

SUPPORTING HIGH PERFORMANCE GOVERNMENT

Leading Large Scale Change

March 31<sup>st</sup>, 2005

## Defining Success: Peril or Power

### Panelists:

**Alan Aviles** Acting President, Health and Hospitals Corporation

**Shaun Donovan** Commissioner, Department of Housing Preservation and Development

**Nicholas Scopetta** Commissioner, Fire Department

**Iris Weinshall** Commissioner, Department of Transportation

### Moderator:

**Diana Fortuna** President, Citizen's Budget Commission

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# **SUPPORTING HIGH PERFORMANCE GOVERNMENT: LEADING LARGE SCALE CHANGE**

## **Executive Summary**

### **“Defining Success: Peril or Power” March 31, 2005**

#### **Introduction**

Accenture and the Research Center for Leadership in Action of the Robert F. Wagner Graduate School of Public Service, New York University co-host an Executive Briefing series designed for public sector managers. This series of briefings provides an opportunity to discuss the multiple managerial and leadership challenges of implementing large scale change. The series seeks to:

- Create a networking environment that encourages the exchange of ideas between senior managers of complex change programs and those emerging leaders charged with undertaking similar efforts.
- Encourage a cadre of new leaders interested in undertaking such challenges, providing them with the insights, learning and the collegial support that will help sustain their work over time, and
- Promote further learning about how successful complex change initiatives are designed and managed, and capture this information in written reports.

Each session is organized around a central strategic and managerial question of particular relevance to large-scale change. The March 31st breakfast, held at New York University’s historic downtown Woolworth Building facility, focused on “Defining Success: Peril or Power.” In this session, attended by senior managers working in more than 22 city agencies, participants discussed the multiple roles for data in a large scale change initiative and the challenges of setting and achieving performance goals in an environment with multiple stakeholders and entrenched interests.

Diana Fortuna, President of the Citizen’s Budget Commission, moderated the March 31st session. The four discussants for the session were Alan Aviles (Acting President, Health and Hospitals Corporation), Shaun Donovan, (Commissioner, Housing Preservation and Development), Nicholas Scoppetta (Commissioner, Fire Department), and Iris Weinshall (Commissioner, Department of Transportation).

The following summarizes the central ideas and observations offered by the lead discussants and during the subsequent audience-wide conversation, as well as issues discussed during the follow-up workshop held on April 19, 2005.

## **Key Observation: Data has Multiple Uses throughout a Large Scale Change Process.**

The panel discussion described how they have used data as a vehicle to promote large scale change. A range of data-use activities were presented by the discussants:

Data can be used to **improve communication flow and enhance coordination**: DOT Commissioner Weinshall stated that upon appointment, she discovered the Department of Transportation was composed of many separate divisions – largely unaware and uninterested in each other. “We are able to use the data to help overcome this internal communications issue.” A clear example arose with press reports about the danger along Queens Blvd. “After a death of a 14 year old girl, Queens Blvd. became my ‘baptism by fire.’ There was nobody sitting on a perch looking at data, or asking about how the data would help. The papers got it correct – there was all this data out there, people were dying because this major thoroughfare wasn’t working in some manner.” Commissioner Weinshall and her senior staff looked at the data, trying figure out what was being done correctly and what done incorrectly – the road was working in some respects, but failing in others. “We got all the parties together and talked. Someone recommended that we retime traffic lights. But then others said that would slow commuter traffic from Nassau.”

“After making changes to Queens Blvd, the problems shifted – to other areas of Queens Blvd. So the new data showed we had found the right answer – we had good results – but then we had to look at other areas.” Those other areas might require similar or different solutions.

Data can supports **coordination among agencies**. The other example arises from interaction between DOT and 311. 311 data immediately flows into DOT’s computer system, and that information flows directly to DOT’s data analysis unit and maintenance yards. While this potentially raises problems with errant data, the benefit is complaints now flow directly to maintenance queuing systems. This type of inter-organizational data flow speeds response and reduces the level of effort required for coordination.

Data can also be used to **leverage resources**: The Department of Transportation examined the impact of its response to requests for traffic light installations. “It was taking us six months to respond to requests. So we started looking at traffic accidents over that intervening 6 months. We found that if we put up a traffic light in 4 months, we could cut accidents at a corner by 25%.” This information allowed DOT to secure funding from the Office of Management and Budget. DOT now responds more quickly to traffic signal requests.

Data can also be used to **drive experimentation**: Alan Aviles (Acting President, Health and Hospitals Corporation) described that “at HHC, there has been a drive to find ways to improve efficiency. Among other issues, this has meant trying to reduce the average wait time in outpatient clinics by more than 60%. We are trying to

fundamentally change how patients move through the outpatient process. To drive these results, we are using data measuring the time required for each step of an outpatient visit, and we are empowering our front-line staff to experiment with re-engineering the process. We then look back to the data, check for positive results and incorporate what works looking for sustainable success.” This data-driven experimentation-analysis cycle leads to both process improvements and organizational learning. But this is not without difficulties, as demonstrated through the next key point.

### **Key Observation: Overcoming the Fear of Data**

Data collection **can generate fear** because it may support a process of review and change – a high risk prospect. This issue was acknowledged and commented on by all discussants.

Commissioner Donovan, Housing Preservation and Development (HPD), put it most succinctly: “The striking thing about the public sector is there is very little upside to taking risks. It’s all downside with risk.” And data collection does carry risk. If the data is collected, someone may notice ‘problems.’

Mr. Aviles commented, “The peril of data is very applicable at HHC. You would think in hospitals that clinical data would play a critical role. But the reality of the perceptions about data is a bit different. Despite the concerted effort to create a ‘safe-harbor’ [where the collection of data related to unintentional medical errors will not be used to create punitive sanctions], doctors are still worried about the possible personal repercussions. While they now know their names won’t appear on the front page of the New York Times, doctors still fear they may be reported to licensing or regulatory authorities. So collecting accurate data related to any medical errors becomes a very real problem.”

Alan Aviles (HHC) continued, “The role of leadership in creating an organizational culture of patient safety is to try to take fear out of making data transparent. This is very important. We need to make sure people are willing to come forward with information about medical errors, and not fear that unfair action will be taken against them. The VA Hospital System recently turned the corner with this. Now, 50% of medical error incidents reported at the VA are ‘near misses,’ where the patient wasn’t injured but could have been if someone had not caught the error in time. Data related to near misses permit you to make protective system corrections or improvements before patient injuries occur. At HHC, we are striving to achieve this same type of culture change around the disclosure of “near miss” medical errors.” This clearly demonstrates that data can save lives. If getting access to that data requires acculturating your organization to not fear retaliation, to capture data in all activities where data can drive improvement, and to deal productively with the results, it is well worth the effort.

Mr. Aviles continued: “Even when performance data is collected, its transparency to the public can prove problematic. I think this is symptomatic of the fish-bowl environment in much of government.” This thought was joined by Commissioner Scoppetta (Fire Department; former Commissioner, and former Commissioner of the Agency for Children’s Services), who noted with some irony, “So many improvements are hidden, as agencies don’t want the public exposure. This means, unfortunately, achievements can disappear quickly.”

Diana Fortuna, as moderator, highlighted this dilemma, “We work in a world where we manage with data, but the public also looks at the data. So you want those numbers to look good, but also want to be able to use them to direct effort and change.”

Several approaches were discussed to making data collection and analysis safe, ranging from the ‘safe-harbor’ idea at HHC, to Commissioner Donovan’s comment that culture must be changed so that risks are rewarded. “Permission to fail is key,” said Alan Aviles. But we keep being forced to return to the notion there is no upside to taking risk in government. Until staff can accept that risk has potential reward, fear of data collection is unlikely to change.

**Key Observation: Getting Data out of Headquarters and into the Field.**

If we undertake the expenditure of time and money to collect the data, we need to make sure it is used. Corrections Department Commissioner Martin Horn (from the audience) raised a significant question in this regard: “We may collect data and look at it at Headquarters. But how do you get data **used at the middle-manager and field level?** Middle managers often seem to wait to see what headquarters does – data even seems to dis-empower local managers at times.”

Organize around a single (or simple) metric. Commissioner Donovan discussed HPD’s success in motivating all parts of the organization around the simple metric of their goal of creating 65,000 new housing units. “The department has a very strong reputation in the city and nation with regard to successful housing programs. And over the past two years, the organization has basically oriented around a single metric – 65,000 units of housing. This has become an enormously simple and powerful organizing force. And having the Mayor talk about this; it’s very helpful. Everyone fights to get their number. It’s a lesson in the power of simple metrics/goals. Of course it forces accountability.”

Effectively, a high-level metric goal orients the organization. This powerful approach to leadership enables middle-managers and line-staff to find and use the data they need to work toward that goal. Upper-level management does not need to micro-manage this process. Unleash the power of the data by staying above the details.

Of course, that does not mean it’s easy. To the contrary, it’s a difficult process. As Commissioner Weinshall stated “Data helps – it’s a tool. It’s a clear example – but not everyone gets it.”

Additionally, in the April 19<sup>th</sup> follow-up meeting, conversation uncovered a need to build and establish procedures to work together, across levels. Perhaps initial experience with CompStat is instructive here. When NYPD started to implement CompStat, there was recognition that the data generated could be used to drive performance activity at the Precinct level, but additionally, the Precincts could also highlight ways for headquarters to benefit from involvement of non-headquarters staff. By integrating various levels of management into the evaluation of, and use of data, the organization itself became data driven across all levels of management. By keeping the focus on timely information exchanges and shared understanding of the importance of data, non-headquarters managers will come to rely on data.

### **Key Observation: How to Unroll Data from a “Data Pyramid”**

An additional key observation arose with a question from the moderator: How do you **unroll data** from the data pyramid (i.e., from the Mayor’s Management Report [MMR]). Specifically, this question arose in response to a story from Commissioner Weinshall about cleanliness standards on the Staten Island Ferry.

“In my 20 years in city government – the MMR has always been a very public, political document. Some of the data is useful. What has been stressful to me is that there is other data that a manager would like – and would find useful, but it cannot be put into the MMR because of the political ramifications. There was an article about the dirtiness of the ferries. I got my staff together and asked about the data. They looked at the MMR and found only one indicator for the ferries - timeliness. But that didn’t help us much; we wanted to know about cleanliness. We had no data on cleanliness, parts repair, or anything else except timeliness.”

Commissioner Scoppetta noted that sometimes there is a great deal of data available, but it is not easily organized or analyzed. Commissioner Scoppetta observed, “The City and state have always had a lot of data. But access was very difficult. We [ACS] couldn’t parse the data to get anything useful from it, though it was all there. We did something useful about this. A consulting firm organized the data so we could look at it. For the first time we knew how many children were in the system. What the rate of recidivism was.”

The point is two-fold. Sometimes the data is too aggregated to be useful, and you need to be able to look at the component parts. Other times however, the data is not sufficiently aggregated to be meaningful. Sometimes it will be imperative to combine the elements to get a more understandable story.

Commissioner Weinshall commented about the 311 system, “In a way, the newest management tool.” The 311 system does create a lot of new data and data indicators – coming directly from “those who pick up the phone.” These data are usually pretty raw, needing aggregation. Commissioner Gino Mancini, Department of Information, Telecommunications and Technology (DOITT) (from the audience) reported that members of the City Council are proposing to post on the web all 311 collected data, “but this will drive politics. There is a difference between having a chisel and being a sculptor.” Just as the Commissioners noted, data may not always be in a useful form for management purposes. But it always has political power.

### **Key observation: What to Measure?**

Data can be a powerful driver of activity and success. Data collection, measurement and use can drive individuals and organizations to specific accomplishments (both short-term and long-term). The degree to which these activities are useful depends on what performance measures are selected. Measuring the wrong activity, will produce more of the wrong activity, and less of other more desirable outcomes. The panel and the workshop noted:

Commissioner Scoppetta noted: “Developing useful performance indicators is a difficult task. We are just starting to try this at the Fire Department, and it’s difficult.”

Commissioner Donovan concurred, stating that performance measures must be used to empower staff, and to provide a sense of ownership over outcomes.

At the April 19<sup>th</sup> follow-up meeting discussion was held around this specific issue, extending on the comments of the March 31<sup>st</sup> meeting. Specifically helpful comments were directed to the issue of listing and prioritizing organizational goals.

By engaging in a prioritizing activity, the goals themselves are made “more real,” and resources can be devoted to accomplishing the goals while making trade-offs between them. For example, in DOT there are (sometimes conflicting) goals of public safety and commuter speed. Both of these goals are important, and the public deserves to get service along both metrics. But there are limited resources and sometimes these goals will conflict within the scope of the available resources – so which goal-set takes priority?

After goals have been listed and prioritized, metric formation should become more clear. Measure the activity that is most important, because the measuring process will drive operational activity. At the same time however, organizations must be aware that finding “outputs” to measure is relatively easy. Finding some “end-goal” outcome measures will also be important. Neither type of metric should be ignored. In a very real sense, selecting what to measure will define the success of the organization.

### **One Other Issue Raised**

**Efficiency** – The moderator asked “how do we determine the efficiency of our programs, and can data be used for this?” Suggestions included comparisons to other cities, but with a caveat – no other city delivers all the services NYC does, and cost structures may be quite different for other cities.

Overall, the efficiency issue was not well received:

Commissioner Scoppetta: “The Citizen’s Budget Commission has addressed FDNY in any number of ways – including the closing of some firehouses during the night shift. But there are significant political implications to many of the inefficiencies that CBC addresses, and the politics makes some of these things non-starters.”

Ellen Schall, Dean of the Wagner School of Public Service at New York University (and former Commissioner of the Department of Juvenile Justice) noted that there is a cost of being in the business of government, and efficiency studies usually leave that out of the equation. “This is a problem with efficiency measures: Some things belong to government because it matters *how* something is done as much as whether something is done. For example, hearings before putting in a new traffic light. While a contractor may not need hearings, the government does. Government and non-government provided services may not be exactly ‘comparable services.’”

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