TOPICS INCLUDE

- The changing impact of government on society, and the world at large.

- Three challenges government faces to becoming more effective.

- Three potential solutions for addressing those challenges.

- Case studies on government agencies that have succeeded in transforming their operations and their culture to prepare for the future challenge of the 21st century.

Preparing Government for the Future

Thought leaders share their views on government, and where it needs to go to protect our national interests.

EXECUTIVE SUMMARY

In September of 2008, Toffler Associates, the consulting firm founded by Alvin and Heidi Toffler, authors of *Future Shock* and *Revolutionary Wealth*, assembled commercial, military and other government leaders to forecast the future—specifically to look at the current state of the Federal Government, and discuss how to improve it. A key goal was to answer the question: "What will the future of government look like, and how can it be improved?" What follows are insightful points raised during that discussion.

Preparing Government for the Future

The reaction of the federal government to recent events demonstrates that the de-
cisions—and sometimes the indecisiveness—of our government have a definable
and measurable impact on our nation's fiscal health and physical security. Govern-
ment increasingly struggles with how to deal both with global issues (such as the
financial crisis) and with local issues (such as Hurricane Ike, Katrina and others).

In this climate, the most critical questions become:

What will the future of government look like, and how can it be improved?

To answer this question, Toffler Associates brought together business and govern-
ment leaders to explore how government might excel in the future to deal with the
challenges it will face. This September 2008 dinner event identified three key ways
in which government can improve its outlook and effectiveness for the future.

Defining Success and Failure through Change

Some change initiatives work … and some don't, as this survey of Federal
Senior Executive Service and GS 13-15 employees demonstrates:[1]

	% that feels recent Government reforms have been very or somewhat successful	% that feels recent Gov-ernment reforms have been not too successful or not successful at all
Improve Information tech-nology	88%	11%
Reduce fraud, waste and abuse	67%	21%
Streamline procurement	54%	29%
Improve financial manage-ment	50%	38%
Reduce internal rules	**43%**	**49%**
Measure government results	**39%**	**58%**

Questions restricted to 310 members of the Senior Executive Service and GS 13-15 employees with at least ten years of federal service.

When looking to change government to prepare for the future, we must
act with care, with foresight, and with an outcome orientation.

Three Challenges to the Future of Government

During their discussion, the participants outlined three challenges to creating a government that is more capable of effectively serving its citizens in the 21st century and beyond. To address these challenges, the group proposed potential solutions for improving government's future outlook.

Challenge #1: Government is Out of Step with Today's World

Government is not sufficiently clear on what its role in a changing society should be. More than setting goals and investing resources according to thoughtful plans for how to achieve clearly defined and understood future end states, government tends to react to crises as they occur, accept blame for these issues, and then ask for budget increases and other near-term actions to fix the problems.

This is understandable when you consider how different institutional sectors of our society are desynchronizing. Sectors of our society move at different speeds, with the business sector moves the fastest because competition demands it—and it has more incentive to develop highly innovative solutions and technology. It has adapted most quickly to the new ways we make wealth in the information age. Sectors such as government and the legal system move relatively more slowly.

Government policymakers and planners tend toward in-depth thinking more within their existing siloes than across them, without the broad strategic and systems approaches necessary to address today's complex challenges. This inhibits government from success in planning for much of the change that the world faces. We need to become more expansive and forward-thinking in government.

Another aspect of the challenge is that some of the rules that government creates get in the way of the fundamental changes that it tried to achieve in the first place. One participant noted the example of the space race of the 1960s. The advances of that period were fueled by collaboration between public institutions such as NASA and private aerospace firms and other contractors. Today, that type of innovative collaboration is hindered by meaningful but often-narrow and unnecessarily-rigid rules attempting to prevent the appeerence of impropriety or undue favoritism between the public officals and private organizations.

Solution: Help Government Synchronize Itself for Today's and Tomorrow's World

The participants believed that we must synchronize government with the other sectors of society for the future. To that end, they had several recommendations:

- Remove structural barriers to effective governance. We need to consider breaking up current government institutions into smaller, more agile units that can function as a network, removing unnecessary layers of complexity.

- Consider refocusing Congressional committees on broad problem areas so they are not so narrowly focused at a department or agency level.

- Modify current processes to drive desired long-term outcomes, rather than creating processes that are predominantly in reaction to the current situation.

- Align employment practices with today's environment. For example, give civil servants the opportunity to take "sabbaticals" in the

Synchronizing NASA

Daniel S. Goldin, an aerospace executive from California, was appointed NASA administrator in April 1992. During his tenure, he guided the agency to a new vision and strategy, restructured offices, replaced officials and dramatically reworked budgets with a "faster, better, cheaper" mentality.

The following is a sample of lessons we can learn from the reinvention of NASA:

1. Make the most of a mandate for change.

2. Adopt a general strategy on what needs to be done at the outset of your tenure.

3. Implement a change process quickly, instilling a sense of urgency and getting as much organizational support as possible.

4. Use crises as opportunities for actions that transcend the crises themselves.

5. Build on success, to establish momentum for change.

6. Be aware of the limits of change. Communicate clearly and get adequate feedback on problems being caused by those limits. If the problems lead to serious organizational setbacks, assess what went wrong, admit mistakes, make needed modifications in strategy, and move on.

7. Anticipate the long-term future needs of the organization.[2]

Note: While this case notes the ability to effect change, organizations such as the Columbia Accident Investigation Board, have also cautioned us to appreciate the potential consequence: "The past decisions of national leaders–the White House, Congress, and NASA Headquarters–set the Columbia accident in motion by creating resource and schedule strains that compromised the principles of a high-risk technology organization." [3]

private sector, rather than staying in government for their whole professional lives. This step would broaden the expertise of government as a whole, and create a network of public servants who are more "of the public" that they serve.

- Remove barriers to government and private industry working together. Empower the sharing of data and allow the private sector to capitalize on the research performed within government.

- Empower government to prioritize and plan with a longer term perspective.

Additionally, the participants felt that a fundamental shift

> **Demonstrating the Value of Collaboration**
>
> In 1972, DARPA publicly unveiled the ARPANET (precursor of the Internet) at the International Computer Communication Conference (ICCC). But the technology did not garner public attention until a three-day workshop was held in 1985 to demonstrate the value of the TCP/IP protocol. Once DARPA started working with the private business community, the Internet went like a rocket.[4]

> **Public + Private Cooperation = Benefits for All**
>
> When Hurricane Katrina ravaged New Orleans, evacuees and rescue teams were able to survey the damage to homes via satellite photos posted by Google™ Maps. The technology that made this possible was originally developed by the government under the "Keyhole" project. When public and private entities work together, it's the citizens who benefit.[5]

needs to occur in the mindset of the leaders in government. Right now, federal agencies spend too much time collecting data (without knowing how to analyze such volumes) and not enough time making decisions based on the data that they collect. They are data rich and decision poor. Government needs to break away from this risk-averse mentality in order to more effectively adapt to the dynamic future it will face.

A participant noted the words of a subordinate who said it best: "Give me time to think and authority to act."

Challenge #2: Holding Government Accountable

The participants believed that the current accountability initiatives within government have at least two critical flaws:

- Many oversight and performance measurement processes and mechanisms that have been put in place in recent years add complexity with little real strategic accountability. Those who are watching over our public sector institutions tend to focus their oversight in specific areas using metrics that fail to measure the interdependencies across the complex sectors of the government. One participant described the mismatch as "horizontal problems with vertical oversight." In some cases, ill-considered performance measurement and accountability efforts drives agencies to sub-optimal business processes.

- The culture of sensationalized "gotcha" journalism is one of the driving forces behind the layers of complex oversight and reactionary policy. The hypersensitive environment that currently exists sometimes motivates those in power to make decisions based on headlines, instead of on sound strategic analysis.

To overcome these flaws, the group felt that the very concept of accountability needs to become more accountable.

Solution: Raise the Bar on Accountability

The participants cited the need for more transparency within accountability initiatives in order that everyday citizens can understand the steps being taken to ensure government agencies are protecting their vital interests. This transparency needs to be carried through at all levels and across all branches of government. Government should streamline its "regulations" on itself while taking a closer look at the unintended and sometimes perverse effects that short-sighted accountability and oversight initiatives can have, in order to build the confidence of all.

Journalists can help in this effort by educating the general public in depth on the issues and actions of government that have real strategic impact on citizens' interests and on our national interests, instead of focusing primarily on the sensational. When citizens understand the real issues, and the steps being taken to address them, their input becomes more valuable.

The participants pointed out that in addition to the need for transparency, we need to define accountability more clearly. We need to define the risks that must be addressed, and then we need to clarify the triggers that launch corrective measures vis-à-vis how government does its business on behalf of the people. "Enforcement" of accountability measures should be clear, consistent and unbiased.

Challenge #3: Employment Practices Must Reflect the Emerging Environment

With both the Congressional and Executive branch job approval ratings holding well below 50% throughout most of 2008[6], how can government attract the quality talent it will need to combat the issues it will face in the future?

The stark reality is that no matter how well-thought out the strategy, no matter how solid the process or how significant the plan, without the right people to carry it out, government cannot advance.

Solution: Develop the Human Capital Needed for the Future

What drives the solid performers out of government, and creates a negative appearance that hinders new recruitment initiatives? The dinner participants pointed to cumbersome government business processes that prevent its best people from applying their full range of capabilities to their jobs. Too often, the best people are leaving out of frustration at not being able to contribute, while the less effective ones stay because of the job security. To prevent employee frustration—and ultimately attrition—the group believed that the following issues are ones that government must address:

Demonstrating the Value of Collaboration

When the GAO transformed its human capital management practices during the late 1990s, the agency learned five key lessons:

1. The need to move thoughtfully when pushing major human capital change and to involve staff in the process

2. The need for strong strategic workforce planning

3. The need for more targeted recruitment, hiring, and retention policies

4. The need to beef up investments in the selection and training of managers

5. The need for a fair and transparent system for hearing employee appeals absent certain traditional civil service protections for employees[7]

- Government employees often are not exposed to ideas and challenges and opportunities to lead that are outside their specific areas of responsibility. Increasingly, rather than being pigeonholed in a position, employees – including government employees – want the chance to broaden themselves in ways that enhance their value to their employer. Narrowly defined occupations do not take advantage of all the capabilities an employee can offer.

- We can use technology and other means to catalogue (and, once catalogued, leverage) an employee's many attributes, not just those that are narrowly relevant to his or her current job classification. These individuals have skills and experience from their personal lives, their volunteer work, and other aspects of their lives that can be powerfully useful in their work lives, and most would value the opportunity to bring these aspects of themselves to bear in the context of their public service career. Tracking and taking advantage of their "extra-curricular" capabilities will encourage their development, help retention, and help solve complex cross-government challenges.

- The current environment of government creates a mindset of "micromanage what's in front of me" because that is the safe option. Employees must be encouraged, not penalized, for thinking proactively and for taking definitive actions that enable the positive outcomes defined by senior leadership.

- Managers currently face onerous rules in regard to employee disciplinary action that keep under-performers from being corrected or terminated. In addition to being a drag on the effectiveness of the agency, this dynamic can be demotivating to those who do perform well. If an employee does not perform in a way that meets the needs of government and the public, there must be a streamlined mechanism in place to address that situation.

The participants also felt that bridging the gaps and "stovepipes" that currently exist among agencies and departments across government will help develop and make the most of the attributes of our public servants, in addition to helping very directly in solving some of the "horizontal challenges" discussed earlier. Increased networking across the government will build knowledge and increase employee perspectives. By operating as a network rather than in individual bureaucracies, government brings more of the knowledge of its people to bear to address challenges. This concept can expand to include connecting government employees with the citizenry. Employees should have the opportunity to operate in the field with technology that enhances collaboration and promotes the transparency of government actions to the public. People can then see for themselves and contribute to what civil servants are doing to serve citizens.

Defining the New Future of Government

Government can indeed "transform"—if it learns to break from behaviors of the past. With a broader focus, *real* accountability, and a motivated team of the top performers, government can redefine its future to meet the challenges it will face.

8

Bibliography

1 Based on Paul C. Light, "What Federal Employees Want From Reform," The Brookings Institution, (March 2002), http://www.brookings.edu/papers/2002/03governance_light.aspx

2 Based on W. Henry Lambright, "Transforming Government: Dan Goldin and the Remaking of NASA," The PricewaterhouseCoopers Endowment for The Business of Government, 5, http://www.businessofgovernment.org/pdfs/LambrightReport.pdf

3 Excerpt taken from "Columbia Accident Investigation Board Report," (August 2003), Volume 1, http://anon.nasa-global.speedera.net/anon.nasa-global/CAIB/CAIB_lowres_full.pdf

4 Based on Barry M. Leiner, Vinton G. Cerf, David D. Clark, Robert E. Kahn, Leonard Kleinrock, Daniel C. Lynch, Jon Postel, Larry G. Roberts, Stephen Wolff, "A Brief History of the Internet," The Internet Society, http://www.isoc.org/internet/history/brief.shtml#Origins

5 Based on anecdotal information provided by the participants of the Future of Government dinner.

6 Based on polling data provided by Real Clear Politics, http://www.realclearpolitics.com/polls/#rcp-avg-904

7 Based on Jonathan Walters, Charles Thompson, "The Transformation of the Government Accountability Office: Using Human Capital to Drive Change," IBM Center for the Business of Government, (July 2005), 18, http://www.businessofgovernment.org/pdfs/WaltersReport3.pdf

Contact

Toffler Associates builds insight into what's next. Our mission is helping private sector businesses and public sector enterprises create their future, working with senior executives to overcome uncertainty, manage risk, and decide the best courses of action for dealing with and taking advantage of the challenges and opportunities of the "Third Wave" information age.

TOFFLER ASSOCIATES®

302 Harbor's Point, 40 Beach Street
Manchester, Massachusetts 01944

Phone: 978-526-2444
Facsimile: 978-526-2445

Email: tofflerassociates@toffler.com

10