Federal Government Reform: Lessons from Clinton’s ‘Reinventing Government’ and Bush’s ‘Management Agenda’ Initiatives

By Jonathan D. Breul and John M. Kamensky

Newly elected presidents oftentimes set out to reform the executive branch. This has been the norm for over 100 years, and indications are that the next president will follow this pattern. The authors have had firsthand experience over the past 15 years with White House–led government reform efforts. They provide their insights on President Bill Clinton’s Reinventing Government initiative and President George W. Bush’s Management Agenda efforts. Based on their experience, they offer lessons learned for the next president’s team on how to successfully start reform efforts and how to implement and sustain them.

“Government reform” has been a rallying cry for advocates of good government for more than 100 years, starting with Teddy Roosevelt’s Keep Commission in 1905 and its efforts to reduce red tape. Interest in reform does not seem to be abating. During the early stages of the 2008 presidential campaign, there have been proposals to:

- Cut the size of the federal workforce or the size of the contracting workforce
- Create a public service academy to train future leaders in government
- Stop replacing retiring civil servants
- Create chief management officers in each department

So it is likely the next president will also sponsor some form of government reform effort. The two most immediate questions his or her advisors will have are: How do you get a reform effort started? And, once started, how do you keep it going and get things implemented?

Over the past 15 years, the authors either worked on or advised the management reform efforts initiated by Presidents Bill Clinton and George W. Bush. We share our insights in the context of those initiatives and offer some lessons on how the next president might want to approach government-wide reform efforts—whatever they might be—based on our combined experiences in White House–led government reform efforts.

Contrasts Between the Clinton and Bush Approaches

The Clinton and Bush administration management reforms each displayed highly visible, top-level commitment and support. President Clinton announced the National Performance Review (NPR)—later renamed the National Partnership for Reinventing Government—and Vice President Al Gore personally led it. President George W. Bush led the President’s Management Agenda (PMA).

Similarities. Both efforts had a citizen/customer focus and emphasized a greater use of electronic government. The Clinton electronic government effort spawned the Government Paperwork Elimination Act and hundreds of innovative web projects. The Bush effort winnowed those efforts to 24 that had the potential for significant changes in government (such as an electronic travel system), for citizens (such as a common portal for federal benefits), and for businesses (such as a common portal for all regulations affecting businesses). It extended its efforts via the E-Government Act of 2002.

Both reform efforts also placed greater attention on improving program performance and obtaining results. While the Clinton reform effort undertook the initial implementation of the Government Performance and Results Act, which created a new supply of performance information, the Bush administration systematically attempted to leverage that information to improve agency performance and increase accountability for results.

Both, after several years of top-down recommendations and initiatives, shifted to more of a support role in which they worked with senior agency leaders to develop initiatives and performance targets jointly. This led to greater ownership by agency-level political appointees.

Together, both reform efforts shared a number of common recommendations on improving financial management, strengthening human capital, and achieving budget reform. Efforts begun under Clinton were more concretely implemented
under Bush. Interestingly, both also encountered challenges in explaining the results and value of their effort to the public. As a result, the two efforts received relatively little public recognition.

In addition, neither president’s reform efforts was able to successfully engage members of Congress and their staffs. In each case, executive branch efforts to reform management were viewed with skepticism. As a consequence, few pieces of significant legislation were enacted. A major exception in the Clinton administration was NPR’s procurement reforms—the Federal Acquisition Streamlining Act of 1994, the Federal Acquisition Reform Act of 1995, and the Clinger-Cohen Act in 1996. The major exceptions during the Bush administration were the civil service reforms in the legislation creating the Department of Homeland Security and the subsequent authority given to the Department of Defense to create a national security personnel system. In each case, the legislative reforms had their roots in earlier work developed under a prior administration.

Differences. Despite these similarities, the Clinton and Bush reforms displayed a number of important differences, especially in their implementation. Clinton’s initial six-month Performance Review generated over 1,200 recommendations. By sheer volume, some thought it discredited itself. There were enough idealistic (some say naïve) ideas in the initial set of recommendations that those naturally opposed to real reform used them to impugn the credibility of the entire effort. In addition, the Clinton effort continued to generate initiatives and recommendations during the course of the entire eight-year effort. It issued over 100 reports and publications. Bush’s Management Agenda, on the other hand, focused on a few large ideas that represented long-standing, well-known management challenges. The Bush administration doggedly focused on the implementation of these core elements for its entire eight years and added or deleted relatively few items from its Management Agenda.

In terms of implementation strategy, NPR attempted to go around central control agencies, often shunning help from the Office of Management and Budget (OMB) and the Office of Personnel Management. NPR maintained that those agencies had discredited themselves in prior reform efforts by their command-and-control, one-size-fits-all approaches. In contrast, the Bush administration relied heavily on each of these agencies, particularly for implementation and follow-up. NPR formed its own team of temporary, dedicated staff, while the Bush administration turned to OMB’s permanent career staff as well as permanent staff in the departments and agencies. As a matter of strategy, NPR attempted to directly engage frontline employees. It did this via its awards program, reinvention lab initiative, and e-mail networks. The Bush administration, on the other hand, made a concerted effort to systematically engage agency political leaders in much more of a top-down, chain-of-command manner. For example, all new incoming political appointees were briefed on the elements of the President’s Management Agenda and told to make them part of their agencies’ agendas.

Jonathan D. Breul is the Executive Director of the IBM Center for The Business of Government. He served as the senior career advisor on management issues at the Office of Management and Budget. He was heavily engaged in management reform efforts in the administrations of Ronald Reagan, George H. W. Bush, Bill Clinton, and George W. Bush. His e-mail: jonathan.d.breul@us.ibm.com.
NPR focused on recognizing individual cases of success. NPR gave out “Hammer Awards” to teams of federal employees who demonstrated the principles of reinvention in their workplace (for example, putting customers first or cutting red tape). NPR recognized nearly 1,400 teams with more than 60,000 employees. In contrast, the Bush administration relied on what OMB Deputy Director for Management Clay Johnson called the “shame and humiliation” approach, by publicly releasing quarterly scorecards comparing progress and status across all departments and major agencies.

NPR made an extensive effort to engage employee unions via labor-management partnership councils in each agency.

An early Bush administration directive curtailed their role and sought to expose the delivery of government services to competition with the private sector. Both the Clinton and Bush administrations employed the use of public-private competition for delivering selected services because studies found that whoever won, the government generally experienced an average savings of 35 percent. However, its use became more politically charged under the Bush administration and was curtailed substantially by Congress. Like Clinton’s workforce downsizing efforts, competitive sourcing became a source of ill will with employees.

The President’s Management Agenda and Scorecard

Begun in 2001, the President’s Management Agenda (PMA) is the George W. Bush administration’s strategy to improve the management of the federal government. The PMA focuses on areas the administration believes experience governmental management weakness. It encompasses five major initiatives in these areas:

- Performance Improvement
- Competitive Sourcing
- Electronic Government
- Strategic Management of Human Capital
- Improving Financial Performance

Each major agency is rated against criteria in each of these five areas and is scored quarterly on a publicly available “red-yellow-green” scorecard. Agencies have been striving for seven years to achieve a “green” score in all five areas.

Source: www.whitehouse.gov/results/agenda/FY08Q1_SCORECARD.pdf
Lessons Learned from the Two Reform Initiatives

Lesson 1: Put Management Issues on the Front Burner Early

Start on a firm footing. While some presidential candidates have raised management issues even earlier, during the campaign it is important to make sure rash promises are not made that might have to actually be implemented. For example, candidate Bill Clinton promised to reduce the White House staff by 25 percent and he was held to that promise. By doing this, observers believed he inadvertently crippled his policy-making abilities by being understaffed during his first term in office.

Start early. The right time to devise and implement a president’s response to government management and performance challenges is at the start of the administration, at the same time he or she is defining legislative, budget, and policy strategies. While many of the president’s appointees will not yet be confirmed, management and performance issues cannot wait. How soon the administration begins its management initiatives will likely determine how successful the initiatives will be. President Clinton announced his National Performance Review in March 1993; President Bush released his President’s Management Agenda in August 2001.

Secure and maintain top-level support. This has to be done throughout the White House and within the Office of Management and Budget. In the absence of strong leadership at the highest levels, management reform initiatives will have limited impact. The president has to personally care and spend some strategic time using the power, prestige, and symbols of the office to express that support concretely to other political leaders, civil servants, and the public.

Lesson 2: Clearly Define the Intended Scope of the Effort in Advance

A clear set of overarching principles and values is needed to build and sustain the support needed to further a president’s management program and agenda. It is essential that a president and his or her immediate White House team articulate the direction they want to take. The military calls it “commander’s intent,” which establishes a “common operating picture.”

Presidents Clinton and Bush each articulated a brief set of principles and effectively communicated them to both political and career employees throughout government. For example, Clinton’s effort advocated “putting customers first, cutting red tape, empowering employees, and getting back to basics.” Bush placed an emphasis on improving management capacity and streamlining back-office functions in the major departments.

Lesson 3: Come to Agreement on an Initiative Development and Selection Process

When you get started, think about how you want to go about developing and agreeing upon your initiatives.

How much do you keep or junk? Typically, each new administration believes it is starting with a clean slate. The advantage is the opportunity for new ideas. The disadvantage is that it stops or delays ongoing long-term efforts. For example, the Clinton administration discarded an Agriculture Department plan to streamline its field office structure, and then set about redesigning the effort via its NPR initiative. The results were the same, but the effort was delayed by about three years. Similarly, the Bush administration discarded the Clinton administration’s employee survey results only to re-create its own a year later with largely the same questions and results.

Top-down or bottom-up? There will be a series of design options that should be considered up front and will be based on the new president’s values as well as the political environment. The Clinton effort used both a top-down approach in developing its initial recommendations, and a bottom-up approach by appealing to frontline employees and citizens to bring forth their ideas. The Bush effort was largely driven top-down by engaging OMB staff in designing the approach and driving its implementation.

Lesson 4: Invest in Implementation and Follow-Through

A hallmark of both the Clinton and Bush efforts was their long-term commitment to implementation of the recommendations and the ability to recalibrate efforts over time to recognize political realities. What were some of the approaches used that contributed to success?

Create a dedicated focal point for action. Having a small core team responsible for implementation is essential. In the Clinton administration, it was NPR. In the Bush administration, it was a set of “champions” designated for each of the five major management initiatives, who were located in OMB and OPM, and were responsible to the deputy director for management.

Appoint leaders in agencies who “get it.” All relevant research and experience indicates that any attempt to achieve change and improve results will not succeed without leaders at the top who are personally committed to change and who understand what is required to improve operating performance against mission. That means picking people who care and
know how to undertake change in a disciplined, systematic, and sustained way.

**Develop a road map for action.** Setting priorities and developing some strategic approaches helps. For example, it is important to link management improvement initiatives to improvements in mission and operating performance. Leaders must understand the need and importance of using a president’s management reform agenda to improve the operating performance of their department or agency against its mission. Both Clinton and Bush used the power of transparency in reporting progress on their respective management improvement initiatives. Clinton’s NPR published agency employee survey results on the Internet, by agency. It also publicly recognized successes via Hammer Awards to teams of employees. Bush’s OMB published a “red-yellow-green” scorecard on each agency’s progress toward its agenda, noting that “shame works.”

**Obtain support from Congress.** Without support from Congress, agencies may become distracted by competing signals or, even worse, denied the funding or flexibility necessary to implement a president’s management reform priorities. No recent president has been able to garner sustained interest or support from Congress for his management initiatives.

**Use the president strategically.** The “bully pulpit” of the presidency is powerful. The president can effectively use the symbols of power to further his or her reform agenda. Bush convened a meeting of all of the career senior executives early in his administration and told them that they were important members of his team. Clinton worked through Vice President Gore, who participated in town hall meetings with employees, recognized teams of employees with Hammer Awards, and actively promoted procurement reform legislation.

**Effectively coordinate and collaborate with the agencies.** The real responsibility for addressing management and performance rests with the departments and agencies and the networks of third parties they rely upon to deliver program services. Task forces and interagency councils have emerged as an important leadership strategy both in developing policies that are sensitive to implementation concerns as well as gaining consensus and consistent follow-through within the executive branch.

**Develop a means to keep agencies and employees focused.** Once a set of initiatives has been announced, and executive orders, laws, and directives drafted, how do you keep agencies and employees focused? Other new priorities can easily distract. Persistence is important. In the case of both NPR and PMA, they developed periodic public reports. NPR issued an annual report and later developed confidential scorecards. The PMA developed quarterly scorecards on progress and made them publicly available.

*Note: This article is excerpted from a longer version that appears in the journal Public Administration Review, Sept/Oct 2008.*

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