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Finding help during the human capital crisis

The federal government is experiencing a personnel crisis. Many employees are retiring, agencies have lost employees due to downsizing or centralization, and it's been difficult to recruit personnel without the same tools and incentives that are available to the private sector. It's a serious issue that has left a gap in the number of qualified mid-level managers who can move into senior-level positions.

It's a problem that's being dealt with at the top levels of government. However, as it typically takes a while for solutions to trickle down, there are some specific actions that today's federal managers can take to help.

Mike Serlin, former U.S. Treasury executive and Financial Management Team Leader with the National Performance Review, has been working with top officials addressing the matter. While central management agency officials have been taking important first steps, he equates implementing change in government to a hurricane in the ocean. On the water's surface, winds are whipping and there's a flurry of activity

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Opening the books on the three-day close

When U.S. Secretary of the Treasury Paul O'Neill announced last December his goal for a "three-day close," many federal managers weren't exactly sure of what it was and why it would be beneficial. They did understand it would take a lot of work. With help from Steve App, Deputy Chief Financial Officer of the U.S. Department of Treasury, following is a brief guide to help put things into perspective, including a definition, explanation of benefits and challenges, and implementation tips.

What is it?

"Three-day close" refers to closing the books of every Treasury office within three days of the month's end. First it focuses on the financials, but it will also apply to other management functions. It centers on the principle that having the most up-to-date, accurate information about an organization, including government, is the key to running it more efficiently and effectively.

While the three-day close specifically applies to the Treasury Department, federal managers from all agencies need to understand it. For example, the 2001 deadline for major agencies' year-end audited financial statements was February 28, 2002. The Office of Management and Budget (OMB) is now narrowing that timeframe, bumping deadlines up to November 15 by 2004. Additionally, the Bush Administration's Management Agenda outlines better performance in financial auditing for all agencies.

Why it's good

The three-day close provides up-to-date "business" information, so federal managers can make informed management decisions. Before planning, developing goals, or implementing specific initiatives, managers will know exactly where they stand financially – what invoices or travel vouchers have been paid, which ones are outstanding, and what monies are coming in. Ideally, they'll be able to see at any time exactly where the agency stands. They can then make the most appropriate decisions when allocating budget for recruiting, acquisitions or other purposes.

The challenges

Unfortunately not everyone understands the benefits of such a system. It can take a lot of manpower and effort to get to the "real-time" point. It also makes an organization essentially transparent. To see exactly how a budget is being spent and how much money is left at a given point can be a scary scenario. Some managers may think their management style will be second-guessed. The truth is it's a tool to help them run their organization more efficiently. To minimize the apprehension, it will require education on the process and implementation support.

Implementation

App provides the following advice to federal managers who are required, or want, to get on board:

- Be a strong leader. Work with everyone to achieve program buy-in and use your senior management as a support network.
- Chart the workflow. Work with all of your partners that feed into your financial system (i.e., vendors, banks, etc.) to understand every step of the process.
- Cross out all unnecessary steps. For example, data shouldn't need to be re-entered twice or get hung up on excessive approvals.
- Work with your partners to get all information electronically. Vendors will get paid faster, there will be fewer data entry errors, and financial personnel can concentrate on analysis rather than keystroking.
- Consult the experts. This is a new process so it's okay if there's some confusion. To help guide you, organizations such as FedSource know what needs to be done and the easiest way to do it.

For more information on the three-day close or a free analysis for your organization, consult FedSource.

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much like the top level of government. As you go 30 feet under the water, there's a little bit of upheaval, but it's calmer than above. By the time you reach the ocean floor, you don't even know the storm is there.

Serlin notes that managers don't have to wait for those changes to begin alleviating the situation. He recommends managers learn about and understand the flexibilities they have available to them now, so they can potentially eliminate obstacles based on outdated information. For example, know what can be done in the recruiting arena, what incentives that can be offered and what the hiring process requires.

And when managers don't know that information, consult an outside source.

"An organization such as FedSource is an ideal resource. They are a federal entity that specializes in administrative resources, so they know how to cut the red tape to get what you need," says Serlin. "They can provide everything from consultation in recruiting to experienced short-term personnel to fill a gap. It's great because you can let them worry about those details, while you remain focused on accomplishing your organization's core mission."

In the meantime, Serlin notes there is hope for help from the top as officials begin implementing new initiatives. For example, OPM's Director Kay Cole James and Deputy Director Dan Blair are taking the right steps as they begin to simplify the recruiting process and job announcements, ensuring they're jargon-free and written in plain English.

"Many jobs in the government are the most challenging, exciting and rewarding around," says Serlin. "And right now, it's an area that is full of opportunities and possibilities."

A year in planning: Implementing GPRA initiatives (Part 2 of 3)

Over the past month, it has become clear that the issue of improving program performance and reducing waste in federal agencies is gaining momentum. In fact, *Government Executive Magazine* just released the results of its Federal Performance Project, rating agencies on their management abilities. So where should agencies focus their efforts?

There are two areas a federal manager can emphasize in order to increase performance and meet key initiatives mandated by the Government Performance Results Act of 1993 (GPRA). In our last issue of *Working Smarter*, we explored one of them -- strategic planning. In this issue we look at performance management.

What is performance management?

Public accounting and consulting firm Clifton Gunderson notes that performance management is a system that enables managers to continuously assess key processes. Through specific measurements, it helps ensure the organization and its performance are on track with its strategic direction and program goals.

This is important because effective performance is central to successful business operations. Performance deficiencies waste valuable resources, contribute to customer dissatisfaction, and often prevent the achievement of program goals. By practicing performance management, managers can detect deficiencies and correct them early enough to assure desired results. It also provides the valuable information needed to report on strategic accomplishments and ultimately leads to program achievement.

Getting started

Following are a few tips federal managers can follow to get a performance management program started and keep it going.

- Assure a clear and direct connection to multi-year and annual goals and objectives.
- Set responsibility and accountability for specific results and build these expectations into unit and individual performance plans.
- Gather performance data for all outcomes against established baselines.
- Validate and verify performance measures.
- Review progress on a regular basis and report results.
- Make adjustments as needed in current and future plans.
- Marshal performance information from all corners of the organization to meet formal reporting requirements and communicate accomplishments to stakeholders and staff.
- Tie results to unit and individual employee performance evaluations, awards and recognition as appropriate.

For more information on performance management, contact FedSource. To find out about some specific tools and techniques the experts draw upon for planning purposes, stay tuned for the third and final installment of this editorial series in the June issue of *Working Smarter*.