

Driving Federal Performance: Insights on Creating a Culture of Performance Improvement from Shelley Metzenbaum, former Associate Director for Performance and Personnel Management at the Office of Management and Budget

Given that government influences many facets of our lives, it is critical that we monitor how it performs and operates and use that information to shape and transform how it works. By adopting proven performance management practices, such as ambitious goals set by leaders combined with frequent data-driven reviews, the administration expects federal agencies to continually improve their ability to meet mission and serve citizens.

How has the federal performance management framework evolved over the last two decades? How has the federal government sought to create a culture of performance improvement? Shelley Metzenbaum, former Associate Director for Performance and Personnel Management at the Office of Management and Budget, shares her insights on these topics and more. The following is an edited excerpt of an interview with me on The Business of Government Hour.
—Michael J. Keegan

Shelley, I'd like to discuss your specific role while you were at OMB. What were your duties and responsibilities as the associate director for performance and personnel management?

 **Shelley Metzenbaum:** As the associate director, my responsibilities were working with the chief performance officer, deputy director for management, ... director of the budget, [and] the whole Office of Management and Budget to determine how we were going to pursue performance improvement and performance management. How were we going to use goals and measurement to improve agency performance? It was about setting that policy, communicating it, and then making sure agencies were executing accordingly.

We also worked with the Performance Improvement Council to support the administration performance efforts. We wanted agencies to be very clear about what it was they were trying to accomplish and how. We wanted them to use the best evidence available. I tried to constantly underscore the importance of thinking about the strategy, look at the



evidence, and then constantly (and not only once a year but a more frequent basis) review their priorities, how they were doing, and what can they do to work smarter. This was no compliance exercise; this was about bringing performance management alive.

During your tenure at OMB, what were some of your biggest challenges or surprises that you faced?

 **Shelley Metzenbaum:** That's an interesting question. Though we had a number of challenges, there are two that I think were perhaps the most surprising to me. The first is, when I think about goals and goal-setting, I think about it as a communication exercise, priority-setting and vision exercise—

a shorthand way of conveying to people within and beyond the organization what it is we're focusing on and what we are trying to accomplish. Using goals, goal-setting, and measurement, we were focusing on priority-setting, but also more than that as a way of implementing, a way of communicating, and then a way of making things happen. I was surprised at how little priority-setting there had been using goals and measures.

The second surprise was just how bifurcated [or separate] the world of program evaluation and the world of performance had become. I had assumed they were one big whole. In fact, they were operating along different tracks and weren't even talking to each other. I think we've made progress in this area over the last few years; more progress is necessary. It's exciting, however, when people realize you need performance measurement on a regular basis, but then you can use that performance measurement as the outcome indicators. [As a result], you can integrate experiments with control groups into agency actions—trying to make that a way of doing business now.

Shelley, given your experience, what is a culture of performance improvement? How did you seek to foster a government-wide culture of performance improvement?

 **Shelley Metzenbaum:** A culture of performance improvement keeps your eyes on the outcomes, the impacts, the things you want to improve on the ground. It connects the people in government to the people on the ground, whose lives they're trying to make better. Part of the challenge here is to make sure we keep that line of sight and that emphasis on continuous improvement. This could either be breakthrough improvement in some places or incremental improvement in others. Sometimes this may depend on the relative priority, the relative difficulty, and the availability of budget for a given performance area.

If you have milestones, something like Mars or some of the other work that our science organizations do, then it becomes about identifying what those milestones are that you want to accomplish while thinking about the longer-term impact. A culture of performance improvement focuses on whether trends are going in the right direction and noting which trends you may need to keep an eye on. It's also about looking at potential risks and [mitigating those risks] because, though they may not be the key performance trend, focusing on them may perhaps help you avoid unintended or unwanted consequences.



For me, a culture of performance improvement looks at what it is that you're trying to influence and making sure you do it. It's absolutely not a gotcha environment. What we were trying to do was make sure people were focused on improving, not simply on getting a better grade or getting to green. Managing to red, yellow, or green can be very important if you're the manager of an organization and you know intimately what each one of these means—it's a great shorthand—but if all you're doing is counting a bunch of dots that you want to get to green and you don't really know what they are, that kind of exercise doesn't present much value. We need to do a combination of things to figure out what the right things are and align them to what we are trying to do. That's beginning to happen.

Shelley, the administration expects agencies to set priorities and find increasingly cost-effective practices. To fulfill these expectations, the administration has emphasized a handful of practices. Would you elaborate on these practices and how following them could contribute to good management of programs?

 **Shelley Metzenbaum:** These practices came from our taking a good, hard look at practices all over the world, at all levels of government and the private sector. Let me identify each of these practices and then elaborate on a handful or so.

The first practice involves goal-setting; second is measurement; third is analysis; fourth is the use of evidence; fifth is doing data-driven reviews; and, finally, it's communicating the information, the performance information to key audiences.

Let me elaborate on the importance of goal-setting. We started by asking the heads of the Cabinet agencies and eight other large agencies to set a few priority goals that were specific and ambitious. We know from looking at the literature that where resources are sufficient and skill sets are far enough along, specific ambitious goals stimulate innovation—they encourage focus and energize people. Just think of Kennedy's effort of landing a man on the moon and returning him safely to earth. President Obama has set a number of ambitious goals, such as improving energy efficiency by the end of 2035 or doubling exports by the end of 2014. When you set specific, ambitious goals, you bring people together on how to accomplish them.

We thought it important to add frequent measurement to ambitious goal-setting. With priority goals, we wanted reviews four times a year because this wasn't a reporting exercise, this was an action exercise. We expected that the quarterly reporting would make people look at the data. You could do it more often than quarterly, some do it monthly, but the key would be to look at the data. Using this data as feedback would help illuminate the path forward. We also talked about different kinds of data, so measurement wasn't just the performance indicator, but could be other indicators that may be relevant to the goal. You may also want to manage the unwanted side effects or consequences of an endeavor. I always talk about Bill Bratton's effort while New York City police commissioner; he sought to bring down crime rates, but wanted to make sure police abuse didn't increase, so he tracked police abuse as well as crime rates.

Okay, you gather the data, what do you do with it? Well, you need to look for patterns, so you want to see different subsets that have different patterns of performance. For example, if you have different regional offices: are some doing better than others? If so, what are they doing? It's about slicing and dicing the data you're collecting and remembering when you collect it to categorize it in ways that are going to be useful. We wanted folks to analyze their data, look for the positive outliers to trigger focused follow-up questions. It also means looking at the negative outliers: asking why, what's going on, drill down, and do root cause analysis.

The next practice I'd talk about is the use of evidence. This isn't performance data itself, but you actually want to have

experiments so we have some agencies that ... for example, on enforcement actions they're testing different kinds of letters to see if they get different responses. We've seen the National Highway Traffic Safety Administration's very successful Click It or Ticket campaign, which combined a stop-and-check and an enforcement action with a campaign and worked with the localities with what they call cell phone in one hand, ticket in the other, to try and reduce distracted driving.

The next practice involves doing data-driven reviews. These enable heads of agencies, be they deputy secretaries or chief operating officers, to ask questions on these priority goals at least every quarter. We're heard from agencies that frequent data-driven reviews are making a difference, so much so that we're also seeing this practice trickle down to more and more agency subcomponents and bureaus.

After we engage in these practices, we think it's critically important to have an audience-focused communication practice, asking: What does Congress need to know? What do delivery partners need to know? What do people in the agency need to know? It's really thinking about the data and understanding who needs it, and what they need in order to make decisions that can actually improve outcomes and enhance the return on investment.



To emphasize and enhance these performance practices across the federal government, in 2009 the administration directed agency leaders to set high-priority performance goals (priority goals). Would you tell us more about this effort? What were the key elements that compose the priority goals and how did pursuing such an approach enhance agency performance?

 **Shelley Metzenbaum:** There are 14 cross-agency priority goals that we set with the FY13 budget. They are all on Performance.gov. Every goal has a goal leader: [they] are in White House policy offices and leaders within the White House. These goals fall into three categories. Some goals are mission-focused, such as 98% broadband, energy efficiency, doubling exports, entrepreneurship and small business, science, technology, engineering, math, education, veterans and military families, and job training. There are two goals that deal with federal agency behavior and actions, such as sustainability and cybersecurity. The remaining goals are cross-government, government-wide management objectives: for instance, real estate, improper payments, and reducing and closing critical skills gaps.

For each goal, there is a goal leader and the Performance Improvement Council (PIC) works very closely with each goal leader to support their efforts. For instance, doubling exports by the end of 2014, you have a goal leader, supported by OMB staff; it varies over time, but we've helped them work with the agencies to figure out who needs to do what by when to deliver on this goal. The priority goals were used to kick-start this entire understanding of the power of a goal and the power of more frequent measurement. It seems to be working. We have seen agencies grab hold of them and do some very exciting innovation. At HUD, they run the HUDStat meetings. Secretary Donovan drills down, asking direct questions that get more folks engaged, and works to enhance program performance. At the Department of the Interior, the deputy secretary asks questions about violent crime in tribal communities. In the end, this is a way of getting people to understand the power of both priority goal-setting that's specific—how much of what by when—along with leadership engagement.

It's incredibly ambitious. If this were easy it might have been done already. There are many challenges the federal government takes on that require cooperation across multiple agencies. Many are not easy, but they need to be done. We're experimenting our way through this effort. One of the biggest challenges is how do you assemble teams to work on these cross-agency priority goals when they have other jobs. We're



seeing the power of a goal in the quarterly reviews and we're using what I'll call the cadence of goal management to try and bring about more progress here. We have a lot to learn, but we've had some great successes. There aren't too many goals; we don't want to have too many because they really are a big lift and have their own challenges.

Shelley, from strengthening the economy with faster patent processing to eliminating veteran homelessness, there are examples of performance management in action that have translated to tangible improvements in program management and delivery. Would you elaborate on any of those program successes you documented during your tenure at OMB, and how does each of these cases best illustrate a culture of performance improvement?

 **Shelley Metzenbaum:** First of all, there is a synopsis of some of the successes in the Analytic Perspectives of the latest federal budget, Chapter VII. I urge you to take a look at this document as well as check out the information on Performance.gov, looking under the clear goals section. Every one of the 117 priority goals is listed, and for every one you have a progress update. It informs you why the goal has been chosen, what strategies are being pursued, the progress to date, planned next steps and future actions, and then measures the progress with performance indicators.

There is a vast and varied list of successes. For example, traffic fatalities continue to go down, despite the fact that vehicle miles traveled are going up. At the same time, we know that distracted driving is becoming a real issue and that we need to get ahead of the problem sooner rather than later. The U.S. Department of Health and Human Services (HHS) has had real successes working to decrease adult smoking, as well as bringing down the rate of hospital-acquired infections that saves lives but also saves money as well.

The U.S. Department of the Interior took on the president's challenge to increase renewable energy. Interior set a goal of achieving 9,000 megawatts of renewable energy. In the prior 25 years, Interior has only done 1,500 megawatts of renewable energy. This goal, talk about ambitious, was 9,000 megawatts by the end of fiscal year '11. Interior only reached 6,000 megawatts, but 6,000 megawatts is enough to power a million homes. Did we penalize them for not achieving this very ambitious goal? No! We celebrated them as it was a great, ambitious goal. The trend lines were amazing, and then they said we're going to try and go for 11,000 megawatts by the end of fiscal year '13. Lo and behold, they hit it; they're at 11,000 megawatts already. If you go to Performance.gov and you look at the curve, you will realize it was flat for almost the first year. They had to figure out how to do this, trial and error, how do we get the needed permitting done without compromising the environmental quality? They figured it out and it's become a model. You can go onto Performance.gov and click on "learn more" on the goal overview and see the actual status of the different permits.

These are very exciting. The Indian tribal community wanted to reduce violent crime; four reservations pursued this goal in bite-size pieces. In the first two years, they brought the crime rate down 35% on average on three of the reservations. The fourth didn't come down until year three, and they're now at 55% but they took on two new high-crime reservations and they're taking on many challenges. Though they haven't figured it out yet, they're continuing to stick with it and make a difference.

Shelley, would you tell us more about the GPRA Modernization Act of 2010 and how it builds on the foundation of the original Government Performance and Results Act?

 **Shelley Metzenbaum:** The original 1993 law asked agencies to start setting goals and measuring performance in 1997. There were a few pilots, the Coast Guard being a noteworthy one, and there's fabulous lessons learned from the Coast Guard. They did an amazing job back then and still do. One of the big changes between the original law and the GPRA Modernization Act of 2010 was the latter's emphasis on use, use of performance information. The first law didn't say it wasn't about use, but it didn't say it was about use.

One of the things I often say is if the goals and measures aren't useful, why bother doing it, it's probably wasteful. Once again, it's really getting people to understand the power of goals, complemented by measurement. The analysis and the data-driven discussions are used to make changes on the ground. The goals and the measurement are useful for communicating priorities, for finding what works and what doesn't. With this information, you can do more of what works and stop doing what doesn't. GRPA Modernization was really about using performance information; it's about ownership, about getting the accountability expectations right, and bringing alive something that had become largely a planning and reporting requirement.

OMB articulated four goals for the new performance management framework, as well as three strategies to achieve these goals. Would you elaborate on those four goals and tell us more about the three strategies?

 **Shelley Metzenbaum:** This is part of walking the talk. If you're going to ask all the agencies to lay out their objectives, we should probably do the same. There are four objectives that we've identified for our performance management or performance improvement framework:

- **Improve outcomes:** it focuses on the impact being made on people's lives and is really trying to make that change on the ground.



- **Return on investment:** once you've found an effective practice, whether it is ... trying to help students in the lowest performing schools thrive, graduate, et cetera, how can you find ways of getting a higher return on investment?
- **Quality of interactions:** the federal government, with the Social Security Administration and Pension Benefit Guaranty Corporation, do a lot of transactions with the general public; how do we improve the quality of those interactions?
- **Democratic accountability:** it's really making sure, helping the public understand why government exists, what it's trying to accomplish, the strategies it's using, and how well it's meeting its missions.

The following three strategies were adapted to achieve the four goals listed above:

- Use performance information to lead and learn to improve outcomes
- Communicate performance coherently and concisely for better results and transparency
- Strengthen problem-solving networks (OMB 2011)

Shelley, this year marks the 20th anniversary of the original GPRA Act of 1993. As you reflect on the federal performance community's progress over the last 20 years, what accomplishments are you most proud of, and perhaps you could highlight some of those accomplishments for us?

Shelley Metzenbaum: As I look back over the last 20 years, I'm proud of the accomplishments made by a large bipartisan group of people working together. We have worked together to make government work better. It's about using common-sense tools to make a difference—focusing on the power of clear goals and the use of better measurement to make that difference. I really think the goals have gotten better, more coherent, and easier to find. We're learning, becoming more sophisticated about measurement. For example, a number of agencies are trying to manage things that try to hide, like drug-running, right? How do you do that? We're starting to understand that it's not one-size-fits-all, but rather that there's different approaches we need to take and apply to different situations. We're all committed to making government work better and believing government can make a difference. I'm very proud that we've built a learning system and that we're continuing to build on our accomplishments thus far.



You've completed a four-year run with the administration at OMB. What advice would you give someone who is considering a career in public service?

Shelley Metzenbaum: I'd say: do it! It is not easy, but it's really worth it. You can make a difference. I would say don't get too frustrated by the bureaucracy. I've been in and out of government most of my life. You need to stay committed to making a difference and figure out how you do it. Whether it's in a small area or a large area, whether it's in one person's life, 10 people's lives, or 10 million people's lives, you can make a difference and you need to believe that. I also believe that you should be a problem-solver and an opportunity pursuer. I would say to anyone who is thinking about being a public servant to do it and make a difference. ■

To learn more about federal performance management, go to Performance.gov.

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