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Announcer: Welcome to *The Business of Government Hour*, a conversation about management with a government executive who is changing the way government does business. *The Business of Government Hour* is produced by The IBM Center for The Business of Government, which was created in 1998 to encourage discussion and research into new approaches to improving government effectiveness. You can find out more about this center by visiting us on the web at businessofgovernment.org. And now *The Business of Government Hour*.

Mr. Morales: Good morning. I'm Albert Morales, your host and managing partner of The IBM Center for The Business of Government.

Good government must have as one of its core purposes the achievement of results for its citizens. This underscores the critical importance of performance, accountability, and results in government management and its premise on the belief that citizens have the right to hold federal government accountable for its performance. Today, the U.S. Department of the Interior has evolved into the principal federal conservation agency managing the protection of many of the nation's special natural, cultural, and historic places.

With us this morning to discuss his organization's success in managing performance and delivering results is our very special guest, Dr. Richard Beck, director of the Office of Planning and Performance Management at the U.S. Department of the Interior. Good morning, Rich.

Dr. Beck: Good morning.

Mr. Morales: Also joining us in our conversation is Jeff Smith, IBM's federal civilian account leader. Good morning, Jeff.

Mr. Smith: Good morning.

Mr. Morales: Rich, before we get started, could you set some context for our listeners by providing us an overview of the history and the mission of the U.S. Department of the Interior today? Can you tell us when it was created and what its mission is?

Dr. Beck: Okay, sure. The Department of the Interior basically has a long history. It started in 1849, and originally had a broad range of responsibilities. And I guess the reason why it was referred to as the Department of the Interior -- in fact, some refer to it as the "Department of Everything Else" -- is that if it didn't have to do with affairs of war, if it didn't have to do with something that was happening externally as far as international affairs were concerned, it basically started in the Department of the Interior. So things like interstate commerce started with Interior. The Department of Labor basically grew out of the Department of Interior.

But along with some of those activities, there was also a lot of land management responsibilities that were associated with the agency, and I think that's one of the things that basically really evolved into where it is today, those aspects of managing the land across the country and the assets that are associated with that. The Department of the Interior today basically is kind of the capstone amongst nine bureaus, ranging anything from Fish and Wildlife Service to the National Park Service to Bureau of Land Management, the Bureau of Reclamation that deals with water in the West, and we also have Office of Surface Mining, we have Minerals Management Service. Bureau of Indian Affairs, all the Indian lands basically come under the jurisdiction of the Department of the Interior. And I can't forget the U.S. Geological Survey. They provide a lot of the science that helps support the decision-making process, I mean, not just for the department, but basically for local communities as well, too.

So now, like you mentioned, the Department of the Interior basically has these natural resource stewardship and cultural resource stewardship, also the heritage of the country, our Indian lands, and a lot of the mineral resources, energy and non-energy. And, in fact, the secretary basically got a group of employees to put together a value statement, and we like to refer to that as "stewardship for America with integrity and excellence." And I think that basically kind of reflects a lot of what goes on in the Interior Department.

Mr. Morales: Well, that's still a very broad mission that the Department has. Can you provide us a little bit more specifics to kind of give us a sense of the scale of the operations, perhaps size of the budget, number of employees, how you're geographically dispersed across all those different bureaus?

Dr. Beck: Sure. One out of five acres in the United States basically comes under the jurisdiction of the Department

of the Interior. And I can't forget to mention that it also includes insular areas. So when you talk about, for example, Guam, American Samoa, the Virgin Islands, Marshall Islands, those protectorates, those territories, they also come under the jurisdiction of the Interior Department. So you're looking at about 2,400 locations nationwide. We're talking about 70,000 employees, full-time equivalents. We're talking about something along the lines of 230,000 volunteers. Now, those are not necessarily full-time equivalents, but still large numbers of people who are engaged either directly with the department or help out the department and its various bureaus.

Size of the budget, direct appropriations are about \$11 billion. There's about another \$5 billion in permanent appropriations that are associated with the department and its mission. The other thing, too, is, I mean, that's what's appropriated. There's also about \$18 billion in receipts that are generated. You know that the Department of the Interior manages a lot of the mineral resources in the country. For those folks who tap into those resources, there's obviously royalties to be paid and such. There's an aspect of the department that basically puts money back into the Treasury, into the government coffers.

The other thing is that, you know, I mentioned about these mineral resources. About a third of the domestic energy across the country is supplied from DOI lands. There's water for 31 million people. And we have, like, 500 million visitors come to the public lands, particularly Fish and Wildlife Service, Park Service, and the Bureau of Land Management. And 40 percent of the land along the U.S.-Mexico border also basically borders on Department of the Interior lands. So I think that kind of gives you an idea of the size and the expanse.

Mr. Morales: Big scale. Big scale, sure.

Dr. Beck: Yeah.

Mr. Smith: So with that perspective, can you tell us more about your area and specific role as the director of Office of Planning and Performance Management within Interior? And what are your specific responsibilities and duties, and what are the areas that fall under your purview?

Dr. Beck: Well, the key aspect of the office was basically to look at organizational effectiveness. To be a consulting arm for the bureaus and for other organizations that we kind of keep an eye on what's working, what's not, what could maybe streamline some processes. In particular, what we do is, we use the Government Performance and Results Act, a strategic plan, and the performance assessment that needs to be put into the performance and accountability report, and the performance assessments that are done at the program level through the Program Assessment Rating Tool that was created by OMB. We use those particular tools to look across what's going on and not only use that internally, but also to basically convey that externally.

You know, a lot of performance management is very introspective on one aspect because you can see how well you're doing and are you achieving what you wanted to achieve. And then you can also use it in an external way to basically inform the public, Congress, and otherwise what you're trying to achieve, how well you're doing, and to be able to convey a sense of how challenging the mission is, because you may not necessarily meet all your targets all the time. And it's not so much about targets being met or not met. It's about, well, I know I didn't meet my target, but I understand why and what am I doing about it.

So under this guise of organizational effectiveness, I mean, the specifics are, like you said, the key responsibilities are to make sure that GPRA is implemented throughout the department and its bureaus and also, too, we try to coordinate the PART aspects. But to the extent that we can use that not just to be reporting, but also to be able to use that information to help improve the decision process, and that's what we're looking for, and to identify places where somebody may be doing something a little easier, a little better than somebody else is, and to look across and say, well, maybe you guys can share that.

And, you know, we just talked about how broad the scope of the department is, so there's a wide range of activities that you can always find something somewhere if you want to share.

Mr. Smith: It certainly sounds like that. Well, with those responsibilities, what are the top three challenges that you face and how have you dealt with them?

Dr. Beck: Oh, gosh, the top three challenges. Well, one of the things about the Government Performance and Results Act that I really keyed in on was its emphasis not just on having a plan and doing the performance assessment against that plan, but looking at outcomes. Outcomes in terms of results. One of the things as the Government Performance and Results Act came out in 1992 or '93, whenever that was, the focus was on let's not just look at how well we do our processes, but whether those processes are actually helping achieve results. So one of the challenges is still to get folks to focus on, well, what's the outcome? And what's the result? And trying to define results for a government agency, a lot of times that gets kind of squishy. It gets very challenging.

The Defense Department, they, obviously, defend the country. So what's the result, you know, as far as that's concerned? Can you quantify it? Can you measure it? So that gets kind of difficult. So, you know, there's a tendency a lot of times to dip back into focusing mainly on outputs and how are we doing on our outputs? And I'm not saying you shouldn't do that, but, you know, along with identifying the outputs and how well they work and how well you're achieving them, also want to be able to see, well, how are those outputs working together, and what kind of results we're getting from that. So keeping everybody focused on the outcome-oriented, that's a real challenge.

The other thing that's a challenge is along the lines of trying to keep a talented staff. The office has got about 12 people in it, at least, you know, that's my office. We work with representatives from the bureaus who have a similar bent or a similar function, and we work with them. You know, when resources are constrained, you may find out that you have a vacancy in the office that you can't fill right away or something along those lines, it just makes it challenging to --

Mr. Smith: That certainly seems small for the diverse nature of what you need to do.

Dr. Beck: Yeah. You have to tap into as many other resources as you can. But keeping a talented staff is a challenge.

The other thing that's also challenging a lot of times is that everybody seems to have a different idea on how to do it. And we find things that we think works well in the environment of the Interior Department and the bureaus, what folks can identify with, what they can use, what they can tap into. And to the extent that we're guided to having those kind of processes in place, that's good, but every once in a while it gets a little over-prescriptive.

So we have to satisfy the folks who want to see things done a particular way and then go back and make sure we do something effective. So trying to keep that balance in place, that's another challenge that we face.

Mr. Morales: So Rich, I understand that prior to coming to DOI, you actually had spent 20 years at NASA. I'm curious, how did you get started in government?

Dr. Beck: Oh, gosh, well, let's start with the academic background.

I have a bachelor's degree in biology but I found I was really more interested in was, what does the science do to affect decision making, especially as far as policy is concerned. So I moved into getting a master's in public administration, particularly in program and policy analysis. How do you help decision makers make decisions? What information do you gather? How do you arrange the information so it helps facilitate them making a decision?

I came to government through the Presidential Management Intern Program. I'm sure you probably have talked to folks about that. I think now it's called the Presidential Management Fellows Program. Being I have a biology background and I had the program analysis background, well, NASA was very interested in having people who could help them make decisions. So basically I started in program analysis, moved from life sciences to earth sciences. The next thing I know, I'm basically the branch chief of the Program Analysis Division for all of Office of Space Science and Applications.

What program analysts do at NASA a lot of times is, well, do the mission objectives match with what you're trying to do with the funding? Do you have enough funding to achieve those things? And then you can't work at NASA without getting some program experience working with their Earth Observing System. NASA basically constructs the weather satellites for the National Weather Service, who comes under the National Oceanic and Atmospheric Administration.

Next thing, I started working on basically helping business processes across all of the Earth Sciences Program, and that was the position of director of businesses. And then got the call to move upstairs and try to help guide the budget planning process for all of NASA.

The one thing that I particularly got an opportunity to do as we were doing weather satellites, we have a military and a civilian weather satellite program and NASA operates in the same orbital incline and works in that area, too. So could we maybe have some savings by merging the military and civilian weather satellite programs and do some research that NASA wants to do? And so I found myself now working not just with programs and integrating them, but actually working across DOD, the Air Force, the National Oceanic and Atmospheric Administration.

Mr. Smith: That's certainly interesting.

Dr. Beck: And trying to see, you know, well, how can we get this all to work together? And then start to get an interest not just in what's happening between programs and money, but, well, how do we do this organizationally? How do we get organizations to work together?

And that worked really well with when I went back to graduate school to get my Ph.D. The Ph.D. was in public policy with a focus on how to get organizations to work together, to collaborate, and still be innovative. So that dissertation research was done just about the same time that this came up, so I got a chance to maybe experiment a little bit in the field.

And I'll let you know that now there's, instead of there being a joint program, there's now an integrated program office in Silver Spring for the National Polar Orbiting Environmental Satellite System. The military and the civilian weather satellite programs are converged and with a little bit of research being done by NASA. So I got a chance. That's what got me started more into the, not just the budgeting and does it fit with your programs, but also, well, how do you make organizations work? And that fed right into the job at Interior.

Mr. Morales: Excellent, excellent. Thank you. How does planning and performance translate into better agency results? We will ask Dr. Richard Beck, director of the Office of Planning and Performance Management at the Department of the Interior, to share with us when the conversation about management continues on The Business of Government Hour.

(Intermission)

Mr. Morales: Welcome back to The Business of Government Hour. I'm your host, Albert Morales, and this morning's conversation is with Dr. Richard Beck, director of the Office of Planning and Performance Management at the U. S. Department of the Interior. Also joining me from IBM is Jeff Smith.

Rich, we all know that federal agencies' strategic plans provide a road map to the future as well as assessments for progress towards that particular vision. Could you tell us a bit more about Interior's 2007 to 2012 strategic plan and the performance framework that turns this mission into method?

Dr. Beck: Okay. There are four main mission areas: resource protection, resource use, recreation, and serving communities. And one of the things that when I came to Interior I thought was great about the plan was that it lays it right out there.

So strategic plans, those four mission areas I think just lay it right out there. And then we start to work through end-outcome goals. What does it mean for resource protection, protecting land, protecting critters, you know, protecting the wildlife?

You go into resource use. We talk about our energy resources. We talk about our non-energy resources. There's resources that are on federal land and including the off-shore continental shelf. There are also the water resources. I mentioned before about Bureau of Reclamation provides water for about 31 million folks in the West. You know, rivers run from one state to the other. So how do you make sure that by the time, you know, if you happen to be in Arizona, does the water get to you after it's run through about three or four other states or is it just a trickle? So how do you manage that effectively?

Serving communities, that's more about, mainly about our Indian trust responsibilities. I mean, it's a large portion of that mission area, but there's also, can you help local communities make decisions about hazards?

We have wild land fire. You know, we see it where it's one thing when it's burning, you know, thousands and thousands of acres of federal land. It's another thing when it starts to get close to what they call the "wild land-urban interface," and it starts to get close to communities. So it's something else you have to basically keep track of.

And then, oh, I can't forget recreation. And that's about, you know, we've got all these lands and we want to make sure that visitors have a chance to enjoy them.

There's also another area which is called management excellence. We want to make sure that as we're doing our programmatic results, we can't forget the fact that we do want to have effective business processes and practices across the board. That basically kind of cuts across what's happening programmatically. Are we advancing or modernizing how we do things? So you want to make sure you're doing those things as well.

Mr. Morales: Sure. So, on that note, and you mentioned in the last segment, GPRA. Certainly for the past seven years the President's Management Agenda, or the PMA, has been the key driver for improving management and performance across the federal government. Could you tell us a bit about how your department has performed overall? And can you give us a sense of how Interior's leadership has approached the PMA, and what are some of the critical lessons learned from these efforts?

Dr. Beck: Okay. If you look at the PMA scorecard, I think has done well to focus a lot of attention at Interior as far as what we'd like to be able to move forward with. It sets you a guidance, a framework of what you need to be able to

be improving upon.

And I think we're making a lot of progress across the board. So the scorecard has really helped kind of crystallize a lot of what we're trying to do. It gives you a road map as far as what you want to achieve. And that was taken on and embraced pretty early on, in that it started with the assistant secretary for Policy Management and Budget with support from the Secretary.

You may be familiar with Lynn Scarlett, who was the assistant secretary for Policy Management and Budget, who's now the deputy secretary. So if we didn't have somebody who's promoting this in the immediate secretary's office, we definitely have her at this point.

We started with reviewing on a quarterly basis what was going on. What were the different bureaus doing as far as being able to achieve, you know, the scorecard objectives and how well are we, you know, moving ahead with that? And what's happened is, is that where that discussion was a somewhat centralized discussion with a lot of senior folks, well, now what happens is that there's a Performance Management Council, there's a CIO Council, there's all these councils that are now starting to take this message and get it down even further. And when I say "now," I mean now is not really now does not really mean "now." I mean, I've been at the Interior Department for about three and a half years, and when I got there it was already well ingrained as far as what everybody was trying to do and such. And so that's been a real capstone as far as being able to lead folks down a path, and I think we're coming along with that.

Mr. Smith: Well, along this theme, OMB's Program Assessment Rating Tool, PART, was developed to assess and improve the program's impact on outcomes that matter to the public. And to date, I believe some 70 Interior programs have been assessed using this tool. Can you elaborate on Interior's overall PART performance and lessons learned?

Dr. Beck: I think there's about 15 or so programs, out of the 70 about 15 or so, that are still rated as "results not demonstrated." Other than that, everything is considered either adequate, moderately effective, and we even have some effective programs. And particularly what's been beneficial about PART is, is that hard to believe that there were some programs that really didn't have performance measures at the program level. I mean, I'm talking about, as of the last three years or so. So PART basically helped identify those programs which didn't have them.

And, you know, I feel for project managers. They're basically on the mark. They're on a day-by-day basis trying to get the job done. They're dealing with the fires that occur that day, in some cases literally. Do you take the time, though, to step back from everything you're trying to do on a day-by-day basis and make sure at least you have some idea of where you've been, how well you're doing, and where you're going? And PART particularly helped put that in place.

Mr. Smith: So considering PMA and PART, and generally from your perspective, how has this focus on performance led to more accountability and enhanced program outcomes and results?

Dr. Beck: I mean, I think just to the extent that we have programs that now can track what they're doing and they have a way to be able to describe it, post it on the ExpectMore.gov website, and you can see where they're going and what they've done. And so they're more sensitive to it now. So they realize this is what I'm trying to achieve, this is where I'm going. They have that ability now to see that. And I think that's what makes them more accountable, that they're able to express, well, here's what I've been able to achieve and I can quantify it and I'll lay it down as far as, you know, whether there are permits that have been processed or whether I've improved so many acres of land.

You know, the one thing, on the other hand, though, some of our PARTs sometimes get to be too narrow a slice. So one of the things that, I mean, I'd like to be able to do is someday maybe restructure what we have PARTed. I think that some of the PARTs -- we have like half of our PARTs, they take a slice that's maybe \$50 million or less of what's going on. And if you're really interested in that program, you know, that's neat.

But on the other hand, when you get to the bureau level and the government level, well, it gets to the point where unless I'm talking about that specific program, is that really going to be your focus? So I think that what needs to take the accountability up a notch is to start to take PART up a notch and maybe, you know, structure it so that we're looking more across the board. I understand about accountability, but then does it start to get lost. I've got too many details, it starts to get lost. You know, how does it fit in the overall perspective?

Mr. Morales: So it's finding that right level of aggregation that gives you the best value for the effort that you put into doing the measures.

Dr. Beck: Exactly.

Mr. Morales: So staying on this theme of performance management, could you tell us about Interior's efforts to better link performance management with costs and investments? Specifically, what steps have you taken to track and manage costs and link those back to performance? And are you implementing activity-based costing and management to help you in this regard?

Dr. Beck: Yeah. The activity-based costing effort was underway when I got there three and a half years ago, and that's been a long-term effort to be able to define in your financial accounting system not just what you're spending the money for in terms of, like, what they would call "object class" on buying vehicles, on buying people, but it's what those people are doing. What are they trying to do? So the activity-based costing process was put in place. Those systems have been built.

So what we can do now is we can identify the costs that are associated with achieving a goal. So you can tell how much money was invested last year against improving land condition, how much was invested against basically sustaining biological communities, how the wildlife is doing, how the fisheries, how the migratory birds are doing. You can identify those funds.

We took a step even further than that in our last performance and accountability report for 2007, and we decided to take a collection of what we called "representative performance measures" as key indicators of our performance. I mean, we have basically 400, about 400 PART performance measures and about 210 strategic plan measures. We can report on all of those; the accountants love that. And if you want to go into the detail, you can see that. But how do I give anybody else a sense of what's happening across the department in this range?

So we picked these 26 representative performance measures and then also identified the funds that are associated with those representative measures. So I can tell you that not only did we achieve so many acres in desired condition, but the money that's associated with that and the costs associated with that.

And we displayed that over, gosh, for as much as we could for the last four or five years with a projection of where we think we're going. And we put that into the performance and accountability report, built it into a highlights report. So not only do we have it to see what kind of money's being spent against this performance, but the public can see that and Congress can see that, in a sense where that maybe somebody can just who's interested just see it and get a sense of what's going on across the board without having to read a whole collection of details.

So to the extent that we can start to relate performance and costs, at least at this level, I think it becomes more informative and starts to help decision-making, particularly at the executive level. And now we're taking that process further and looking at, well, okay, we've got how much it costs and how much was performed. Can we start to say, well, what if I want to do more? How much do I need to still put in there, into the budget, to be able to achieve more? Or can I achieve more by moving things around priority-wise between programs?

The other thing we may be able to consider, too, is looking at the performance trend relative to the funding trend. Am I getting more and more performance for the same or less money, or is it running pretty much parallel? Does the performance that I get depend upon how much money I have?

And the other thing we want to be able to lay out is there are places where the cost-to-performance relationship isn't that direct. Or, well, not direct in terms of, it's not like for endangered species that if you give us \$10 million more next year that all of a sudden you'll find more, you know, more animals will fly off the endangered species list. I mean, the eagle took, what, 14 years at least to be able to get that off the list. So you start to see these trends and you start to get a sense not just for how money it costs to get there, but what it meant over time. And you start to see, well, if I apply \$10 million more, is it going to maybe show up in results 2 or 3 years later? Because it takes time to apply what you've got and to realize those results.

Mr. Morales: So you're now using this as a forward-looking tool as opposed to just merely looking at results in the past?

Dr. Beck: Exactly.

Mr. Morales: That's great. What about the establishment of the chief performance officer role and the CPO Council? We will ask Dr. Richard Beck, director of the Office of Planning and Performance Management at the U.S. Department of the Interior, to share with us when the conversation about management continues on The Business of Government Hour.

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Management at the U.S. Department of the Interior. Also joining us in our conversation from IBM is Jeff Smith.

Rich, we've talked a lot about program evaluation and assessment, and you began to touch upon some of the strategic level assessments, in other words, going beyond just individual program evaluation. Can you elaborate just a bit more on the importance of doing this?

Dr. Beck: The thing that I particularly am interested in a lot of times is that we can basically review the piece-parts. And I don't mean to, you know, minimize the effect of them. And this is where the rubber meets the road. Programs basically get the job done. They deliver the services. They make it happen. But what ends up happening in an organization this large, and then consider what Congress has to deal with and the Executive Office has to deal with, well, how do all of these efforts all work together? How do they cut across? How do they all come together? And what does it mean on a national scale?

I think we always need to make sure we keep the right context for what's happening programmatically. So how do these program components work together or at least contribute to what we're trying to achieve at the national level? Along with making sure that our programs are running right and effectively as possible, I think we also need to make sure we have to have the context of how all those contributions basically feed together and what we're trying to achieve at a policy level. And that's, again, where the strategic plan starts to come in.

And we need to assess our progress, particularly in terms of the outcome and the results at that level. And that's where it's most applicable is at the strategic level. So are we achieving our outcomes? Are we achieving our goals? And outcomes, again, are in terms of results, not just in the number of reports that are issued or the number of visitors who come through, but what's the effect on the visitors? What's the effect of those reports? Are we really changing things and making things different?

I also think that the Executive Office and the Congress, anybody who basically works at a government level is interested in seeing how these things all fit together. Because I could see where you can come up to a committee or a subcommittee and you talk about all your programs, how well they're doing, what they're achieving. And, I mean, that's really great stuff. But at the end of the day, they've fallen in love with 300 programs -- or in our case, 70. They've fallen in love with them and they realize when they added up all the money it's, like, well, gosh, I'm still a little bit short. What am I going to do? And I don't mean short about you need more -- you know, you've got money left that you haven't spent yet. I'm thinking about more like you've got 10 pounds of sands in a 5-pound sack. How do I figure out how they fit together? How do I get them all to pull together?

And that's why I think the, you know, the outcome, results-oriented perspective is important. And we still need to make sure that all of this works up and supports and relates to what's happening in a strategic context.

Mr. Morales: So on this topic of policy, could you tell us a little bit more about Presidential Executive Order 13450, which is entitled "Improving Government Program Performance?" Tell us a little bit about the purpose of this policy and what's outlined in the order.

Dr. Beck: I think when you look at similar legislation, and I know this is an Executive Order, not exactly like the CFO Act, but then again an Executive Order does have the force of law, this is for the performance community what the CFO Act did for the financial community. This is basically codifying the importance of looking at performance, evaluating your performance, demonstrating your performance, and using it as part of your planning process. And so the Executive Order basically puts that at that level to identify that this is an important thing that agencies need to engage in, and do so very visibly, have it penetrate the organization. And you want somebody in the organization to basically spearhead what's going on across the agency, as large as it is, and make sure those efforts are coming together. And that would be in the performance improvement officer.

And technically, for the Department of the Interior the performance improvement officer is Paul Hoffman, who's the deputy assistant secretary for Human Capital, Performance, and Partnerships. So, you know, that's important from that standpoint. And then in my position, I fulfill the role as deputy performance improvement officer. And so we look how this is all coming together. And I think it just basically, the order just basically highlights the importance of it and usefulness of it, too.

Performance, basically they're your programmatic. When you're putting your budget forward, you need to be able to explain, well, what's this money going to help me achieve? When the Interior Department and the National Park Service put forth a proposal to add additional money to the Park Service budget for the Centennial Initiative, so that national parks are basically ready for the 100th anniversary of the National Park Service, along with all the usual goals as far as, as I could just mention, is to say that, well, we want to make sure the parks are ready for this, we want to make sure that they're ready for the next 100 years, that basically still intrigue visitors and engage them in recreational opportunities and still protect our natural and cultural heritage, along with that wouldn't you want to

know that, well, what's this money going to mean?

If I start to tell you how many or what percentage or how many historical structures maybe could be brought into a desired condition or a good condition, how many more acres basically could I help snatch from invasive plants basically ruining them? If I start to tell you those things, even as far as what the increase in visitor satisfaction would be, I start to reach into, give you more of a rationale if you were, you know, Congress, congressional representatives, and even the Executive Office, I think I start to give you a feel for not just what the money is for, but what I can actually achieve as far as results are concerned. So it helps put that in those kind of perspectives.

Mr. Smith: As you just mentioned, you know, we believe you were designated as your agency's first performance improvement officer, which is a position created by the Executive Order. Can you expand on the responsibilities that this entails? And did this order formalize work that was previously being performed?

Dr. Beck: Oh, it definitely formalized work that we were already underway with. The performance improvement officer is looking at how planning and performance are being used across the department. And when I say "being used across," I just don't mean by bureaus. I also mean is it in your human capital program? Do you have individuals who see in their individual performance plan not just am I, you know, doing the right things, but also in terms of program results? Do you see a link to a strategic plan performance goal and a performance measure? Do you share in the amount of, you know, timber that's being put on the market for sale? Do you see how you relate to basically improving the land or the condition of the animals or the habitat? So it does reach across that.

And to see if all of those are working and to help advise the secretary as far as processes go, that effectively not only see that this information is being used and applied at program levels, at bureau levels, but also how does it feed up at the department level? Particularly as far as our approach for implementing the Executive Order, what we look at is, how do I find a hierarchical arrangement for all the performance assessments that are going on across the department? So they start to feed up. I can put them on the desk of the Interior Secretary. I can put them on the desk of bureau heads and such, and they can see what's going on in a way that just doesn't bog them down in a whole bunch of details. The idea is they can start to see where things are, how things are going, and say, well, I think I want to work -- look here.

You know, if we start to categorize representative performance measures in terms of positive performance, meaning more for less or the same amount of money, sustained performance means that, well, you're getting basically the same level of performance for the same level of funding, and then we have things that are considered to be challenged. Well, I can see what's working good. I can see what's kind of on, you know, it's doing fine. But then I particularly like to look at these areas. And it gives them the opportunity then to figure out where do I want to dive down and go deeper? Realizing that the next level down or the next two levels down, the organization will, they have more of that detail.

So I'll go from representative performance measures to programs that feed into that measure. I get more details through the PART assessments for those programs. And then if I need to go down to the project level, well, there are folks who have their information as well that ties up. And so the performance improvement officer is to make sure that those kind of processes are in place and that information is not just being collected, but it's also being used.

Mr. Smith: You mentioned a minute ago the human capital aspect. And the order states that each PIO will include measures and personnel performance appraisals. To what extent are you involved in this area? And how do you work with the chief human capital officer to ensure the performance plan of the executives are properly linked to Interior's key strategic goals?

Dr. Beck: I think the answer to that is very closely. And, I mean, this is something that even before the Executive Order, Kathleen Wheeler, who is our deputy chief human capital officer, she came to me and she said, well, you know, I really think that we need to have a link from individual performance to the strategic plan measures, well, then individuals get to see how they link into that and how their performance affects that. So she invited me early on to craft the standards that are placed in the performance plans of every SESer.

And then also, too, I like to jokingly refer to it as every man, woman, and child who works for the Department of the Interior. And it tiers down into their performance plans as well.

So I helped craft that with her. I even participated in the training when these processes were put in place. And we went out to various regional areas and bureaus and talked about how this works. I went along and helped in the training, get people indoctrinated into that. I believe that, I know Paul sits on the Review Board, particularly for the SESers. Every SESer that works across the department and its bureaus, their performance evaluation basically comes forth to a centralized review board. And that's one of the things they look at, is, well, are they contributing to

that performance?

And the thing to always be careful about in that, is that, you know, there are some individuals who will say, oh, my gosh, you mean if I don't meet my target, I'm not going to get my bonus or my performance award or something along those lines. And again, I mentioned before about goal met/not met. We make sure that we put a process in place that just doesn't put your performance in tune with the quantitative target, but also what's happening qualitatively. So, you know, I always kind of say don't forget the explanation box.

So if you work for the Minerals Management Service and you realize that, well, I'm into safety and inspections, and, no, I didn't do as many safety inspections of offshore drilling rigs this year as I was supposed to, you want to make sure in the explanation you put down forward, well, I didn't reach that target, but I was able to reestablish the operations within seven days when my building, my facility was leveled by Hurricane Katrina. You know, because, well, the reason why I didn't do as many inspections, I was a little busy with that. Plus, there were basically oil rigs that you couldn't inspect because they need to be repaired from the damage of that.

So let's make sure that, you know, we have to make sure that we use this in a responsible way. And again, that's what we're looking for. We want to tie individuals' performance to what's happening. So we are very much involved. You know, and we've worked together on that.

Mr. Smith: In addition to your agency-level responsibilities, I understand you're also part of a government-wide Performance Improvement Council. Can you tell us about the council and its subcommittees?

Dr. Beck: The Executive Order basically formalized that group into the Performance Improvement Council. And obviously the Executive Order was reviewed with this group and we continue to discuss ways of implementing it. We share ideas through that council.

Like one of the subteams that I'm particularly interested in is referred to as the "reporting and transparency working group." And what this basically works on a fancy name for a group who looks at the performance and accountability report.

Looking at the results of the PART pilot that was conducted over the last year, which allowed agencies to break from the one, single, voluminous performance and accountability report and to build an annual financial report, an annual performance report, and then construct the highlights report. And how effective was that? Was it good, was it bad? And what happens is, is that when you run something like that, well, you start to see all sorts of creativity comes out of all that. Agencies start to come up with different ideas and ways to arrange things.

And particularly the so-called highlights report, I think, was a real winner from the point of view that put together a report that shows the good and the bad of what you do performance-wise. Just don't talk about -- I mean, it's called a highlights report, but next year it was going to be changed. That name's going to be changed because "highlights" meant to be kind of the key things that are happening, but not just the good stuff. You put in the good stuff, put in the bad stuff, make sure it's a balanced report. And that was one of the key things that we thought was really beneficial and we wanted to compare amongst agencies. Well, who did what? What worked well? What didn't work well?

The other thing we looked at was the notion of not only having an annual performance report, but trying to integrate it into budget justifications. And that kind of got mixed reviews. We always want to put performance information to help justify our budget. We want to put that in there, but an annual performance report you have to start talking about getting your strategic structure and your goal structure to match up with your budget structure.

The other subgroups deal with looking at more useful purposes for PARTWeb. PARTWeb is a good tool for being able to display the performance results that are being evaluated against programs to the public, particularly through ExpectMore.gov. And what other information we put in there to find a place where instead of me dropping a voluminous report of 300 pages on your desk in front of you and saying, well, it's in there somewhere.

So I tend to look at -- the reporting and transparency thing, I'll just mention, is that I still think that there's the ability to put together a pretty citizen-oriented report that gives you a sense of the performance and the costs associated with it. I'd like to see if we can still do that.

Mr. Morales: So Rich, as you -- and we only have about a minute left, but as you reflect on this body of work, what do you envision the next president or perhaps the next secretary will inherit in terms of a performance management framework, either government-wide or for that particular agency?

Dr. Beck: Well, I think for -- at least for the Secretary of the Interior, I think what we've got is we've got ourselves a road map. For the new group who comes in, what I'm looking for is, okay, broad organization we've talked about. We sized that up and such. But this is a road map. This helps you see the framework. I sometimes refer to it, it's like

a Christmas tree. It gives you the framework for what's going on across the department and its bureaus. It's a place to start. See what looks like it's working well. See whether you may want to drill down and look a little bit more. When you see how much work is being done in invasive plants, for example, is that enough? Do you want to do more? What's your sense of that?

And I would like to think that with plans in place to try to pull out a summary or a more highlights-oriented well, I shouldn't call it highlights, but a more using key indicators or representative measures to kind of capture things at a more executive level, I think that could also work for the Executive Office as well, that the president could see, well, what are the key things that you're doing and see this road map, and how well is it going and get a snapshot on that. But it still leaves room for saying, well, okay, but what about energy efficiency?

Mr. Morales: What does the future hold for the Department of the Interior and the establishment of the chief performance officer? We will ask Dr. Richard Beck, director of the Office of Planning and Performance Management, to share with us when the conversation about management continues on The Business of Government Hour.

(Intermission)

Mr. Morales: Welcome back to our final segment of The Business of Government Hour. I'm your host, Albert Morales, and this morning's conversation is with Dr. Richard Beck, director of the Office of Planning and Performance Management at the U.S. Department of the Interior. Also me from IBM is Jeff Smith.

Rich, what are some of the best ways to communicate the critical importance of performance management? And to what extent do you see some of the increase in of social networking technology, such as blogs and wikis, as valuable tools in communicating both the importance of accountability as well as the progress and performance?

Dr. Beck: Well, one of the first things as far as communicating goes is, and I like to refer to it as being able to engage your program folks, your office folks, engage them in what's happening as far as performance management is concerned. And what that means as far as communicating goes is that as you're making the next step, as you're developing your processes, you got to reach out to them, you got to talk to them.

You know, folks who look at cultural change, and that's what this is all about, this is what's the underlying aspect of this, as you're looking at cultural change you can't talk to them enough. You want them to see themselves in it. So when we developed the strategic plan, what we do is we go out, reach out to the bureaus. What are the key things that you're looking at or trying to achieve? Can we capture that in a strategic plan? Can we capture that in the measures? Try to engage them as much as possible. That's part of the communication process. And to an extent that they can see themselves in the final product, well, that's what you want. You want them to be able to identify with it because that makes it more useful to them.

And that's the other key thing is, am I making something that's useful for them? Am I creating a construct that just basically is up and out, or is it something that they can also use to give themselves feedback? So, you know, so they start to realize that, well, we're not just treating invasive plants, we're trying to control them. So you're trying to make sure you make those distinctions.

As far as, you know, the technologies, you know, the blogs and such, I got to admit that that's something that I think does hold some promise. When we revised the strategic plan for 2007 to 2012, a colleague of mine and I, well, we toured the country, went to basically six locations. We got tribal input, public input, and employee input. And one of the things we heard most often -- or I don't know if it was most often, but I know it really appealed to me or really said something to me, was, well, you know, it's great that you guys from Washington come out to see us every once in a while and talk about what's going on. And they're interested. I mean, they're working in the field delivering the program objectives. On the other hand, they want to see how that fits into what's going on in Washington, how that fits in with the department and with the bureau leadership as well.

And so we started to wrestle with, well, but how do I communicate that? You know, do we create this network where we tell every division director you have it with your staff, and your staff turns around and calls, you know, 16 field people. And so on and so forth. And you're trying to figure out, well, what's the way to do that?

And, you know, the notion of maybe putting some of this information, making it available in a sense that you know it's there, you could call it up, and you could say, well, I don't want to necessarily go through all of this, but this topic here kind of intrigues me. And to be able to go sort through that, find that, and be able to learn more about it, I think that does have the potential that we could start to reach folks who are interested, who want to get a sense for what's happening across the country. That's a way to do it. The question just becomes, you know, how do you organize it so that they're able to retrieve it and they can sort through it and figure out what they want. So I think that does

really have -- that has a valuable application.

Mr. Smith: We hear a lot in government about collaboration. What kind of partnerships are you developing now to improve operations or outcomes at Interior, and how may these partnerships change over time?

Dr. Beck: Well, I mean, one of the partnerships obviously is amongst ourselves. So I mentioned the Performance Management Council that I meet with, get bureau representation, and such. I assume you're probably -- are you talking more about partnerships, you mean like partnerships outside?

Mr. Smith: Between agencies, right.

Dr. Beck: Between agencies. Well, between agencies and between the government and the public, there's another Executive Order on partnerships. We call it "cooperative conservation." And a lot of effort going on -- well, I won't say a lot, there's key folks who are working with other key folks and bureaus to look at it across the board and say, well, where are we reaching out? Are we reaching out with all the others, government or otherwise, who are trying to pursue and conduct the same things that we're looking towards.

It is an emphasis. I know that there was a cooperative conservation summit or gathering in, I think it was St. Louis, a year or so ago, where government agencies and others who are interested in natural, cultural, resource management basically got together and said, well, what's in the way of us working together? And when you think about it, as far as natural -- particularly natural resource management is concerned, well, the government doesn't necessarily have to do everything. There are communities out there who are interested in, I don't want to wait for the government to come here. I know what I need here. How do we help them basically, you know, try to figure out what they need to do locally and encourage them to do it and then recognize when they do do it?

So we do have these programs that are reaching out and looking at what barriers may be in place to keep government agencies from engaging the private sector or, you know, local governments and such. And obviously the first stop is always with other government agencies. And also you want to do that because, hey, if you're doing that, I don't want to do it, too, you know.

I mean, I'd much rather, you know, I bring what I have as far as this is concerned. If you've got the other part that I don't have, well, that's even better. So cooperative conservation, these partnerships and such, it's key. This is more about engaging more folks in the country of trying to achieve, you know, this stewardship role and then getting them involved, too. And then, all of a sudden, what happens they start to realize the challenges that you have. And they go, oh, my gosh, that's kind of tough. And they end up helping you and you just achieve more in the long run. And they're engaged because, well, they take pride of ownership of what they're doing for the resource that's right there in their hands.

Mr. Morales: Sure, sure. So Rich, as you look to the future, what are some of the major opportunities and challenges that your organization is going to encounter? And how do you envision that your office will need to evolve, let's say over the next couple years, to meet some of these challenges?

Dr. Beck: Well, I think the thing that we have to deal with is the culture change. This is a different way of thinking for some folks to, you know, look at performance. We have to help them understand that it's not necessarily going to be, you know, a bad thing even if your results aren't the way you want them to be, that you can use it in a constructive way.

The other thing I think we're dealing with is that there's a lot of emphasis on data. You know, there's a lot of data going on and, to some extent, in looking at performance, we've encouraged the creation of more performance measures, more data associated with it. And we have more data, but do we really have more information? And it comes down to how do you organize it? Can I organize the data? All this data that's being collected and being looked at, is the right data being collected at the project level for their decisions? Is the right data being collected at the program level? And to realize that, how do I find out what particularly needs to be bubbled up so that we can start to make decisions at the Executive level, at the government level? We need more information, not really necessarily more data.

And we've got plenty of, you know, financial folks and auditing folks, who would like to go out and make sure that there are management practices in place to ensure that you have the right information. I'm not trying to belittle that, but let's not have it get in the way of at least having some information that helps us basically move forward.

One of the things we find sometimes is, like, in law enforcement, the first thing the law enforcement folks will tell you is that, well, crime rate's not really a good measure of my performance. And that's true, there are a lot of factors that are not under their control. But the other extent is if you can define your performance or explain it relative to the crime rate, I've got something now that more people can understand.

And so that gives you that framework of being able to convey the understanding along with conveying the performance. And also, too, it just builds the credibility that, you know, that we see this technical capability that exists and that we know that it's being practiced. So, you know, we basically have to help become more strategic -- if I can say that about folks who work in the strategic planning area -- more strategic about how we're using the data. How do we construct it and how do we bring it to decision makers so that it's useful for them to make decisions?

Mr. Morales: Rich, at the start of the hour you told us just a wonderful story about how you got started in government. I'm curious, what advice might you give someone who's out there thinking about whether they should get involved with the government or public service?

Dr. Beck: Well, I think the thing is if you're thinking about getting involved with public service, you do have to understand that this is a highly -- it should be a highly collaborative process. There are many people who are involved. I mean, that's part of what this country is formed on is that, you know, it is a democracy. People have a say and you have to realize that it's not just a case of, hey, I've got this great idea. I have an answer and I can help make things better. You have to realize that, well, you have to take that answer and then start to work through with all the other folks who are involved, whether it be at a bureau level, an agency level, whether it be the Executive Office, whether it be Congress, that you have to get them all to buy into it as well. You have to help them understand, you know, what you're trying to do and how it would work. So it's not just a question of having the answer. It's you just are not just skilled in getting the answer, you're also skilled in helping other folks, influence other folks to come along with you. And that's part of the job, too, so you need to understand that as you're trying to get into a government career. And some people find that exciting, you know, can I influence the way? Not just have the answer, but, you know, have it become part of policy and have it become part of practice.

The other thing is that make sure that, you know, you have a grasp for, you know, to some extent government can run like a business. To some extent, though, be ready for the challenges that, you know, businesses, I don't want to make it sound easy, but businesses basically a lot of times work with market factors. I'm not an economist, but there are things that the government does which even economists would say are considered externalities. They work outside the market function. That means that they're tough to quantify. But don't let that hold you up from stopping and, you know, trying to at least come up with something still useful for decision-making. But realize that you're not going to be able to come out and find and say, oh, look, I can come right here and I say I can tell you how much access to resources are going on here because of, you know, it may be hard to quantify.

You may find out for, like, how do you improve the quality of your life? How do you measure those kind of things? So be ready for the fact that some of this stuff, you're going to be asked to identify an outcome. You need to talk about it. You want to show your results to it. But it may not be easily quantified, but don't let it stop you from trying to find it. So just be ready to deal with those things.

Mr. Morales: That's a great perspective. I think that's very well said. Rich, unfortunately, we have reached the end of our time. I want to thank you for fitting us into your busy schedule. But more importantly, Jeff and I would like to thank you for your dedicated service to our country across the roles that you've held at NASA and now DOI.

Dr. Beck: Oh, thank you very much. I appreciate you all inviting me and to get a chance to talk about some of these things.

The other thing I would just point folks to is that I'm really curious to see that when we put together this highlights report, does it really speak to folks who are not necessarily bent in all the details? They want to get a sense of what's happening across an agency as broad as Interior, you can go to the website. It's www.doi.gov, pretty straightforward. And if you look down the left side, you'll see that there's a link there called DOI Performance, and you can see the products that we produce, what we're trying to do. And particularly, look on the highlights report from 2007, see if it makes sense to you.

The other thing that, you know, also, too, is take a look and see what with the kind of talented help that does work for the government could be able to produce. One of the things I'm lucky about is that I have a very talented staff. And I sometimes jokingly say that I come up with these crazy ideas. And I say, well, you know, do you think could we do this? Could we measure performance across an organization this large with maybe just a subset of our strategic plan measures? And they'll look at you and they'll kind of say, well, maybe we can. And they come up with an organized process of how you would be able to capture that performance at that level.

And then there are other folks who start to be able to attribute the cost to it, even though sometimes, you know, it's maybe outcome-oriented and it's not, you know, the financial output kind of thing that you would like to see in a financial statement. But they still find information that's useful. And then being able to pull it all together, pull across

the bureaus and pull it into a report that hopefully, you know, says something to folks about giving them a sense of what Interior is doing, how well we're doing it, and where we still need to take some attention and still need to change. So it's good to have them as well.

And that's why you mentioned about people becoming involved with government, I hope that folks would basically take on the challenge and bring their skills and their talents to help with public service as well.

Mr. Morales: That's great. Thank you very much. This has been *The Business of Government Hour*, featuring a conversation with Dr. Richard Beck, director of the Office of Planning and Performance Management at the U.S. Department of the Interior. My co host has been Jeff Smith, federal civilian account leader at IBM.

As you enjoy the rest of your day, please take time to remember the men and women of our armed and civil services abroad who may not be able to hear this morning's show on how we're improving their government, but who deserve our unconditional respect and support.

For *The Business of Government Hour*, I'm Albert Morales. Thank you for listening.

Announcer: This has been *The Business of Government Hour*. Be sure to join us every Saturday at 9:00 a.m. And visit us on the web at businessofgovernment.org. There you can learn more about our programs, and get a transcript of today's conversation. Until next week, it's businessofgovernment.org.