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Managing Change that Makes a Difference

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Since the shocking events of 9/11, the Washington management community has engaged in extensive debate regarding the daunting task the new Department of Homeland Security (DHS) faces in meeting its difficult mission. The unprecedented complexity involved in building this new department has renewed interest in presidential management initiatives to structure and operate departments and agencies more effectively. In developing new approaches, it is a mistake to neglect past experience that can be of great help when adapted to new circumstances.

No prior departmental structure offers a blueprint for how the DHS or other new departments should be structured and operated (Dean 2004). Circumstances are continually changing. Further, past management reforms have not had a high success rate with respect to achieving changes that have truly made a difference. Enormous effort, and much rhetoric, has been devoted to so-called reforms that have produced scattered examples of improvement but little has happened of a magnitude that can be seen by the public as having made a difference. Some have taken us backward. Yet mixed in with these disappointing experiences have been important presidential initiatives from time to time that did bring about important changes. These successes often benefited in a major way from giving high priority to certain basic management strategies that have enduring value. Future crises such as those that may face the DHS will require the type of quick action that could profit most from adapting basic management strategies that have been proven to bring about change that makes a difference.

This chapter focuses on selected management strategies that have been of special help to presidential initiatives over four decades in achieving changes that made a significant difference, changes that were thought unrealistically bold by most people at the time. At first glance, these strategies seem rather commonplace. So they are if applied in a business-as-usual manner. But in the

cases cited, they were applied in uncommon, some would say extreme, ways that made a huge difference in successfully meeting the intended objectives. The fact that not all program outcomes met with universal approval does not detract from the value of these strategies to a variety of presidents who were seeking change. When executed by experienced people, they should be equally adaptable to help future administrations meet especially difficult challenges.

Four of these strategies merit special attention:

1. The first strategy was that of moving bold reforms rapidly, including the value of a presidency's utilizing the transition in a way that permits beginning implementation quickly after inauguration. This is in sharp contrast with the usual approach of spending the first year to eighteen months, the period in which conditions are most favorable for action, setting goals and merely planning implementation.
2. The second was that by emphasizing fundamental concepts of good management, officials were able to take greater-than-usual risks and develop highly innovative approaches that were tailored to each circumstance rather than relying on models or conventional wisdom that limit creativity.
3. Third was to take bold steps with respect to openness and outreach throughout the course of an initiative. The resultant saving of time, the forging of trust, and the lowering of opposition pay big dividends.
4. Fourth was an unusually close working relationship between the career and political leadership in each case, and the mutual respect they held for each other. The relationship seemed to the participants much like a partnership.

The balance of this chapter illustrates how these strategies have been applied in selected presidential initiatives through the years in ways that truly made a difference.

Disaster Recovery

On Good Friday of 1964, Alaska was struck by the most severe earthquake ever recorded on the mainland of our continent. Registering over 9.2 on the Richter scale with an agonizing duration of nearly four minutes, it caused an area that was equal in size to Virginia, Maryland, New Jersey and Connecticut combined to either rise or sink permanently by five feet or more. The majority of Alaskans lived in this area. Many water and sewer systems were broken beyond repair; all harbors for fishing boats—the heart of Alaskan economic life—in this huge area were made inoperable; key transportation systems were knocked out; and thousands of homes and businesses were

destroyed or severely damaged. In order to prevent most Alaskans from scrambling to the lower forty-eight states, public utilities and harbors had to be back in operation before the early fall freezes halted the rebuilding. Rampant inflation also had to be prevented and new types of recovery financing and new approaches to earthquake insurance for businesses and homeowners had to be developed. These required that several pieces of urgently needed legislation to be pushed quickly through a busy Congress in which the Senate was paralyzed in a lengthy civil rights filibuster.¹

Unfortunately, no engineer could be found who believed that the extensive studies required to determine where it was safe to rebuild, followed by design and construction of new buildings, could all be accomplished within the short Alaskan construction season. The task was further complicated by the fact that for the first time this country decided to move beyond the policy of simply restoring facilities to what they had been before the disaster. Rather, they were to be rebuilt to new, modern standards and redesigned in a way that would enhance the economic development of Alaska, whose finances were precarious in those pre-oil days.²

Unlike hurricane recoveries, most of this critical work could not begin until massive soil tests could determine where it was safe to rebuild. Further complicating the task was the fact that testing had to await the lengthy trucking and barging of drill rigs from the lower forty-eight states, creating an almost intolerable delay in view of the short time available for rebuilding.

Yet only four months after the quake, it was clear that something had happened that was enabling these enormous challenges to be met. Recovery was succeeding beyond the hopes of the most optimistic. The *Anchorage Times*, highly skeptical at first, printed an editorial entitled "Government at its Best" in which the paper lauded the "remarkable performance" of the career leadership assigned to the task.³ Alaskans did not need to go south as winter approached.

This remarkable recovery effort under President Johnson changed our approach to later disaster recoveries, and laid the foundation for much of the New Federalism programs of President Nixon, which had an impact on virtually every community in the nation.

In addition to the strong determination of the Alaskan people, several management strategies were critical to achieving this unexpected success.

Rapid Action

Machinery that responds to disasters has to go into action very quickly. Unfortunately, two days after the Alaskan earthquake of March 27, 1964, it became clear that the existing organizational arrangements at the national.

state, and local levels were not equipped to handle a disaster of this magnitude and complexity. Johnson moved quickly and only five days after the disaster he had established a totally unprecedented structure involving both the executive and the legislative branches—an innovative arrangement that would ordinarily be viewed as much too controversial and time consuming to design and install.⁴ Government typically agonizes for months in organizing structures far less complex and precedent setting than this.

Extremely tight construction schedules were soon established, despite warnings that past experience indicated they would be impossible to meet.⁵ In the case of roads and utility lines such as water and sewer distribution systems, contractors were initially shocked to find that the time allotted was frequently only 10 percent of what experience had shown to be a typical period for design and construction once the location had been determined. Federal agencies were told to rely heavily on incentive contracting, including substantial reduction or total loss of fee for failing to meet target dates. On-site monitoring was intensive. Using streamlined management approaches and around-the-clock shifts, this new machinery led to the establishment of peacetime records in reconstruction even though this was the most complicated natural disaster recovery in our history.

Without this unusually rapid pace, Alaskans would have suffered a physical and economic crisis arguably beyond that experienced by any state since the Civil War. Much of the state would have been abandoned by fall, faced with a long and uncertain road to recovery.

Innovative Design

A major reason no engineer thought at the time that Alaskan reconstruction could progress sufficiently during the short construction season to prevent most residents from abandoning the state was because their mind-set was based on conventional management practices used in prior rebuilding. Within a few days, it became clear that relying on past approaches would fail miserably. President Johnson moved in an entirely different direction.

First, in an unprecedented move, Johnson reconstituted most of his cabinet as the Federal Reconstruction and Development Planning Commission for Alaska, chaired by a powerful senator, Clinton Anderson.⁶ No such organizational arrangement has ever been used before or since. Because a senator is not supposed to give direct orders to departments and agencies, Johnson appointed a senior career official from the Atomic Energy Commission as executive director of the commission. He reported jointly to Anderson and Johnson. Although not unique, joint reporting is not something most of us usually recommend. Four congressional staff members were assigned to the executive director and served under his direction. Their role as an integral

part of his staff enabled them to keep key congressional members fully informed as well as alerting the executive director to potential problems with the Hill in time to avoid them.

This novel legislative-executive branch linkage eliminated misunderstandings between the two branches and reduced the time for passing legislation to a small fraction of the usual period. With one exception, the bills were passed within a few weeks of being drafted, in sharp contrast to the typical legislative process. It also gave tremendous leverage both to the commission chair in policy formulation and to its executive director in operational decision making, critical ingredients to dealing with emergencies having great urgency.

Also without precedent, tacit approval of both the president and congressional leadership was given to waive any procedures that agencies and the executive director thought jeopardized their ability to meet important deadlines. Public hearings, for example, were often dispensed with because of the time they consume. This remarkable level of flexibility illustrates the capacity of our government to innovate quickly when necessary.

Further, because virtually every federal agency and every Alaskan state and local department was involved in the recovery effort,⁷ the usual fragmented management working relationships among the three levels of government were replaced by a common planning and implementation mode of operation that had never been tried before so far as the author is aware. It is interesting to note that the highly complex coordination activities moved smoothly⁸ without issuing any procedures. One exception was a unique reporting system through which field personnel informed simultaneously all levels within the state and federal governments of progress and problems.

Urgency demanded simplicity. None of the interagency coordinating groups were given authority as a group, relying instead on the agency authority residing with the agency members and the support of the executive director and the Bureau of the Budget (BOB) management staff. Most of these unique organization and management measures so crucial to success were fully operational less than two weeks after the earthquake.

Without this highly innovative streamlining of federal organization and processes that were established so quickly, the president's effort would have failed, working great hardship on the Alaskan people and threatening the short-term economic viability of the state. One can also imagine the political embarrassment Lyndon Johnson would have suffered.

Openness and Outreach

The executive director divided his time between Washington and Alaska, first spending roughly ten days in Washington working on emergency

legislation and policy issues and consulting with Anderson and members of the commission. He then devoted about the same number of days to time in Alaska, flying by plane from one devastated community to another, reminiscent of the circuit riding of the itinerant preacher in pioneer days. In addition to several key members of his staff, the Alaskan Field Committee members representing the key federal agencies were on board the flights, as were several Alaskan state officials. At each stop, the group would meet around a large table together with the local officials, generally in a high school gymnasium that could accommodate residents. Business and church leaders were active participants, as was the public.

At the first round of such meetings, there was an explanation of what types of federal assistance might be available, and under what conditions. The discussion then proceeded to develop an initial list of reconstruction projects, such as water and sewers, harbors, housing, schools, and transportation. Ballpark cost estimates were included, recognizing that all would have to be modified. The possibility of special Small Business Administration (SBA) and Federal Housing Administration (FHA) loan arrangements was included, as were appeals for restraint needed to avoid wage and price escalation.⁹

Assignment of most lead responsibilities among agencies of the three governments were made at these initial meetings, and preliminary timetables were established. Every citizen had an opportunity to speak briefly. There were no federal plans, no state plans, just community plans that integrated all three levels of government into common goals and plans. Despite strong steps by the chair to limit the length of comments, these meetings lasted most of the night and sometimes into the morning.

On the executive director's next visit to Alaska, similar meetings were again held, in which the timetables were made firm and budgets set. Again, every meeting was public, and citizens could raise their objections and make their suggestions. There was enough citizen participation to give the public a good understanding of what was possible and what was not. The executive director also spent considerable time inspecting each of the scores of rebuilding projects, talking with the residents or businesses in the damaged neighborhoods. This open approach enabled all the stakeholders to see the decision making firsthand and participate in the process.

In Washington the attorney general of Alaska had an office next to that of the executive director, and participated in all the staff meetings as well as those of the commission. The GAO had free access to all of the commission records. No formal requests were required. Visiting officials from Alaska were also accorded free access to any records except memos from the executive director to Anderson or Johnson regarding personnel.¹⁰

Since all elements of the communities were engaged in the planning, most people developed a sense of ownership in their community projects and worked hard to help them succeed.¹¹ Further, virtually no time had to be diverted from the frantic pace of rebuilding to explain and defend policies and decisions. The press was there to see developments as they unfolded, enabling the reporters to file highly accurate accounts. Too often, leaders believe that urgency prevents such extreme openness and extensive outreach. Alaska presents a vivid example of how this strategy can save considerable time in the long run. In fact, it is very unlikely that the effort could have succeeded with the typical level of limited openness and stakeholder participation. It would seem that the DHS might profit from a careful review of the unusually streamlined operational techniques used in Alaska.

Political-Career Partnerships

Within the extremely broad presidential mandate to save Alaska, the career executive director and his staff were free to use whatever management approaches they thought necessary without having to get approval from the political leadership. As mentioned above, this extended to suspending Bureau of the Budget or agency procedures believed to be jeopardizing the recovery goals, a remarkable example of confidence by political leadership of both branches in the integrity and judgment of the career service. This vote of confidence, in turn, gave the career leaders a huge incentive to use that operational freedom responsibly and judiciously.

Members of the Federal Field Committee were the highest-level persons from each federal agency located in Alaska. All were in the career service. Soon they were delegated agency authority far beyond what they had been provided heretofore. Their stellar performance in these enhanced roles was often a great surprise to their respective headquarters. Had the career leaders been required to seek approval from political levels in Washington for reconstruction decisions within budgets and policies approved by Washington, it is very doubtful that the recovery could have succeeded.

Of critical importance to Johnson's success was the fact that the sweeping management and engineering changes were designed and implemented by highly experienced professional people who could move far more rapidly than could have outside leadership brought in from the private sector.

Later, large quantities of oil were found and extracted in northern Alaska, making a huge difference in the economic health of the state. Since this help was not available in 1964, the management strategies outlined above were a lifesaver to Alaska.

New Federalism

Toward the end of the Johnson administration, it had become apparent that the well-intentioned Great Society programs were so centralized, and so laden with red tape, that most were falling far short of serving the public in ways that were intended. Building on the Alaskan experience and several earlier pilot projects initiated by the BOB, a major streamlining of the federal system of state and local grants was begun immediately after President Nixon was inaugurated.

Because virtually every domestic field was involved, it was widely predicted that strong opposition from a great range of special interest groups would sink this initiative before it could get off the ground.¹² Fear that the proposed streamlining would be simply a cover for Nixon to weaken assistance programs initiated by Democrats was widespread. Yet the BOB-led effort, through its new Office of Executive Management (OEM), overcame this opposition and moved forward with considerable speed in producing highly positive results. (In chapter 5, Ronald Moe argues for the restoration of an office with this capacity in the Executive Office of the President.) The resulting increase in federal responsiveness to local problems was welcomed by hundreds of communities from coast to coast. It drew bipartisan support from Congress as the members saw that the streamlining of management strengthened, rather than weakened, the effectiveness of programs they supported.

Rapid Action

Only a few days after his inauguration, Nixon forwarded to Congress a request to renew reorganization plan authority for the president, an authority he used effectively during his first term.¹³ Two months after inauguration he issued two orders focusing on departmental management. The first one directed six departments and two independent agencies to decentralize, streamline assistance to states and communities, and improve inter-agency coordination under a program already developed by BOB management staff and ready to begin.¹⁴ The other directed five departments and independent agencies to adopt standard regional boundaries and standard regional cities for all programs requiring interagency or intergovernmental coordination. Nixon was not simply announcing an intent to establish boundaries and select cities in the future; the cities and boundaries had been selected and were specified.¹⁵

Progress reports from the departments on actions taken, not merely progress on developing plans to take action at some unknown point in the future, were

due to BOB on May 1, 1969. Just four months after Nixon had taken office, the director of the Office of Executive Management met with the president to provide a progress report on actions taken by the various departments.¹⁶ This remarkable speed with which Nixon's management agenda got under way was one of the keys to his first-term success regarding governmental management initiatives.

Innovative Design

In seeking to overcome the service delivery problems of the highly centralized, procedurally burdened, federal assistance programs of the Great Society era, Nixon surprisingly drew on several pilot operations conducted near the end of the prior Democratic administration, even though it was his intent to adopt a management strategy that was the opposite of that used in the Great Society. He planned a massive decentralization. His conservative Republican supporters were surprised and worried, however, by his intent to rely much more heavily on local governments than on states in overhauling the delivery system, despite the consensus that local leadership was heavily tilted Democratic.

Nixon quickly proceeded to perform major surgery on the way in which most of these hundreds of assistance programs were administered. Agencies were given great freedom to pursue innovative techniques, but within two broad guidelines. First was to avoid tinkering with the existing system wherever possible. Rather, the departmental teams were to start with a look at what was truly necessary and rebuild from scratch. Second was to look at the needs from the perspective of the communities and their citizens, rather than from the perspective of Washington staff. Programs were authorized by Congress to serve the people, not Washington, a basic Nixon premise.

This strategy was far bolder than the traditional approach of limited incremental intergovernmental management improvements, often and typically limited to only one type of grant at a time. Under OEM leadership, grant processes for nearly four hundred domestic programs were reviewed from their initial application to final approval,¹⁷ as was the approach of the departments to oversight. Not everyone followed the basic guidelines, and some processes were simply not susceptible to major change, but the majority of grants systems were redesigned, some dramatically streamlined.¹⁸ Before-and-after performances were then recorded and audited to ensure that claims of success were verified independently before making them public, a rarely used government-wide approach that enhanced public credibility.

The new standard regions, each with their regional councils, were designed to expedite grant administration and bring more of the decision making

nearer the grantees. Similar regional moves had been considered earlier by both Eisenhower and Johnson, but each had decided such a sweeping change was too drastic to have a realistic chance of success.

The OEM established a group of "council watchers" to ensure that the regional councils served as expeditors rather than evolving as another level of government, a move that Congress had rejected earlier as giving the BOB too much power over operations of departments and agencies. However, in this case the BOB quickly developed strong bipartisan support from Congress in pursuing this new vigorous leadership role, in contrast to the more typical congressional attitude of believing that the BOB/OMB exercises too much power over the departments.

These actions were packaged as the Federal Assistance Review (FAR), and became core components of Nixon's New Federalism, which later also encompassed revenue sharing.

FAR succeeded in slashing the time and effort all three levels of government had to devote to managing federal assistance to state and local governments. Administrative costs had been typically absorbing 30 percent to 40 percent of the funds Congress provided for these programs.¹⁹ But cost savings were only part of the change. Federal responses were far quicker and had greater credibility because most of them came from federal field people who understood the local issues better than officials in Washington. Further, local leaders generally knew who in a field office could be held accountable for decisions as contrasted with those grantee decisions that earlier had been caught up in the slow-moving, cumbersome Washington decision-making process that typically involved many offices in ways that defied accountability. Public access improved greatly.

The results of the streamlining accomplished by the departments through FAR were very visible in communities throughout the country, including many of the disadvantaged neighborhoods that had been the seedbeds for the burnings and violence of the 1960s. On occasion the seven major public interest state and local groups forwarded joint letters commending the BOB/OMB on FAR. Proceeding along the traditional management improvement path would have produced virtually none of those changes that could have been seen by local communities as making a difference to them.

Outreach

During Nixon's presidential transition, even before inauguration, a series of informal discussions took place among the executive directors of the Big Seven public interest groups (also known as the PIGs) and several career people from HUD and the BOB. Immediately after inauguration, consultations with these

groups intensified, supplemented by meetings with key individual state and local leaders around the nation including Dick Lugar, the innovative mayor of Indianapolis, and Ronald Reagan, governor of California.

Within two weeks after inauguration, the OEM director met jointly with the chair and ranking minority member of the House and Senate committees concerned with government organization and intergovernmental affairs, an area in which Senator Edmund Muskie was providing very strong leadership. With the support of Bryce Harlow and Bill Timmons in the White House, the OEM followed a pattern of first securing White House agreement in principle to a new initiative, followed within days by consultations on the Hill with both majority and minority members and staffs. The OEM was then able to refine the White House-approved initiatives in ways that preserved the president's objectives while revising language that otherwise would bar congressional action on the Hill. In the process of these consultations, members of Congress experienced enough participation to share a sense of ownership in the final program. This resulted in a stronger bipartisan desire to help the initiatives succeed than one generally finds. The GAO was kept currently informed, and the comptroller general, Elmer Staats, often made valuable suggestions on management system reforms.²⁰

Draft BOB circulars to implement new legislation or executive orders were developed with agency involvement and then circulated widely before appearing in the Federal Register, but with short deadlines for response. Close consultations on grant reform with the leadership of the Big Seven as a group continued during the first six months of the Nixon presidency and continued less frequently thereafter.²¹ These consultations were supplemented by OEM visits to inner-city neighborhoods and other communities having the most difficulty in coping with state and federal red tape. This produced informal information channels in each area that ranged from power brokers down to former gang members who provided information about neighborhood conditions not otherwise available.

By producing diverse information flows from across the nation, this federal-local teamwork enabled the OEM to quickly gather data in several weeks that would have otherwise taken months. These facts, and the early support of state and local leaders, gave the White House confidence in moving quickly with the executive orders prepared by the OEM for launching the presidential initiatives to streamline the federal assistance programs.

Political-Career Partnerships

For an administration not thought to be friendly to the career service, it is interesting to note that the leadership for the Federal Assistance Review (FAR)

was entrusted to the career service. The president relied on the BOB career management staff (OEM) for leading the design and implementation of the whole program. This included developing and delivering congressional testimony and addressing national conferences of governors and mayors. Particularly important was the support of the career deputy BOB director, Phillip "Sam" Hughes. The interagency steering group was composed primarily of career assistant secretaries.

Similarly, most department heads looked to career leaders, especially their assistant secretaries of administration for management leadership in their departments. The same was true of major field offices that tended to be headed by career people. Toward the end of Nixon's first term, however, a number of assistant secretaries and field office heads were replaced by political appointees, a practice that accelerated during his second term and that of President Carter.²²

During Nixon's first term, many White House staff worked closely with the OEM in removing political obstacles for the whole management agenda of the president, especially John Ehrlichman, Patrick Moynihan, Bill Timmons, Arthur Burns, and Peter Flanigan. The career OEM director participated in the daily 7:30 a.m. meetings of the White House staff, unusual access for a career person. Until the 1972 presidential campaign, the BOB/OMB career staff and the political leadership of the Nixon administration functioned as a team, a productive arrangement that collapsed with the election.

Each of the foregoing strategies that contributed so heavily to Nixon's first-term management success were sharply reversed as the 1972 presidential campaign progressed and the ill-fated second term began. The author believes this reversal was an important factor in the more secretive and manipulative White House environment that produced Watergate and the infamous Plumbers Group activities.²³

Civil Service Reform

Beginning with the 1883 Pendleton Act, our government gradually replaced the corrupt patronage system of personnel management with one based on merit. Unfortunately, the system accumulated more and more procedures over the years until it became too cumbersome and rigid to serve the needs of management. At the same time, actions by the Nixon White House staff and some members of Congress showed that the system no longer gave effective protection against the political undermining of the merit concept.

President Carter called for a comprehensive review and reform of the system, resulting in the 1978 Civil Service Reform Act. This reform provided a

balanced approach that emphasized decentralization and simplification of the system to permit the managers to manage, but also built into the law stronger safeguards against abuse of increased flexibilities.

It brought about the largest set of changes since the system was begun in 1883. They included the establishment of the Office of Personnel Management (OPM), the Merit System Protection Board, and the Special Counsel to replace the Civil Service Commission (CSC); the Federal Labor Relations Authority (FLRA); and the Senior Executive Service (SES). The reform also initiated a government-wide linkage of pay and performance, authorized pilot projects to try innovative practices not authorized by the personnel sections of Title 5 of the United States Code, and called for major decentralization and simplification of personnel actions "to permit managers to manage." An important set of Merit Principles and Prohibited Practices were embedded in government-wide legislation for the first time as safeguards against renewed onslaughts against the merit concept for public service.

After twenty-five years of experience, including a rather disappointing quality of implementation, it is now time to build upon that important reform. New laws are now extending the flexibilities and simplification envisioned in 1978, as well as authorizing new approaches. One can argue that the Carter reform assumed a management capability beyond that actually possessed at the time by OPM and most agencies, especially in linking pay to performance, but it certainly did produce changes that began to free up agency managers to manage while also strengthening legal safeguards against abuse.

Rapid Action

Carter's civil service reform had some difficulty competing for attention the first several months, as the appointment of the executive director and eight of the nine task forces was not completed until early July.²⁴ It then moved on a very fast track. By the end of November a broad range of 125 specific recommendations was forwarded to Scotty Campbell, the chair of the Civil Service Commission; the OMB; and the president. As a result of the unconventional approach followed by Scotty Campbell and supported strongly by the OMB, the most comprehensive set of federal personnel recommendations ever proposed were developed within a few months, and many pages of resultant legislation were submitted by Carter to Congress early in its next session. Most of it passed in October, less than two years after his inauguration.²⁵

One seldom finds government-wide management reforms of this complexity that fare so well in Congress. Had Campbell permitted the more customary slower pace for government-wide reforms, it is highly probable that

the lost momentum would have led to the fading of congressional interest and support, leaving the reform package vulnerable to erosion of content.


Innovative Design

First, Campbell and the president decided to embark on a comprehensive review of the federal personnel system, something that had never been done in the nearly one hundred years since the beginning of the federal government's merit system. The boldness of this strategy presented a potential for a much greater change than earlier, more limited steps. At the same time, because it was unprecedented in scope, the chances for failure, and the political risk to Carter, were substantial.

Second, in planning this major reform of the civil service, President Carter rejected the conventional wisdom that said the only way to bring innovation and new ideas to the table is to appoint some type of presidential commission composed of people with stature from business and academia, as well as several nationally recognized former top government political individuals. The most successful such effort by an outside group had been chaired by a former president, Herbert Hoover, but Hoover did rely heavily on former government personnel, both political and career. By 1977, however, career people were thought to be resistant to change and incapable of thinking outside the box. Presumably, this was just the opposite of the leadership most people wanted for the formidable task of bringing about significant change.

Campbell, however, thought otherwise. As described in the next section on political-career partnerships, he looked to the career leadership to play the principal role in designing this presidential reform.

A third major innovation involved the policy framework. Earlier approaches to improving the system dealt with specific problems from either the management perspective that sought more supervisory flexibility or those striving to protect employee rights and the integrity of the public service from political abuse. This endless series of limited "fixes" tended to result in steps to increase management control that then kept being countered by new procedures to protect against abuse of these flexibilities. The whole system began to drown in red tape, yet the disastrous 1972-73 period demonstrated that the protective measures were not strong enough to guard against major political assaults. The Civil Service Reform Act, in contrast to earlier piecemeal steps, sought to address the problem on a much broader basis with a perspective not primarily from the viewpoint of either management or the employee, but from that of the public. "The staff recommendations in this report are based on the premise that jobs and programs in the Federal Government belong to neither the employees nor to managers. They belong to the people."²⁶



Finally, this reform initiative rejected the overused opinion survey as the principal research tool. Conventional approaches focused only upon the specific elements of the system drawing the most complaints, and then revised along the lines suggested by the opinions that had been gathered. This had resulted in piecemeal changes that typically made little visible difference.

Instead, the Carter approach relied on facts more than opinion. Task force research looked at total processes in depth. For example, it flowcharted each step that had actually taken place in a number of personnel actions among different agencies, rather than looking at only the much smaller number of steps reflected in the formal procedures. It was found that actual practices were frequently very different from those the opinion surveys indicated, as well as quite different from what the manuals prescribed. The biggest barrier to removing or demoting unproductive employees, it turned out, was not legislation, which had usually received the blame, but poor management. Scotty Campbell's team had the philosophy that if one does not fully understand what causes a management failure, it is unlikely that the recommended solution will improve anything.

Political-Career Partnerships

Having been dean of Syracuse University's Maxwell School of Citizenship and Public Affairs, and a professor of political science, Scotty Campbell knew that many career men and women were among those most anxious to rid the departments of the excessive regulations and procedures that made it so difficult to make government work effectively. It was the career people who experienced firsthand how excessive red tape bound their hands in carrying out their missions. The federal personnel system was one of the most rigid and process-dominated elements of government operation.

Scotty also believed that because career leadership knew so well the territory that needed reform, they could hit the ground running and drastically cut the time needed to develop a meaningful design for reform. Timing was critical because major legislative proposals have the best chance of success when developed early in a new administration. He also believed their recommendations would likely be more practical than those coming from outsiders who would be less knowledgeable about what was workable and what could best pass Congress.

As a result, a former senior career official was named executive director. Career men and women composed the leaders and members of all but one of the nine task forces serving under him. Relationships between these career people and the political leadership were outstanding, and under Campbell's

skillful guidance, this gave the participants the feeling that they were engaged in a true partnership. Reflecting this close-knit cooperation, the report that Campbell forwarded to President Carter and the Congress was written by the career leadership without change by the CSC, the OMB, or the White House. At no time had political appointees in the CSC, the OMB, or the White House pressured the career task forces or the executive director with respect to any of the final 125 recommendations.²⁷ As Campbell had anticipated, this unusually strong career role was reassuring to the Congress, helping to counter concerns about the reform expressed by some employees who thought the provisions too drastic.

Openness and Outreach

Great emphasis was placed on extensive outreach by the CSC commissioners and the project staff during every stage of development; a special task force position was established to develop an open/outreach strategy. At the outset, meetings were convened with various interest groups to explain the nature of the presidential project and its unusual breadth.²⁸ Thereafter, other stakeholder meetings were held, and the nine task forces were encouraged to communicate with those outside the project.

Staff of the key House and Senate committees were invited to sit in the staff meetings of the executive director, and a senior GAO staff member was also free to sit in these meetings as well as those run almost continuously by the task forces, who were all assembled in one huge room with an open space arrangement.²⁹

About three months after the task forces were formed, a press conference was held at which Campbell and the executive director distributed draft option papers from each one.³⁰ These papers reviewed the major issues being addressed, together with options for change in each case. The papers were also sent out to hundreds of organizations and individuals with a short deadline for comment. Each task force then developed recommendations for action, taking into account the comments received. Another press conference was held, and these action papers were distributed to well over a thousand recipients. They were circulated directly to several levels within federal departments and agencies in order to better assure that reactions were not limited to the views of top departmental officials.

Public hearings were held in several locations involving over 5,000 participants. Four months after being formed, each task force developed its final recommendations and submitted them to the executive director, who based his own recommendations heavily on the task force reports, which were also published.

Not everyone agreed with these recommended actions, but no one could be surprised by them or could say they had no chance to be heard. Further, the design teams knew the potential criticism in advance of the final report and were able to reduce some of the objections in the final drafting. This extensive exposure meant that neither the White House nor the congressional sponsors were caught off guard by any unexpected issues or attacks.

Agency Closure

The Office of Economic Opportunity was established by President Kennedy as a temporary agency to develop innovative approaches that might address the special problems of disadvantaged communities and families. After a period, those innovations that worked were to be woven into the activities of the established departments, after which the agency was to be terminated. Nixon had tried to end its existence through a highly confrontational approach and had failed. In fact, conventional wisdom had come to hold that an independent agency simply could not be abolished. Yet in 1981, President Reagan made a new attempt to eliminate the antipoverty agency, now called the Community Services Administration (CSA). Reagan was also expected to fail, and in the process provide a rallying point for critics to campaign against his administration as being indifferent to the plight of the poor. Marches and protests were expected, as well as hostile congressional hearings and a highly negative media.

This time the outcome was remarkably different from the Nixon failure. Despite strong opposition to the policy of closure, there were no protest marches and no negative editorials or congressional hearings regarding the way in which the agency was closed. Further, instead of sabotaging the closure and undermining the president and agency head, most CSA career men and women worked hard to make the closure successful, despite the fact that virtually every one of them was opposed to the policy of closure.

Rapid Action

The independent agency did close precisely on schedule, an action unprecedented at the time. By moving very rapidly, it was possible to close the agency by the end of the fiscal year, just eight months after inauguration and only seven weeks after Congress agreed. A slower pace in managing the closure would have required extending funding into the next year, not only increasing the cost but also placing the closure in jeopardy.

Innovative Design

When President Reagan stated in 1981 his intention to abolish the CSA, a quick review turned up no example of a peacetime independent agency with

a nationwide constituency having been abolished since the Supreme Court declared the National Recovery Act (NRA) unconstitutional.³¹ There was virtually no experience upon which to build.

Conventional wisdom regarding downsizing was ignored by the new CSA leadership, and numerous political pressures to repeat the failed confrontational approach of the early 1970s were rejected.

At the time Reagan took office, employees slated for losing their jobs through agency downsizing had been typically regarded as people who were (a) too despondent to be very productive and (b) in need of spending most of their time hunting for new employment rather than being required to carry their normal workload. As a result, they were edged outside the mainstream of activity, leading to their feeling that they were rejects. Their self-esteem dropped, reducing the self-confidence needed for marketing themselves in another organization, and the agency lost productivity.

In the case of the CSA, a number of ultraconservative Republicans were uneasy about the appointment of a career director, who would likely be too sympathetic toward the employees and lack the backbone to close the agency. To lessen this risk, pressure was brought by them to bring in a cadre of "believers" to control the closure. They also pressured the director to distance himself as much as possible from the career leadership, whom they regarded as strong anti-Reagan Democrats poised to sabotage the closure at every turn. The director thought this assessment of their political affiliation was probably correct. But, contrary to the conservatives' distrust of these men and women, the director, with support from Ed Meese, counselor to the president, as well as the OMB leadership, gambled that most of them would be willing to respond to the presidential decision to close the agency in a responsible manner, provided it was done in a professional way that showed respect for people even if they disagreed strongly with the closure policy.

The work faced by CSA employees was doubly burdensome because they were given a two-track assignment during the period prior to the point that Congress voted to permit closure by October 1, only seven weeks away.³² The first track was to continue effective execution of the antipoverty programs as required by law; the second was the distasteful track of planning for closure should Congress so decide. Instead of being given a lighter load and shoved aside, they were asked to do double duty for the government in addition to their job hunt. The great majority of employees responded remarkably well to these difficult circumstances, some taking considerable pride in their ability to perform well under great stress. One incentive was their being reminded that their ability to find new jobs would be influenced by how they performed in their last CSA assignment.

Openness and Outreach

Reagan's CSA director spent much of his time working with groups who were strongly opposed to the 1981 closure. As mentioned above, the CSA leadership involved the career men and women extensively in planning and executing the closure, rather than the more common approach of setting them aside. The director also visited numerous community action agencies, natural enemies of the closure. Against the advice of Republican Party activists, the director accepted an invitation to speak at the national conference of community action agencies, which was expected to be a volatile forum for venting anger over Reagan's closure plans. Surprisingly, his speech was well received by the supposedly hostile audience. Although he probably persuaded not a single attendee to favor closure, his willingness to meet with them and express respect for their views despite his policy disagreement was disarming to those poised for protest.

The director appealed to leading congressional opponents, such as Senator Ted Kennedy (D-Mass), to help him conduct the closure in a manner that would cause the least possible pain to those involved in the CSA programs. In fact, he kept in close contact by phone with John Sweeney, who was leading the opposition. Each alerted the other to major steps they were about to take. Despite total disagreement on the policy of closure, they came to respect each other, each never criticizing the other personally.³³

This CSA involvement of stakeholders that opposed the closure helps explain the fact that the expected use of the closure as an emotional centerpiece for marches and rallies attacking the director and the Reagan administration did not materialize. Opposing statements centered on the policy issues, as they should have, rather than attacks on unsavory motivations or allegations of improper actions that could provide juicy fodder for negative media publicity of the type that is often especially damaging to a president.

The unusual emphasis on openness that accompanied the CSA outreach is illustrated by the invitation to the GAO to come in early and closely observe the closure as it began. Rather than requiring a written request from the GAO for documents it wished to examine, the common practice at the time, the director instituted a simple library arrangement whereby a GAO representative could check out any document he or she wished to look at by simply leaving a slip recording what documents were taken, when, and by whom. In return, the GAO alerted the director immediately to any problems it saw emerging, enabling the director to take quick corrective action rather than waiting for the GAO draft report, when the problems would have grown more serious.³⁴

Political-Career Partnerships

As mentioned above, Reagan took the unusual step of assigning the politically volatile task of closing the agency to a longtime career person, thereby sending a signal that the action was to be managed in a professional, rather than a political, manner, despite the political stakes involved. Instead of the government's bringing in a cadre of "loyal" political people to manage the closure and edging the CSA career leaders aside, as the director had been urged to do, the CSA people that the director inherited were given leadership assignments extending to chairing interagency and intergovernmental task forces involved in the closure.

These leadership opportunities helped preserve morale, and placed a number of employees in a better position to find new work after closure. The director was warned against bringing the CSA regional field directors to Washington, where they could lobby Congress and the press to block the closure. Instead, they were convened in headquarters several times for progress reviews, and they engaged in one or two phone conferences each week. Their strong leadership was a key factor in the closure. No evidence of undermining activities by the field personnel ever came to the attention of the director. When one afternoon the director found that political "advisers" had been imposed on each regional director to ensure they followed the party line, the advisers were removed immediately. The president of the local union, understandably a dedicated opponent of the closure, was nonetheless named to the CSA closure steering group, adding to the chagrin of many of Reagan's most conservative supporters. His participation was of great value. Everything legally possible was done to facilitate CSA employees' finding other employment, and considerable unpaid outside help was drawn upon, since funds could not then be used for this purpose.

In keeping with the political-career partnership approach, the director never had a meeting alone with the political appointees or a meeting from which political appointees were excluded. Each group had an essential interdependent role.

The decision to manage the closure in a way that reflected confidence in the professionalism of most CSA employees played a major role in reducing expected opposition and negative publicity.³⁵ It also enabled the Reagan administration to draw upon the valuable knowledge and energy of these employees during the challenging task of closure. It also saved President Reagan from a major political battle. Sadly, the sacrifice of these employees, who worked so hard to close the agency they loved and bring their own jobs to a close, was never recognized by the Reagan White House.

Nuclear Cleanup

Although not a major presidential initiative, an important current adaptation of the foregoing management strategies can be found within the much-maligned nuclear weapons cleanup program. It is the story of one element of the program, that of Rocky Flats in Colorado.³⁶

For years, few government programs were in such disrepute as that of addressing the problem of cleaning up radioactive facilities no longer needed for our nuclear weapons deterrent. Because there was uncertainty as to whether there might be a future need to revive some of those nuclear operations, they were inexcusably left in limbo without adequate attention to maintenance of the safety standards required as buildings and machinery aged. As it became clear that they would not be needed, the estimated time and cost needed to clean up and close the facilities were too discouraging to generate meaningful plans. The program was rudderless and drifting.

Rocky Flats, north of Denver, was one of the major targets of this criticism. Adjacent communities became increasingly concerned about the state of affairs. These legitimate concerns were increased by the abysmal failure of the Department of Energy (DOE) to share unclassified safety information with them. Secrecy always gives rise to rumors, and the negative speculation escalated community protests well above what would have otherwise existed. An exasperated Congress established the independent Defense Nuclear Facilities Safety Board to help ensure the safety of these unused weapons facilities.

In 1995 the projected cleanup of the Rocky Flats facilities was estimated to stretch out as long as sixty or seventy years before the area could be used for other purposes that would benefit the community.³⁷ Costs were then estimated as high as nearly \$37 billion,³⁸ though there was so much uncertainty about how the cleanup would be done that these were more "guesstimates" than estimates. No one really knew.

The completion actually occurred at the end of 2005, rather than 2055 or 2065. DOE estimates the total cost at about \$7 billion, as compared to the earlier \$37 billion. This drastic reduction is in sharp contrast with most cost and schedule estimates that typically increase with time. Community safety concerns have also been greatly reduced. What has contributed to this remarkable project reform?

One major factor has been an adaptation of the management strategies discussed in the foregoing cases.

Rapid Action

With the congressional pressure, and the DOE change in cleanup leadership, the whole approach to timing changed radically. Instead of a passive

approach that seemed to regard the problem as nearly insoluble, the new leadership decided that cleanup was doable if a clear goal of closure was established and significant contractor incentives were provided to achieve those goals as well as imposing credible contractor penalties for failure to do so. In addition to reducing the period in which communities remained deeply concerned about safety, it was thought that the best way to reduce costs to an acceptable level was to sharply reduce the time required to reach closure. At the same time, this collapsing of the timetable could not be permitted to compromise safety. By focusing so heavily on outcomes, in this case the mission of a rapid, but safe, closure, rather than continuing to be preoccupied with inputs and outputs that made virtually no progress toward the ultimate goal, the pace had to be increased dramatically. This required a drastic turnaround in management strategies.

Innovative Design

The change from the traditional maintenance and operation type of contract used in DOE facilities to a highly incentivized fee approach required a fundamental shift in contract management from one of managing the contractor to one of managing the contract. This was a highly significant innovation for the weapons facilities that demonstrated great courage on the part of the DOE and its prime contractor, particularly in view of the uniquely sensitive role of nuclear safety. The impressive Rocky Flats cost savings could not have been achieved without these and other basic innovations.³⁹

Openness and Outreach

The Rocky Flats facility was once the center of public criticism, with the DOE suffering from an image of secrecy and mystery that robbed it of any credibility regarding community radiological safety. The reverse became true at Rocky Flats under new DOE and contractor leadership. Community groups that once attacked the Rocky Flats office now praise it for candor and accessibility.⁴⁰ This transformation came about as the result of extensive open meetings with the public, sharing of an enormous amount of data, and quickly advising communities of emerging problems, as opposed to the DOE past practice of discussing problems reluctantly and only after being pressed for some period of time. Community groups have participated actively in discussions regarding potential impact outside the facilities of safety issues. Congressional committees have been kept far better informed. Together with the impressive progress toward closure, this strategy has replaced congressional displeasure with support.

Political-Career Partnerships

The vision of a Rocky Flats transformation was initiated by a DOE assistant secretary in Washington and a career manager of Rocky Flats in the mid-1990s. However, it was a successor manager, a career nuclear physicist from Savannah River Operations Office, Jessie Roberson, who was largely responsible for bringing about the dramatic changes at Rocky Flats. She later became assistant secretary for Environmental Management (EM), where, as a political appointee, she oversaw the whole departmental cleanup effort. Strong support came from Robert Card, DOE undersecretary, who had headed the Rocky Flats contractor organization during the days that Roberson headed the DOE field office.

EM is a highly professional organization, combining new approaches with some of the earlier managerial techniques employed by the legendary Admiral Hyman Rickover, father of the nuclear navy, who built one of the most skilled engineering teams ever assembled. The Rocky Flats career SES experience gave Roberson great credibility with the EM employees in her political appointee role as an assistant secretary. One does not see among EM personnel the usual "us and them" view of political versus career public servants.⁴¹

General Observations

Since none of the precise circumstances that gave rise to the foregoing presidential initiatives will ever be replicated in the future, one might ask why bother with these vignettes of management history?

The author believes there is considerable significance in the fact that, although these initiatives were spread over four decades, and were addressing very different challenges, the management strategies singled out for discussion in this chapter were applied in ways that made major contributions to each. Because of their enduring value, it would seem that much greater attention to these strategies could have substantially improved the Planning, Programming and Budgeting System (PPBS), the Grace Commission, Re-inventing Government, and the Bush Management Agenda.

Considerable time has been spent on nonproductive goals of inventing new basic concepts such as the ill-advised efforts to remake government like a business. This led, for example, to the change in emphasis from serving the public to serving the customer, forgetting that private employment and public service grow out of different bodies of law and have a number of fundamental differences. It has led to an emphasis on efficiency that is dollar dominated over the more important government goal of effectiveness that

includes efficiency but gives higher priority to achieving the agency mission. Business practices were not used in most of the work of government employees as they pursued the strategies discussed in this chapter. In fact, they would have been highly counterproductive in the important openness and outreach strategies. However, the management practices of the private enterprise were of immense value by virtue of extensive use of contractors in the Alaska and Rocky Flats cases. This was fundamentally different from the application of business practices to work that is inherently governmental.

In the view of the author, most of our reinvention efforts in recent years would have had a greater impact had they been directed more heavily toward developing innovative ways of adapting proven concepts and strategies to new challenges. Innovative utilization of rapidly changing technology, an important tool of effective outreach and openness, is an area in which both the Gore and the Bush programs deserve credit for having done just that. But many other areas have been neglected. Internal departmental communication systems, for example, have declined in important ways. As Dan Guttman observes in chapter 10, despite the push for outsourcing and incentive contracts, we have not seen the actions necessary to increase the contract management capacity that is woefully inadequate in most departments. Increasing the credibility of competitive sourcing and employee incentive awards has had very little success. Departmental structures and operations are often done on an ad hoc basis with insufficient attention, for example, to accountability or to headquarters/field roles and relationships. Intergovernmental and inter-agency management have been given scant attention.

Rapid Action

Although a fast start is an almost universal goal of incoming administrations, they generally fail to do so, especially in the field of management reforms. The planning phase of ambitious initiatives, such as Clinton's Reinventing Government or the Bush Management Agenda, usually dominates the first year of a presidential term if not longer. At times, government-wide action of significance may not begin until the third year, when it is far more difficult to mobilize for broad reforms and too late to institutionalize major changes before the next election. In addition, delays increase costs and weaken support. Why did the Nixon, Carter, and Reagan initiatives we have discussed move so rapidly? Effective use of proven management strategies is one of the principal reasons.

One example was the quick development of a political-career partnership, mentioned below, in which experienced career men and women were drawn upon for top leadership roles for the design and implementation of each

initiative.⁴² These people knew the problems far better than outsiders, and required far less time getting started than those brought in from outside to design the changes. Further, their experience provided them with a good feel for what type of, and how much, radical change was doable. At times, limited agency capabilities require the phasing in of radical change, but it must be done carefully in a way that does not lose momentum. Finally, this strong career involvement in designing the reform reduced many of the alarming rumors about negative impacts, and resulted in a better understanding of the reform by large numbers of career implementers, thereby enabling them to move the action forward more rapidly.

The cases discussed here suggest that congressional oversight committees tend to have greater confidence in the ability of career men and women to design workable reforms than in new political appointees, and are less likely to delay presidential plans while probing for hidden political agendas of an incoming administration. Also, the lengthy confirmation process means that waiting for most of the new political team to be in place inevitably delays transforming broad policy objectives into specific plans and proposals.

Three of these initiatives also benefited heavily from having utilized the presidential transition period effectively in planning management initiatives that could be launched quickly after inauguration. Too often management issues are pushed aside because most transitions are somewhat chaotic, and the new team has difficulty focusing effectively on even the most vital policy issues, much less management.⁴³ Despite pronouncements to the contrary, management is given low priority, something that most presidents-elect and their aides believe can be added after the important policy issues are addressed and the new administration gets its feet on the ground.⁴⁴ As a result, management loses out in transitions, increasing the difficulty of matching the rhetoric about "bringing government closer to the people" and "making it work better at less cost."

Another problem, as Ronald Moe points out in chapter 5, is the fact that presidents no longer have an institutionalized change agent, such as the former management staff of the BOB and the early OMB, to provide government-wide leadership and agency support in helping a new president to move out quickly. This was the crucial factor in launching Nixon's New Federalism. BOB management staff also provided critical support that helped ensure the surprising success of the Alaskan recovery. Although much reduced in capacity, OMB management staff still provided important support for Carter's later civil service reform. But by the time the CSA closure occurred, the OMB management staff was able to offer very little help.⁴⁵ The remaining fragments of the OMB staff that had been experienced in addressing structural and crosscutting management issues on behalf of the president were

abolished later as a part of the Reinventing Government movement. Few are aware of the seriousness of this loss.

In addition to this lack of central leadership capacity, few departments and agencies have an effective focal point for management leadership, as these functions have been splintered and the senior career leadership reduced in stature and effectiveness. Many have been replaced with political appointees, who are not only often delayed by the appointment process but they are rarely sufficiently informed on governmental operations to provide leadership for a quick start at the gate. When they do get ready, they are anxious to go and not much interested in building bridges from old systems to the new. Neither are many of them skilled at institutionalizing advances that do emerge. Combined with the disappearance of OMB management assistance capacity, the weakening of departmental management leadership has greatly handicapped recent presidents in launching new reforms effectively. A very promising development, however, has been the Bush inclusion of an undersecretary for management in the DHS, as is discussed in chapter 4.

Political-Career Partnerships

Sharply contradicting the conventional wisdom about career people allegedly resisting change and lacking innovation, in each of the cases covered in this chapter we saw that the political leadership relied on career leadership to an unusual extent in developing a practical partnership. Within this framework, the political leadership always set the broad policy and retained its ability to withdraw delegated authorities, should that become necessary. Career leadership roles (a) enabled each initiative to be launched quickly and at less cost, as noted above; (b) resulted in approaches that were highly innovative, yet practical; (c) helped both congressional committees and those at lower levels in the bureaucracy to better understand what the president was seeking to achieve, and (d) decreased potential opposition.

These advantages should cause future White Houses to consider utilizing career men and women in stronger leadership roles for the design and execution of new presidential initiatives than is typically the case. The Grace Commission was particularly deficient in this respect, contributing heavily to its failure.

As an example, the Department of Homeland Security should rely more heavily on career field office leadership in responding to terrorist threats and attacks.⁴⁶ It is an area in which a nonpartisan, professional approach is essential, just as it is in most law enforcement and military organizations. To do so, however, the DHS will have to increase attention to field training, delegations of authority, coordination, and communication systems (Ink and Dean

2004, chapter 8). More rigorous testing of the interagency and intergovernmental planning and operations is required. We seem to have learned little from our earlier successes.

It also should be stressed that the effectiveness of career men and women depends heavily on good political leadership. Political appointees that come into office after campaigning against the "bureaucracy" whom they distrust and keep at arms length will not be well accepted by the career employees on whom they must rely for implementing the president's agenda. The White House and department heads must understand that those appointees who respect career employees, and understand their value, are able to develop a highly productive partnership that is crucial to the success of presidential initiatives. This critical aspect of good government is given low priority in most of the presidential nominations and congressional confirmations.

Without effective career and political leadership, and a sense of partnership between the two, efforts to apply the foregoing management strategies would have failed in every initiative discussed in this chapter.

Innovative Design

Basic management strategies have been invaluable for successful presidential initiatives, but none of those described in this chapter used detailed models drawn from prior reform efforts. Neither did any of them seek to pattern their management after business practices, although each one engaged skilled managers to administer contracts and grants that did utilize the contributions of the private sector. It was recognized that all major presidential initiatives for change occur under conditions, and with objectives, that are somewhat different from what has gone before. Therefore, trying to fit their management design into some existing model was viewed as unduly limiting and likely to work against innovation. Instead, each initiative was approached *de novo* to a considerable degree.

This strategy might appear to involve an unacceptable level of risk. But instead, the author believes it illustrates the principle that the more highly qualified the managers, the better grounded in basic concepts of management, and the more the implementing operations can be shielded from political interference, the more innovative and free of procedural constraints one can afford to be. The DHS would seem to be an ideal candidate for applying this principle.

Even though it is doubtful that anyone would again recommend responding to a crisis by setting up a cabinet commission chaired by a senator, as Johnson did in addressing the Alaskan disaster, his radical version of "thinking outside the box" saved Alaska from a near-fatal crisis. There may be

future crises in which it will be prudent to institute some other highly unusual linkage between the executive and legislative branches for a short period. The Alaskan experience should provide a degree of encouragement in seeking bold management solutions often required to meet major crises, including some the DHS may face.

Openness and Outreach

The degrees of outreach and openness we find in the development of most management reforms range from the extensive efforts described in the foregoing cases to virtually nonexistent. The Grace Commission outreach was one dimensional, thereby limiting its credibility and usefulness. Reinventing Government (NPR) performed very unevenly in this respect. It is true that considerable outreach to certain elements of various departments occurred during the NPR planning phase. Yet many of the special reinvention teams were poorly linked with the bulk of a department's workforce, and some of the most experienced and innovative career leaders were prohibited from even talking with the teams. A better planned and executed outreach would have led to better results. The Bush Management Agenda has done better in some respects, but the isolation of the DHS architects has been severely criticized, and rightfully so. These reform efforts all failed to utilize the extensive outreach that served so well those initiatives discussed in this chapter.

An especially important outreach component of the initiatives covered in this chapter has been the close working relationship with key committees of Congress and the openness and level of consultation with which the executive branch dealt with them. This emphasis on transparency in the case of Nixon's grant reforms was particularly striking in view of the later veil of secrecy for which much of his presidency is remembered.

Experience has shown that a heavy investment of effort in working with Congress saves time, usually reduces the extent to which Congress changes presidential management initiatives, and results in a more supportive congressional attitude toward the success of these initiatives. The view that consulting with Congress, and freely sharing information, restricts the action of a president and weakens the office of the president runs counter to the experience of the initiatives covered in this chapter. In fact, it has often been the failure of an administration to work with Congress that has resulted in a weakening of the presidency.⁴⁷ An understanding of the wisdom of working closely with Congress has been missing in recent years, a mistake often followed by a later congressional reluctance to work with the president when he ultimately did seek cooperation.

There is a fear that exposing early drafts to outside comment, and exposing the architects to external scrutiny, will generate an unnecessary amount of opposition too early, producing an unacceptable amount of delay. However, the unusually high degree of openness practiced in the foregoing presidential initiatives produced the opposite results.

Extensive outreach efforts and unusual levels of openness in these initiatives produced a greater diversity of good ideas on which to base the designs. They also instilled greater confidence in the integrity of the process and reduced the level of opposition. Contrary to conventional wisdom, they also saved considerable time in the long run. Finally, they led to some sense of ownership of the initiative among most stakeholders, thereby increasing their incentive to help it succeed.⁴⁸

It must be remembered, however, that ambitious outreach steps, as with any strong emphasis on team approaches, require the maintenance of accountability, and the managerial capacity to reach decisions and take action on a timely basis regardless of divergence of views.

Conclusion

Finally, a review should be made of other management strategies that have played key roles over an extended period of time in enabling presidential initiatives to produce changes of significance. That review should take note of the ways in which these key strategies are mutually reinforcing. It should also look at the extent to which the success of these strategies depended upon effective political leadership as well as the development and utilization of highly skilled career leaders. The author believes that these cases would support the view that when executed effectively, a number of management strategies have demonstrated their enduring value in meeting public needs under changing circumstances. Instead of dismissing as dated those strategies that have been found effective in the past, we need to adapt them for use in future initiatives so presidents can move ahead more rapidly and more successfully with priority initiatives.

Notes

1. The bitter Senate debate culminated in the landmark Civil Rights Act of 1964.
2. Among other things, this required quick enactment of several pieces of legislation in the midst of a major Senate civil rights filibuster.
3. *Anchorage Daily News*, August 10, 1964. On October 12, Alaska governor William A. Egan sent an equally laudatory letter, referring to the "successful culmination of the responsibility which was placed in the trust" of the commission staff.

4. The Federal Reconstruction and Development Planning Commission for Alaska was established by Executive Order 1110 on April 2 and chaired by Senator Clinton Anderson. It is described later.

5. The *Anchorage Times* August 10 editorial noted that these tight time schedules "became even tighter under the staff's constant prodding and watchful eye."

6. Initially, the commission was composed of the departments of Agriculture, Commerce, Defense, the Interior, HEW, Labor, and the Treasury. Later, the State Department was involved. Independent agency members were the Atomic Energy Commission, Federal Aviation Agency, Bureau of the Budget, Federal Power Commission, Housing and Home Finance Agency, General Services Administration, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, Federal Reserve System, Office of Emergency Planning, Small Business Administration, and Veterans Administration.

7. In addition, Canada, Norway, and the Soviet Union were also involved.

8. In his October 12 letter, Governor Eagan expressed the view that the "Federal, State and local levels were coordinated ... in a way, I am certain, has never been accomplished before in the history of American disasters."

9. Usual approaches for avoiding inflation through wage and price controls were much too complex and took too long to establish. Instead the Agricultural Research Office coordinated an alert system that depended on a successful volunteer system, reinforced by considerable jawboning by the executive director.

10. However, the executive director was startled to learn that Johnson had released to the press his first progress report to Anderson and the president, a report that was quite candid regarding both progress and problems in each community.

11. Not everyone agreed with the decisions, but their opportunity to voice their objections in public minimized opposition.

12. The OEM director was called before a House Appropriation Committee informal session to urge the administration to drop the whole initiative before Congress killed it, a position the committee dropped by the end of the session.

13. On January 30, 1969, Nixon sent a special message to Congress requesting "New Authority to Reorganize the Executive Branch."

14. March 17, 1969.

15. Issued the same date, this sweeping order directly affected every senator, governor, and hundreds of mayors and members of the House of Representatives, many of whom were irate as they descended on the BOB management staff to argue for different boundaries and cities. Their demands were resisted except that the number of regions was increased from eight to ten.

16. Memorandum for the president, "Priority Management Improvement Projects Led by the Office of Executive Management," May 21, 1969, outlined subjects to be covered in an Oval Office meeting with Nixon.

17. The number of programs varies with how they were defined.

18. The processes were reformed but the program content was left unchanged, an important distinction that soon disarmed the initial critics.

19. Local governments later complained, however, that state red tape was beginning to replace portions of the procedural quagmire eliminated by the federal government.

20. Close congressional consultation explains a major reason all seven plans Nixon submitted under the presidential reorganization authority during his first term were permitted to go into effect. This policy of consultation was one of several positive strategies Nixon sharply reversed at the outset of his ill-fated second term.

21. These discussions were true consultations in advance of decisions, in contrast to many so-called consultations that consist largely of informing groups of decisions already reached.

22. In the view of the author, this politicizing of key management positions contributed heavily to the later gradual erosion of the New Federalism gains.

23. The reversal of the successful first-term strategy of working closely with Congress, combined with the rapid replacement of openness with secrecy, were also the direct causes of Nixon's failure to get congressional approval of his proposed departments of Community Development and Natural Resources.

24. The initial delay did not seem significant at the time, but later, the lost months exacted a price by reducing the period available for implementation before the next election and a change in OPM leadership.

25. Signed into law by Carter on October 13, 1978.

26. Final Staff Report of the Executive Director, Vol. 1, p. vii, The President's Personnel Management Project, 1977.

27. At one point Campbell alerted the executive director that the White House might be quite concerned about his draft recommendation to replace presidential orders with legislation as a framework for labor relations. At the same time, he stressed that he merely wanted the director to be aware of a possible White House reaction, and the executive director should feel free to recommend what he thought best. He did, and the FLRA was one result.

28. During an early meeting with all the federal union leaders, surprisingly little interest was exhibited by the participants. Finally one leader explained that the plans were too grandiose to be taken seriously, a union view that changed radically in subsequent months as it became clear that the presidential project was for real.

29. Committee staff seldom took advantage of this invitation, but it enhanced the credibility of the process and gave congressional staff assurance that they could keep their members informed to whatever extent desired.

30. The compensation task force was formed later than the others and developed on a separate track. Some of the labor relations decisions also came later.

31. Peacetime agencies had been combined, renamed, and reduced in size and scope, but no closures were discovered since World War II. Whether or not this OMB review was accurate, no information concerning how such closures might have been managed was available.

32. The congressional vote was to provide no funds for CSA beyond September 30, the end of the fiscal year.

33. Credit for this unusual communication linkage goes to John Sweeney, who initiated it.

34. Today, it is the policy of the GAO to provide management with an early alert to possible problems, a practice that has benefited both the GAO and the agencies.

35. Congressional enthusiasm for active opposition to closure was also somewhat reduced as information emerged regarding the depth to which the agency's award of contracts and grants had become politicized prior to the Reagan administration. No career person, for example, was permitted to even make recommendations regarding the award of large grants and contracts. Judgments on the comparative merits of these proposals were closely limited to political appointees who did not wish to be burdened with career views that might not be politically advantageous.

36. These strategies are being applied at most of the cleanup sites, but at the time of this writing, it was the only one sufficiently near completion to assess its success with confidence.

37. The DOE Baseline Environmental Management Review for 1995 contained a rough estimate of cleanup activities possibly continuing until nearly 2060.

38. Ibid.

39. It should be stressed that had this drastic shift to incentive contracting been attempted in the absence of skilled DOE managers with extremely competent staff, the result could have easily been a disaster. Incentive contracting that is managed by inexperienced federal personnel does not work. As Dan Guttman discusses in chapter 10, government as a whole faces a major problem today because its outsourcing and its heavy reliance upon contractors has badly outpaced its in-house capability to manage those contracts. No one knows what this might have cost the public in terms of tax dollars, delays, and outcomes.

40. A few concerns remain among some, but the numbers are small and the contrast with earlier days is remarkable.

41. EM has only three political positions, the assistant secretary and two advisers.

42. This was key to the early success of Nixon's New Federalism, yet it ran counter to the general pattern of the Nixon presidency with the passage of time.

43. The difficulty of integrating management with policy initiatives during transition planning was exacerbated in the case of George W. Bush because much of his transition planning was delayed by the Florida controversy.

44. Carter's transition under the leadership of Jack Watson did give some attention to management, particularly the civil service reform. Reagan's transition, at the initiative of Ed Harper, included a small three-person unit that dealt exclusively with management issues, including the question of closing the antipoverty agency, another case covered in this chapter. Later transitions have given little recognition to the importance of effectively managing the implementation of their new initiatives, despite the degree to which effective implementation will have much to do with the success or failure of a president.

45. The deputy OMB director, Ed Harper, provided strong policy support, but the absence of OMB management staff handicapped the CSA director, who found little management capacity in the CSA.

46. A notable exception is the Coast Guard, which does rely on professional career leadership.

47. Nixon's failed effort to close the Office of Economic Opportunity by withholding its funds was one of several such efforts that led to the Impoundment Control (Title X of the Congressional Control Act of 1974). That statute prevented the president from impounding money in instances where it would lapse if not spent. The Nixon second-term effort to misuse presidential power by circumventing Congress on departmental reorganizations also boomeranged.

48. Clearly, there are circumstances that do not lend themselves to the degree of transparency practiced in these cases. National security is an obvious example. But it is the position of the author that in most instances, outreach and openness are far too constrained, as in designing the Department of Homeland Security, or are not properly managed, as in the case of Johnson's Great Society programs, with the result that time-tables are unduly stretched, overhead costs rise, and outcomes are disappointing. Even in the area of national security, there are many examples of problems exacerbated by failure to utilize the degree of outreach and openness that was possible.

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14. Dwight and Alan L. Dean. 2004. "Modernizing Federal Field Operations." In *Making Government Manageable*, eds. Thomas H. Stanton and Benjamin Ginsberg, chapter 8.

15. Memorandum for the President, "Priority Management Improvement Projects Led by the Office of Executive Management" May 21, 1969, outlined subjects to be covered in an Oval Office meeting with Nixon. (See Footnote 17.)

16. The President's Personnel Management Project. 1977. "Final Staff Report of the Executive Director" I- viii. (See Footnote 27.)