

Trend One: Performance

Moving from Measurement to Action

The federal government's efforts to improve the performance and results of its programs have evolved over the last two decades. In the beginning, the focus was on agencies developing a supply of performance information to create annual performance reports, but today the focus is on achieving a handful of strategic goals through the effective use of data to inform real-time decision-making.

New laws, policies, technologies, and techniques have made this shift in focus possible, but more can be done to drive change through government performance management. Government executives are finding ways to more effectively integrate performance management into the decision-making processes and culture of government, within—and increasingly across—agencies and programs.

New Law Serves As Catalyst for Action

The GPRA Modernization Act of 2010 (GPRAMA) reinvigorates a 20-year-old law—the Government Performance and Results Act of 1993 (GPRA)—requiring agencies to develop strategic plans, measures, and annual reports. The new law formalizes a performance leadership and governance structure that had evolved over the previous two decades. It also requires the development of targeted agency and cross-agency priority goals, regular reviews by senior leaders of progress toward those goals, and government-wide reporting of performance via a single web portal.

In his 2013 report for the IBM Center, *The New Federal Performance System: Implementing the GPRA Modernization Act*, public management professor Donald Moynihan describes the key challenge that GPRAMA's implementers will face: the need to ensure that the law's many procedural requirements do not overwhelm federal agencies to the extent that agency leaders focus on compliance rather than on improving performance.

In response to this challenge and related research, Dr. Moynihan sees the new law as a catalyst for creating a culture that thrives on outstanding performance. The systems, processes, and procedures that commonly accompany any performance management system are intended to help frame it. They do not produce performance, however. So what does? Dr. Moynihan says that an “appeal to the motivation that public servants have to help others through their work” is the secret to effective performance in government.

Administration Policies Open the Gates to Accountability

In addition to making GPRAMA law, the Obama administration has placed a great deal of emphasis on ensuring greater transparency and more open access to government data.



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New Requirements, New Roles, and New Processes

New Requirements

- Agencies must develop a four-year strategic plan that aligns the strategic planning calendar with the presidential term. This adjusts the previous requirement for agencies to update a strategic plan with a five-year timeline every three years. These new plans would be submitted with the first full presidential budget proposal.
- Agencies must develop an annual performance plan, including agency priority goals. While agencies were previously required to provide performance goals annually, there is now an expectation that they be more closely linked with their strategic plan.
- The Act requires agencies to designate a small number (roughly two to eight) of agency priority goals. These are targets that the agency leader commits to seeking improvement on within a two-year time frame, and must be updated quarterly.
- OMB must produce a federal government performance plan featuring cross-agency priority (CAP) goals and targets for improved government performance, reported and reviewed on a quarterly basis.
- Performance data must be reported via a central website, [Performance.gov](https://www.performance.gov).

New Roles

- Each agency must have a chief operating officer (COO, who is deputy secretary or equivalent of a department) and a performance improvement officer (PIO) to oversee an agency's performance improvement efforts.
- The executive branch must identify specific individuals with primary responsibility for achieving agency priority goals and the cross-cutting CAP goals.
- The Act codifies a government-wide performance improvement council (PIC), made up of the OMB deputy director for management and agency PIOs. The council is expected to share lessons and offer operational advice in implementing performance management practices.

New Processes

- Agencies must hold a quarterly progress review on agency priority and other goals. The COO is required to lead these reviews.
- The cross-agency priority goals must be reviewed quarterly by the OMB deputy director with support from the PIC.
- OMB is expected to annually identify goals agencies failed to achieve, and to require remedial action. OMB will put in place a strategic objective annual review (SOAR) process to fulfill this requirement. SOAR will center on an estimated 300 strategic objectives (assuming 10–20 per agency) that are a subset of agency strategic goals, and is intended to focus on outcomes.

Source: The New Federal Performance System: Implementing the GPRA Modernization Act

Agencies have responded with a range of initiatives. Government-wide, the administration has also created a one-stop website, Data.gov, for agency data sets, and has set forth a series of policies and initiatives to foster greater transparency and openness. Congress has supported performance management through legislation, encouraging, for example, greater transparency in government spending data via the provisions of the Recovery Act.

In an IBM Center report, *Recovery Act Transparency: Learning from States' Experiences*, Dr. Francisca Rojas examines the implications of greater transparency in states implementing the Recovery Act's provisions. She finds that the most active users of newly available spending data tend to be other government agencies, not necessarily the public, media, or advocacy groups. These government users find the data useful in improving cross-agency understanding, collaboration, and, in some cases, performance. For example, with a better understanding of where individual state agencies in Maryland are making investments, government users are better able to collectively coordinate land use planning, housing, agricultural, and transportation initiatives.

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Three Innovative Approaches to Accountability. This new openness has also engendered several new forms of accountability, according to professors Dorothea Greiling and Arie Halachmi (2013). "Traditional accountability arrangements are mostly vertically oriented and so follow hierarchical lines of control," explain Greiling and Halachmi. They go on to observe that "innovative forms of accountability break with this pattern," and are more horizontal and bottom-up in nature. They describe three new forms of accountability that reflect the new interplay between open data, social media technologies, and the increasing availability of real-time data:

- **Interactive accountability** encourages "management by inquiry," reflected in mechanisms such as Baltimore's CitiStat and the British government's use of an analytic "delivery unit" to promote improved performance and accountability in a continuous series of leader-led forums.
- **Dynamic accountability** allows stakeholders to use open data to hold government accountable. This is reflected in "open checkbook" websites, where states and cities post spending transactions publicly. At the federal level, the Recovery.gov website posted the spending details of \$840 billion in Recovery Act funds. Dynamic accountability is also reflected in social media sites such as SeeClickFix, which allows citizens to report municipal problems such as broken street lights and potholes.
- **Citizen-initiated accountability** reflects citizen-initiated approaches that can use crowdsourcing and open-source technology. For example, the website Ushahidi.com is used to report on issues such as vote tampering, food shortages, floods in Pakistan, and the earthquakes in Japan and Haiti. In these instances, observe Greiling and Halachmi: "Citizens not only hold government to account, they also play a major role in dealing with social problems."

Making Real-Time Analytics Possible

In parallel with the catalyzing push of the new GPRA law and the greater availability of government data, a series of new technological advances offer sense-making techniques

and access to previously unavailable sources of large amounts of structured and unstructured data. For example, IBM Center author Sukumar Ganapati describes the use of dashboards as one approach to help busy decision-makers synthesize and understand a wide array of data. The Obama administration, for example, has created dashboards on the progress of its information technology investments and its efforts to reduce the government's real property holdings.

Another IBM Center report on the use of data visualization, by Genie Stowers, quotes Kerri-Ann Jones, assistant secretary at the State Department: "Data visualization is being used effectively in so many arenas already. It is being used in disaster response and coordination—strengthening the ability of communities to respond. It is helping information become more transparent and accessible to society in general. It is allowing donors to see how their money is being used in projects ranging from disaster relief to climate change. Data visualization shows progress being made, bumps along the road, and pledges being fulfilled."

Linking Data to Decision-Making

Data and evidence are increasingly being used in agency decision-making, in part because of greater leadership interest, but also because there are new techniques and capacities available. For example, GPRAMA requires agencies to hold regular data-driven decision meetings; this new forum has created a demand for useful information.

In addition, the U.S. Office of Management and Budget (OMB) is supporting a series of initiatives to build an evidence- and evaluation-based decision-making capacity in agencies. OMB has issued several directives to agencies encouraging their adoption of evaluation and analytic approaches, and is encouraging the development of such capacities as well.

More evidence and program evaluation information is becoming more available. For example, the U.S. Department of Labor has created a chief evaluation officer who serves as an advocate for the use of evaluation results within senior leadership meetings. And the Washington State Institute for Public Policy has been chartered by the state legislature to conduct systematic reviews of existing evaluation research in order to inform legislators on which practices and strategies will result in the greatest return on investment.

In addition, a number of federal agencies have created "what works" websites that serve as one-stops for evidence and evaluation of specific policy techniques. For example, the U.S. Department of Education's What Works Clearinghouse reviews the research on various policies, programs, and practices in order to provide educators with the best information available so they can make evidence-based decisions.

Opportunities for Driving Change in Government Performance

The availability of new laws, policies, technologies, and techniques offers government managers new opportunities to focus on performance and results in their programs. Following are several examples of potential challenges and opportunities government leaders could act upon in coming months and years.

Creating a Performance Culture. A June 2013 report by the U.S. Government Accountability Office (GAO) on agencies' progress toward a performance-and-results culture highlights both challenges and promise. The most encouraging piece of data comes from its survey of federal managers. That survey suggests that GPRAMA's approach—requiring agencies to identify priority goals, designate individuals as goal leaders, and conduct regular progress reviews with top-level leaders—is making a positive difference in agency performance. The next step could be to cascade this approach from the department level to the bureaus and the field, across the government.

Creating Incentives to Act. GAO (2000) has long observed that government leaders need to put in place more effective incentives to encourage action on performance information, both organizationally and individually. This is beginning to happen. For example, the mental health block grant program at the U.S. Department of Health and Human Services plans to require states to target at least five percent of the funding they receive to “the most effective evidence-based prevention and treatment approaches,” according to OMB. Approaches like this could incentivize the use of such information to improve performance.

Using Evidence-Based Approaches. In the face of budget austerity, government leaders are increasingly pioneering new policy tools based on evidence of what works. For example, under one approach called pay for success, sometimes called social impact bonds, philanthropic and other private investors provide upfront funding for services. The government funder does not pay unless and until there are demonstrated results as measured by a third party. This approach is being used in New York City and the Obama administration is piloting it in about a dozen different policy arenas, such as the reduction of recidivism among people released from prison and in programs to improve job placement and retention.

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Conclusion

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Studies show some progress among mid-level managers, but recent statutory changes and technological advances have led more senior government leaders to increasingly integrate performance information into their decision-making processes. This has contributed to better choices rooted in facts and evidence. For example, the U.S. Department of Housing and Urban Development set a goal of increasing the number of families housed rather than focusing on reducing the number of vacant public housing units. This required collecting new data, but the inclusion of this new performance information led to a significant increase in families in public housing, without significant new funding or expansions in the number of public housing units.

However, increasing evidence-based decision-making among senior leaders will likely not be enough to change agency cultures. Agency leaders will need to create and embed both individual and organizational incentives to be more results-oriented and performance-focused. Employees on the front line need to see how what they do on a day-to-day basis makes a difference for their agency's mission, and according to GAO, only about one-third see connection between their job and their agency's performance.

Increasing their access to real-time performance information may be one approach. When this has been done in some pioneering agencies, it has allowed data-driven problem-solving to occur on the front line, in the field. Finding these kinds of levers for culture change—which will likely vary from agency to agency—will be a challenge to both policy makers and agency leaders, but when done well, it can have a lasting effect.

Resources

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