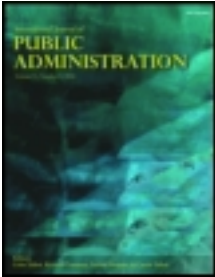


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The national performance review in perspective

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THE NATIONAL PERFORMANCE REVIEW IN PERSPECTIVE

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ABSTRACT

The National Performance Review was one of the most ambitious, far-reaching and thoroughly prepared management reform efforts of the twentieth century. This article examines some of the main themes and principles of the NPR. It begins with the Clinton administration's marketing of the effort and goes on to analyze the arguments of its major scholarly critics. It then presents the more practical public management critiques of the NPR implementation. The article concludes with a comparison of the most important contributions and drawbacks of the total effort and delineates the public management dilemmas that the NPR presents to federal managers.

INTRODUCTION

The National Performance Review grew out of the 1992 Clinton/Gore presidential campaign and the conviction that a

reorienting of the executive branch bureaucracy was necessary. Some of the intellectual roots of the NPR were laid out in Osborne and Gaebler's book, *Reinventing Government*, which drew together a number of success stories from state and local government management reform efforts into a prescription for broad based governmental reform in the U.S.⁽¹⁾ From the successful state and local experiences around the country Osborne and Gaebler abstracted some principles that they argued could be used for "reinventing" the federal government in the United States.

They contended that the prevailing paradigm of government organization in the U.S. was established during the progressive era at the turn of the century and was a reaction to the negative effects of the spoils system with its lack of competence and susceptibility to governmental corruption. The progressive paradigm of government organization, they argued, was designed during the industrial revolution and modeled on large scale bureaucracy with hierarchical control from the top to ensure responsiveness to law and adherence to policy.

Furthermore, they argued that with the coming of the information revolution in the late twentieth century, the usefulness of the bureaucratic paradigm has been superseded by the need for more flexible organizations that can operate in a profoundly changed environment of global competition. The governmental reforms of the progressive era had been developed and elaborated so much that the rules and procedures that originally facilitated management came to choke off innovation. The admitted original benefits of large scale organization prevalent throughout the federal government have been diminishing and the originally useful reforms have been counterproductive for some time.

Osborne and Gaebler proposed to replace this governmental paradigm with a government that "steers rather than rows." That is, the function of government should not be to produce directly goods and services in a large scale production mode. Instead of

directly providing goods and services, the government ought to rely on setting up incentive systems to encourage citizens to do things themselves, use contracting out to take advantages of market incentives, and encourage competition between government agencies and between agencies and private sector businesses. Their approach envisions government as catalyzing, enterprising, decentralized, community owned, competitive, mission driven, customer driven, market oriented, and results oriented.

A decision was made during the 1992-93 presidential transition to make management reform one of the key components of the initial Clinton policy agenda. The importance of this decision should not be underestimated. In any new administration there is a limited capacity for new initiatives because of the compressed time frame, the pressure from competing initiatives, the need to establish the administration's, and competition for the president's time, energy, and attention.⁽²⁾ The decision to make management reform a key item in the Clinton agenda committed the President to devote attention and time to it, and tied the administration's credibility to its success. The decision to place the Vice President in charge of the effort demonstrated an ongoing commitment to the effort, especially in an administration in which the Vice President was close to the President personally and played a greater role in policy than had most previous vice-presidents.

In announcing the NPR President Clinton declared: "Our goal is to make the entire federal government both less expensive and more efficient, and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment. We intend to redesign, to reinvent, to reinvigorate the entire national government."⁽³⁾ This reinventing was expected to reduce the "trust deficit." The percentage of citizens who trusted the federal government to do the right thing most of the time in 1963 was 76 percent. By the 1990s the percentage had dropped to 20 percent.⁽⁴⁾ The administration

reasoned that a marked improvement in the management of government programs would help restore citizen trust in government.

To plan the NPR effort, Vice President Gore assembled a small staff that drew in more than 200 career administrators from throughout the federal government. The use of career civil servants was in contrast to most other reform commissions which traditionally drew staff from the private sector and academia. The NPR central staff organized "reinventing teams" throughout the departments and agencies of the government that worked intensely over the summer of 1993 to bring together the best ideas to improve government management.

The NPR report, entitled "Creating A Government That Works Better and Costs Less," was presented to the President on September 7, 1993, at a ceremony on the White House lawn with a backdrop of pallets of regulations and reports that symbolized the red tape that the NPR was supposed to eliminate. The report specified 384 recommendations and was organized around the key principles of 1) cutting red tape, 2) putting customers first, 3) empowering employees, and 4) cutting back to basics.

Vice President Gore followed up on the issuance of the report by meeting with governmental agencies throughout the country, with state and local government leaders as well as business leaders, and even by appearing on television talk shows. His active engagement was meant to demonstrate that the administration was committed to the reform initiatives and that there would be high level involvement in follow-through. Such demonstrated commitment is essential for credibility in the federal government when so many initiatives by new administrations are announced but soon wither from neglect. Bureaucrats who have seen these reforms come and go over the years often wait skeptically before committing their time and energy to a process that may not last more than a few months. The follow-through

from the highest levels in the administration was meant to dispel this skepticism from the beginning.

LONG-RANGE PERSPECTIVES: THE SCHOLARLY CRITIQUES

Although the rhetoric used to promote the NPR was often excessive, NPR proponents made a number of valid critiques of federal government management systems developed over the course of the twentieth century. The personnel system overseen by the Civil Service Commission was designed to prevent political interference with the career system and ensure that all personnel decisions were based on merit rather than partisan preference. Thus there grew many restrictions on the discretion that government managers could use in hiring and firing subordinates to ensure that personnel decisions would not be subject to political manipulation. Another set of regulations grew up to protect employees from discriminatory decisions based on race, sex, or religion rather than merit. But in limiting the discretion of managers to make bad decisions (those based on partisan politics or discriminatory intent rather than merit), the regulations also made it difficult to make good decisions (for example, firing an employee for not doing the job).

Similarly, the huge bureaucracies created to run the large programs of the federal government were designed along hierarchical lines to ensure control from the top and accountability. Regulations were created so that the organizations would be run for the purposes for which they were created rather than for the benefit of lower level workers and their potentially corrupt relations with their clients (for example, giving contracts to friends rather than to the best bidder). But the accumulation of these regulations also tied the hands of managers and made procurement and other routine management decisions more complex and burdensome.

Hype and Overstatement

The NPR proposed to solve many of these problems by cutting the red tape of these accumulated rules and regulations and "deregulating" public managers.⁽⁵⁾ Instead of tasks designed at the top and unquestioningly implemented below, top leaders would create a shared vision and allow much more discretion and flexibility in the rest of the organization to accomplish the agency mission. Employees would be "empowered" to make decisions and solve problems. Instead of government agencies that need heavy handed managers to carry out their self designed imperatives, the new approach would have agencies conduct surveys of their clients to see what their "customers" want.⁽⁶⁾

But in promoting solutions to these perceived problems in the traditional management system NPR proponents often overstated the problems and engaged in hype. For instance the introduction to the NPR report states: "It is almost as if federal programs were *designed* not to work. In truth, few are 'designed' at all; the legislative process simply churns them out, one after another, year after year. It's little wonder that when asked if 'government always manages to mess things up,' two-thirds of Americans say 'yes'."⁽⁷⁾ This is clearly an overstatement. While legislative compromises may change the initial design of those who propose programs, the legislative changes introduced often improve the program.⁽⁸⁾

In addition, career public managers and political executives spend considerable time and effort designing governmental programs. Citing a few programs of which one disapproves or some management failures does not prove the above sweeping statement. One can hardly blame the "two-thirds of Americans" for their cynicism when the Vice President, a former Senator himself, makes such broad statements in an official report to the President.

In an article in *Public Administration Review* Vice President Gore claimed that "In the past, federal executives were presumed to know what the citizen wanted."⁽⁹⁾ No doubt the federal government has had its share of arrogant executives, but this easy caricature ignores the clear constitutional principle, embraced by the vast majority of all federal executives that their mission is to carry out the law as enacted by Congress. Within the outlines of the law executives use their professional judgment to implement the intent of the law in the public interest. This is different from presuming to "know what the citizen wanted."

In speeches advocating the NPR proposals Vice President Gore cited a number of examples in which the big bureaucracy approach to procurement resulted in the government paying too much for common, off-the-shelf office products. This was intended to illustrate how the large-scale approach, which was supposed to result in economies of scale, has in practice led to paying more than the off-the-shelf price for office goods. Gore mentioned floppy disks and several other common office items and said that these generic items could be purchased much more cheaply at large volume office products retailers, such as the Office Depot. But *Government Executive* reporter Tom Shoop actually investigated the claims to find out how much the government was losing. He compared prices of a Washington Office Depot store with the GSA October (1993) Federal Supply Services catalogue and found that the government prices were significantly lower than the commercial prices for floppy disks, transparent tape, postable note pads, photocopy paper, and toilet paper.⁽¹⁰⁾

Thus government could in fact benefit from the economies of scale in these particular items by purchasing them from a central government purchasing agency rather than by buying them off the shelf. This counter to Gore's claim, of course, does not prove that the government always obtains the cheapest price. But it does

illustrate that some of the hype associated with the NPR was not always entirely accurate.

Overpromising

In addition to some overstatements and associated hype, several scholars have argued that the longer term implications of the whole approach of the NPR is destructive of citizen trust in the presidency and the constitutional rule of law as the legitimate basis for the administrative state. Scholar Peri Arnold argues that the rhetoric with which the NPR was pushed by the President promoted a "negative focus on government."⁽¹¹⁾ President Clinton proclaimed that "The American people deserve a government that is both honest and efficient, and for too long they haven't gotten it," and that government too often "costs too much or is too slow or too arrogant or too unresponsive."⁽¹²⁾

According to Arnold this rhetoric leads citizens to the conclusion that government administration is failed and thus needs "reinvention." This populist appeal follows the last several decades of bureaucrat and government bashing by politicians and reinforces the already wide-spread distrust of and hostility toward government. The problem with this, according to Arnold, is that the president raises expectations that public dissatisfaction can be solved through administrative reform. Arnold takes issue with the NPR Report assertion that "Today, the central issue we face is not *what* government does, but *how* it works."⁽¹³⁾ Arnold argues that the real source of citizen distrust and anger is "the profusion of goals and the density of policy in the contemporary public realm. Having voted for big government throughout much of this century, the electorate is anxious about what it has created."⁽¹⁴⁾ Thus the real problem is over the "what" of government--what are the legitimate purposes and programs of government, and improving the "how" of government (administrative reform) will not solve that problem.

Arnold concludes that the NPR, with its promises of huge dollar savings and reduced numbers of employees, will only deflect public frustration from the real problem which is deep seated disagreement about the purposes of government. Arnold concludes that in the end this will not work and that the NPR "will only impede effective governance by obscuring the causes of public anxiety and offering administrative technique in lieu of politics about public purposes."⁽¹⁵⁾ The longer range implications of the NPR thus will undermine confidence in government because the NPR has promised what it cannot deliver--a less costly government without making difficult policy choices to abandon some of the tasks it has taken on over the past three decades.

Political Scientist Donald Kettl also questions whether the processes of management can be overhauled without also taking account of the functions being performed. "The burden of a century of public management, however, is that the distinction is artificial the how powerfully shapes the what because means embody ends; and, from the beginning, the how has to be driven by the what."⁽¹⁶⁾ For instance, pleasing customers receiving benefits is inherently different from pleasing the "customers" of regulatory agencies.

Undermining Constitutional Government

Scholar Ronald Moe has criticized the NPR by arguing that it has fundamentally misconceived the nature of government. The Gore Report in its emphasis on customer satisfaction and responsiveness to agency clientele undercuts the notion of people as citizens with responsibilities as well as demands. With its recommendation for government managers to be entrepreneurial and other proposals, Moe argues, the NPR embraces too fully the notion that government is similar to business in most important respects. With this market paradigm, the concern of agency officials shifts away from being agents of the sovereign and

carrying out the law of a constitutional polity to the role of business entrepreneurs trying to satisfy customers. Thus the paradigm of a constitutional polity with the executive branch created to "faithfully execute the laws" is undermined, and the measure of success becomes reacting to the whims of clientele preferences.

Moe also argues that in adopting an approach of "empowering" government employees by loosening controls the NPR is rejecting "the administrative management paradigm with its emphasis on the Constitution, statutory controls, hierarchical lines of responsibility to the President..."⁽¹⁷⁾ This is dangerous, he argues, because it loosens the hierarchical ties that bind government civil servants to carrying out the public will as expressed through their elected representatives in Congress in public law.

James Q. Wilson also points out that empowering employees is not only an executive branch concern. "To truly empower employees, you must first disempower legislators, judges, and White House staffers."⁽¹⁸⁾ His point is that in our constitutional system legitimate demands for accountability of public administrators can be made by the other branches of government and cannot be easily dismissed by executive branch managers.

The emphasis on responding to customers in the NPR echoes "The New Public Administration" of the 1970s which stressed responsiveness to agency clientele rather than strict adherence to the rules and regulations of the bureaucracies that were created to carry out public law. While responsiveness to the citizenry is certainly a hallmark of democratic government, the question here is at what stage in the policy process the responsiveness should be asserted.

The formal, constitutional process places the duty of responsiveness at the legislative level where formal policy is

established. Within the legitimate discretion of public law, it is appropriate for career public managers to be concerned about agency clientele (customers), those affected by agency programs. This legitimate attentiveness to "customers" is where the NPR wants government employees to emulate private sector businesses. Proponents of the NPR cite examples of some businesses that pay lavish attention to customer satisfaction.

But in the public sector there is a legitimate question of the cost of service. Hiring for peak-load demand can produce excess capacity in slack periods. But more importantly, determining who the legitimate customer is (that is, to which customer to be responsive) is not always easy with government programs, which may very well have customers with competing interests. For instance, which "customers" of the Forest Service should prevail, loggers or future generations? Should the Food and Drug Administration tilt toward pharmaceutical companies or toward the safety concerns of consumers? How should the Environmental Protection Agency balance environmental preservation with economic production? Putting customers first does not go very far in balancing these legitimate policy conflicts.⁽¹⁹⁾

It is interesting that in implementing its customer service values the administration decided to use an executive order that mandated an across-the-board, nine step approach for all agencies. Ironically, a program that encourages empowerment and criticized bureaucratic rules chooses to implement part of its mandate through a complex, top-down, bureaucratic mechanism.⁽²⁰⁾

Personnel Cuts

Another, more specific, criticism of the NPR made by Arnold, Moe, Kettl, and others pertains to the projected savings of \$108 billion and the promise to cut 252,000 (later changed by Congress to 272,900) workers from the federal government

payroll. In presenting the NPR the new Clinton Administration was not only embarking upon management improvement but also was addressing political priorities. The federal debt had ballooned since the early 1980s, quadrupling in size from \$1 trillion to \$4 trillion by 1992. Thus deficit reduction had to be on the policy agenda of the new administration, and the NPR was expected to do its share. This explains the pressure to claim large savings from the management initiatives and reductions in the federal workforce.

There are two problems with this. One is that the political concerns put pressure on the administration to exaggerate the promised savings, and the Congressional Budget Office (CBO) came out with a report that undercut the Administration's claims by saying that the claimed savings were overstated. Second, Congress soon pounced on the projected savings by earmarking them for other purposes (crime prevention) so that the deficit would not be reduced, and the spending on other purposes might very well exceed the *actual* savings from the proposed NPR initiatives.

The other problem was the promise to cut federal government personnel by 12 percent over five years. The origins of this promise came in a Clinton campaign promise to cut the federal government by 100,000 people. But in the political pressure of designing the NPR the number got increased to 252,000 and with congressional enthusiasm to 272,900. The justification was based on the assumption that the new approach to management and new information technology would eliminate the need for much of middle management and staff support (personnel, procurement, auditing, budget, accounting, and management specialists).⁽²¹⁾

The problem with such deep cuts in the federal workforce force is that if the projected efficiencies do not appear, the capacity of government agencies to carry out missions could be hurt. This could further "hollow" the government. In addition,

it is difficult to control which personnel leave agencies, either through offered buyouts or through reductions in force (RIFs). Some agencies did serious planning, others did not. The General Accounting Office (GAO) also warned that systematic training was needed to ensure that the new approaches to managing agencies will be effective. The other danger is that the cuts in personnel could be so disruptive as to undermine all of the good ideas for reform spawned by the NPR. If people are worried about their jobs, they will tend to neglect the agency mission, much less any new reform initiatives. As Don Kettl puts it, "for most federal managers, the defining reality of the NPR soon became the workforce reduction."⁽²²⁾

The thrust of these criticisms of the NPR is that it promises too much and that the nature of the prescribed reforms is not sufficient to accomplish the promised results. The critics argue that, like many politicians of the 1980s, NPR proponents have promised something for nothing and have refused to face the reality of fiscal constraints or voter ambivalence about the purposes of government. They argue that you cannot reduce resources (people and money), keep the same programs, and still improve performance. This refusal to make choices is implied in the subtitle of the Gore Report "Creating A Government that Works Better and Costs Less." Skeptics argue that there is no free lunch.

On the other hand, the skeptics may be overstating their case and ignoring the realities of contemporary politics, the inevitable political environment of any reform effort. While Arnold argues that the rhetoric of the NPR proponents can lead to a bleak view of government, there is much truth to the NPR criticisms of government, many of which were made in other public reform proposals, such as the National Commission on the Public Service. It is hard to argue for any important change without painting a bleak picture of the status quo. If problems are not pressing, citizens and politicians will reply with the old adage "If it ain't broke, don't fix it."

The National Commission on the Public Service faced the same dilemma in formulating its appeal for reform of government management, and many of its proposals parallel those of the NPR. They had to portray the problems as being sufficiently severe to warrant significant reform, yet not so severe as to project an image of the federal government as hopeless.⁽²³⁾ Thus a delicate balance of contrapuntal rhetoric must be developed to undertake any reform in order to gain enough political support to succeed. The NPR reply to Arnold could be "Maybe we went overboard a bit in our negative criticisms, but we balanced them with positive statements about government personnel and stressed that the problems were with bureaucratic systems, not civil servants. This rhetoric was necessary to catch the attention of the political system and get the system to respond at all."

The NPR's reply to Moe's criticism that the NPR undermines the legal and constitutional basis of American Government could be that he is mistaking management tactics for a theory of government. In searching for market mechanisms to employ and being sensitive to agency "customers" the intent of the NPR is really to improve the effectiveness and responsiveness of government agencies, not to undercut the constitutional basis of the polity. The idea of citizens and customers can be complementary and not antithetical if taken in the right spirit. But in making this defense against Moe, the NPR proponents would have to admit that the word "reinvent" is a bit of an exaggeration. They would have to argue that they really mean reforming management rather than reinventing government. Donald Kettl's formulation is apt here "The traditional approach is not obsolete; it can never be so long as the United States is a government of laws. But it must be adapted to a new reality of shared responsibility for common purposes."⁽²⁴⁾

The dilemma here is that in amassing the force necessary to reverse the direction of the pendulum, the force applied may be so great as to send it too far in the other direction. Thus in moving

away from regulations, hierarchy, and excessive auditing, the government should not be pushed beyond the bounds of the Constitution, public law, and accountability. "We want to improve public management in marginal, though important ways," is not a very galvanizing battle cry. "We want to reinvent government" is much more catchy. Charles Goodsell has summarized this tension nicely:

The inherent problem here--and to some degree in all reform of public management--is the incongruence of doing something quite important but also quite mundane and undramatic making detailed adjustments to the apparatus of government, within the political force field of superficial, sound-bite discourse and high-stakes, ego-and-interest struggles that dominate in Washington and other centers of power. Put another way, the 'low politics' of public management reform does not fit well into the 'high politics' of presidential and congressional struggle. But without the driving forces of high politics, needed adjustments to the apparatus get delayed, downplayed, ignored, and underfunded. When exposed to their turbulence, however, they are buffeted by hyperbole and exaggerated expectations.⁽²⁵⁾

The reply to those who criticize the possibly exaggerated claims for dollar savings and the promise to cut 272,900 workers is to point to political reality. In order to get sufficient political support from a skeptical public and a suspicious Congress, the gods of economy and efficiency must first be appeased. From the perspective of NPR's proponents the sacrifice of more than 12 percent of the workforce and the promise of huge dollar savings were worth the expected results of reformed management effectiveness. Whether this trade off was actually worth it can only be judged in the future when the promised efficiencies and management improvements have been accomplished.

THE PRACTICAL PERSPECTIVE

Critics have also pointed out several gaps or managerial problems facing the federal government that the NPR fails to address the "hollow government" syndrome, the increasing number of political appointees, and the institutional management capacity of the presidency.

Hollow Government

Mark Goldstein, author of *America's Hollow Government: How Washington Has Failed the People*,⁽²⁶⁾ argues that the NPR perpetuates the syndrome of expecting government agencies to do more work at the same time that the resources to do their jobs have been eroding. This trend was bad in the 1980s when domestic agencies' personnel were cut severely and their budgets trimmed to reduce the deficit. The NPR proposal to cut 252,000 civil servants was not accompanied by any major cuts in domestic programs, and the sharp military drawdown was not accompanied by major changes in mission. Thus just as in the domestic side, tough decisions about priorities have not been made.

Goldstein argues that the tough political choices about the appropriate role of government in modern society have not been addressed and that it is a delusion to expect that the NPR reforms will bring greater productivity with fewer resources. Major cuts in personnel and resources will inevitably lead to poor program performance. This will lead to increased cynicism on the part of the citizenry who see another political promise unfulfilled.

Political Appointees

The number of political appointees has increased significantly over the past several decades, and it has been argued that this

increased politicization has resulted in a less professional approach to the management of public programs.⁽²⁷⁾ The issue was raised in early deliberations of the NPR staff, but it was too politically volatile to pursue. This was a new administration that had lots of political debts to pay, and to argue that it should not have the benefit of the same number of partisans as the 12 years of its Republican predecessors was too much to expect.

The issue, however, is an enduring problem and has been addressed by several high level public management reports, most notably, the National Commission on the Public Service (the Volcker Commission), which proposed that the number of political appointees (PAS, SES, and Schedule C) be reduced from about 3,000 to about 2,000. While some argue that the quality of appointees is more important than quantity, the Volcker Commission argued that the large quantity inevitably leads to an erosion of quality, despite the many outstanding political appointees in recent administrations. Others argue that the number of appointees constitutes a very small fraction of all public employees. This is true, but they are highly leveraged due to their policy making positions and presidential authority. The problem, however, is increasing layers of political appointees between the top level policy makers and the career implementors of programs and the premature end to the career paths of our most competent career executives.

Critics of the NPR argue that with the cut of 272,900 career workers, many of them at mid-levels of management, the ratio of political to career will be increasing. The NPR thus should have addressed the relatively large number of political appointees as part of its broader management reform effort.⁽²⁸⁾

Institutional Capacity

Another criticism of the NPR is that the high level implementation of the reform is being carried out only by the Vice

President's office and interagency committees. President Clinton pointed out that the leaders of previous management reform commissions returned to private life after submitting their proposals, but the Vice President would still be in the government following through on the proposals throughout the administration. While the high level attention is good in the short run, these critics argue that follow through would be better assured if the mission were given to an institutionalized OMB. Without an institutionalized NPR staff, high level support may last only as long as Mr. Gore is in the executive branch.

The administration refused to give OMB a major role in NPR implementation, and in 1994 decided to merge OMB's management functions with the budget functions. This has happened twice in the past, in 1953 and 1973, and has led to the erosion of the capacity of BOB/OMB to exert a management presence in the federal government. Past mergers have changed the management role of OMB from facilitator/consultant to the enforcer of central controls backed by the club of its budget clout. This has inevitably led to the subordination of management priorities to budget imperatives. A number of old BOB/OMB hands have argued that the only solution to this problem is an Office of Federal Management.⁽²⁹⁾

A Sympathetic Rebuttal

The skepticism of the critics must be contrasted with the enthusiasm of many civil servants. Many career government workers see the NPR as an opportunity to change some of the frustrating ways they have been doing business for many years. The personnel system *is* hide bound in rules, and personnel actions are often frustratingly slow. The procurement system *is* long and frustrating and often does not end up granting the contract to the right vendor. The budget system *is* often inflexible and an obstacle to good management.

One way of looking at the NPR is as a garbage can in which there are many problems and solutions floating around. The outcomes are dependent upon which participants seize which opportunities to link certain solutions to certain problems.⁽³⁰⁾ From this perspective on public policy making people seldom are able to move directly toward one coherent idea or goal and bring it about. Power is too diffused with so many people with conflicting goals having a piece of the action. There are at any time many ideas floating around about management reform but not enough clout to implement any one of them. So when a vehicle appears, such as the NPR initiative, with enough backing to be implemented, many different people try to get their own reform ideas included. While this description of the public policy process may not present it to be as rational as one might like, it does allow many issues to be raised, and the best (or those with the most backing) of those that float to the surface can be enacted. The NPR was a credible vehicle that was used by federal managers to raise management reform issues that had been floating around for years waiting for such an opportunity.

The dynamics of this type of policy vehicle are such that it draws a wide variety of proposals for change to it. In fact, the NPR proposals are so broad and disparate that Charles Goodsell has argued that they are essentially all things to all critics (concerned with public management). The term "reinventing" has virtually no content, yet is symbolically powerful, and its vagueness allows people to read into it what they please.⁽³¹⁾ If you fear big government, the NPR will reduce its size. If you are a constrained bureaucrat, NPR will set you free of burdensome regulations. If you fear the deficit, the NPR will reduce it. If your program has vague goals, the NPR will define and measure outcomes. If you are concerned with labor relations, NPR will improve them. Thus the NPR can be used as a vehicle for creative solutions to whatever ails the bureaucracy.

The assumption here is that public servants are hard working and creative and that, energized by the NPR and freed of some

shackles, they will respond with creative energy that will transform their own programs (if not the whole government). This is not a bad assumption, and this is one of the most important contributions of the NPR.

One of the great assets of the NPR is that it gives federal managers the license to innovate in order to solve problems that have frustrated them for years. One of the initiatives picked up by the NPR effort was to encourage innovative thinking and risk taking on the part of public managers by printing thousands of small cards that give government workers permission to reinvent their own programs. The card states these principles:

Ask yourself:

- Is it good for my customers?
- Is it legal and ethical?
- Is it something I am willing to be accountable for?
- Is it consistent with my agency's mission?
- Am I using my time wisely?
- Is the answer YES to all of these questions?
- If so, don't ask permission. You already have it. Just do it!⁽³²⁾

In addition, "forgiveness coupons" have also been issued in order to encourage risk taking.

Reflecting the theme of turning loose the energies of creative civil servants, the NPR effort has publicized many "success stories" to illustrate the changes wrought by the government's reinventors. More than 100 agencies have set customer service standards for the first time. More than 135 "reinvention labs" have been created to explore innovative approaches to traditional processes. Procurement procedures have been simplified. State and local governments have been granted more flexibility in implementing federal programs. Government agencies are saving money by paying benefits electronically rather than by the traditional mailed paper. More than 70,000 positions had been eliminated and more than \$46 billion had been saved within the first year of the NPR effort.⁽³³⁾

In addition, a number of bureaucratic processes were improved. NPR reinventors reduced the number of steps necessary to hire a person at the Department of Labor from 120 to 47 and cut in half the number of personnel specialists needed to do the work. The Occupational Safety and Health Administration reduced the number of steps to respond to a Freedom of Information inquiry from 105 to 25, which will improve the handling of the 17,000 requests it receives each year.⁽³⁴⁾ The New York City Veterans Administration regional office cut processing time to serve veterans, but perhaps more importantly, it has assigned one contact person to each veteran needing help who always knows the status of the case, reducing the feeling of veterans of being bounced from person to person and having to repeat their story each time.⁽³⁵⁾ The success of NPR efforts in individual agencies, however, often depended upon agency leadership and whether the initial goals of the NPR were embraced early by agency leaders or were resisted and had to be forced upon them.

CONCLUSION: THE NPR IN PERSPECTIVE

The NPR follows in the tradition of other high level management reform proposals of the twentieth century.⁽³⁶⁾ Some commissions dealt with the structure and authority of the executive branch (Brownlow, Ash) but most dealt with administrative management (Keep, Taft, both Hoovers, CSRA, Grace, Volcker). The NPR also, although it has implications for the authority structure of the executive branch, is more concerned with administrative procedures and efficiency. Its solutions to administrative problems echo some of the earlier management reform efforts.

The goal of decentralizing personnel administration from control by a centralized personnel agency (the Office of Personnel Management), although touted as a major divergence from the

past, is a well established prescription for the rigidities of personnel administration. In fact, the delegation of more discretion in personnel decisions was recommended by the first Hoover Commission, and 1978 Personnel Management Project (out of which grew the CSRA), and the Volcker Commission. The fact that centralizing pressures were strong enough to prevent the previous reform proposals from being fully realized is significant and bodes ill for the success of the NPR, though it is likely that some progress will be made. The political pressures for tight control and accountability (including FTE ceilings and average grade controls) are so great that they tend to be reimposed soon after they are lifted.⁽³⁷⁾ This happened in 1981 when the deregulatory direction of the 1978 Civil Service Reform Act was reversed by the new Reagan administration.

The NPR was like previous management reform initiatives in that its proponents felt they had to attack big government and promise large savings (as both Hoovers and Grace did) in order to win political support. The title of the NPR Report, "Creating a Government that Works Better and Costs Less," echoes the Motto of the Citizens Committee for the Hoover Reports which was, "Better Government for a Better Price."⁽³⁸⁾ The Brownlow Committee and the Volcker Commission were exceptions in their care not to bash government or promise large savings in order to drum up support for their proposals.

Some skeptics tend to get cynical toward these recurrent, seemingly quixotic charges at the windmills of bureaucratic inefficiency. They cite the mixed record of the blue ribbon commissions in the 20th century. They also cite the more recent succession of management "fads" in recent administrations. The Johnson Administration mandated Planning Programming Budgeting systems (PPBS) throughout the federal government. The Nixon Administration used Management By Objectives (MBO). The Carter Administration thought Zero Based Budgeting (ZBB) would solve our budgetary dilemmas. And recent administrations have pushed Total Quality Management (TQM).

The official pursuit of each of these programs has been abandoned, though the NPR has incorporated aspects of TQM.

The lessons that we should learn from the abandonment of these management "fads" is not that they failed and were useless, but rather that their advocates overpromised, that they were oversold, and they were applied too broadly. Each contained valuable elements that improved government management, which is why they were adopted in the first place.

But just because the formal aspects of these management reform efforts have been abandoned does not mean that they were futile. They failed only in the sense that they were not the panaceas that their most zealous advocates claimed they would be. Throughout the government today useful elements of each of these approaches are being used successfully, even if the names have been changed. The aspects of previous reform efforts that were not useful have been abandoned. Management reform is an iterative, learning process.

The failure to discover the holy grail of the perfect management system should not surprise us. Entropy affects all human systems just as it does physical systems. Without new energy regularly inserted into the system, human organizations deteriorate. Management systems are no exception. Thus management reform is similar to the task of Sisyphus. The rock must be continually pushed back up the hill, and the NPR is another laudable effort to improve management of the government.

The question of whether the NPR will be successful depends on whether its implementation strikes the right balance among the management dilemmas it addresses.

- With respect to personnel authority, we must decide how much we are willing to trust our managers and how much we want central control.

- With respect to the size of the federal work force, we must decide whether reducing the numbers can be accomplished without the negative effects of hollow government. With respect to the red tape of rules and regulations, we must decide whether to risk delegating discretion, recognizing that there will probably be some abuses.
- With respect to budget authority, we must balance the trade-off between flexibility and accountability.
- With respect to pleasing customers, we must decide how much to trust the judgment of managers and how much to insist they have to hew to the letter of the law.

All of these trade-offs boil down to the central dilemma in any administrative structure: delegation versus control. These vary inversely and thus cannot both be maximized at the same time. The NPR is another attempt to set the balance while shifting it toward more trust. But the broader dilemma will always be in maintaining a dynamic balance.

The problem with any significant reorganization or management reform is that these enterprises are much more like gardening than architecture.⁽³⁹⁾ Their authors see themselves as architects with neat organizational structures and clear-cut avenues of progress. But when these rational plans get implemented in the messy organizations of imperfect humans, they resemble the jumble of an overgrown garden in the midst of a vigorous weeding.

Like gardening, the hard work of management reform is mostly up front in the planning, gathering political support, and initial stages of implementation. The pay off, however, comes in the long run when the disruptions and dislocations of reorganization have been overcome and the positive effects have set in (provided that the progress has not been overtaken by

another reorganization). The benefits of well conceived reorganizations accrue to the successors rather than the initiators of reform.

Thus in evaluating success of a management reform effort, the short run analysis of legislation passed and executive orders issued is often not a good guide.⁽⁴⁰⁾ For example, the recommendations of the Brownlow Committee were initially rejected by Congress and only a few of them were enacted after several years. Yet the Brownlow Report in legitimizing an administratively strong presidency and an active White House staff has had a profound impact on the presidency and the executive branch.

The true impact of the NPR, similarly, can be assessed only after its proposals have had a chance to affect the attitudes, procedures, and functions of the federal government. The successes of the NPR are more likely to come in a number of different areas rather than in one sweeping transformation. After all, its proposals for reform were many and disparate. But this may be appropriate in the public management arena. As James Q. Wilson has observed, "public management is not the arena in which to find Big Answers; it is a world of settled institutions designed to allow imperfect people to use flawed procedures to cope with insoluble problems."⁽⁴¹⁾

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15. *Ibid.*, p. 31.
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Anyone who has ever worked in a bureaucracy can see how this could easily become a bureaucratic nightmare. It is also difficult to know what is meant by the "best in the business." Should Army barracks strive to compete with five star hotels? Should agency cafeterias hire the best chefs in the world? Should government airplanes emulate the first-class service that airlines provide?

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22. Kettl, *op cit.*, p. 12.
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