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IMPROVING COLLABORATION BY FEDERAL AGENCIES:

AN ESSENTIAL PRIORITY FOR THE NEXT ADMINISTRATION

by

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One of a Series of Issue Papers on

Presidential Management Capacity to Respond to 21st Century Challenges

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This is one of a series of issue papers prepared under the auspices of The National Academy of Public Administration's Standing Panel on Executive Organization and Management. They are intended to inform Presidential candidates and Congress about the management capacity of the Executive Office of the President and the challenges facing it.

A list of the papers that have been completed as of this date can be found after this title page. The papers represent the views of the author(s), not necessarily those of the Academy or any of its panels.

List of Issue Papers on Presidential Management Capacity to Respond to 21st Century Challenges

The Standing Panel on Executive Organization and Management undertook an effort in 2006 to examine the institutional management capacity of the Executive Office of the President. Following is a list of issue papers issued as of August 2008:

Broad Governance Issues

- “Principles, Values, and Assumptions Underlying ‘Good Public Management’” *by John Kamensky*
- “Governing with Foresight: Institutional Changes to Enhance Fact-Based Decision-Making in the Executive Office of the President,” *by John Kamensky*

Institutional Management Capacity of the Executive Office of the President

- “A Modernized Office of Executive Management: An Option for Making the M in OMB a Reality,” *by Dwight Ink*
- “The President Must Develop a Strong Capacity to Meet Executive Organization Requirements,” *by Dwight Ink and Herbert Jasper*

Management Tools Used by the Executive Office of the President

- “Strengthening the Government’s Budgeting and Fiscal Management Capacity,” *by F. Stevens Redburn and Philip G. Joyce*
- “Crisis Management” *by Dwight Ink*
- “The President’s Intergovernmental Management Agenda,” *by Bruce McDowell*
- “Government By Contract: The White House Needs Capacity to Review and Revise the Legacy of 20th Century Reform,” *by Dan Guttman*
- “Improving Collaboration by Federal Agencies: An Essential Priority for the Next Administration,” *by Thomas H. Stanton*
- “The Legislative Clearance Process,” *by Bernard Martin*

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Executive Summary

In today's technology-driven and complicated environment improved collaboration of federal agencies with other organizations has become imperative. In many areas, such as creating interoperable systems for program delivery, collaboration with state and local governments and private sector organizations often can create a result superior to each agency or private organization trying to go it alone.

It is time to enhance the cultures of federal organizations to embrace greater collaboration and facilitate the rise of collaborative leaders and managers. But interorganizational collaboration must be done without weakening or blurring accountability of government agencies to spend public resources wisely.

Some legislation mandates interorganizational collaboration. The Goldwater-Nichols Department of Defense Reorganization Act of 1986 transformed the Joint Chiefs of Staff from a weak coordinating body into a source of influence that could promote serious interservice cooperation. The Director of National Intelligence similarly has mandated interagency service as a requirement for promotion to senior levels of intelligence agencies. Yet, many governmentwide efforts at promoting collaboration have not succeeded in the face of organizational resistance.

The Office of Management and Budget (OMB) is the only agency with current capacity and clout to foster improved collaboration. To promote a culture of collaboration by federal agencies, OMB should expand application of tools such as interagency councils and agency performance rating systems to increase incentives for federal managers to collaborate with those outside their agencies' boundaries. Individual departments and agencies should adopt systems that rate the quality and effectiveness of collaboration into their strategic and performance plans and into performance evaluations of senior executives and managers. OMB will need to exercise leadership systematically over many years to help federal agencies internalize collaboration into their organizational values and cultures.

IMPROVING COLLABORATION BY FEDERAL AGENCIES: AN ESSENTIAL PRIORITY FOR THE NEXT ADMINISTRATION

Introduction

Collaboration among government agencies and across networks is essential for government to be effective. Katrina was only the most recent major example of a problem that far exceeds the capacity or jurisdiction of any single organization. In one realm of government after another, such as national security,¹ homeland security,² public health,³ and delivery of government benefits, organizations must collaborate with others to meet their responsibilities. As organizational development expert Michael Maccoby contends, transformation of government bureaucracies into collaborative organizations is imperative if government is to keep pace with developments in the private sector.⁴

Technology makes collaboration easier than ever before. The electronic delivery of Food Stamp benefits—requiring collaboration among multiple federal and state agencies and for-profit and nonprofit private organizations—is a good example of interorganizational collaboration that became possible only because of improved technology.⁵

While technology made that electronic system feasible at reasonable cost, organizational culture also likely played an important role. Collaboration between the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture, which administers Food Stamps, and the Department of Health and Human Services, which administered the former AFDC (Aid to Families with Dependent Children) welfare program, had been necessary since the inception of the Food Stamp program, since AFDC eligibility conferred automatic Food Stamp eligibility.^{6,7} Also, states provided the delivery of Food Stamps to beneficiaries. That history of necessary collaboration likely facilitated a culture that made FNS particularly open

¹ See, e.g., the Project on National Security Reform, www.pnsr.org. “Our current national security system, and the manner in which it is governed and funded by Congress, does not permit the timely, effective integration of the diverse departmental expertise and capabilities required to protect the United States, its interests, and its citizens in an increasingly complex and rapidly changing world.”

² See, e.g., Thomas H. Stanton, “Meeting the Challenge of September 11,” Introduction to Thomas H. Stanton, ed., *Meeting the Challenge of 9/11: Blueprints for Effective Government*, M.E. Sharpe Publishers, 2006.

³ See, e.g., Homeland Security Council, *National Strategy for Pandemic Influenza Implementation Plan: One Year Summary*, July 2007.

⁴ Personal communication, Washington, DC, August 9, 2007. See also, Michael Maccoby, *The Leaders We Need*, Harvard Business Review Press, 2007 (forthcoming).

⁵ See, e.g., Thomas H. Stanton, “Improving Federal Relations with States, Localities, and Private Organizations on Matters of Homeland Security: The Stakeholder Council Model,” *Chapter 13* in Thomas H. Stanton, ed., *Meeting the Challenge of 9/11: Blueprints for Effective Government*, M.E. Sharpe Publishers, 2006.

⁶ Barbara S. Wamsley, formerly Deputy Assistant Secretary at HHS. Personal communication, Washington, DC, August 3, 2007.

⁷ A table of acronyms used in this report is found in Appendix A.

to participating with other stakeholders to move Food Stamps to an electronic delivery system.

While collaboration with other organizations has become both more necessary and easier, organizational resistance to collaboration remains a major problem. It is time now to change the cultures of federal organizations to embrace greater collaboration and to facilitate the rise of collaborative leaders and managers to positions of authority.

The Office of Management and Budget (OMB) will be critical for the success of a new administration in this effort. To promote a culture of collaboration by federal agencies, OMB should expand the application of available tools, such as interagency councils and agency performance rating systems, to increase incentives of federal managers to collaborate with those outside of their agencies' boundaries. Individual departments and agencies should adopt such rating systems as part of their department- or agencywide strategic and performance plans and should incorporate such ratings into the performance evaluations of senior executives and other managers. With support from the next administration, OMB will need to exercise its leadership systematically over many years so that federal agencies internalize collaboration into their organizational values and cultures.

The Need to Solve Problems Beyond Organizational Boundaries

In many areas of governmental endeavor, the number of actors needed to achieve effective results has always been large.⁸ Federal highway programs, delivery of housing benefits, federal loan guarantee programs, and delivery of Medicare and Medicaid benefits are only some examples.

In recent years the context in which government programs operate has become even more complicated. While agencies have long operated through third parties, as Lester Salamon pointed out in his seminal article many years ago,⁹ staffing and budget constraints and pressures for outsourcing have increased this dependence. Constantly evolving technologies produce multiple effects, including forcing an unbundling of previously combined goods and services, and recombining them in new ways. Technology also creates new opportunities for joint delivery of services, such as common portals or data systems that support multiple programs. More problems than ever before have acquired global dimensions that require cooperation across international boundaries.

Policymakers increasingly take a governmentwide view of the goods and services that agencies should provide. The Debt Collection Improvement Act of 1996, for example, requires federal agencies to cooperate to assure that federal debts are repaid and that people and businesses with defaulted federal debts do not receive tax refunds, new federal loans, or other federal benefits. Federal agencies must be more nimble than ever before and problems that they attack may involve more and different actors.

⁸ See, generally, Lester M. Salamon, "The New Governance and Tools of Public Action," Introduction to *Tools of Government: A Guide to the New Governance*, Lester M. Salamon, Editor, Oxford University Press, 2002.

⁹ Lester M. Salamon, "Rethinking Public Management: Third Party Government and the Tools of Government Action," *Public Policy*, vol. 29, no. 1, summer 1981, pp. 255-275.

Examples abound of the need for improved collaboration across organizational boundaries. The delivery of emergency benefits to disaster victims should be possible electronically once applicant eligibility and availability of funds have been determined; however, except for Food Stamps and various state benefit programs, the country still lacks an interoperable national system for delivering most benefits. Creating interoperable systems for program delivery is a major category where collaboration can create a result that is superior, and sometimes far superior, to each agency or private organization trying to go it alone.¹⁰

Until recently, the Federal Housing Administration (FHA) lost market share to the private sector, in part because of its lack of technology systems, compared to advances in the private sector, to facilitate more effective underwriting, risk management, and loan processing.¹¹ With enactment of legislation expanding the role of FHA in the current troubled housing market, this shortcoming will become even more significant. Collaboration between FHA and Ginnie Mae, the government corporation responsible for providing a secondary market for FHA loans, could help to replicate private sector advances in underwriting and processing mortgage loans electronically. Enhanced collaboration among the major federal housing program agencies also would lead to improved financial risk management.

Collaboration in the Federal Agency Context

It is useful to distinguish *coordination* from *collaboration* of multiple organizations.¹² Interagency coordination might be defined as a specific form of collaboration that applies to particular cases or operations. By contrast to collaboration when multiple agencies may perceive mutual benefit in working together, coordination often is more of a top-down exercise. It takes place when a leader with authority over multiple organizations directs them to collaborate to achieve a specified joint purpose. The effort to induce federal intelligence agencies to share information with one another and with state and local governments is an example of attempted coordination. As Harold Seidman points out on the basis of numerous examples, coordination is not easy to achieve, despite its importance.¹³ Indeed, it is quite difficult to persuade intelligence agencies even to share information, much less to coordinate joint action, with other organizations.

With the GAO, this paper accepts Eugene Bardach's definition of collaboration as "any joint activity by two or more organizations that is intended to produce more public value than

¹⁰ See, e.g., Thomas H. Stanton, *Delivery of Benefits in an Emergency: Lessons from Hurricane Katrina*, IBM Center for the Business of Government, January 2007.

¹¹ U.S. Government Accountability Office, *Federal Housing Administration: Decline in the Agency's Market Share Was Associated with Product and Process Developments of Other Mortgage Market Participants*, GAO-07-645, June 2007; and *Federal Housing Administration: Modernization Proposals Would Have Program and Budget Implications and Require Continued Improvements in Risk Management*, GAO-07-708, June 2007.

¹² As the GAO observes, there are no commonly accepted definitions of these terms. Government Accountability Office, *Results-Oriented Government: Practices that can help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15, October 2005, p. 1.

¹³ Harold Seidman, "Coordination: The Search for the Philosopher's Stone," chapter 9 in *Politics, Position, and Power*, fifth edition, Oxford University Press, 1998. For an example of successful coordination, see, Dwight Ink's description of the effective response to the Alaska earthquake of 1964, "Managing Change that Makes a Difference," Chapter 7 in Thomas H. Stanton, ed., *Meeting the Challenge of 9/11: Blueprints for Effective Government*, M.E. Sharpe Publishers, 2006.

could be produced when the organizations act alone.”¹⁴ While this paper recommends the application of top-down authority to help create incentives for collaboration, agencies often can select the areas where they expect to produce the greatest benefits. This contrasts with coordination, where the top-down exercise specifies the area where coordination must occur. It can be seen that the concepts of coordination and collaboration can overlap in some significant applications.

One example of the difference between coordination and collaboration, as the terms are used here, is the evolution of President’s Management Council (PMC), an OMB-led council composed of the second ranking official at each executive department and some major agencies. In the 1990s the council was a major source of collaborative efforts. Top political appointees, generally responsible for managing their departments or agencies, would exchange information and work together to solve common problems. As former OMB official Margaret Yao has written, the PMC successfully adopted a “member-owned, member-operated” culture.¹⁵ This contrasts with the top-down approach to coordination, rather than collaboration, which tends to be practiced in the current administration. Thus, the PMC today is responsible for implementation of the President’s Management Agenda (PMA).¹⁶ The lack of emphasis on collaboration is explained in good part, says one former OMB official, by the fact that the PMA mostly addresses chronic, internal administrative management issues, such as accounting systems, workforce planning, etc. Thus, there is little call for collaboration in these areas and considerable room for an OMB-led agenda because most efforts require new systems and additional resources.¹⁷

By contrast, collaboration is a cooperative effort by multiple organizations to work together to achieve a common objective. As Harold Seidman points out, “Agencies are most likely to be willing to collaborate and network when they are agreed on common objectives, operate under the same laws and regulations, and do not compete for scarce resources.”¹⁸ Collaboration is the subject of this paper. An example of collaboration would be the development of interoperable standards that allow organizations to pool their activities to achieve common goals. Federal and state agencies, nonprofits, and private organizations developed interoperable standards, governing critical factors such as card format and content, to permit the electronic delivery of Food Stamps.

Another good example is the PMC’s development in 2000 of FirstGov.gov, a common portal (see www.FirstGov.gov) that users of multiple government programs can access to obtain information through use of an effective search engine. “The PMC recognized the need to think differently about the opportunities afforded by technology and wanted to make government services and transactions available, not by the traditional stovepiped agency or department, but by need—in a fast, reliable way.”¹⁹

¹⁴ Eugene Bardach, *Getting Agencies to Work Together*, Brookings Institution Press, 1998, p. 8; GAO, *Results-Oriented Government: Practices that can help Enhance and Sustain Collaboration among Federal Agencies*, p. 6.

¹⁵ See, e.g., Margaret L. Yao, *The President’s Management Council: An Important Management Innovation*, report to the PwC Endowment for the Business of Government, December 2000.

¹⁶ <http://www.whitehouse.gov/results/agenda/scorecard.html>, accessed August 7, 2007.

¹⁷ Personal communication, Washington, DC, August 19, 2007.

¹⁸ Harold Seidman, foreword to Thomas H. Stanton and Benjamin Ginsberg, eds., *Making Government Manageable*, Johns Hopkins University Press, 2004, p. x.

¹⁹ *The President’s Management Council: An Important Management Innovation*, p. 12.

As Dwight Ink has written, the recovery effort for the Alaska earthquake of 1964 provides a striking contrast to the slow and disjointed post-Katrina recovery effort some forty years later. The Alaska recovery relied on leadership rather than special legal or procedural devices. The use of collaborative councils, that themselves had no independent authority but were charged with facilitating collaborative solutions, contributed to the quick decision-making and rapid actions that characterized the recovery.²⁰

The Department of Housing and Urban Development (HUD) has built a small and effective collaborative system called CAIVRS, the Credit Alert Interactive Voice Response System. CAIVRS provides a model of interorganizational collaboration with potential application to other parts of government such as homeland security watch lists. HUD developed CAIVRS in the 1980s as a database that FHA lenders could check to determine whether a borrower had defaulted on a previous FHA loan. The FHA lender would enter basic identifying information and receive notification either that there was or was not a match with the HUD database of defaulted borrowers. In the early 1990s, working under the auspices of the Federal Credit Policy Working Group, an interagency council chaired by the OMB Deputy Director for Management, HUD expanded CAIVRS to permit other agencies to report delinquent nontax debt and, ultimately, to access CAIVRS to assure that they were not extending credit to defaulted debtors from other programs. This interagency collaboration is essential to assure that defaulted debtors from one federal program do not receive funding from a different federal agency without settling their outstanding debts first. HUD reports that CAIVRS has helped HUD and other agencies to avoid billions of dollars in potential losses on loans to defaulted borrowers who sought to obtain new federal credit.

In improving collaboration among federal agencies and with other organizations, the accountability of any new arrangements must be considered. Interorganizational collaboration must be done without weakening or blurring the accountability of government agencies to spend public resources wisely to carry out their missions. Problems created by increased interagency collaboration in undertaking federal procurement, which the GAO has placed on its high-risk list, stand as warnings in this regard. While the idea of developing specialized procurement centers to serve multiple agencies is attractive in the abstract, the contracting agencies too often failed to maintain proper accountability of the contractors that they hired this way.²¹

Laws to Mandate Improved Collaboration

²⁰ Dwight Ink, “Managing Change that Makes a Difference,” chapter 7 in Thomas H. Stanton, ed., *Meeting the Challenge of 9/11: Blueprints for Effective Government*, M.E. Sharpe Publishers, 2006.

On the question of definition, Ink writes, “In my view, from a legal standpoint [the Alaska recovery effort] was much more collaboration than coordination, yet it was viewed and performed much more like a case of coordination. This is because of the unique organization and the unprecedented management strategies used. The reliance on leadership rather than special legal or procedural devices contributed to the quick decision-making and rapid actions that characterized the recovery....[These collaborative strategies] certainly worked in a very challenging situation.” Personal communication, August 7, 2007.

²¹ See, e.g., Testimony of David M. Walker, Comptroller General of the United States, before the Committee on Homeland Security and Governmental Affairs, United States Senate, July 17, 2007, GAO-07-1098T.

Some legislation has successfully mandated interorganizational collaboration. The Goldwater-Nichols Department of Defense Reorganization Act of 1986 transformed the Joint Chiefs of Staff (JCS) from a weak coordinating body into a source of influence that could promote serious interservice cooperation. The act accomplished this by (1) increasing the JCS Chairman's authority; (2) improving JCS staff quality by requiring joint service for promotion to flag or general officer rank; and (3) granting unified and specified combatant commanders (CINCs) increased autonomy and authority over their joint field commands. Observers attribute a significant increase in United States military capabilities, including combined service operations in the Persian Gulf War, to the 1986 Goldwater-Nichols Act and the reform of the JCS.²²

Pursuant to the mandate of Section 1011 of the Intelligence Reform and Terrorism Prevention Act of 2004, the Director of National Intelligence, who is responsible for promoting cooperation among Intelligence Community (IC) agencies, adopted the personnel mobility requirements of the JCS. On June 26, 2007, the DNI announced that he would implement the Intelligence Community's Civilian Joint Duty Program:

Joint IC duty is a civilian personnel rotation system similar to joint duty in the military. The implementing instructions require joint duty as a prerequisite for promotion to senior civilian rank in order to encourage and facilitate assignments and details of personnel to national intelligence centers, and between elements of the IC.²³

The theory of increased mobility is that it both fosters an understanding of the perspectives of other organizations and also creates the interpersonal relationships that can facilitate more effective collaboration. Provisions of the Intelligence Reform and Terrorism Prevention Act of 2004 to promote interagency mobility are presented as Appendix A.

While both the 2004 act and the Goldwater-Nichols Act were difficult to enact, such legislation can greatly improve collaboration across organizational boundaries. Another type of legislation that may promote collaboration across agencies is a law that permits or mandates pooling of budget resources. The GAO notes one such example, where a 2002 law required the Departments of Defense (DOD) and Veterans Affairs (VA) to make a minimum contribution of \$ 15 million annually for four years to fund a joint program to share health resources.²⁴ That effort continues, but the process of conforming DOD and VA health systems so that soldiers can make a seamless transition from one system to the other, continues to progress only slowly.²⁵ A more comprehensive legislative approach is the establishment of a Joint Planning and Development Office to coordinate and plan for a

²² Amy B. Zegart, *Flawed by Design: The Evolution of the CIA, JCS, and NSC*, Stanford, CA: Stanford University Press, 1999, pp. 140-151.

²³ Office of the Director of National Intelligence, "Director McConnell Signs Instructions to Implement Joint Duty," ODNI News Release No. 17-07, June 26, 2007.

²⁴ *Results-Oriented Government: Practices that can help Enhance and Sustain Collaboration among Federal Agencies*, p. 9. The GAO also points out (at p. 10) substantial obstacles, including divergent systems and processes, to effective health resource sharing between the two departments.

²⁵ Government Accountability Office, *Electronic Health Records: VA and DOD Have Increased Their Sharing Of Health Information, But More Work Remains*, GAO-08-954, July 2008.

transition from today's air traffic control system to a next generation air transportation system. That legislation includes provisions for interagency pooling of resources in ways that are still being developed.²⁶

While there are positive examples, many governmentwide efforts at promoting collaboration have not fared well over time. The Senior Executive Service (SES) was expected to permit and encourage development of a cadre of professional managers who would rotate among multiple federal agencies. That would facilitate adoption of improved practices from other agencies and also would contribute to a broader perspective for senior federal managers. However, this did not happen. A 1999 survey by the Office of Personnel Management in conjunction with the Senior Executive Association showed that over 90 percent of all SES members had not moved between agencies since becoming senior executives. Two-thirds had not moved between components of a single agency.²⁷

Policymakers sometimes try to use reorganization to promote improved collaboration. Reorganization is a clumsy tool, at best, for this purpose. Problems of poor collaboration often affect agencies within the same executive department, such as the Department of Homeland Security (DHS). When he studied problems of communications across the boundaries of organizations within DHS, Michael Maccoby found that, the “easy part was to install communication technology. The hard part was getting people to communicate in a timely way.”²⁸ Maccoby contends that effective collaborative leadership and a culture of collaboration are far more important than mere structural approaches such as reorganization. DHS would benefit from developing a culture that values collaboration and from training and growing leaders and managers based on collaboration as a core value and performance criterion.

An Agenda for Improved Collaboration Across Organizational Boundaries

How can federal agencies gain incentives to collaborate with other organizations? Many budget and personnel tools already exist, but leadership from the top of government is needed to make them work.

OMB could create and lead new interagency councils, for instance. These could be similar to the Federal Credit Policy Working Group, to promote collaborative efforts to address common problems. After Katrina, there is a clear need for improved interagency collaboration both to address the current reconstruction effort and to plan for a future catastrophe. Such councils also may need to include representatives from state and local governments, nonprofits, and for-profit companies. One such council might address the delivery of emergency benefits electronically. This council would include senior managers from FEMA and GSA as well as representatives from agencies that provide emergency

²⁶ Government Accountability Office, *Next Generation Air Transportation System: Progress and Challenges Associated with Development of the National Airspace System*, GAO-07-25, November 2006.

²⁷ Office of Personnel Management, “1999 Survey of the Senior Executive Service,” available at <http://www.opm.gov/ses/s30.asp>, accessed on August 2, 2007.

²⁸ Michael Maccoby, “The Many Cultures of Government,” chapter 9 in Thomas H. Stanton, ed., *Meeting the Challenge of 9/11: Blueprints for Effective Government*, M.E. Sharpe Publishers, 2006.

benefits: the Departments of Labor (unemployment benefits), Health and Human Services (Temporary Assistance for Needy Families, or TANF, benefits), Agriculture (Food Stamps, an existing electronic program, and WIC, benefits for Women, Infants and Children), and others.²⁹

The councils could bring together multiple agencies that would benefit from collaboration, sometimes along with state, local, and private partners, under the auspices of an OMB that could exercise persuasion to foster such collaboration; the drawback is that such councils require continuing OMB leadership to maintain momentum. The demise of the Federal Credit Policy Working Group stands as a warning: although the council achieved significant results, it disappeared as other priorities attracted OMB's leadership. Council leadership places demands on time and attention from OMB officials who are effective collaborative leaders. To be effective across multiple councils, OMB would need to increase the staff, and especially senior OMB managers who are effective collaborative leaders, available to the Deputy Director for Management. These people then could establish, maintain, and lead (or support the leadership of) the councils.

An additional approach would be for OMB to rate agencies perhaps annually, or maybe even quarterly, according to their collaboration across organizational boundaries. Such a rating might be based on criteria such as the following:

1. the extent that the agency adopts promising practices from other agencies, state and local government, or the private sector
2. the extent that the agency shares promising practices and other support (such as HUD's sharing of CAIVRS) with other organizations
3. the extent that the agency adopts and applies effective performance measures for collaboration in its strategic and performance plans and in performance criteria for senior executives and other managers
4. the results of an annual 360 degree review of the agency, including the views of other agencies, state and local governments, and private organizations, as to the perception that the agency collaborates willingly and usefully

To avoid gaming of the system, OMB will need to scrutinize agency claims to assure that collaboration is taking place in high-priority areas that actually produce more public value than when the agency and its partners act alone. OMB examiners also will need to exercise restraint so that agencies that collaborate do not fear that OMB will reduce their budget resources to reflect putative savings.

A rating system similar to the rating system implemented under the President's Management Agenda, could provide the vehicle, or at least a good model, for rating agencies and reporting results.³⁰ Currently agencies are rated on five indicators: human capital,

²⁹ The Park City Center for Public Policy, a nonprofit policy center consisting of former State Governors and leaders in the business, academic and philanthropic communities, has taken the lead in calling for improved collaboration in delivering emergency benefits. See, <http://www.parkcitycenter.org/DisasterAssistance.asp>, accessed August 3, 2007.

³⁰ This was suggested by the GAO in *Results-Oriented Government: Practices that can help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15, October 21, 2005.

competitive sourcing, financial performance, e-government, and integration of budget and performance. These are administrative areas where individual agency action, rather than interagency collaboration, is often called for.³¹ If the PMA or something like it is adopted by a new administration, then it would be helpful to include a new robust set of criteria for “Collaboration.”

To help build collaboration into each agency’s culture, it would be important to build a set of measures for collaboration into the Standard for Executive Excellence that is used to rate the performance of each agency’s senior executives. The President’s Management Agenda used this approach, to promote implementation of the PMA by senior executives.³² The Office of Personnel Management, backed up by OMB, will need to play a major role in assuring effective implementation of collaborative measures applied to senior executives and other federal managers.

Another interesting idea comes from Michael Morris of the Burton Blatt Institute of Syracuse University.³³ Similar to some other academics, he believes that the Program Assessment Rating Tool (PART), administered by OMB, manifests significant shortcomings. In particular, even though PART in fact has led to changes in management and operation of programs rather than in changed or redirected funding, he is concerned that PART may reflect the interagency competition for scarce federal resources that is inherent in the budget process. Why not, he suggests, use the PART as a tool to encourage collaboration by federal agencies across their organizational boundaries?

In contrast to the PMA, which focuses largely on administrative management matters, PART applies directly to programs and program performance. One PART question, question 3.5, does ask, “Does the program collaborate and coordinate effectively with related programs?” However, the way that PART currently addresses collaboration is quite limited, and thus not as useful as it could be if collaboration were given a higher priority.

The PART process may not survive a change of administration, at least in its current form. Not only have some agencies and academics criticized it, but many in OMB are concerned about the extensive staff resources that are required to administer the PART process, compared to the perceived benefits. If PART carries over to a new administration in some form, then it would provide an excellent vehicle for rating agencies on their collaboration. Robust measures that rate agencies on their collaboration in important areas, overseen by OMB, can improve federal agency practices and over time can help to instill values and cultures of collaboration.

There is one likely exception to the spectrum of agencies that might improve collaboration on the basis of leadership from OMB. These are the national security agencies. OMB does not appear to play nearly as significant a role with respect to the national security agencies as

³¹ In addition, the PMA calls for increased coordination of VA and Department of Defense medical care programs and systems, and a coordinated shift in overseas presence of the Department of State and other U.S. agencies.

³² Office of Personnel Management, *Standard for Executive Excellence*, OPM Form 1653, February 2002.

³³ Remarks of Michael Morris, Managing Director, Burton Blatt Institute, Syracuse University, at the IBM International Social Services Forum, June 5, 2007, Baltimore, Maryland. GAO also makes this recommendation in, *Results-Oriented Government: Practices that can help Enhance and Sustain Collaboration among Federal Agencies*.

it does on the domestic side of government. In her careful analysis of the establishment and evolution of major national security agencies, including the Joint Chiefs of Staff, National Security Council, and Central Intelligence Agency, Amy Zegart does not refer even once to OMB.³⁴ While the National Security Council, thanks to its position in the Executive Office of the President (EOP) may have some ability to lead collaboration among the national security agencies and with outside organizations, the potential effectiveness of such leadership is not as apparent as for OMB vis-à-vis domestic agencies.³⁵

Changing Organizational Cultures to Promote Collaboration

The thesis of this paper is that increased collaboration is an essential part of building more capable government to respond to a plethora of changing circumstances that raise problems that a single federal agency cannot address by itself. There are good reasons why many agencies neglect collaboration. The pressure of competition for jurisdiction among congressional committees and subcommittees and their constituencies is a major influence on the organizational culture of federal agencies that depend on these committees and constituencies for their resources.³⁶ As one experienced observer notes:

Agencies have specific legislative mandates which are policed by powerful interest groups and often very narrowly focused congressional committees and subcommittees. If they believe that in attempting some form of collaboration, the agency is neglecting its prime purposes, the agency will soon hear about it in no uncertain terms, often in the context of threats to reduce resources.³⁷

Also, collaboration often requires longer term activity, including developing of relationships with people outside of one's own agency, than may be easily possible for the many federal officials who find their time consumed by crises or the possibility of crisis. In addition, agency administrative stovepipes that separate financial operations, information technology, human capital, and other functions can impede the ability of managers to collaborate effectively within the same department or agency.³⁸

Legislation also plays a role to the extent that it reflects intent of opponents of particular governmental activities to fragment agency jurisdiction and generally prevent effective implementation.³⁹ Some agencies have operated as rivals for so long that it may be difficult

³⁴ *Flawed by Design: The Evolution of the CIA, JCS, and NSC*, Index.

³⁵ John Deutch, Arnold Kanter and Brent Scowcroft (2001) have recommended creation of a Deputy National Security Adviser with authority to direct agency investment and program priorities in interagency areas, backed by OMB enforcement.

³⁶ Indeed, it has been the author's experience that congressional committees often do their best work, from a public policy perspective, at the margins of their jurisdictional boundaries with other committees.

³⁷ Bernard H. Martin, former Deputy Associate Director, OMB. Personal communication, Washington, DC, August 3, 2007.

³⁸ Barbara S. Wamsley, "Technocracies: Can They Bell the Cat?" chapter 9 in *Making Government Manageable: Executive Organization and Management in the 21st Century*, Johns Hopkins University Press, 2004.

³⁹ See, e.g., Terry M. Moe, "The Politics of Bureaucratic Structure," in John E. Chubb and Paul E. Peterson, eds., *Can the Government Govern?* Washington, DC: Brookings Institution Press, 1989.

to bring them to collaborate. Difficulties at DHS in trying to integrate customs and immigrations functions for “one face at the border” reflect deep cultural and policy differences that can take years to overcome.

For administrative officials who share a common culture, such as chief financial officers, chief information officers, chief human capital officers, or inspectors general of different departments and agencies, collaboration can come naturally. It can be more difficult, and sometimes much more difficult, to obtain collaboration among program managers from different organizations. That is the big challenge.

On the other hand, there are increasing pressures for improved program collaboration. Especially with the development of a national and global economy, many private interest groups have gained an increased stake in collaboration by federal agencies across organizational boundaries. Federal agencies frequently lag the private sector in this respect. The electronic delivery of Food Stamps, and current efforts to expand electronic delivery of other federal and state benefits, have been driven in part by the urging of private financial institutions that seek to serve an interoperable national market rather than a fragmented congeries of smaller programmatic and geographic jurisdictions.

Federal agencies also may lag state and local governments, which have collaborated for years. Thus, states responded to Katrina by invoking the Emergency Management Assistance Compact (EMAC), a mutual aid agreement that allowed the affected states to request assistance from other states, for National Guard resources, law enforcement personnel, medical team support, search and rescue services, and commodities such as ice and water, and provide reimbursement once the emergency was over. Some localities have begun to copy the EMAC model, which applies only to the states, for their own collaborative relations.

In short, some pressures that previously induced agencies to hoard resources and support today are giving way to an environment where increased collaboration is often welcome if not required. Unfortunately, agency cultures may not have changed appropriately to reflect the often changed context. How then, can agency organizational culture be changed to promote the value of collaboration?

The application by OMB of a combination of tools—interagency working groups and monitoring agency collaboration across organizational boundaries, preferably linked to performance goals and objectives for each federal agency and to performance measures for senior executives and managers—will be an important beginning. An especially important tool will be for OMB to reward collaboration and recognize managers and agencies that collaborate well. The OMB Deputy Director for Management will need to prevent premature budget cuts because of savings and designate areas where revenue sharing among agencies can be a high priority.

Just as important will be careful oversight by OMB and OPM of the way that application of these tools improves the organizational culture at each agency and promotes a collaborative outlook. As Dwight Ink has written:

I regard the statutory restoration of some sort of management capacity in the EOP (either in or out of OMB) as a critical step toward effective and sustained attention to interagency and intergovernmental coordination and collaboration. I have been unable to think of something that can replace it. One can develop all sorts of policies, and issue all kinds of directives without it, but making the diverse governmental machinery function effectively is a different matter, especially as the number of political appointees increases.⁴⁰

In other words, while application of the recommended tools by OMB can help to improve collaboration by federal agencies, it is only with a dedicated strategy of leadership and promoting cultural change that OMB can use the years of the next administration effectively to change the fundamental dynamics of interorganizational collaboration by federal agencies and managers.

Several factors can work together to promote a culture of collaboration across organizational boundaries:

- a new wave of federal employees, schooled in the Internet age and more open to collaboration than many of their predecessors, coming into government
- senior executives whose hiring, promotion and retention would be based in part on measures of their collaborative skills (what Michael Maccoby calls “soft skills”)⁴¹
- the practice of agencies, with leadership from OMB, to increase collaboration in areas that perceptibly benefit their individual missions

Conclusion

Improved collaboration of federal agencies with state and local governments and private sector organizations has become imperative. Agencies that fail to collaborate may lack critical information that partners may be able to provide. These agencies risk finding, in today’s technology-driven and complicated environment, that the way that they perform their missions has become obsolete.

OMB stands at the apex of the Executive Branch. It is the only agency that currently has the capacity and clout to foster improved collaboration by federal agencies. Both through a governmentwide rating system and by establishing new councils to promote collaboration in critical areas, as well as leadership that expresses itself more generally, the next administration should use OMB to assure that government agencies collaborate effectively across organizational boundaries.

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⁴⁰ Dwight Ink. Personal communication, Washington, DC, August 4, 2007.

⁴¹ “The Many Cultures of Government.”

.About the Author

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Appendix A

Acronyms Used in This Report

AFDC	Assistance to Families with Dependent Children
CAIVRS	HUD's Credit Alert Interactive Voice Response System.
CIA	Central Intelligence Agency
CINC	combatant commander
DHS	Department of Homeland Security
DNI	Director of National Intelligence
DOD	Department of Defense
EMAC	Emergency Management Assistance Compact
EOP	Executive Office of the President
FEMA	Federal Emergency Management Agency
FHA	Federal Housing Administration
FNS	Food and Nutrition Service, U.S. Department of Agriculture
GAO	Government Accountability Office
GSA	General Services Administration
HUD	Department of Housing and Urban Development
IC	Intelligence Community
JCS	Joint Chiefs of Staff
NSC	National Security Council
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PART	Program Assessment Rating Tool
PMA	President's Management Agenda
PMC	President's Management Council
SES	Senior Executive Service
TANF	Temporary Assistance for Needy Families
VA	Department of Veterans Affairs
WIC	Special Supplemental Nutrition Program for Women, Infants and Children

Appendix B

The Director of National Intelligence – Enhanced Personnel Management

50 U.S.C § 403–1 Responsibilities and authorities of the Director of National Intelligence

(1) Enhanced personnel management

(3)

(A) The Director of National Intelligence shall prescribe mechanisms to facilitate the rotation of personnel of the intelligence community through various elements of the intelligence community in the course of their careers in order to facilitate the widest possible understanding by such personnel of the variety of intelligence requirements, methods, users, and capabilities.

(B) The mechanisms prescribed under subparagraph (A) may include the following:

(i) The establishment of special occupational categories involving service, over the course of a career, in more than one element of the intelligence community.

(ii) The provision of rewards for service in positions undertaking analysis and planning of operations involving two or more elements of the intelligence community.

(iii) The establishment of requirements for education, training, service, and evaluation for service involving more than one element of the intelligence community.

(C) It is the sense of Congress that the mechanisms prescribed under this subsection should, to the extent practical, seek to duplicate for civilian personnel within the intelligence community the joint officer management policies established by chapter 38 of title 10 and the other amendments made by title IV of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99–433).