



Performance Accountability, Evidence, And Improvement

REFLECTIONS AND RECOMMENDATIONS
TO THE NEXT ADMINISTRATION

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This chapter is co-authored by two former Associate Directors at the U.S. Office of Management and Budget (OMB) responsible for federal performance measurement and management policy, one serving during the Obama Administration and one during the George W. Bush Administration. The chapter is also informed by conversations and information with the bi-partisan “Transition 16” group of the National Academy of Public Administration.*

OVERVIEW Government can and should benefit people’s lives. About this, we hope there is little debate.

The question is: does it? Does government advance the beneficial impacts it pursues and does it do so with minimal unwanted side effects? Beyond that, does it do so in ways that are not only effective but also efficient, fair, understandable, reasonably predictable, courteous, honest, and trusted? Moreover, does it apply the lessons of experience to find ways to improve?

Every government organization should strive to be effective and improve, continually, on multiple dimensions. These dimensions might include, for example, mission-focused outcomes, cost-effectiveness and efficiency, quality of experience interacting with government, fairness, and unwanted side effects.

Toward that end, government should employ a common set of practices that, when used wisely, work remarkably well: (1) setting outcomes-focused goals; (2) collecting and analyzing performance data; (3) running frequent data-rich reviews to identify what works and what needs attention; (4) complementing routinely collected data with independent, rigorous evaluations and other studies; and (5) using effective communication strategies for a wide variety of purposes aimed at a wide variety of stakeholders. Common sense, backed by a robust body of evidence, calls for widespread government adoption of these performance improvement and evidence-based management practices. Failure to use these five practices leads to aimless operations. It leaves government and its partners carrying out activities they hope will work without knowing whether they, in fact, do. Moreover, it lacks the means to inform and encourage continual improvement once effective practices are identified.

Consider the alternative: government unclear about what it wants to accomplish; lacking objective means to gauge progress; failing to look for increasingly effective practices and emerging problems; introducing new programs, practices, and technologies without assessing whether they work better than past ones; and failing to communicate government’s priorities, strategies, progress, problems, and trade-offs in easy-to-find, easy-to-understand ways.

* This paper will be included as a chapter in a forthcoming report, *Memos to National Leaders*, which will be published by the National Academy of Public Administration and the American Society for Public Administration this fall.

At the same time, experience and research make clear that unless government pairs these five practices with effective motivational mechanisms that encourage their thoughtful adoption, they can lead to a culture of compliance, fear, or even worse, falsification. Government therefore needs to embrace a sixth practice: (6) adopting carefully structured, evidence-based motivational mechanisms that encourage a culture of learning and experimentation. Government often seeks to link measures to monetary or other kinds of incentives, but experience suggests leaders should use great caution when embracing pay-for-performance regimes. They often backfire by triggering dysfunctional responses such as measurement manipulation and adoption of timid targets that impede discovery and innovation and undermine trust.¹

This chapter briefly reviews recent U.S. federal government experience using these practices and offers recommendations for the next Administration. Our bottom line recommendation is: accelerate wide adoption of a performance and evidence-based management agenda across and at every level of government.

EXPERIENCE AND LESSONS LEARNED Goal-setting and measurement are hardly controversial. Many parts of government do it remarkably well. That is especially true when Congress authorizes, requires, and funds measurement and analysis in the policy-specific laws it passes. Too many parts of government, however, do not.

To spur greater adoption of effective performance management practices, the federal government in 1993 adopted the Government Performance and Results Act (GPRA), requiring federal agencies to set goals, measure and report progress, and conduct and use evaluations. Agencies were required to publish strategic plans, annual performance plans, and annual performance reports. Strategic plans were expected to include information about strategies being used, resources needed to accomplish the strategies, key factors external to an agency that could significantly affect achievement of the goals, evaluations used to set goals and objectives, and a schedule of future evaluations.

As the Clinton Administration entered its second term, most federal agencies had begun producing five-year strategic plans, annual performance plans, and annual performance reports. Few, however, used goals to communicate priorities, coordinate across organizations, or tap the inspirational value of a specific, challenging goal. Few looked at performance data frequently to find ways to improve. Few used evaluation findings to set or revise goals as the law required, nor laid out a schedule for future evaluations.

To increase use of goals, measurement, and evaluations, the Bush Administration attempted to drive greater use of performance information in decision-making. In addition to

focusing agency leadership on a regular review of a limited set of strategic goals and integrating performance in personnel management, the Bush management agenda designed a tool to produce performance information with the intent that it would be useful in budgeting.² Called the Program Assessment Rating Tool (PART), agency officials and U.S. Office of Management and Budget (OMB) budget examiners used the tool to assess whether government programs had adopted proven performance management practices. The results of Bush Administration assessments and the evidence on which they were based were made available on the first government-wide website facilitating access to federal agency performance information, ExpectMore.gov. Site visitors could sort PART reviews by agency and program type, such as regulatory, credit, research and development, and grant programs, enabling programs of similar types to benchmark and learn from each other. The Bush Administration also issued an Executive Order requiring every agency to name a senior executive as its Performance Improvement Officer (PIO). PIOs were charged with coordinating the agency's performance management activities and served on the newly created Performance Improvement Council (PIC).³

PART questions were good, but disagreements invariably arose from the reviews. Programs were sometimes scored poorly for problems beyond an agency's control. There was no mechanism to motivate high-scoring programs to continue to improve. Sometimes, emphasis was improperly placed on individual programs when program objectives required cross-program attention. And a five-year review cycle for all but low-rated programs did not exactly motivate action. Perhaps the biggest problem was that agencies paid more attention to getting a good PART score or meeting a higher percentage of the targets than to making meaningful performance improvements.⁴

In short, while progress was made, a strong compliance culture persisted. Agency attention was directed to whether its programs were graded as successful or unsuccessful, and a proliferation of goals and measurement in many agencies often rendered them meaningless. Exacerbating the problem, PIOs assumed most of the responsibility for satisfying the letter of the law, while program managers too often failed to engage and viewed measurement and evaluation as irritating burdens rather than helpful tools.

The Obama Administration sought to address shortcomings in the Clinton and Bush initiatives, increasing attention to *using* performance information to improve.⁵ It also sought to *communicate* goals, trends, strategies, and planned actions to the public and other parts of government in ways that made them easier to find and understand, that supported collaboration and learning across organizational boundaries, and that motivated continual improvement. Congress codified many of the best elements of Bush and Obama performance management practices in the GPRA Modernization Act of 2010 (Modernization Act).

In addition to codifying the position of the PIO and the role of the PIC, the Modernization Act required several specific new practices. Agencies were required to set a small number of ambitious priority goals they would try to accomplish within two years. These goals do not replace the fuller set of departments' and agencies' longer-term strategic objectives and annual performance goals; rather, they complement them and underscore the need for priority setting and immediate and continuing action. In addition, the law directs the Director of OMB, coordinating across government, to set a small number of cross-agency priority goals, some mission-focused and some for significant management issues. Simultaneously, OMB urged agencies to increase the volume of high quality evaluations, both retrospective and prospective, to ferret out whether measured changes in outcomes would likely have been different in the absence of government action or if future adjustments to program design would likely accomplish more with the same or a lower budget.

In addition to changing some practices, the law introduced slight shifts in timing to bring the goals, measurements, and evaluations to life. The timing for setting strategic goals and objectives was better aligned to Presidential elections, giving new administrations a chance to set new priorities. In addition, agencies began conducting annual strategic reviews of progress related to an agency's strategic objectives, which included identifying for the public and Congress which objectives showed noteworthy progress and which faced significant challenges.⁶ These reviews, and subsequent OMB review, are timed to inform goal setting, strategy selection, and budget decisions.

Another significant change is the designation of deputy secretaries or their equivalent as chief operating officers (COOs), charged with running progress reviews on their priority goals at least every quarter. These reviews are intended to stimulate analysis and discussion of performance information and other evidence to encourage discovery of increasingly effective, cost-effective actions. A number of deputy secretaries expanded the scope of these quarterly reviews beyond Cabinet-level priority goals to discuss and brainstorm progress on component and cross-component goals, as well. Performance Improvement Officers are given expanded roles and responsibilities, including supporting the COO in preparation for and follow up on the data-rich quarterly progress and annual strategic reviews. Goal leaders accountable for managing progress on each priority goal, including cross-agency goals, are publically identified on a new central performance reporting website, Performance.gov. Goal leaders are required to report progress on their priority goals every quarter on the site and explain to the public not only how well they are doing but also what adjustments are being made to previously announced planned actions, whether because of problems or higher-than-expected rates of progress.

The Modernization Act and the Obama Administration in its implementation of the Act also increased emphasis on building the capacity of and using the Performance Improvement Council, PIC sub-groups, and evaluation offices to function as continuous learning and improvement networks. OMB and the PIC designed and provided training on evolving practices, reaching across government to help agencies, for example, with effective goal-setting, strategic reviews, and evaluation methods. A behavioral insights office was established by the White House Office of Science and Technology Policy and housed in the GSA Office of Executive Councils (together with the PIC and most other “CXO” councils) to help interested parts of government design, test, assess and adjust iterative, measured trials to find increasingly effective, cost-effective government practices. To build capacity and more fully engage people in program offices and other parts of agencies, the Obama Administration created two additional learning-and-improvement networks during its second term: the [Leadership Delivery Network](#) and the [White House Leadership Development Fellows](#). The first is a subset of agency goal leaders who come together regularly to learn from and brainstorm with each other and outside experts how to drive progress on their priority goals, and the second is a group of individuals competitively selected from across government to support implementation of cross-agency priority goals and initiatives. In FY2016, Congress authorized funds to be reallocated from across government to support cross-agency efforts.

Finally, the Obama Administration adjusted accountability expectations to recognize that, by definition, stretch targets that stimulate innovation cannot all be met and the innovation process – testing, assessing, and adjusting to discover better practices – necessarily involves failed trials. To recognize this, the Administration encouraged the application of accountability expectations attributed to William Bratton, the New York City Police Commissioner who established CompStat, the frequent data-rich meetings to find better ways to reduce crime in New York City. “No one got in trouble if the crime rate went up,” Bratton’s right-hand man, Jack Maple, explained. “Trouble arose only if the commanders didn’t know why the numbers were up or didn’t have a plan to address the problems.”⁷

So, how well are these changes working? According to the U.S. General Accountability Office and other reports, great progress has been made using agency and cross-agency priority goals, especially in agencies that embrace established principles of well-run, data-rich reviews.⁸ Managers, though, haven’t reported an increase in the use of performance information in decision-making in other areas, and a compliance attitude and mindless measurement persist in many places.

So, based on what we’ve learned in the last several decades, where do we go from here?

WHERE TO FROM HERE? Goal-setting, progress measurement, and using data and evidence to figure out how to do better! It sounds like motherhood and apple pie. These practices, in truth, are easier said than done. Hard decisions about what the goals should be – informed by data, values, and politics – need to be made, and skill must then be exercised to frame goals in ways that are resonant, relevant, motivating, and actionable. Measurement and objective evaluation can be hard, too. Yet, without this performance information, government runs a high risk of acting without knowing what its actions accomplish or having the means to learn, objectively, how to do better.

Our bottom line recommendation is: accelerate wide adoption of an outcomes-emphasizing, data-informed, evidence-based management agenda across and at every level of government. The worst thing the next Administration could do is start from scratch, so to make even more progress and address known gaps, we offer the following five recommendations:

1. Push more aggressively for adoption of the current outcomes-focused performance improvement framework across government.

- Expand uptake of the six practices listed above (outcomes-focused, priority-based goal-setting; routine measurement and analysis; occasional evaluations and other studies; data-rich reviews; well-designed communication; and well-structured incentives) across every aspect of government and with its stakeholders.
- Better integrate efforts across program managers, performance improvement offices, program evaluators, strategic planners, futures forecasters, budget shops, grant and contract managers, and IT offices to set goals, measure relevant indicators, and find ways to improve.
- Continue annual agency and OMB spring reviews to accelerate progress on strategic objectives.
- Increase use of rigorous, independent, and relevant evaluations and other studies to improve the effectiveness and cost-effectiveness of government programs and practices. Encourage more rapid testing, assessing, and adjusting using appropriately rigorous evaluation methods to allow practices to evolve as experience is gained and to adapt to different circumstances.
- Build a continuous learning and improvement culture in federal grant programs, with the federal government helping state and local governments, non-profit organizations, and other partners and stakeholders discover and adopt increasingly effective, cost-effective, and fair practices, supported by ready access to easily understood data, multi-

stakeholder collaborations, and well-structured incentives.

- Establish a performance management knowledge exchange network that enables the federal government, state and local governments, non-profit organizations, and other partners and stakeholders to adopt the most effective outcomes-focused performance and evidence-based management practices to address shared problems and pursue opportunities.

2. Diversify the communication of performance information

- Improve the accessibility, transparency, and usefulness of Performance.gov. Make it easier to discern performance trends, especially in the context of social indicators (currently posted in the Analytic Perspectives of the President's Budget) and other agency goals. Post data in structured formats and make it easier to find relevant data and evaluations, as well as promising practices worth testing in other locations that, if successful, warrant promoting for broader adoption.
- Enable sorting across goals by program type to facilitate cross-agency learning and collaboration.
- Test, assess, and adjust to find better ways to communicate results and strengthen accountability, inform decision-making, stimulate discovery, and encourage innovation. Test the use of on-line crowd-sourcing and feedback via Performance.gov and other platforms to get constructive feedback on goals, measures, evidence, and strategies. Test the use of Performance.gov and complementary online platforms to identify and support collaboration with others working to advance the same goals and learn from others' experience.
- Protect the integrity of federal performance information by re-posting information from past performance management and reporting initiatives, including that on ExpectMore.gov (which showed PART scores for 1000 programs) and for earlier rounds of priority goals previously posted on Performance.gov.

3. Strengthen capacity

- Appoint agency deputies/Chief Operating Officers and other political appointees with a strong capacity and commitment to use data and other evidence to improve performance.
- Give Performance Improvement Officers adequate resources to support Deputies/Chief Operating Officers and increase resources to enable the PIC to provide more support to

agencies; where Performance Improvement Officers have other duties, ensure there is a strong Deputy Performance Improvement Officer and team devoted to analyzing data and other evidence and structuring reviews and other conversations that drive continual improvement.

- Ensure every department has a robust evaluation and data analytics capacity that works with agency leadership and program offices to implement a strategic, rigorous retrospective and prospective evaluation program. Ensure that evaluation and analytics teams work with the PIO team to conduct successful quarterly performance and annual strategic reviews and to conduct *ad hoc* “deep dives” to find root causes of performance shortfalls or choose among competing problems and opportunities. Strengthen capacity to conduct studies that inform priority-setting and program design, including futures analysis, scenario testing, role-playing, and epidemiology-like incident analyses.
- Regularly get feedback and develop and test ideas to improve outcomes, cost-effectiveness, fairness, and understanding from those on agency front lines and working in delivery partners.
- Especially in light of the transparency requirements under the DATA Act, work with IT, contract, and grant offices to structure data systems and reporting requirements that will enable analytics more useful to a wider variety of people, including the central office, the field, delivery partners, and researchers.
- Build or support continuous learning networks across the delivery chain that share and analyze data to find and apply lessons learned and that collaborate on iterative testing and assessment to find better practices.
- Expand knowledge of proven performance and evidence-based management practices by offering agency officials and others in the delivery chain relevant courses and other learning materials.

4. Develop, test, and adopt effective accountability mechanisms

- Continually test, assess, adjust, and adopt increasingly effective motivational mechanisms such as peer benchmarking, transparency, constructive feedback, contests, challenges, and well-structured incentives that encourage continuous improvement.
- Appoint leaders to the Office of Management and Budget committed to driving the development, adoption, and implementation of cross-agency priority goals; and identify a lead person in each of the White House policy councils and the White House Chief of Staff’s office to work on agency and cross-agency priority goals. Test designating each

OMB Resource Management Office Program Associate Director as a goal leader responsible for managing progress on a mission-focused cross-agency priority goal.

- Collaborate with Congress (i.e., authorizers, appropriators, and overseers) more closely at every stage of the performance management process to facilitate more debate about the performance of programs and successful adoption of the performance management framework.
- Embrace and promote the Bratton accountability principle, while making sure to measure and manage not only the primary objectives, but also unwanted side effects.

5. Keep it Simple to Support Use, Communication, and Improvement of Performance

- Implement these ideas with easily understood tools, not as a framework checklist. In this spirit, we offer these questions that might be shared with all new appointees and career officials, urging them to use these questions as they approach their work to accelerate adoption of the six practices and, ultimately, improve government's performance.

Eight Questions to Drive Performance Improvement

1. What problem are we trying to solve?
 - Why?
 - How important is this problem or opportunity compared to others we could pursue?
2. What strategies and tactics should we use and why?
 - What have we or others done in the past and how well did it work: what is the relevant past performance, past evaluations, peer performance (benchmarks)?
 - What are the key drivers/causal factors we can influence?
 - What cultural constraints do we need to consider?
3. How will we know if we are making progress and making it fast enough?
 - What are we measuring regularly and is it meaningful, measurable, and moveable? Are we using that information and how is it helping us make better decisions? Are there other measures we should be collecting and any we could drop?
 - Who is analyzing the data, who gets the analysis, and what are we learning? Is it complete and accurate enough to be reliable? Can we identify the strongest performers and the weakest ones so we can learn from the former and help the latter?
4. What other information do we have that should inform our priorities and program design and what should we start to gather?
 - What additional data or studies are needed?

- What does our data and evaluation plan look like and does it need updating?
 - What does it cost to implement our programs and achieve our goals? If we don't know, how can we better estimate the cost? Are there new approaches we can test to try to reduce costs without compromising impact?
5. Do we have the right people in the discussions about the data and other evidence to find ways to improve?
 6. How are we helping the field and our delivery partners use data and evaluations to find ways to improve?
 7. What training is needed and for whom? Where should our priorities be?
 8. How do we motivate people to want to look for and find ways to improve and hold them accountable for doing that, not fearful or just compliant with planning, evaluation, and reporting requirements?

CONCLUSION In the last several decades, we've learned a lot about what works and what doesn't in the constant quest to improve government performance. Not only do we have the experiences of the federal government, but of state and local governments, the private sector, and foreign governments, as well. The insights here offer a roadmap for a new administration to use to ensure we build on the lessons of the past rather than start anew. If our new leaders take our advice, it will accelerate adoption of outcomes-improving, data-informed, evidence-based management practices across every level of government and in multiple dimensions. Results on the ground should improve, too.

¹ Daniel Pink, *Drive* (New York: Riverhead, 2011) provides a good overview for the non-researcher on research findings about motivation and incentives. See also, the chapter on Building Block 5, in Shelley H. Metzzenbaum, "Performance Accountability Expectations: The Five Building Blocks and Six Essential Practices," IBM Center for the Business of Government, 2006. <http://www.businessofgovernment.org/sites/default/files/Performance%20Accountability.pdf>

² The annual President's Budgets, including the Analytical Perspectives, provide a good overview of the Bush and Obama Administration's evolution in performance and evidence-based management practices for each budget year starting in FY2003. These can be found at: <http://www.gpo.gov/fdsys/browse/collectionGPO.action?collectionCode=BUDGET>. The Bush Administration introduced its budget and performance integration approach in Chapter III of the FY2002 President's Budget (<https://www.gpo.gov/fdsys/pkg/BUDGET-2002-BUD/pdf/BUDGET-2002-BUD.pdf>) and laid out the key elements of the PART in the President's FY2004 budget (<https://www.gpo.gov/fdsys/pkg/BUDGET-2004-PMA/pdf/BUDGET-2004-PMA.pdf>).

³ Executive Order 13450. https://www.whitehouse.gov/sites/default/files/omb/assets/performance_pdfs/eo13450.pdf; for more detail on how the PART worked, see FY2009 Analytical Perspectives of the Budget Chapter 2. (<https://www.gpo.gov/fdsys/pkg/BUDGET-2009-PER/pdf/BUDGET-2009-PER-3-1.pdf>).

⁴ Shelley H. Metzzenbaum, "Performance Management Recommendations for the New Administration," IBM Center for the Business of Government, 2009. <http://www.businessofgovernment.org/sites/default/files/PerformanceManagement.pdf>

⁵ The Obama Administration introduced its performance improvement approach in Chapter 2 in the Analytical Perspectives of the President's FY2010 budget (<https://www.gpo.gov/fdsys/pkg/BUDGET-2010-PER/pdf/BUDGET-2010-PER.pdf>) and laid out the key elements of its performance improvement strategy in Chapters 7 to 9 of the Analytical Perspectives of the President's FY2011 budget (<https://www.gpo.gov/fdsys/pkg/BUDGET-2011-PER/pdf/BUDGET-2011-PER.pdf>.) The FY 2011 budget also introduced a new Social Indicators chapter, AP Chapter 31, which subsequent President's budgets appropriately moved to the front of the performance improvement discussion.

6 The law requires agencies and OMB to identify goals where targets have not been met and describe plans and the senior officials responsible for managing progress on unmet goals. (U.S.C. Chapter 11, title 31, section 1116; GPRA Modernization Act Section 4.) To avoid agency temptation to “game” the system and pick timid targets that can be easily met but do not encourage innovation, OMB guidance states, “Agencies are expected to set ambitious goals in a limited number of areas that push them to achieve significant performance improvements beyond current levels.... OMB generally expects agencies to make progress on all of their ambitious goals and achieve most of them, but at the same time will work with an agency that consistently meets a very high percentage of its ambitious goals to assure it is setting sufficiently ambitious goals.” Section 200.5 of OMB Circular A-11. https://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/s200.pdf

7 Jack Maple and Chris Mitchell, *The Crime Fighter: Putting the Bad Guys out of Business* (New York: Doubleday, 1999), 33.

8 Donald P. Moynihan and Alexander Kroll, “Performance Management Routines That Work? An Early Assessment of the GPRA Modernization Act,” *Public Administration Review*, Volume 76, Issue 2, March/April 2016, 314–323. U.S. General Accountability Office, *MANAGING FOR RESULTS: Executive Branch Should More Fully Implement the GPRA Modernization Act to Address Pressing Governance Challenges* (GAO-13-518: Jun 26, 2013. [http://www.gao.gov/products/GAO-13-518.](http://www.gao.gov/products/GAO-13-518))