

Six Trends Transforming Government

How the interrelated effects of demographics, technology, and new modes of public service delivery are changing the way government is being managed.

By Mark Abramson, Jonathan Breul, and John Kamensky

Introduction

Looking back to the late 1990s, we could not have suspected the dramatic changes that have occurred in the way government is managed. This includes responding to emergencies in new ways; the use of “311” service calling, Blackberries, and other personal electronic tools; and the shift in the way public organizations operate, such as the way the U.S. Internal Revenue Service (IRS) changed from a paper-bound agency to being touted as one of the most efficient electronic services.

Given the increasing rate of change, public managers must constantly look for insights on how they can adopt, adapt, or innovate new ways to deliver services. This article summarizes six trends we identified that we believe reflect the interrelated effects of demographics, technology, and new ways of delivering services.

Shifts in Public Management

Since 1998, the IBM Center has been studying the fluid shifts in public management underway at all levels of government within the United States and in other countries across the world. The IBM Center commissions research reports by leading academics to examine the challenges facing public managers. This article summarizes a recent report by the same title that analyzes the insights of more than 160 Center reports. Free copies of this report, as well as all reports cited in this article, are available at www.businessofgovernment.org.

These trends, often in combination with one another, make it more likely that government will be able to successfully respond to the ever-increasing complex challenges it faces today and will continue to face in the future: (see Box 1):

Trend 1: Changing the Rules

Trend 2: Using Performance Management

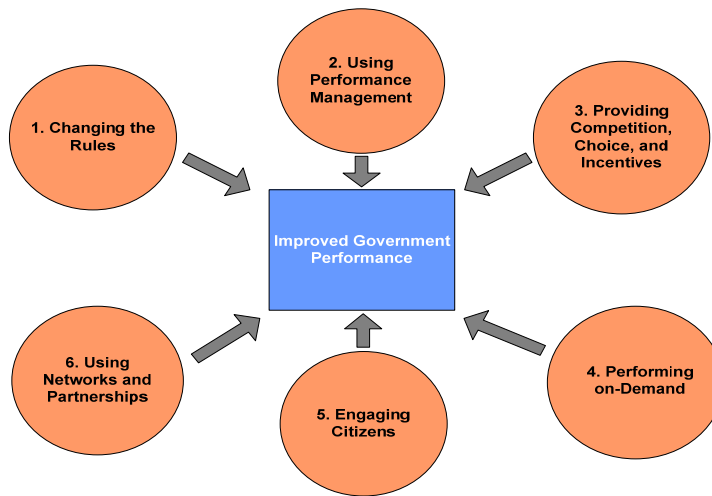
Trend 3: Providing Competition, Choice, and Incentives

Trend 4: Performing On-Demand

Trend 5: Engaging Citizens

Trend 6: Using Networks and Partnerships

Box 1: Six Trends Transforming the Management of Government



Source: IBM Center for The Business of Government

We see the six trends occurring at all levels of government within the United States – federal, state, and local – and governments across the world. In fact, many of the trends were first seen in other countries and are now increasingly being used in the United States. In the U.S., many of these trends became commonplace in state or local governments before being widely adopted by the federal government. In other instances, the federal government was in the lead in spearheading a trend leading to improved government performance.

Trend One: Changing the Rules

The first trend transforming government has been the ongoing effort to change the “*rules of the game*” of government: the formal laws, administrative requirements and organizational structures that create and shape the actions of civil servants and citizens. In many ways, this trend is a common thread through the other five trends. By changing the rules of the game, managers gain more flexibility which allows them to more effectively use performance management; provide competition, choice, and incentives; perform on-demand, engage citizens, and use networks and partnerships. This trend is also aimed to remove impediments to achieving high performance in a more results-oriented government.

The “*rules of the game*” relate to the core administrative procedures governing civil service systems, procurement practices, budgeting, and financial management. Governments are increasingly discarding one-size-fits-all approaches, and permitting departments and agencies more “managerial flexibility” with customized and tailored operating procedures and approaches to delivering services. Going one step further and

providing program managers with more managerial flexibility in combination with holding them increasingly accountable for performance (Trend Two) appears to be a powerful incentive for encouraging results-based management. Additionally, providing managers with such authority gives those who know the most about an agency's programs the power and flexibility to make those programs work. Three areas where the rules have been changing the most in recent years are: human capital, financial management, and organizational structures.

Human capital

Reform of the U.S. federal civil service system has become a major national issue, much as it has in other countries over the past decade. After decades of relative stability, the federal personnel system is now in the midst of a period of profound change. Beginning in the 1990s, a number of federal agencies that were experiencing pressure to improve performance were granted special personnel flexibilities. The IRS, for example, received significant human resource flexibilities as part of the IRS Restructuring and Reform Act of 1998. Since passage of that law, the IRS has made remarkable strides in modernizing its structure, its business practices, its technology, and the processes by which it collects taxes. The human resource management (HRM) flexibilities provided in the reform act were critical to the success of that transformation. The questions then arise – how can this be replicated elsewhere? Should it?

A major issue in the debate over the creation of the U.S. Department of Homeland Security (DHS) was the amount of managerial flexibility to be given to the new department in the areas of hiring, firing, promoting, moving, and retaining federal civil servants. The Homeland Security Act of 2002 authorized significant changes in the management of human capital. Congress and the President exempted the Department of Homeland Security from key provisions of the federal civil service law, including those relating to compensation, classification, hiring, and promotion. In addition, on a government-wide basis, the same law did away with the “rule of three,” an artifact of federal hiring practices that dates back to the 1870s.

In a parallel push by the Defense Department, Under Secretary of Defense for Personnel and Readiness David Chu said, “The current system is not agile enough. The civil service system has the right values, but its processes are outdated.” Like DHS, the Defense Department received legislative authority to move to a new personnel system. Pentagon officials are now busy implementing the National Security Personnel System to modernize the department's civilian personnel system by reclassifying jobs and placing employees in broad pay-bands intended to give managers greater flexibility in hiring and setting pay raises. The General Schedule and its guaranteed raises are to be replaced by performance-based increases determined after more rigorous and meaningful performance reviews. While there has been much public attention to civil service reform at the federal level, similar changes have been occurring at the state and local levels – Texas, Florida, Georgia, and Prince Georges County, Maryland, have all moved away from traditional civil service systems to performance-based systems.

But the challenge to achieving success is – implementation. Will it be worth the effort? Performance pay expert Howard Risher has concluded the answer is "yes." This is based on an examination of years of research, organizations benefit when they recognize and reward employee and group performance. Risher emphasizes that there are no textbook answers and that new pay for performance policies must “fit” the organization and its approach to management. He also warns that the transition to a pay for performance environment is not going to be easy, suggesting that it may well prove to be the most difficult change any organization has ever attempted. Shelley Metzenbaum, a performance measurement expert, supports Risher's contention that a shift to performance-based pay is risky. In fact, she concludes that the risks and potential damage to an organization's performance are not worth the effort. In a recent study, she says an improperly designed performance pay system “. . . can rob goals and measures of their ability to stimulate the kind of effort and innovation that results in continual, sometimes dramatic, improvements in societal conditions. And, they easily provoke unproductive fear that interferes with improvement efforts, especially when accountability expectations are left vague. “Nevertheless, she concludes that measuring performance is an essential element of accountability, but caution must be used if tied to pay.

Financial management

The federal government has a long history of adopting and adapting successful and prudent business practices from the private sector. This is best illustrated in the financial management arena by the enactment of the Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act (GMRA) of 1994 with its requirements for agencies to undergo financial audits similar to those in the private sector. Agency efforts to get and keep clean audit opinions have been supported by policies and practices that make use of key organizational factors and management strategies: leadership support, positive resource allocations, constructive partnerships with auditors, cooperation with function and line managers, short-term systems solutions, and extraordinary effort.

This increased emphasis on measurement – linked to the Government Performance and Results Act and more recently the Budget and Performance Integration initiative under the President’s Management Agenda – has prompted federal executives to develop new methodologies to understand and document the “true costs” of providing services within their own organizations and to other units of government. The movement toward managing costs at the Air Force Materiel Command (AFMC) has been chronicled by Michael Barzelay and Fred Thompson. In describing how General George T. Babbitt created a cost-conscious environment at the Air Force Materiel Command, Barzelay and Thompson write, “By the end of Babbitt’s three-year tour of duty as commander, AFMC managers had accumulated substantial experience with the cost management approach, including the expanded scope of AFMC’s influence over the allocation of resources within a financial management performance framework acceptable to the Air Force.” The question facing other government agencies is whether they will adopt a similar cost management approach, which Barzelay and Thompson characterize as a focus on accomplishments (rather than a focus on inputs) and substantial efforts to maximize

productivity and understand costs.

Organizational Structure

Following the September 11 terrorist attacks, there has been renewed interest in structural reform of government departments and agencies. Three prominent examples are the formation in 2001 of the Transportation Security Administration, the merger in 2002 of 22 agencies and 170,000 employees into a new Department of Homeland Security and the creation late in 2004 of the Office of the Director of National Intelligence. Experience provides some lessons about preferred organizational forms. Elements such as leadership, quality of personnel and systems, level of funding, and freedom from unwise legal and regulatory constraints may be as important as organizational structure in the search for solutions to many problems that confront government agencies and programs.

Thomas H. Stanton, an astute observer of government organizations, set forth reasons why reorganizations are often needed: “There are a number of sound reasons to create a new organization or to reorganize. These include the need to: (1) combine related programs from disparate governmental units to provide an organizational focus and accountability for carrying out high-priority public purposes, (2) help assure that information flows to the proper level of government for consideration and possible action, (3) change policy emphasis and assure that resources are more properly allocated to support high-priority activities, and (4) determine who controls and is accountable for certain governmental activities.”

In contrast to Stanton's study on the decision factors for reorganizing, LBJ School of Public Affairs professor Peter Frumkin examined what happened after the decision is made. He examined six case studies of public sector mergers—four at the state level, one at the local level, and one at the federal level. Based on his research, he concludes that managers must focus on five critical areas in implementing mergers: choosing targets wisely, communicating effectively, implementing quickly, creating a new culture, and adjusting over time.

References

Reports Related to Trend 1: Changing the Rules:

1. Pay for Performance: A Guide for Federal Managers (November 2004), Howard Risher
2. Efficiency Counts: Developing the Capacity to Manage Costs at Air Force Materiel Command (August 2003), Michael Barzelay and Fred Thompson
3. Moving Toward a More Capable Government: A Guide to Organizational Design (June 2002), Thomas H. Stanton
4. Making Public Sector Mergers Work: Lessons Learned (August 2003), Peter Frumkin

Trend Two: Using Performance Management

A second key trend, perhaps the linchpin, is the increased use of *performance management* in governments across the world. Burt Perrin, an international observer of performance measurement trends, provided substantial evidence that governments around the world are moving towards a results-oriented approach in a wide variety of contexts. Based on assessments by officials from six developed nations and six from the developing world, Perrin identified state-of-the-art practices and thinking that go beyond the current literature. He makes it clear that there is no one "correct" or best model that could or should apply in all countries. Yet both developed and developing countries have demonstrated that it is possible to move towards an outcome orientation that places emphasis on results that matter to citizens.

Perrin's assessment of performance management across the world follows a series of studies sponsored by the IBM Center over the last eight years that examined how federal, state, and local governments in the United States developed strategic approaches to link organizational goals to intended results, oftentimes in customer-centric terms and occasionally beyond the boundaries of individual agencies. IBM Center reports have documented several of the more innovative approaches.

At the federal level in the U.S., Philip G. Joyce, a specialist on performance budgeting, found that strategic planning and the supply of performance and cost information has increased substantially in the years since passage of the Government Performance and Results Act of 1993. Joyce argues that the federal government has never been in a better position to make its budget decisions more informed by considerations of performance. He has identified many potential uses of performance information in the federal budget process and numerous examples, particularly at the agency level, where such information is being used.

While Joyce assessed the use of performance information to make resource decisions, business management scholars Nicholas Mathys and Kenneth Thompson describe how two large federal agencies adapted a commercial practice -- the Balanced Scorecard -- to their operations and have used performance information for more than five years to focus and drive program implementation. In both agencies, creating performance measures assessing the "voice of the customer," the "voice of the employee," the "voice of the business," helped create focus, set clear goals and strategies, and translate those strategies into action.

State Government

State governments in the United States have often been in the lead in the development of performance management systems. Professors Julia Melkers and Katherine Willoughby examined performance measurement in state governments and the lasting quality of these reforms. They identified two important changes from the past. First, and foremost, the integration of performance-based budgeting efforts has occurred along with other public management reforms. Second, information technology advances have dramatically changed the way performance information can be maintained and examined over time.

Local Government

At the local level in the United States, two cities have pioneered the use of crosscutting performance management as a way of improving organizational performance. The New York City Police Department (NYPD) attributes the city's 67 percent drop in its murder rate between 1993 and 1998 to its CompStat program. Iona College professor Paul O'Connell documented how the New York Police Department actively uses performance data to create and enforce accountability in each of the police precincts on a weekly basis. He describes how the department shifted from being a centralized, functional organization to a decentralized, geographic organization. By using, as former Mayor Rudolph Giuliani described it, "a computer-driven program that helps ensure executive accountability," the department was able to change its culture to allow greater participation in decision making, leading to more collaborative problem solving between different city departments, such as the housing authority, the subway system, and the district attorney's office.

The success in New York City inspired the Baltimore CitiStat program. There, the same approach was used, but it was extended beyond law enforcement to a range of other city services. University of Baltimore professor Lenneal Henderson described in a separate case study how former Mayor Martin O'Malley, now Governor of Maryland, established the CitiStat program shortly after he took office in 1999. This system requires agencies to generate data on key performance and human resource indicators every two weeks for review by the mayor's staff. It reaches beyond city-funded programs to include state and federal programs targeted to solving the same social challenges, such as reducing the number of children with elevated levels of lead in their blood. By marshalling resources against this problem, the city was able to reduce blood lead levels in children by 46 percent in two years. These kinds of results were replicated in other program areas. Henderson concludes that CitiStat is an effective strategic planning tool and accountability device for effectively delivering government services to achieve priority social outcomes. The CitiStat approach is being replicated in large cities across the country, including San Francisco and Chicago. Increasingly, even smaller cities and some federal agencies -- like the Bureau of Alcohol, Tobacco and Firearms -- are adopting this approach.

But as the CompStat and CitiStat cases show, performance tools aren't always the solution. "How can the leaders of a public agency improve its performance?" Harvard's Bob Behn notes in his assessment of the 11 better practices for improving performance. The "leadership question," he notes, is not the question usually asked. Usually we ask the "systems question." But he observes that a performance system cannot impose improvements -- improvements must be led. Complying with the requirements of the latest performance management system might help, but the future of good performance lies in the hands of good leaders. His advice on what the leaders should focus on, such as "check for distortions and mission accomplishment," and "take advantage of small wins to reward success," can only be led, not mandated.

References

Reports Related to Trend 2: Using Performance Management

1. The Baltimore CitiStat Program (May 2003), Lenneal Henderson
2. Using Performance Data for Accountability: The New York City Police Department's CompStat Model of Police Management (August 2001), Paul O'Connell
3. Linking Performance and Budgeting: Opportunities in the Federal Budget Process (January 2004, 2nd Edition), Philip G. Joyce
4. Staying the Course: The Use of Performance Measurement in State Governments (November 2004), Julia Melkers and Katherine Willoughby
5. Moving from Outputs to Outcomes: Practical Advice from Governments Around the World (January 2005), Burt Perrin
6. Using the Balanced Scorecard: Lessons Learned from the U.S. Postal Service and the Defense Finance and Account Service (February 2006), Nicholas Mathys and Kenneth R. Thompson
7. Performance Leadership: 11 Better Practices That Can Ratchet Up Performance (May 2004), Robert D. Behn

Trend Three: Providing Competition, Choice, and Incentives

A third trend is the use of market-based approaches, such as competition, choice and incentives. Just as was seen with Trend Two, this third trend is not limited to the United States. Jon Blondal, with the Organisation for Economic Development and Cooperation (OECD), described the use of outsourcing, public-private partnerships, and vouchers in 30 developed countries. He found that the emphasis in use among the tools varies by country and by policy area, but that their use continues to increase because the record of "the efficiency gains is substantial."

In the United States, this strategic approach has grown significantly in the past decade and has been enveloped in controversy, often based on ideology and politics. The most politically-prominent tool of market-based government -- competitive sourcing -- has been the dominant approach used by the Bush Administration. Competitive sourcing occurs when an agency takes a function currently being delivered by government employees and puts it up for bid between these employees and the private sector, where the best bid wins. Dr. Jacques S. Gansler and William Lucyshyn examined this tool. They found that competition can achieve "better results at lower costs, regardless of whether the winner is the public or the private sector. They found that over a 10-year period, the results of 1,200 competitions in the Defense Department resulted in an average savings of 44 percent over what those costs would have been otherwise. In addition, they found that, of the 65,000 civilian employees affected, only about 5 percent were involuntarily separated. Still, even given the potential impact of this tool to improve efficiency and reduce costs with a minimal effect on employees, its future use is uncertain because of political concerns, as well as legislative action, about potentially adverse affects on the federal workforce.

However, competitive sourcing is but one of more than two dozen different market-based tools that policy makers have at their disposal and should be considered, such as public-private partnerships, vouchers, tradable permits, bidding, bartering, and more. The range of these tools that can be used under a market-based government framework can be grouped into three sets of strategic approaches: first is the delivery of government services to the public via a range of market-based tools (with a special emphasis on public vs. private sector competition); second is the delivery of internal government services using market incentives; and third is the setting of regulatory standards or pricing levels, rather than use command-and-control, as a way of influencing private sector behavior.

How far can or should contracting out and privatization go? A thought-provoking assessment by Syracuse University professor Alasdair Roberts offers a new perspective on how government is getting its work done via contracting out and privatization. He notes that, increasingly, government services are not being delivered by a place-based or program-based governmental organization but rather through a national or global network of boundary-spanning for-profit or nonprofit organizations. He cites examples of water systems, healthcare systems, and correctional systems operated by global companies, and privately operated cross-jurisdictional school systems. He observes that this trend has the potential for more efficient and effective services for citizens because lessons and innovations developed in one part of the world can be quickly diffused within a company to a location it operates at in another part of the world. However, he also cautions that governments face new challenges in ensuring democratic accountability in this new environment. He describes examples of how citizens, as consumers, have begun to create new accountability mechanisms that go beyond traditional government approaches, such as protests and boycotts. He concludes that, until these accountability issues can be addressed, this trend has mixed implications for greater governmental effectiveness.

No single market-based approach seems to work in all circumstances. But choosing from a range of tools can help public organizations more readily adapt market-based approaches to solving their challenges in service delivery and achieving regulation-based goals. The bottom line seems to be that these approaches have broad applicability across different government policy and program areas – and work when properly managed.

References

Reports Related to Trend 3: Providing Competition, Choice and Incentives

1. Moving to Public-Private Partnerships: Learning from Experiences Around the World (February 2003), Trefor P. Williams
2. Transborder Service Systems: Pathways for Innovation or Threats to Accountability? (March 2004), Alasdair Roberts
3. Competitive Sourcing: What Happens to Federal Employees? (October 2004), Jacques S. Gansler and William Lucyshyn
4. Implementing Alternative Sourcing Strategies: Four Case Studies (October 2004)

Edited by Jacques S. Gansler and William Lucyshyn

5. International Experience Using Outsourcing, Public-Private Partnerships, and Vouchers (October 2005) Jón R. Blöndal

6. Competition, Choice, and Incentives in Government Programs (2006) Co-Edited by John M. Kamensky and Albert Morales

Trend Four: Performing On-Demand

A fourth trend transforming government is creating an ability to perform *on demand*. Governments are being pushed like never before to measure and improve program performance. In terms of responsiveness, government organizations across the world know they have to be much better at sensing and responding to economic, social, technological, or health change or crisis – be they terrorism, Mad Cow disease, SARs or processing drug benefit claims. Those forces, coupled with new technical possibilities, are driving different choices about program design and operations – and their underlying computing infrastructures. These challenges require a deep and potentially difficult transformation: moving from business as usual to what is increasingly being characterized as performing “on demand.” “On demand” is defined as the horizontal integration of processes and infrastructure that enable day-to-day interactions across an entire enterprise-- and with key partners, suppliers, and customers -- thus enabling government to respond with speed and agility to demands and challenges.

Major Characteristics

There are four major characteristics of on demand government. The first is *responsiveness*: whatever the legislative, organizational or operational change, governments are able to react quickly to meet present or potential needs. The second is *focus*: as organizational processes are transformed and the roles of key players, including suppliers, are optimized, governments have greater insight into what functions should be done by the government itself or could be done by other institutions, public or private. A third is *variability*: open, integrated technology infrastructures that foster collaboration and the creation of services to meet evolving needs, where governments are able to deliver the right service, at the right place and time, to the right degree. The fourth is *resilience*: governments can maintain their service levels no matter the impediment or threat. While technology has always supported governmental operations, in on demand it is the prime enabler of resilience.

In this context, government is increasingly moving toward the use of on demand business models to solve operational and business problems. For example, professor David Wyld examined how government leaders are increasingly turning the burden of managing and maintaining unneeded property into a chance to derive significant revenue and an opportunity to devote more of their focus and attention to their primary mission and operations. From the local police department to state governments, to the Department of Defense -- public sector executives are succeeding at selling both everyday items and high-end surplus goods on online auction, as well as creating on-demand markets for unusual public properties, such as school buildings and airports.

In a separate study, Dr. Wyld focused on the potential of RFID technology to make government more on-demand. RFIDs are small, electronic tracking devices that are beginning to replace bar codes. For example, RFID will allow the flow of goods and information to be accelerated, with a higher certainty of information for decision making. RFID will also enable important increases in the on demand capacity of government, including the delivery of military supplies in the field. RFID, as described by Wyld, offers the potential to provide significant on demand improvements in many areas, including increased safety for patients, faster movement of automobiles from manufacturer to dealer, and greater security for our nation.

But the on demand concept is not limited to the use of technology or computers to perform more responsively. Human resources can also be viewed as part of the on demand movement. University of Illinois researchers James Thompson and Sharon Mastracci spotlight a number of federal agencies that have had experience with what they call “nonstandard work arrangements,” such as part-time, seasonal, and on-call jobs. They examine the experiences of 13 federal agencies that rely upon the flexibility of such on demand work arrangements. As the workflow fluctuates - either in a predictable manner by hour, week, month or season, or in an unpredictable manner as when the economy is in recession - worker in nonpermanent job can be furloughed or let go.

References

Reports Related to Trend 4: Performing On Demand

1. The Blended Workforce: Maximizing Agility Through Nonstandard Work Arrangements (April 2005) James R. Thompson and Sharon H. Mastracci
2. Government Garage Sales: Online Auctions as Tools for Asset Management (November 2004) David C. Wyld
3. RFID: The Right Frequency for Government (October 2005) David C. Wyld

Trend Five: Engaging Citizens

A fifth trend – engaging citizens in government – is also contributing to the transformation of governments at all levels. Research is showing that when citizens are directly engaged with government, policy and service-level decisions are seen as more legitimate, are challenged less frequently, and policy and program initiatives have a greater success rate. In addition, by actively engaging citizens, trust in government increases.

Representative democracy has been the traditional approach for how democratic government works. In the United States, this occurs through the Congress, state legislatures, and city halls. In those forums, informed and deliberative debates can occur, resulting in collective decisions. But in the past decade, there has been an increasing trend to create broader engagement directly with citizens in informing and making decisions that affect them. Technology is beginning to create a new set of forums that

allows this on a larger scale. This technology extends from the traditional forum for citizen participation – voting – to new and innovative approaches, such as the use of surveys, wikis, and blogs.

Worldwide Shift in Citizen Involvement

Citizen engagement experts Carolyn Lukensmeyer and Lars Hasselblad Torres describe the changing landscape in how citizens are becoming more involved in government, world wide. They see a shift from the traditional “information exchange” to an “information processing” model of engagement, where citizens are no longer just consumers of government programs and policies but actively engage in shaping them. They offer a spectrum of citizen engagement approaches, ranging from informing citizens of planned efforts, all the way to empowering citizens to directly make decisions. For example, in Davenport, Iowa, citizens participate in a five-step approach to develop the city’s budget. This includes participating in program evaluation, budget development, and monitoring and reporting on progress. The approach includes the use of citizen surveys, focus groups and community forums to identify issues and education citizens on the city’s financial status.

Lukensmeyer and Torres provide a series of examples of how cutting-edge citizen engagement models work, both in face-to-face engagements, and via on-line engagements. They conclude their report with recommendations to federal agency leaders and government-wide policymakers, recommending the creation of “champions” to review existing potential bureaucratic barriers to the use of these cutting-edge tools and to serve as advocates for their use in large-scale initiatives.

Elections expert Robert Done examined the most traditional citizen engagement tool: voting. Done assessed an early effort at Internet voting by examining the pilot effort in Arizona to allow both on-line registration and on-line voting. Done describes some of the technical and political challenges for moving into this arena, but concludes that this approach has broad implications for increasing voter participation in the future.

Rutgers University professor Marc Holzer and his colleagues examined the potential for “digital” citizen participation beyond the ballot box. His team concludes that a range of new information and communication technologies “have the potential to help make citizen participation an even more dynamic element of the policy-making process.” Their study highlights three cases where different models are used to engage citizens, ranging from static information dissemination to a dynamic model with extensive interactions between government and citizens. Based on their work, they outline several practical steps for enhancing citizen involvement, including: clearly defining the issues to be deliberated, providing background materials in advance to participants, and ensuring on-line facilitators are skilled in moderation techniques.

As both citizen interest increases and technology improves, the foundation of “deliberative democracy” is growing. This has the potential to shift citizen involvement in public issues away from the shrill, divisive tone that has increasingly dominated the

political scene over the past decade to a more deliberative approach characterized by Lukensmeyer and Torres as when, “participants come to a shared understanding of underlying issues and trade-offs” and, as a result, better decisions are made and citizens experience greater satisfaction with the results. If this is possible, then the potential to solve seemingly intractable challenges, such as health care, global warming, and social security, are enhanced.

References

Reports Related to Trend 5: Engaging Citizens

1. Public Deliberation: A Manager’s Guide to Citizen Engagement (February 2005), Carolyn J. Lukensmeyer and Lars Hasselblad Torres
2. Restoring Trust in Government: The Potential of Digital Citizen Participation (August 2004) Marc Holzer, James Melitski, Seung-Yong Rho, and Richard Schwesler
3. Internet Voting: Bringing Elections to the Desktop (February 2002) Robert S. Done

Trend Six: Using Networks and Partnerships

“Although public institutions are organized in hierarchies, they increasingly face difficult, non-routine problems that demand networked solutions,” observes Don Kettl in a study on the challenges facing government leaders in the 21st century. The Center has been closely watching the evolution of the use of both networks and partnerships as new approaches for how government works in diverse policy arenas. This new approach is growing for two primary reasons. First, citizens increasingly expect government to deliver results—clean air, safe food, healthy kids, safe streets. And second, the challenges the country faces – and citizens expect to be addressed – are far more complex than in the past. The terrorist attacks of 9/11, the SARS outbreak, Hurricane Katrina, and the potential of a bird flu pandemic are all examples of the increasing complexity of non-routine, yet large-scale, challenges facing the country. These new challenges are characterized by:

- reaching outside the boundaries of any one agency,
- not being part of the traditional service delivery system now in place in most agencies, and
- not playing by the same rules as traditional service delivery systems.

Networks

As a result, the reality is that the challenges of today’s complex society are such that individual agencies and programs cannot succeed in delivering results on their own any longer. The fundamental performance improvement challenge facing government today is for leaders to achieve results by creating collaborative efforts that reach across agencies, across levels of government, and across the public, nonprofit, and private sectors. A key tool for doing this is the use of networks.

Kennedy School professor Elaine Kamarck notes that these tools are becoming more prominent, and public managers' skills will have to change to be successful in managing these partnerships and networks, and how these tools are used. Kamarck notes, "As bureaucratic government has failed in one policy area after another, policy makers have looked to implement policy through networks instead." One example is her proposal to create frontline knowledge networks within the intelligence community. While she describes potential changes in the intelligence community, her lessons can be applied in other arenas as well. She observes that a top-down view of organizational reform is one approach to improving an organization's effectiveness. However, a bottom-up view is also important, since that is where the work occurs. She advocates the need to empower front line workers with the tools to get their jobs done.

Collaborative network specialist Robert Agranoff explains that operating in networks changes the nature of government organizations and requires executives with different managerial skills than in the past. In a network, a government manager serves as a convenor and becomes a participant, not a leader. In some cases, the government partner in a network may play a mediation role. Resources are more dispersed and cannot be controlled centrally, with program implementation occurring through the partners involved in pooling knowledge and technologies—not through government-owned and -operated programs.

Agranoff also observes that government is not a bystander in a network. It possesses the legitimacy to deal with public problems and policy solutions, retains the authority to set rules and norms, contributes resources, and retains and shares knowledge. As a result, important networks cannot be sustained without a governmental role.

Communities of Practice

William Snyder and Xavier Briggs offered a new tool for public managers called "communities of practice." This particular type of network features peer-to-peer collaborative activities that build members' skills. Used successfully in the private sector in large companies, communities of practice are "social learning systems" where practitioners informally "connect to solve problems, share ideas, set standards, build tools, and develop relationships with peers and stakeholders." As informal networks, these communities complement an organization's formal units by reaching across organizational boundaries. Because they are inherently boundary-crossing entities, they are particularly suited to large organizations and federal systems.

University of Wisconsin professor Donald Moynihan studied a successful federal, state, and local case study – a battle against an outbreak of Exotic Newcastle Disease, which is lethal to chickens but not humans. He describes how these agencies came together to deal with an infrequent event – it was the first outbreak in 30 years. To do this, they used the Incident Command System (ICS), an approach used by the Forest Service to fight forest fires, which allowed these agencies to create a resilient network. In summing up the lessons from this effort, Moynihan noted that success depended upon the existence of a network of relationships that had been developed long before the outbreak. In fact, the

way the outbreak occurred and spread was an unpredicted event. However, he says that the way to foster and build these pre-incident relationships is through the use of frequent exercises that build, test, and reinforce those relationships.

In summary, the use of interpersonal networks, organizational partnerships, and performance management can be used as effective strategies for providing public managers with greater leverage to achieve national goals. But, as Moynihan notes, the critical element seems to depend more on having the right kind of people involved in the network than relying on traditional policy management approaches that depend more heavily on institutional arrangements, legislation, or the budget process. Developing networks and partnerships will be the true challenge of national leaders, whose policy successes are increasingly dependent on the power of collaboration in areas as diverse as homeland security, job training, and reducing poverty.

References

Reports Related to Trend 6: Using Networks and Partnerships

1. The Next Government of the United States: Challenges for Performance in the 21st Century (December 2005), Donald F. Kettl
2. Transforming the Intelligence Community: Improving the Collection and Management of Information (October 2005), Elaine Kamarck
3. Leveraging Networks: A Guide for Public Managers Working Across Organizations (March 2003), Robert Agranoff
4. Communities of Practice: A New Tool for Government Managers (November 2003), William M. Snyder and Xavier de Souza Briggs
5. Collaboration: Using Networks and Partnerships (2005), Co-Edited by John M. Kamensky and Thomas J. Burlin
6. Leveraging Collaborative Networks in Infrequent Emergency Situations (June 2005), Donald P. Moynihan

Looking to the Future

We have learned much during the Center's first eight years, and we plan to continue doing so in the years ahead. Exciting change is happening throughout government, and we want to document and share that knowledge with others in government so they can continue to be inspired by, and learn from, the experience of others.

The imperatives and strategies described in this article are making a difference in government today. But improving government management remains a complex and difficult assignment—both technically and politically. Management is no longer seen as a centralized, one-size-fits-all, uniform undertaking. Because the world has changed, it cannot be effective if it tries to repeat the successes of the past. In a summer 2005 forum on the toughest challenges facing government in the years ahead, participants identified three challenges:

- Using networks to organize for, and respond to, routine and non-routine problems. Although public institutions are organized in hierarchies, they increasingly face difficult, non-routine problems. Realities of governments throughout the world make it likely that government will continue to be organized hierarchically. How can government resolve these tensions?
- Developing a way to govern through a “network of networks.” As agency leaders find new ways to leverage action through the use of networks, how can they shape the behavior of those at the edge of the service system – both inside and outside government – to effectively solve problems?
- Engaging citizens in new roles to solve public problems. As government actions become more complex, citizens must take on new roles. New technologies such as e-government and podcasts have arisen that allow direct participation and immediate action. What role can citizens play in solving society’s problems?

While the solutions are not obvious, sometimes just knowing where to look can be an important starting place. It is the aspiration of the IBM Center for The Business of Government to continue to serve as a major resource for government executives by providing them with cutting-edge knowledge on the transformation of government now under way in the United States and across the globe on these and related issues.

 Mark A. Abramson is executive director of the IBM Center for The Business of Government. His e-mail: mark.abramson@us.ibm.com. Jonathan D. Breul is a senior fellow, the IBM Center for The Business of Government, and partner, IBM Global Business Services. His e-mail: jonathan.d.breul@us.ibm.com. John M. Kamensky is a senior fellow, the IBM Center for The Business of Government, and associate partner, IBM Global Business Services. His e-mail: john.kamensky@us.ibm.com.