my job, at least in the present, that may not be tied into other CFO jobs at that particular moment in time.

The other big area of responsibility that we have is that we are an operating CFO organization, both in Washington and in the field. And we're providing direct accounting support and financial management support to people in Washington and to the 75 missions where we have operations. Because of the nature of our business, which is developmental, there is a large role that we play with our inspector general (IG) in making sure that audit recommendations and audit solutions are implemented in a timely fashion. So, we spend a lot of time with the IG and with our program people making sure that our processes for integrity and audit follow-up are in place.

On leadership qualities

All good leaders have to have courage. Maintaining the status quo doesn't require leadership. Seeing that things need to be changed takes a vision and energy. And good leaders and strong leaders quite often have to keep working at it for a long time. So, having a vision, having energy and stubbornness are important. Also, I think seeing the need [for change, although] that doesn't come easy.

On leading change

The situations that we have to manage change quite often. In Treasury, I had one situation. At [US]AID, there's another situation. If you're in the corporate environment or the government environment or the university environment, the situations change. But those basic capabilities of seeing the need for change, having the willpower and the staying power and building consensus and followers — I think they're essential.

Bonni G. Tischler

Assistant Commissioner for Office of Field Operations U.S. Customs Service

"Customs has 301 ports of entry around the U.S. And that's the basis of my organization. And you cannot manage an organization of 13,000 [employees] spread out with those 301 ports of entry and headquarters without a tiered-up system of management. It's impossible," explains Bonni Tischler. Tischler is the assistant commissioner for the Office of Field Operations at the U.S. Customs Service, where she manages "what most people perceive as mainstream customs: … 7,500 inspectors, import specialists, enforcement officers, and other assorted folks."

If managing the size, scope, and geographic dispersion of the Office of Field Operations sounds challenging, Tischler agrees: "… we have a complex mission that includes enforcing over ... 600 laws for about 40 different agencies." In addition to Customs-specific regulations, the service also "enforce[s] laws for … the Food and Drug Administration, the Department of Agriculture, the Drug Enforcement Administration."

The U.S. Customs Service ensures that all the nation's exports and imports comply with U.S. laws and regulations. Customs has an extensive investigative air, land, and marine force and an intelligence branch. In a typical day, Customs will examine 3.1 million passengers, make 322 arrests, and seize 4,302 pounds of narcotics and approximately $1.3 million in goods. The Office of Field Operations is organized in layers, with the ports of entry handling frontline enforcement, the Investigations Field Office administering and managing all enforcement, and the Customs Management Centers overseeing the ports and field offices within their jurisdiction.

Tischler started with the U.S. Customs Service in 1971 as a sky marshall, where her responsibility was to "ride airplanes and keep them safe from hijackers. … I was hired in 1971 just as the government changed their attitude towards women in law enforcement…. Customs was the first federal agency to hire women [who could carry firearms]." Tischler remarks that being a woman in law enforcement at that time was difficult: "When women started out in the federal sector, in law enforcement positions, there were so many … stories floating around. How could you possibly be out on surveillance with a female? People would question whether or not you were actually watching the event…. Could a woman handle a gun? Would she back you up in terms of a raid or some other enforcement activity?"

Despite the adversity she faced, Tischler was promoted within the Customs Service. However, she was not a first-line supervisor: "It was during a time frame where I was bypassed for a first-line supervisory job, so I worked around it. I became a program manager and then a branch chief, which was a first-line supervisor but not out in the field." In fact, Tischler has held many positions at the Customs Service, including Equal Employment Opportunity (EEO) investigator, criminal investigator, special agent in charge, and assistant commissioner for the Office of Investigations.

Tischler credits these positions with the evolution of a management style that is both demanding and simple. "I've developed [a] reputation for honesty and being out front and pretty much telling it like it is, although I've … softened up the edges and become more diplomatic. But I still am a strong believer in [being forthright], and I have no patience for people who work for me who blow a lot of smoke." she explains.

Since 1977, Tischler has worked to solve another challenging personnel and resource issue in federal law enforcement: the glass ceiling. "I had a concept in 1977 that was based on meeting a number of women in federal law enforcement. Women had just come on in 1971 and here it was six years later, and they weren't getting anywhere.… They were all having significant problems in terms of details, training, and getting promoted," Tischler recalls. "I went over [to the Office of Personnel Management] and we put a committee together that wanted to … explore why women were having obstacle problems within the criminal investigations area." The original committee has grown and changed into another organization: the Interagency Committee on Women in Law Enforcement. She hopes that the work of the committee will pave the way for women today, so that they can "shoot for something a little beyond the next rung in the ladder. But it's easier for the women now that they know that I — and others like me — am out in front of them and have already broken the ground for them."

In the future, Tischler hopes that both men and women will continue to be drawn to public service: "The public sector offers satisfaction to people who feel, like I do, that you're the cutting edge, that you can change things, and that you can't complain unless you're willing to try to change things." ■

(pictured at right) Bonni Tischler with Gus, a puppy at the U.S. Customs Canine Enforcement Training Center

"YOU NEED CREDIBILITY … IT DOESN'T MATTER TO ME WHETHER I'M POPULAR OR NOT WITH THE TROOPS. BUT IT DOES MATTER TO ME IF I HAVE THEIR RESPECT AND THAT THEY FOLLOW WHAT I ASK THEM TO DO, BECAUSE THEY BELIEVE IN ME AND THEY BELIEVE IN THE MISSION."

Radio Interview Excerpts

Bonni G. Tischler
Assistant Commissioner, Office of Field Operations
U.S. Customs Service

BREAKING THE GLASS CEILING

On breaking into Customs

I started with the Customs in 1971 as a customer security officer. Most people remember it as a sky marshall. In other words, I was hired to ride airplanes and keep them safe from hijackers. And I was hired in 1971, just as the government changed its attitude toward women in law enforcement. Prior to an Executive Order in January of 1971, women could not carry weapons in the federal service. And so it was changed by Executive Order and then Customs actually was the first federal agency to hire women in that capacity.

On changing the culture

When women started out in the federal sector, in law enforcement positions, there were so many stories floating around. How could you possibly be [out] on surveillance with a female? People would question whether or not you were actually watching the event. Could a woman actually handle a gun? Would she back you up in [a raid or] some other enforcement activity?

But that was 1971 and this is now. Women have been in a number of situations over the years that have proven the fact that they can handle the job just as well as their male counterparts. I think it's really important to touch the bases and ring the bells. I think it's important to our male counterparts. I think it's important to the women. I think it's a credibility issue. I think you can't become a manager unless you've done the job. People who think they can skip the rungs of the ladder are sadly mistaken.

On law enforcement management

The biggest challenge…was getting through the glass ceiling. When I became a special agent in charge and had to go out on my own to manage an office for the very first time, in a state like Florida, where the entire law enforcement community…were all male, I knew they hadn't encountered anybody who was female in their upper-level management or their command staffs.… The initial challenge was just being able to communicate with males in law enforcement and get my agency's mission accomplished. We were very successful at that.

On breaking the glass ceiling

Women are becoming first-line supervisors. They are becoming second-line management. They are becoming executives. Almost all of the agencies have female Special Agents in Charge (SAC) right now. And I just think the atmosphere is different [now, compared to the 1970s].

On remaining issues

I think there are things that still have not changed for me. Mostly, if I'm at a meeting, it's 99.9 percent male.… I think in terms of seeing women as policy makers, not too much has changed.… I think we'll see an incremental change over the next five years or so. But it's a density problem. The more women there are, the more women in the chain, the more women in the pipeline and so forth.

On the Interagency Committee on Women in Law Enforcement

I had a concept in 1977 that was based on meeting a number of women who were in federal law enforcement positions. Women had come on in 1971. Here they were and it was six years later, and they weren't getting anywhere. Some of them had problems with the traditional problems you would associate with a job that's a 24-hour-job, and things like day care, getting married, having a date. But the bottom line is that they were all having significant problems in terms of details, training, and getting promoted.

A friend of mine was running the Women's Bureau over at what is now the Office of Personnel Management, and we had known each other through the Federal Women's Program for a number of years. So, I went over [to the Office of Personnel Management]. I gathered some of the more senior people I knew in some of the other agencies. And we put a committee together that was based on exploring why women were having obstacle problems within the criminal investigation area. Now it's expanded to any law enforcement position within the realm of federal law enforcement. They did a survey, talked to women, and saw what their problems were. It was training details, getting promoted. So, it was called the Interagency Committee on Women in Law Enforcement.

"WE ARE THERE AS THE FRONT LINE … WE HAVE A COMPLEX MISSION THAT INCLUDES ENFORCING OVER 600 LAWS FOR ABOUT 40 DIFFERENT AGENCIES."

LEADERSHIP QUALITIES

On leadership style

I am very forthright, and I used to think that there were only two ways you could actually survive within the federal sector in any job. And that was to either be so far out in front that nobody could touch you or so Machiavellian that nobody could find you. And I never managed to achieve Machiavellian status. So … I've developed a reputation for honesty and being out front and pretty much telling it like it is.

On role models

My role models were all male. Because they were in a command-and-control atmosphere back then, I followed suit. Now, when I tried to do some of the things that the fellows were doing…it didn't work for me. So, I fell back and regrouped and said, 'All right, they're not going to let me be a woman, but on the other hand, I don't have to be like them, either.' So, I had to develop my own way of doing things.

On developing a management style

The thing that shaped me most was getting a first special agent in charge job down in Tampa. It was just a "never-before." I'd had a series of jobs [where I was the] first, first, first, first, and then I wound up in Tampa. I had 250 people who reported to me, and I had to worry about them. I had to worry about the 24-hour phone call that was going to come in saying somebody was injured, hurt, or perhaps dead. So, I think that job probably let me evolve my management style into what it's become now.

Advice for future leaders

I think they really need to think about what skill sets they're going to have to acquire, and they're going to have to go after the training or developmental courses that they need to really understand budget and resource management. And they need conflict resolution and soft skills that they may not otherwise get. So, rolled into a nutshell, they've got to manage their careers.

TECHNOLOGY

On the tools of the trade

Let's just talk about non-intrusive technology, like x-ray machines, or any one of the targeting devices that we're using so that we don't have to search your luggage or search your person or search your cargo. And we'll be able just to either sniff it or look through it and be able to see if, in fact, there's contraband there, in a timely manner, and then release it.

On the move to a paperless environment

… the ultimate will be a paperless environment … we'd like to go totally paperless; that's where we're going, and we're being buried in paper right now. If [our current system] goes down, we don't know how long it would take us to dig out of the paperwork after a week…and I think it's absolutely imperative that we have an outstanding system to provide outstanding service for our trade partners.

On the workforce impact of technology

I think [that] the types of jobs that we have will probably change to some extent … as more automation comes on … maybe our mix of actual jobs will change. But there may come a time when employee jobs will have to be converted to other positions.… I think it's going to present a real challenge to get the right mix of people and to be able to acquire the resources … to continue our lay-down of automation.

On the impact of technology on customs agents

Agents will have to become more and more knowledgeable about how to utilize the various databases … the computers have completely changed the complexion of law enforcement from a criminal investigations perspective.

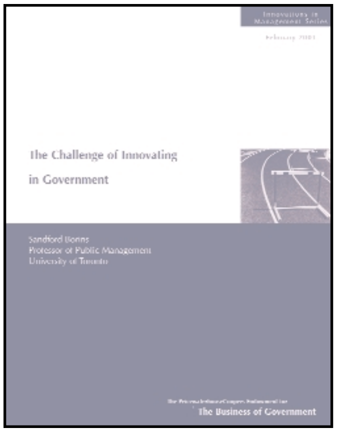
The Business of Government Hour's interview with Bonni G. Tischler will be rebroadcast at 5:00 pm on June 2nd, 2001 on WJFK (106.7 FM) in Washington, D.C. The interview is also available via Real Audio on the Endowment's website at endowment.pwcglobal.com.

To read the full transcript of *The Business of Government Hour's* interview with Bonni G. Tischler, visit the Endowment's website at endowment.pwcglobal.com.

[GRANT REPORT]

The Challenge of Innovating in Government

By Sandford Borins



In contrast to the institutions and incentives that encourage innovation in the private sector, the public sector traditionally has tended to discourage innovation. It does not provide seed money for innovations or bonuses for innovators. While the rewards for successful innovation are meager, the consequences of unsuccessful innovation are grave. Stringent central agency controls also constrain public servants' innovativeness. The objective of this report is to find ways to change the traditional bias against innovation in the public sector.

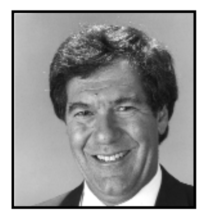
The report uses as its database large samples of applications to two major public management innovation awards, one in the United States and the other in the Commonwealth. The experience of these innovators is analyzed to develop recommendations for aspiring public sector innovators.

The data from both the U.S. and Commonwealth innovation awards show that frontline staff and middle managers are the most frequent initiators of public management innovations. This is a surprising result, given the traditional impediments to innovations emanating from that level in the public sector. It leads to the question of how public sector organizations can be made more supportive of such innovations.

There is a consensus on the characteristics of innovative organizations, whether in the private or public sectors. The report provides a series of recommendations to managers who would like to enhance the level of innovation in their organization and who have the authority to do so.

1. An innovative culture needs support from the top. It can come in the form of establishing organizational priorities to guide innovation, recognition for innovators, protection of innovators from central agency constraints, and granting the latitude to experiment.
2. Increased rewards to innovative individuals may include financial compensation — for example, performance-related pay and gain-sharing — or non-monetary awards or recognition.
3. Individual innovators made clear that lack of resources for innovations was a serious constraint. One response to this is to establish a central innovation fund to support innovative ideas within the public sector.
4. Because innovation often depends on the ability to see things differently, diversity in terms of the backgrounds and ways of thinking of an organization's members will enhance its innovativeness.
5. Innovative organizations are effective at seeking out information from the outside, for example, by benchmarking, making site visits, and participating in professional networks.
6. Innovative organizations draw ideas from people at all levels.
7. Innovative organizations are effective at experimenting and evaluating their experiments. They recognize that failures are possible, and have lowered the cost to their staff of honorable failures. They continue with their successes and discontinue their failures. ■

About Sandford Borins



Sandford Borins is Professor of Public Management in the Joseph L. Rotman School of Management at the University of Toronto and Chair of the Division of Management at the University of Toronto at Scarborough. He has been a visiting professor at the Kennedy School of Government at Harvard University and the Goldman School of Public Policy at the University of California at Berkeley.

He is the author of numerous articles on public management, as well as five books, the three most recent of which are *The New Public Organization*, co-authored with Kenneth Kernaghan and Brian Marson (Institute of Public Administration of Canada, 2000), *Political Management in Canada*, co-authored with the Hon. Allan Blakeney, former premier of Saskatchewan (University of Toronto Press, 1998), and *Innovating with Integrity: How Local Heroes are Transforming American Government* (Georgetown University Press, 1998).

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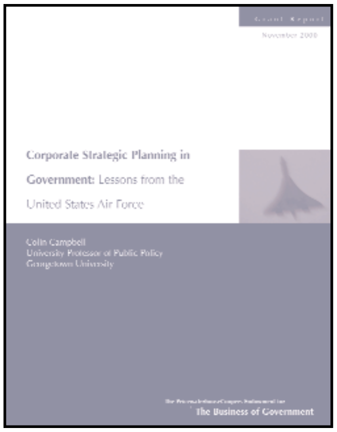
Corporate Strategic Planning in Government: Lessons from the United States Air Force

By Colin Campbell



The project is the result of a comprehensive assessment of corporate strategic planning in the United States Air Force under the leadership of General Ronald Fogleman and General Michael Ryan. Fogleman became chief of staff in 1994 and retired in 1997. Ryan succeeded Fogleman in 1997 and continues to serve as chief. Under General Fogleman's guidance, the Air Force launched a thoroughgoing examination of its future that resulted in a bold vision document, *Global Engagement,* and a detailed long-range plan. As an exercise, the Fogleman process stands out. It serves as a rare instance in which a highly regarded and persistent leader brought an immense organization to an intense effort in visioning its distant future and "backcasting" to a critical reevaluation of existing programmatic commitments and priorities.

Visioning and planning present special challenges in federal government agencies. However, the Air Force experience since 1996 suggests that clear benefits can accrue to organizations prepared to make an investment of the type the Air Force has made. In incremental terms, the two exercises have resulted in appreciable changes in resource commitments. In more strategic terms, the Air Force, predictably, has fallen short of a complete fit between its vision and program.

Several best-practice recommendations suggest themselves from the Air Force case:

- Agencies should take pains to set their sights within the optimal time frame given the exigencies of their core businesses. The Air Force has to address quotidian operations around the world while preparing itself for unknown threats in the future, which requires enormous technological investment and huge lead times. Other organizations simply might have to revision radically how they might fulfill relatively predictable requirements through an intense reengineering process that could bear fruit in two or three years.
- Organizations will find realistic scenario building and role playing to be vital to institutional adaptation. This applies both to the search for more creative responses to known challenges and engaging an agency in the process of positioning itself for opportunities to prepare for probable shifts in its core missions.
- Leadership, which in federal agencies usually involves both political appointees and career officials, must step up to the challenge of coherently directing both visioning and planning. In most instances, this will require trust and close collaborative dynamics within and between the two groups.
- Agreed processes with supporting consultative bodies will buttress the teamwork necessary to engage fully an organization's leadership in visioning and planning. ■

About Colin Campbell

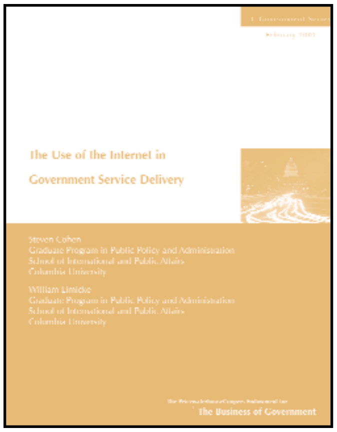
Colin Campbell was born in Calgary, Alberta in 1943. He was educated at Gonzaga University in Spokane, Washington, where he received his A.B. (Hons.) in political science in 1965. In 1966, he obtained his M.A. in political science at the University of Alberta. He completed his Ph.D. in political science at Duke University in Durham, North Carolina in 1973.

From 1975 to 1983, Campbell taught at York University in Toronto, where he became professor of political science and coordinator of the Public Policy and Administration Program. At Georgetown, he is university professor of public policy. From 1990 to 1998, he directed the Georgetown Public Policy Institute. He has served as a guest scholar at the Brookings Institution in Washington, D.C. three times (1979, 1982-83 and 1998-99).

[GRANT REPORT]

The Use of the Internet in Government Service Delivery

By Steven Cohen and William Eimicke



Governments have begun to use the World Wide Web to assist in service delivery. This includes, but goes far beyond, the dissemination of information to the general public and involves a variety of other governmental functions. In reviewing some government websites it is clear that the use of the web for service delivery is still in its infancy. The types of services that can be delivered through the web are still in the process of being imagined and organized by both government and the private sector. Over the next decade we can expect to see a great deal of experimentation and organizational learning in this area. The purpose of this report is to accelerate this learning process by studying several noteworthy current government efforts to use the web for interactive functions.

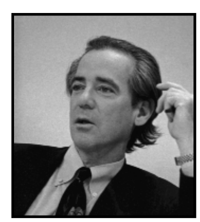
The methodology of this study is to select a number of illustrative case studies on the use of e-commerce and the Internet in government service delivery and communications. The study includes a content analysis of selected state, local, and federal government websites and, where available, an analysis of the costs and benefits of switching to web-based service delivery. We selected cases in Alaska, the U.S. Internal Revenue Service, the city of Boston, Florida, Indiana, and Texas. We discuss the lessons learned from these cases and their broader implications for government service delivery. Then we provide a checklist of the steps that governments should take when using the Internet to deliver government service. Finally, we present background on the websites we reviewed, discuss the development and implementation of the site, and analyze its costs and benefits.

To produce the six case studies reported in this study we contacted well over 50 government organizations that had websites we considered well developed and that provided citizens with a direct service. We found that less than 15 percent of the government organizations we contacted had collected data on the costs and benefits of using the web as a means of delivering services. Very few of these organizations had analyzed the costs and benefits of using the web before launching their sites.

When costs were assessed in the cases presented in this report, we found that typically services delivered over the Internet were less expensive to deliver than those delivered in-person. We also found that electronic service delivery could change human resource deployment patterns and improve organizational performance. It freed up staff to provide better service to in-person customers, and allowed workers to focus less on routine tasks that could be easily handled by computers. ■

About Steven Cohen and William B. Eimicke

Steven Cohen is the director of the Executive Master of Public Administration Program at Columbia University's School of International and Public Affairs. He is also director of Columbia University's Graduate Program in Earth Systems, Science, Policy and Management. Dr. Cohen teaches courses in public management, policy analysis, environmental policy, politics and management, and management innovation.



William B. Eimicke is the director of the Picker Center for Executive Education of Columbia University's School of International and Public Affairs. Dr. Eimicke teaches courses in public management, policy analysis, management for international affairs, and management innovation. He also teaches at the Universidad Externado de Colombia in Bogota, Colombia.

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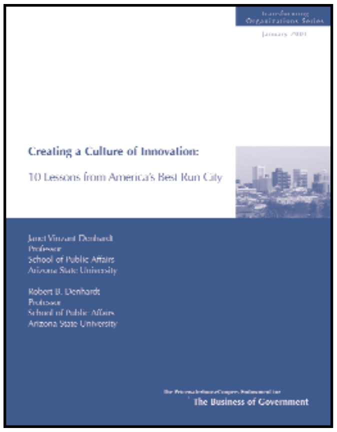
Creating a Culture of Innovation: 10 Lessons from America's Best Run City

By Janet Vinzant Denhardt and Robert B. Denhardt



The accomplishments and successes of the City of Phoenix are remarkable. In 2000, Phoenix was named the best run city in America in a study of government performance conducted by *Governing* magazine and the Government Performance Project at Syracuse University. This recognition only served to reinforce the city's reputation for excellence.

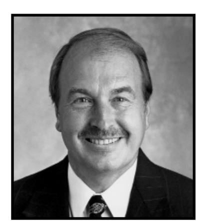
This study examines how Phoenix has been able to develop a culture of innovation that supports and encourages cutting-edge government. Drawing from a series of interviews and other materials, this report presents 10 key lessons based on Phoenix's success. These lessons focus on the values of pride, trust, empowerment, and a number of other organizational factors that have become fully ingrained in the culture of city government in Phoenix and, in turn, contributed to the city's success. Our purpose is to provide information and insights for public administrators interested in building a similar culture of innovation and change in other jurisdictions.

The Phoenix experience underlines the importance of inculcating core values, including both personal responsibility and teamwork. It demonstrates the necessity of stability in fostering change. It highlights the necessity for supporting people and trusting them, equipping and empowering them to be innovative. It reminds us that the values of public service and citizen engagement must be at the forefront of everything public managers do. Finally, Phoenix demonstrates that, in developing and implementing improvements, managers will be aided by involving everyone and respecting, honoring, and acting on their contributions.

We suggest that these lessons need to be considered as inseparable and mutually reinforcing pieces of a whole. Accordingly, we recommend that the development of an innovative culture requires simultaneous attention to a number of cultural levers. Perhaps the most fundamental and important lesson that we can learn from Phoenix, however, is that *how* you do things is every bit as important as *what* you do — and in some ways more important. By carefully considering how innovation is approached, the process can leave people feeling involved, valued, responsible, and empowered rather than frustrated and resistant to future changes. With time, consistency, and perseverance, other public organizations can develop a culture that fosters a commitment to excellence, innovation, and striving to be the best. ■

About Janet Vinzant Denhardt and Robert B. Denhardt

Janet Vinzant Denhardt is Professor in the School of Public Affairs at Arizona State University. Her teaching and research interests lie primarily in organization theory and organizational behavior. Her book (with Lane Crothers), *Street-Level Leadership: Discretion and Legitimacy in Front-Line Public Service*, was published by the Georgetown University Press.

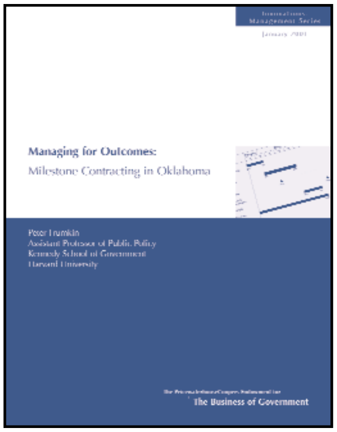


Robert B. Denhardt is Professor in the School of Public Affairs at Arizona State University and Visiting Scholar at the University of Delaware. Dr. Denhardt is a past president of the American Society for Public Administration, and the founder and first chair of ASPA's National Campaign for Public Service.

[GRANT REPORT]

Managing for Outcomes: Milestone Contracting in Oklahoma

By Peter Frumkin



Over the past three decades, the nonprofit sector has undergone a major transformation in the way it finances its operations. Few nonprofits today can survive on charitable contributions alone. Instead, most successful agencies, particularly in the health and social services fields, depend in large measure on government contracts to supplement the fees they charge clients and the gifts they receive from donors.

The effects of this financial transformation of the nonprofit sector over time have been considerable. The sector has grown rapidly in size, measured both in terms of the number of nonprofit organizations and the amount of resources devoted to nonprofit activity as a percent of gross national product (Boris, 1999). Amidst the spectacular success of the nonprofit sector, nagging questions have emerged about the costs and implications of the growing importance of government funding to the overall financial health of the sector. As the embrace between government and the nonprofit sector has grown stronger, no two issues are more critical than those of nonprofit autonomy and public accountability.

When the issues of accountability and autonomy come together they generate a simple but pointed question: How can government and nonprofit organizations work together to deliver quality services in a way that respects nonprofits' need for freedom in defining and pursuing their missions while at the same time responding to the public sector's need for accountability? As public sector agencies and nonprofit organizations around the country search for answers to this classic problem in contracting, a recent innovation in the way a public agency in Oklahoma manages its contracts with nonprofit human service providers represents a potentially powerful solution to this dilemma.

Different from both hourly "fee-for-service" systems that require heavy auditing and traditional outcome funding that can distort the complexity of programs, Oklahoma's milestone contracting specifies a series of distinct and critical achievements and confers payment for a set of collaboratively defined programmatic results. This approach represents one of the most promising ways to achieve accountability and autonomy simultaneously. ■

About Peter Frumkin

Peter Frumkin is Assistant Professor of Public Policy at Harvard University's John F. Kennedy School of Government, where he is affiliated with the Hauser Center for Nonprofit Organizations. At the Kennedy School, he teaches courses on public and nonprofit management.

His recent research has examined compensation policies in nonprofit organizations, the impact of fundraising strategies on nonprofit revenue generation, the professionalization of private foundations, and the impact of public funding on nonprofit mission definition. He has published articles in the *American Review of Public Administration*, *Public Administration Review*, *Nonprofit and Voluntary Sector Quarterly*, *Nonprofit Management and Leadership Society*, and numerous other journals.

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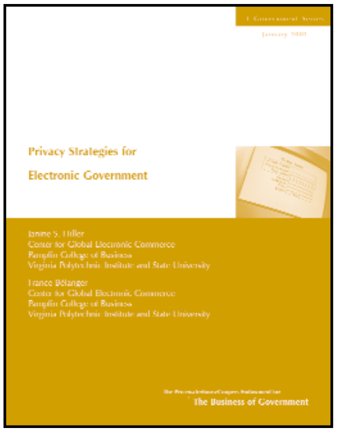
Privacy Strategies for Electronic Government

By Janine S. Hiller and France Bélanger



Electronic government spending in the United States is predicted to be in excess of $20 billion during the 2000-2005 period. In particular, electronic government spending for the federal government alone will reach $2.33 billion by 2005. This is more than the expected spending by consumers from retail businesses ($2.24 billion). Despite this growth, businesses and the government are struggling with public perceptions and concerns about the privacy and security of information on the Internet. This report provides a framework for understanding the implications of privacy in the electronic federal government, using the lessons learned from the private sector's experience with privacy issues.

An electronic government (e-government) framework is presented, which depicts the complex relationship that exists between types and stages of e-government. The five stages of e-government include information, two-way communication, transaction, integration, and participation. As government evolves through these stages, data collection and related privacy concerns increase for all types of e-government. The types of e-government include:

- government delivering services to individuals
- government to individuals as part of the political process
- government to business as a citizen
- government to business in the marketplace
- government to employees
- government to government

While the government faces issues relating to the collection of private information similar to those of businesses, it is legally restricted in different ways in its use and sharing of personal information.

Based on this comparison and other findings of the research, we make the following recommendations to the federal government with respect to privacy in e-government:

1. The government must meet the legal requirements to instill confidence and trust in government.
2. The government must gain individual confidence and trust by addressing privacy perceptions.
3. The government must gain the confidence and trust of businesses by encouraging participation in the marketplace and creating efficiencies.
4. The federal government must work with state and local governments and agencies to develop standardization and shared privacy standards. ■

About Janine S. Hiller and Dr. France Bélanger

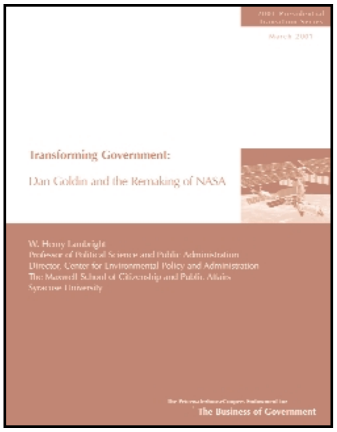
Janine S. Hiller is Professor of Business Law at the Pamplin School of Business, Virginia Tech, Blacksburg, Virginia, where she teaches courses at the graduate and undergraduate level including Internet law. She is the co-author of a forthcoming textbook entitled *Internet Law and Policy*, and has written for various publications about legal issues in business.

Dr. France Bélanger is Director of the Center for Global Electronic Commerce and Assistant Professor of Information Systems in the Department of Accounting and Information Systems at Virginia Tech. Prior to her academic career, Dr. Bélanger held various technical, marketing, and managerial positions in large information systems and telecommunications corporations.

[GRANT REPORT]

Transforming Government: Dan Goldin and the Remaking of NASA

By W. Henry Lambright



The National Aeronautics and Space Administration (NASA) was born of the Cold War and survived for most of its organizational life linked to competition with the Soviet Union. When the U.S.S.R. dissolved in 1991 and the Cold War ended, NASA was bereft of its central rationale. At the same time, it was constrained in seeking new missions by an agreement between the President and Congress to cap federal expenditures and ridiculed by politicians and the media for launching the *Hubble Space Telescope* with a defective lens. Conflict between the White House and NASA over priorities forced President Bush in 1992 to ask then NASA administrator, Richard Truly, to resign. With its principal program, the Space Station, under sharp attack from congressional and other critics, NASA was an agency in disarray, its very survival threatened.

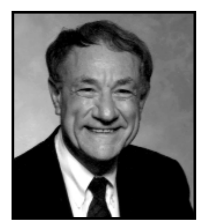
It fell to Daniel S. Goldin, an aerospace executive from California, appointed NASA administrator in April 1992, to steer the agency through the turbulent 1990s into the 21st century. Strong-willed, confrontational, and decisive, Goldin wasted little time in forcing NASA to face budget reality. He shook up the agency by asking it to seek a new vision and strategy, while also restructuring offices, replacing officials, and making preemptive cuts in the budget.

President Clinton retained Goldin through two terms, giving the controversial administrator that rare commodity in Washington — time. Breaking the record of continuous service for a NASA administrator, Goldin persevered in what became an ongoing campaign to transform NASA and align it with a new environment. He was able to initiate a number of reforms and then see how they were implemented, for better or worse.

In the Clinton years, Goldin directed the redesign of the Space Station and helped bring in Russia as a partner. He made use of the microelectronics revolution to institute a "faster, better, cheaper" (usually smaller) approach to unmanned spaceflight. He reoriented and accelerated the Mars exploration program, and renewed NASA's technical credibility through a dramatic *Hubble* repair mission in space.

Goldin's tenure at NASA's helm has been a roller coaster ride. Most of the time, however, Goldin has managed to guide his agency around the most perilous curves and rescue it from its deepest descents. The study describes and analyzes Goldin as an administrative change agent. His legacies and strategies are assessed. There are many lessons to be learned from the Goldin years at NASA. Most are positive, but there are also cautionary lessons, owing in part to Goldin's administrative style. To be a political executive is never easy. To be one charged with the radical change of an established agency in complex times is downright daunting. Goldin took charge and stayed in charge at NASA for a record-setting time. He saw his reforms adopted and implemented. He experienced success and failure. As George W. Bush, son of the President who originally appointed Goldin, takes command of the White House, NASA is leaner, bruised, but stronger for his efforts. ■

About W. Henry Lambright



W. Henry Lambright is Professor of Political Science and Public Administration and Director of the Center for Environmental Policy and Administration at the Maxwell School of Citizenship and Public Affairs at Syracuse University. He teaches courses at the Maxwell School on Technology and Politics; Energy, Environment, and Resources Policy; and Bureaucracy and Politics.

Dr. Lambright served as a guest scholar at The Brookings Institution, and as the director of the Science and Technology Policy Center at the Syracuse Research Corporation. He served as an adjunct professor in the Graduate Program of Environmental Science in the College of Environmental Science and Forestry at the State University of New York.

[GRANT REPORT]

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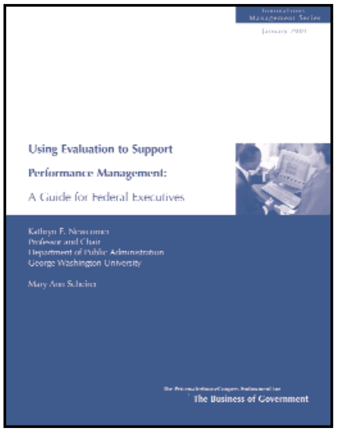
Using Evaluation to Support Performance Management: A Guide for Federal Executives

By Kathryn E. Newcomer and Mary Ann Scheirer



Federal agencies have now completed their first cycles of planning, measuring, and reporting on programmatic performance required by the Government Performance and Results Act (GPRA) by submitting their first performance reports in the spring of 2000. The analytic work needed to report performance data, to draw apt comparisons, and to probe the validity of the measures raises questions about potential roles for program evaluation to support continued performance improvement.

A key strategy to foster performance-based management is to leverage resources available to use evaluative tools in creative ways. The bottom line is that strengthening evaluation capacity and use will enhance the likelihood that the performance management framework being institutionalized via GPRA will result in both improved program management and desired results.

Recommendations for improving the use of program evaluation include:

Make Fuller Use of Program Evaluation Tools and Skills

1. Recognize the diversity of ways that evaluation tools can support performance management.
2. Conduct an inventory of the evaluation skills.
3. Seek out staff with evaluation skills when implementing many of the steps in performance management.
4. Provide more explicit guidance for program officers who oversee contractors conducting program evaluations.

Leverage Capacity for Implementing Performance-Based Management

5. Persuade new political appointees to allocate resources for building greater evaluation capacity.
6. Assess and enhance, if necessary, the evaluation skills of the Office of Inspector General (OIG) staff.
7. Search out agency resources that might be re-allocated to support using data for performance management.

Integrate Program Evaluation and Performance Management

8. Institute and support ongoing teams that bring together evaluators from technical offices, program management, OIG staff, and performance planning and reporting staff.
9. Foster basic performance measurement and evaluation skills as important managerial competencies.
10. Plan for continuous improvement in evaluation and performance measurement.
11. Publicly reward managers who obtain and use performance data in decision making.
12. Use evaluation findings in appropriate ways to amplify data about results when reporting to Congress on GPRA requirements. ■

About Kathryn Newcomer and Mary Ann Scheirer

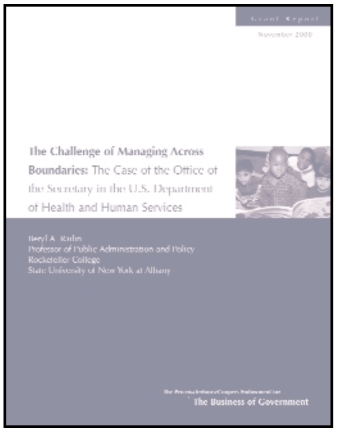
Kathryn Newcomer is Professor and Chair in the Department of Public Administration at the George Washington University, where she teaches public and nonprofit program evaluation, research design, and applied statistics. She conducts research and training for federal and local government agencies on performance measurement and program evaluation.

Mary Ann Scheirer is an independent consultant in program evaluation and performance measurement, as well as a member of the adjunct faculty of the Department of Public Administration, George Washington University. Her research on assessing program implementation has been published as several books, including *Program Implementation: The Organizational Context* (1981) and *A User's Guide to Program Templates: A New Tool for Evaluating Program Content* (1996), as well as in the *Handbook for Practical Program Evaluation* (1994) and in numerous journals.

[GRANT REPORT]

The Challenge of Managing Across Boundaries:
The Case of the Office of the Secretary in the U.S. Department of Health and Human Services

By Beryl A. Radin



While some degree of complexity and uncertainty has characterized federal organizations over their history, the extent of this complexity has increased over the past decade. This creates a real challenge for a new Secretary of a cabinet department. Most recently, the determination to flatten organizations, reduce hierarchies, and devolve responsibilities for implementation of programs to others has contributed to this situation. As a result, the techniques and approaches that have been used in the past to manage large public organizations require rethinking.

The seven case studies that have been included in this analysis highlight four types of crosscutting mechanisms:

- mechanisms for problem solving;
- mechanisms for coordination;
- mechanisms for information sharing/team building; and
- processes to balance bottom-up and department-wide perspectives.

These examples indicate that it is possible to devise ways for the Office of the Secretary to become involved in the department's decision process without resorting to command-and-control approaches. The roles that are illustrated include:

- seeking long-term solutions;
- broadening an issue;
- serving as a facilitator;
- encouraging bottom-up efforts; and
- translating technical issues to generalist language.

Care must be taken in the way that program units are treated; they must be respected, not tolerated. The examples of crosscutting and coordinating mechanisms that have been presented suggest that these new approaches to management within the Office of the Secretary must be devised with modest expectations. Not all areas are appropriate for an active Office of the Secretary role, and it is important to work hard to avoid preempting the program units. At the same time, these approaches do provide a way for the Office of the Secretary to add value. It creates a set of roles in an agency that is diverse that allows it to develop a corporate identity where the whole is greater than the sum of the parts. ■

About Beryl A. Radin

Beryl A. Radin is Professor of Public Administration and Policy at Rockefeller College at the State University of New York at Albany. She served as a Special Advisor to the Assistant Secretary for Management and Budget of the U.S. Department of Health and Human Services for the academic years 1996-98. Before joining the Albany faculty in 1994, she was Professor of Public Administration at the Washington Public Affairs Center of the University of Southern California's School of Public Administration from 1978 to 1994.

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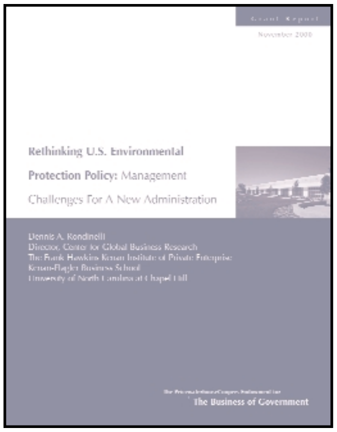
Rethinking U.S. Environmental Protection Policy: Management Challenges for a New Administration

By Dennis A. Rondinelli



A new presidential administration and Congress have the unprecedented opportunity to revise, improve, and strengthen environmental policy and management in the United States for the 21st century. Environmental regulations have attained impressive results in improving air and water quality and in mitigating environmental degradation over the past 30 years. Regulation is an essential instrument through which government protects the public health and welfare by assuring a clean environment. But like all regulations, environmental laws are limited in their ability to achieve continuing improvements. Many large corporations are adopting pollution prevention and eco-efficiency (P2/E2) practices that offer the potential for the private sector to move beyond regulatory requirements to reduce or eliminate pollution at the source rather than merely controlling emissions.

In order to promote P2/E2, the new administration and Congress should review federal environmental laws and administrative procedures and revise them to make pollution prevention and eco-efficiency practices a stronger focus of environmental management. The following recommendations offer a platform on which a new generation of environmental policies can be built. In the 21st century, the federal government should:

- Increase the focus of environmental policy on pollution prevention and eco-efficiency (P2/E2) as the primary means of managing environmental impacts in the private sector.
- Revise environmental policy and management to give stronger attention to achieving performance improvements through multimedia, integrated approaches to environmental management in both the public and private sectors.
- Increase the use of market-based mechanisms — including emissions trading, technology development and commercialization, pricing and tax policies, and financial incentives — for encouraging the private sector to comply with environmental regulations and to move beyond compliance toward P2/E2 practices.
- Give more responsibility, authority, and resources to state and local environmental agencies to encourage and reward organizations that adopt P2/E2 practices.
- Improve federal and state environmental regulatory agencies' information and data collection systems.
- Strengthen the scientific foundation for regulatory changes and rule making in federal and state environmental programs through support for science and technology research.
- Extend the use of cost-benefit analysis, cost criteria, and risk analysis in environmental rule making.
- Expand programs to test, verify, and commercialize the results of new pollution prevention technologies and processes in the private sector.
- Strengthen and extend public-private partnerships between federal, state and local environmental agencies and the business community to explore, test, and apply P2/E2 practices.
- Increase governments' roles in assisting private enterprises to adapt and integrate P2/E2 practices in their overall management systems. ■

About Dennis A. Rondinelli

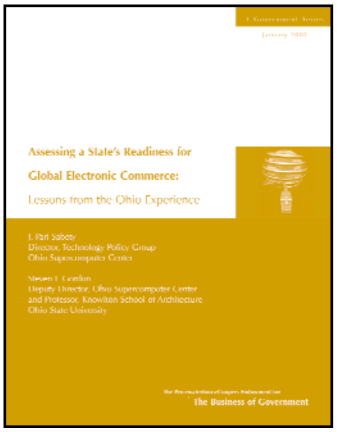
Dennis A. Rondinelli is the Glaxo Distinguished International Professor of Management, Kenan-Flagler Business School, and Director of the Center for Global Business Research at the Frank Hawkins Kenan Institute of Private Enterprise, University of North Carolina at Chapel Hill.

Dr. Rondinelli does research on corporate environmental management, international business management, economic development policy, and private enterprise development. He has authored or edited 16 books and published more than 200 book chapters and articles in scholarly and professional journals.

[GRANT REPORT]

Assessing a State's Readiness for Global Electronic Commerce: Lessons from the Ohio Experience

By J. Pari Sabety and Steven I. Gordon



This study outlines a statewide leadership initiative to measure Ohio's readiness for global electronic commerce. The effort was the result of a public-private initiative convened by the Technology Policy Group (TPG) at Ohio Supercomputer Center (OSC). It assessed Ohio's competitiveness in the new networked economy and developed concrete action agendas for information technology sector advancement in the state of Ohio to attract and retain jobs and foster wealth creation.

Both the state of Ohio and its major cities have been racing to promote e-commerce. Ohio's metropolitan areas, such as Cleveland, Columbus, and Cincinnati, are relatively well served by the information infrastructure, enabling global electronic commerce. However, the transition has not been smooth and has left some smaller enterprises and non-urban regions of the state behind.

Ohio is the first state to take on the challenge of developing the methodology and the analytic tools to assess its readiness for global e-commerce. As such, the methodology, process, and tools developed through the effort provide a model for other states to use in measuring their readiness to move into the new economy of the 21st century.

The project described in this report had three concrete outcomes. First, the data generated by the assessment filled a void about Ohio's information infrastructure and its use throughout the state. Second, a centrally developed assessment enabled each region of the state to compare its strengths and weaknesses and set an agenda for future action. Third, the regional and statewide initiative has achieved concrete results. It has laid the groundwork for (1) continued private and public sector investment in information infrastructure; (2) legislation to boost business and consumer usage of the network for learning, social interaction, research, and outreach to new markets; and (3) support for a major statewide initiative to put state government services online. This report should serve as a guide to other states and regions that wish to undertake a similar assessment. ■

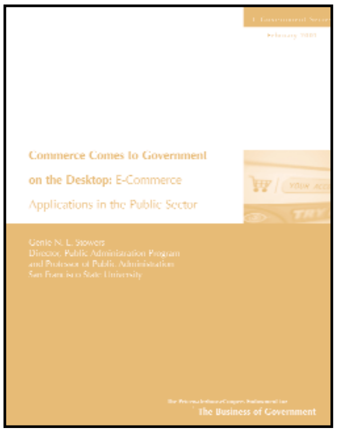
About J. Pari Sabety and Dr. Steven I. Gordon

J. Pari Sabety is the Director for Technology Policy at the Ohio Supercomputer Center (OSC). In that capacity, she directs the Technology Policy Group (www.osc.edu/policy), an initiative that focuses on the legal and policy challenges that arise as new computing and networking technologies are deployed pervasively throughout the world. Under her leadership, the Technology Policy Group coordinated ECom-Ohio, as well as projects on privacy and public electronic records.

Dr. Steven I. Gordon is OSC's deputy director and a professor of city and regional planning at The Ohio State University. For seven years, Dr. Gordon served as associate director for Instructional Computing at The Ohio State University. In these roles, he has been actively involved in a variety of projects relating to the applications of Internet technology including the participation of OSC in Internet 2, the development of workshops on high bandwidth Internet applications, and the assessment of the impacts of the Internet on security and privacy.

Commerce Comes to Government on the Desktop: E-Commerce Applications in the Public Sector

By Genie N. L. Stowers



E-business and e-commerce are fast spreading throughout the United States and around the world, following the growth of the Internet. This trend is also being seen in the public sector, where more and more e-commerce applications are being developed and Congress has promoted e-government in recent legislation. The Information Technology Management Reform Act of 1996 (also known as the Clinger-Cohen Act) set the stage by requiring the appointment of a chief information officer (CIO) for each federal agency with responsibility for coordinating technology efforts. The Government Paperwork Elimination Act of 1998 and Digital Signature legislation of 2000 promoted the use of electronic technology to streamline processes and reduce paperwork, and now allow agencies to use an electronic "signature" rather than pen-and-paper signatures.

This report discusses e-commerce applications in general, with examples from the private sector. Using the main categories of e-commerce, it provides examples of each type from the public sector. Interviews and a comprehensive review of both private and public sector websites were used to develop private sector best practices or standards, case studies, and lessons learned. Four case studies are examined in detail:

- San Carlos, California's extensive innovation despite its small jurisdiction
- The state of Washington's strategic planning for e-commerce
- The Commonwealth of Massachusetts' leadership and leverage of local partnerships for e-commerce implementation
- The U.S. Department of Defense EMALL project

There is enormous potential in e-commerce applications for the future — potential to bring routine transactions right to the desktop on a 24/7 basis for citizens. There are many important considerations for e-commerce development and implementation, and the lessons learned by San Carlos, the state of Washington, the Commonwealth of Massachusetts, and the Department of Defense. These jurisdictions learned many lessons that are applicable to other federal, state, and local agencies that are planning or implementing e-government services or e-commerce.

While the advances are exciting and interesting, many challenges and concerns remain. The digital divide between those who can afford the technology and expertise required to take advantage of e-commerce and those who cannot is declining in some ways and remaining stable in others. The disparities between men and women, urban and rural residents, and the young and older citizens has declined significantly; however, African American and Hispanic households are still less likely to use the Internet than their white counterparts. Another challenge for the public sector is the necessity to maintain the privacy, security, and confidentiality of citizens' records. ■

About Genie N. L. Stowers

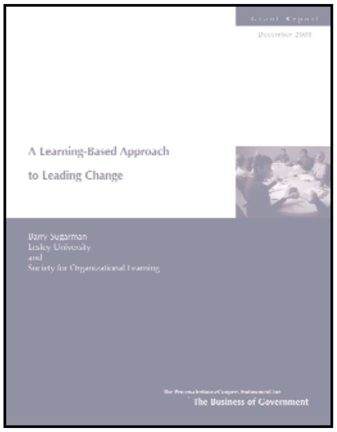
Dr. Genie N. L. Stowers is a Professor and Director of Public Administration at San Francisco State University and Associate Dean of the College of Behavioral and Social Sciences. At San Francisco State University, she teaches courses on financial management, program evaluation, and managing information in the nonprofit and public sector.

Dr. Stowers has worked in the area of government Internet applications and online teaching since 1995. Her research interests include information management and electronic government information, policies and management of human service and nonprofit organizations, urban policy and politics, and policies and politics affecting women and ethnic/racial minorities.

[GRANT REPORT]

A Learning-Based Approach to Leading Change

By Barry Sugarman



The concepts of "the learning organization" and "the learning-based approach to change leadership" have been found to be very useful for understanding and improving the ways that organizations change themselves. Today, all organizations face unprecedented levels of demand for results — in the government, as much as anywhere else — for new levels of service and response, for greater efficiency to produce more with less resources, and to take advantage of new opportunities, such as the Internet. While most of our experience so far with the learning-based approach to change management comes mainly from the private sector, it is important that we also evaluate this approach in the public sector.

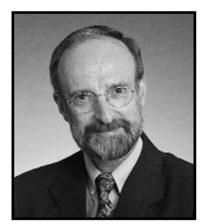
This report presents a brief version of the "learning-based approach" to organizational change leadership, based on the ideas of the learning organization. For the practical executive and change leader at any level, it presents 14 key elements that are necessary for planting the seeds of a learning organization and helping an organization to shift in that direction. The new model and new thinking that are involved in this approach are illustrated concretely through three case studies. They are ongoing learning-based change initiatives in three different federal government agencies. Leaders within five federal agencies began a partnership with the Society for Organizational Learning (SoL) to try out this approach. Interviews and observations were conducted in order to understand better the process of change in these agencies.

These cases represent some early results from organizational change initiatives that have not yet achieved full fruition. Unlike many other reports of change projects, these cases were not selected as the pick of the crop of proven successes. This is an interim report and think piece based on an experiment still in progress. These cases offer the chance to observe, reflect upon, and analyze some of the complexities of guided organizational change in government settings.

The 14 key elements for leading learning-based change identified in the report include:

- Help leaders build skills, understanding, and commitment; find advisors, coaches or consultants
- Establish senior level support
- Engage others who want to do this as partners
- Have partners get to know each other
- Form a core learning/leadership group
- Select a pilot project, ensuring alignment with the strategic direction of the parent organization
- Implement pilot project and initial goals
- Assess your progress frequently, both results and process
- Help all members build up their skills, understanding, and commitment
- Make the necessary changes to structures and policies
- Build more capacity
- Keep the neighbors and boss informed
- Renew the vision, and feed the passion behind the effort for change
- Make and keep contact with other groups making similar change efforts; create a mutual learning support system ■

About Barry Sugarman



Barry Sugarman is currently involved in a partnership between the Society for Organizational Learning and several federal government agencies. He is the author of four books and numerous articles. He earned a Ph.D. from Princeton University in sociology and anthropology, an M.A. from Southern Illinois University, and a B.A. from the University of Exeter, England.

Dr. Sugarman has been a professor of management at Lesley University in Cambridge, Massachusetts, since 1979. He is now a research associate at the Verdict Center, supported by the Veterans Health Administration at the University of Texas, San Antonio, to study and improve the dissemination of new medical knowledge.

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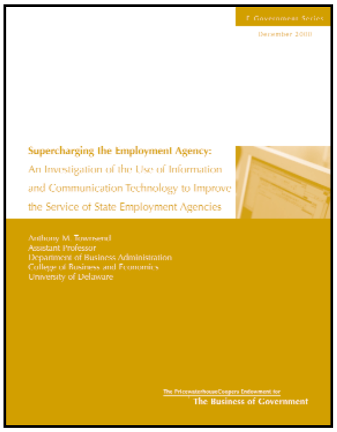
Supercharging the Employment Agency: An Investigation of the Use of Information and Communication Technology to Improve the Service of State Employment Agencies

By Anthony M. Townsend


E-Government Series
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Supercharging the Employment Agency:
An Investigation of the Use of Information and Communication Technology to Improve the Service of State Employment Agencies

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The PricewaterhouseCoopers Endowment for
The Business of Government

This report presents an examination of service delivery technologies in use by state employment agencies in the United States. The report presents the results of a survey of agency personnel as to how well they feel that their agencies' technologies are helping to enhance their service delivery.

The report presents a series of recommended improvements for new technology development, which have been evaluated by agency personnel. There are six general areas for potential technology-based agency improvement:

Job Search Assistance. One of the fundamental responsibilities of most of these agencies is providing assistance to job seekers, some of whom are unemployment claimants and some of whom are simply seeking assistance in finding suitable employment.

The Agency-Employer Interface. Successful employer relations are critical to agency effectiveness, and Internet-enabled communication technologies have the potential to enable significant improvements in the quality of these relationships. The activities associated with unemployment insurance compliance are, by definition, a burden on employers; beyond the simple cost of the unemployment insurance tax, compliance also requires significant attention to form filing and information requests from the agency.

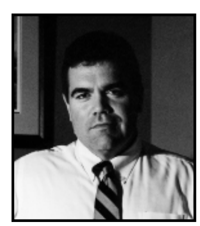
Placement Assistance. As we enter an era where information about jobs is available on a super-regional and national level, successful placement of lower-skill workers in geographically distant positions will require some method of concluding the hiring process without the employer's incurring the cost of applicant travel.

Job Bank Services. The U.S. Department of Labor has developed an outstanding job listing and applicant listing database that is used by almost all state agencies on their websites. However, as good as this service is technically, respondents indicate that it does not really cover all of the jobs in a given locale.

Internal Administration. The introduction of electronic documents systems, "swipe card" technology for claimants (to help track resource usage, speed up file access, etc.) and completely computerized case management systems would significantly improve the administrative effectiveness of most agencies.

Non-employer Client Access. While agencies scramble to develop technologically sophisticated systems to provide better client service, they must do all that they can to ensure that these technologies are available to all clientele. Until such time that Internet access is as ubiquitous as the telephone, agencies should invest in "access stations" (informational or interactional kiosks) in places like public libraries, shopping malls, and their own lobbies. ■

About Anthony M. Townsend



Anthony M. Townsend is an Assistant Professor of Management at the University of Delaware. He earned his M.S. and Ph.D. in organizational behavior and industrial relations from Virginia Tech.

Dr. Townsend's research interests include teamwork and technology, and the role of technology in organizations. His articles have appeared in numerous scholarly and applied journals.

[AWARD WINNERS]

Recent Grant Award Winners

The PricewaterhouseCoopers Endowment for The Business of Government is pleased to announce its latest grant award winners. All research grant award winners will produce a report on their topic that will be published by The Endowment.

Barry Bozeman
Professor, School of Public Policy, Georgia Institute of Technology
Project Title: "Managing Large-Scale Technical Change: The Case of the IRS Tax Systems Modernization"
Description: This study provides a history of computer modernization efforts by the Internal Revenue Service (IRS), beginning with the initial Tax Systems Modernization project and ending with the current initiative. The project will review the many hurdles faced by IRS, highlighting those obstacles related to legislative constraints, bureaucratic entanglements, political complexities, civil service restrictions, and contracting and procurement requirements.

John J. Callahan
Visiting Fellow, Brookings Institution
Project Title: "Franchise Funds: Will They Succeed?"
Description: This project will provide an evaluation of the franchise funds authorized in 1994 under the Government Management Reform Act, with particular emphasis on the Office of Federal Occupational Health (OFOH) in the Department of Health and Human Services. The study will document and evaluate the successes and failures of franchise funds and the competition they face from the private sector and other government service providers.

Jacques S. Gansler
Professor and Roger C. Lipitz Chair and Director, Center for Public Policy and Private Enterprise, The Maryland School of Public Affairs, University of Maryland
Project Title: "Major Government Procurement Issues for the Coming Decade"
Description: This project will include an analysis of the key issues facing government procurement and the steps that must be taken to address those issues. The report will describe a "vision" of the government's procurement process at the end of the decade and how to efficiently and effectively transition to this "vision."

W. Henry Lambright
Professor, Department of Political Science, Maxwell School of Citizenship and Public Affairs, Syracuse University
Project Title: "The National Institutes of Health's Human Genome Project"
Description: This project will review the management of the Human Genome Project at the National Institutes of Health, the federal government's largest science project since the National Aeronautics and Space Administration's Apollo Project. The Human Genome Project involved scientists around the world "working around the clock" for over 15 years. The report will focus on Project Director Francis Collins, who has overseen the successful completion of several of the Genome Project's goals.

Shelly H. Metzenbaum
Visiting Professor, The Maryland School of Public Affairs, University of Maryland
Project Title: "Effective Federal/State Relations in an Era of Devolution"
Description: The report will examine how federal agencies should adapt their activities to results-focused management, especially in the context of technology advances that make public access to and analysis of performance information more affordable. The goal of the report is to create a vision for how federal agencies can use performance measures more effectively to motivate performance improvements and enhance public accountability of state programs.

William Waugh
Professor, Department of Public Administration and Urban Studies, Andrew Young School of Policy Studies, Georgia State University
Project Title: "Creating a Market for Safe Construction: Comparing Private Instruments of Public Policy"
Description: The project is an analysis of the Federal Emergency Management Agency's (FEMA) work with the private sector in implementing FEMA's goals via public-private partnerships. The project will include an assessment of FEMA's Project Impact Program. The objective of the report is to assess and compare the achievement of national policy goals through private sector partnership programs.

For more information about these projects, visit the Endowment website at endowment.pwcglobal.com.

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About The Endowment

Through grants for research and thought leadership forums, The PricewaterhouseCoopers Endowment for The Business of Government stimulates research and facilitates discussion of new approaches to improving the effectiveness of government at the federal, state, local, and international levels.

Founded in 1998 by PricewaterhouseCoopers, the Endowment is one of the ways that PricewaterhouseCoopers seeks to advance knowledge on how to improve public sector effectiveness. The Pricewaterhouse Coopers Endowment focuses on the future of the operation and management of the public sector.

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