

Public Management Report

An occasional (and maybe insightful) examination of the issues, dilemmas, challenges, and opportunities in leadership, governance, management, and performance in public agencies.

On the challenge of:

Year Two

The story is familiar: New leaders take over a failing public agency, complete with low morale, unused operating capacity, obsolete technology, disgruntled stakeholders, dysfunctional systems, and, of course, no sense of public purpose. Yet, within a year, these leaders have turned the place around. They have introduced new procedures, acquired additional resources (or, at least, flexibility in the use of existing resources), rebuilt relationships with key stakeholder groups, and invested in new technology and systems. They have trained the staff, rewarded successful teams, and won employee loyalty.



The outside world may not recognize the transformation. Who pays attention to the turnaround of a public agency? Unless the organization had been decimated by a public scandal, few noticed when the new leaders took over. Sure, the insiders saw the progress, but the gains were too incremental for others to detect. When the outsiders came across a symptom of the improvement, they assumed it was just an aberration. Still, despite the lack of headlines, the transformation has been real.

Now what? What do these public managers do in year two?

Have they squeezed every bit of efficiency out of the agency? Have they run out of tricks? Have they done all of the simple, obvious

things that any collection of mediocre managers can employ to generate quick improvements when they take over a disaster?

Are they overrated? Is their insider reputation as turnaround experts undeserved? Were they just lucky?

Is now the time to quit?

Real reputations are not, however, built in year one. They are built in year two and beyond. Cleaning out the Augean Stables—flushing out even 30 years of accumulated debris—is relatively easy. Hercules just had to divert a couple of rivers; it took him only one day.

The bigger challenge—the year-two challenge—is getting the stables to improve performance. The real leadership challenge is getting the stables to ratchet up performance—year after year after year. . .

But this challenge doesn't start on day 366. It starts on day one—even before day one. It starts when the leaders first contemplate the challenge of getting this agency to perform. It starts before they negotiate the terms of their responsibilities (for that is the point at which they have the leverage to obtain the resources they will need). It starts as they work back from what they want to accomplish in year one *and in year two* to what they think they should do on day one and day two.

If these leaders have only a one-year plan, if they are only able to get the manure out of the barn, they won't have accomplished much. Sure, the barn will look and smell better. But cleaning up a dysfunctional organization is mere work. And although some employees relish wallowing in the manure, many people (particularly those who work in the barn) hate the stink. If given the opportunity—combined with some direction, some assistance, some hope of success, and some sense of progress—they will help. They will want to help.

But once the manure is gone, people can get complacent. They've accomplished something significant. Compared with what the agency used to be, this is nirvana. Sure the outside world may not give them much credit, but they can see the difference. And they are satisfied with this achievement. After a year of work, people are ready to take a breather.

For true leaders, however, the basis of comparison is not the dysfunctional past but the achievable future. Fixing a broken agency has just been their entry fee for the big chance to do something truly significant. Anyone who succeeds an unquestionably incompetent manager ought to be able—by doing a few, simple, obvious things—to look like a genius. Real leaders, however, improve their agency's performance year after year after year.

Consequently, the strategy for year one has two purposes:

Purpose #1: To fix all of the things that are wrong within the agency.

Purpose #2: To prepare the agency to achieve real results in year two and beyond.

These two purposes are mutually supporting. Achieving real results is the rationale for the year-one task of fixing the things that are

wrong. And the things that are wrong need to be fixed in a way that will help the agency to achieve real results in year two.

Still, these two purposes are distinct. It is possible to do the first in a way that fails to contribute to the second. Indeed, if the tactics chosen to accomplish purpose #1 are focused on a quick fix, they may actually undermine later efforts to achieve purpose #2.

Thus, in an effort to fix what is wrong, the agency's leader's need to do several things to

prepare the organization to achieve real results. First, as they clean out the barn, they need to remind everyone that the objective is not to maintain a spotless barn but to achieve the agency's mission.

Second, they need to begin the process of setting performance targets—even if these first targets are just for

barn cleanliness. For they need to convince everyone that such targets have become essential for the effectiveness of all government organizations. Then, as the barn gets cleaner—as the agency begins to achieve its targets for cleanliness—people will recognize that in year two they will have a new set of targets—targets directly connected to accomplishing the agency's real purpose. **B**

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