

their own decisions. At the Mark Twain National Forest, for instance, the time needed to grant a grazing permit had shrunk for 30 days to a few hours—because employees could grant permits themselves rather than process them through headquarters.¹¹

We discovered that several other governments were also reinventing themselves, from Australia to Great Britain, Singapore to Sweden, the Netherlands to New Zealand. Throughout the developed world, the needs of information-age societies were colliding with the limits of industrial-era government. Regardless of party, regardless of ideology, these governments were responding. In Great Britain, conservatives led the way. In New Zealand, the Labor Party revolutionized government. In Australia and Sweden, both conservative and liberal parties embraced fundamental change.

In the United States, we found the same phenomenon at the state and local levels. The movement to reinvent government is as bipartisan as it is widespread. It is driven not by political ideology, but by absolute necessity. Governors, mayors, and legislators of both parties have reached the same conclusion: Government is broken, and it is time to fix it.

Where we found success, we found many common characteristics. Early on, we articulated these in a one-page statement of our commitment. In organizing this report, we have boiled these characteristics down to four key principles.

1. Cutting Red Tape Effective, entrepreneurial governments cast aside red tape, shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results. They streamline their budget, personnel, and procurement systems—liberating organizations to pursue their missions. They reorient their control systems to prevent problems rather than simply punish those who make mistakes. They strip away unnecessary layers of regulation that stifle innovation. And they deregulate organizations

customers—using surveys, focus groups, and the like. They restructure their basic operations to meet customers' needs. And they use market dynamics such as competition and customer choice to create incentives that drive their employees to put customers first.

By "customer," we do not mean "citizen." A citizen can participate in democratic decision-making; a customer receives benefits from a specific service. All Americans are citizens. Most are also customers: of the U.S. Postal Service, the Social Security Administration, the Department of Veterans Affairs, the National Park Service, and scores of other federal organizations.

In a democracy, citizens and customers both matter. But when they vote, citizens seldom have much chance to influence the behavior of public institutions that directly affect their lives: schools, hospitals, farm service agencies, social security offices. It is a sad irony: citizens own their government, but private businesses they do not own work much harder to cater to their needs.

3. Empowering Employees to Get Results

Effective, entrepreneurial governments transform their cultures by decentralizing authority. They empower those who work on the front lines to make more of their own decisions and solve more of their own problems. They embrace labor-management cooperation, provide training and other tools employees need to be effective, and humanize the workplace. While stripping away layers and empowering front-line employees, they hold organizations accountable for producing results.

4. Cutting Back to Basics: Producing Better Government for Less Effective, entrepreneurial governments constantly find ways to make government work better and cost less—reengineering how they do their work and reexamining programs and processes. They abandon the obsolete, eliminate duplication, and end special interest privileges. They invest

that depend upon them for funding, such as lower levels of government.

2. Putting Customers First Effective, entrepreneurial governments insist on customer satisfaction. They listen carefully to their

in greater production, long-term capital investments. AND (U)

embrace advanced technologies to cut costs. These are the bedrock principles on which the reinvention of the federal bureaucracy must build—and the principles around which we

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have organized our actions. They fit together much like the pieces of a puzzle: if one is missing, the others lose their power. To create organizations that deliver value to American taxpayers, we must embrace all four.

Our approach goes far beyond fixing specific problems in specific agencies. Piecemeal efforts have been under way for years, but they have not delivered what Americans demand. The failure in Washington is embedded in the very systems by which we organize the federal bureaucracy. In recent years, Congress has taken the lead in reinventing these systems. In 1990, it passed the Chief Financial Officers Act, designed to overhaul financial management systems; in July 1993, it passed the Government Performance and Results Act, which will introduce performance measurement throughout the federal government. With Congress's leadership, we hope to reinvent government's other basic systems, such as budget, personnel, information, and procurement.

Our approach has much in common with other management philosophies, such as quality management and business process reengineering. But these management disciplines were developed for the private sector, where conditions are quite different. In business, red tape may be bad, but it is not the suffocating presence it is in government. In business, market incentives already exist; no one need invent them. Powerful incentives are always at work, forcing organizations to do more with less. Indeed, businesses that fail to increase their productivity—or that tie themselves up

simply to produce a more efficient government, but to create a more *effective* one. After all, Americans don't want a government that fails more efficiently. They want a government that *works*.

To deliver what the people want, we need not jettison the traditional values that underlie democratic governance—values such as equal opportunity, justice, diversity, and democracy. We hold these values dear. We seek to transform bureaucracies precisely *because* they have failed to nurture these values. We believe that those who resist change for fear of jeopardizing our democratic values doom us to a government that continues—through its failures—to subvert those very values.

Our Commitment: A Long-Term Investment in Change

This is not the first time Americans have felt compelled to reinvent their government. In 1776, our founding fathers rejected the old model of a central power issuing edicts for all to obey. In its place, they created a government that broadly distributed power. Their vision of democracy, which gave citizens a voice in managing the United States, was untried and untested in 1776. It required a tremendous leap of faith. But it worked.

Later generations extended this experiment in democracy to those not yet enfranchised. As the 20th century dawned, a generation of "Progressives" such as Teddy Roosevelt and

tor management doctrines tend to overlook some central problems of government: its monopolies, its lack of a bottom line, its obsession with process rather than results. Consequently, our approach goes beyond private sector methods. It is aimed at the heart and soul of government.

The National Performance Review also shares certain goals with past efforts to cut costs in government. But our mission goes beyond cost-cutting. Our goal is not simply to weed the federal garden; it is to create a regimen that will *keep* the garden free of weeds. It is not simply to trim *pieces* of government, but to reinvent the way government does everything. It is not

bureaucratic state, designed to meet the needs of a new industrial society. Franklin Roosevelt brought it to full flower. Indeed, Roosevelt's 1937 announcement of his Committee on Administrative Management sounds as if it were written only yesterday:

The time has come to set our house in order. The administrative management of the government needs overhauling. The executive structure of the government is sadly out of date. ... If we have faith in our republican form of government ... we must devote ourselves energetically and courageously to the task of making that government efficient.

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