Government Business Council

Transforming Government

From Aspiration to Transformation: Insights from Public Sector Leaders

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Overview

Purpose

The narrative around public sector modernization is often one focused on what's lacking, but agencies have been making leaps keeping up with technological innovations and government mandates. Agencies are working to radically improve their operations and services through changing functions, processes, strategies, and technological systems. These efforts, often referred to as transformation programs, range from extremely technical projects, such as digital service delivery, to non-technical initiatives related to workforce and organizational issues.

To identify the role data, technology, and process each play in efforts to enhance government performance, Government Business Council (GBC) partnered with Ernst & Young LLP (EY) to survey the men and women on the public service front lines.

Methodology

GBC and EY fielded a survey in April and May 2019 to a random sample of civilian and military government respondents. A total of 771 respondents participated in the survey.

Executive Summary

Despite moderate success within their organizations, public sector transformation programs are not widely seen as meeting their objectives

Only 39% of those surveyed feel that public sector transformation programs in their organization meet their stated objectives. Programs that have succeeded in meeting their goals tend to be security-related, whereas those that have been least successful are more often related to overall mission impact. Conflicting priorities, lack of coordination between departments, and inadequate funding are cited as the primary challenges to transformation initiatives at most organizations.

Organizations see a need for transformation programs across multiple departments and are driven to implement them for a variety of reasons
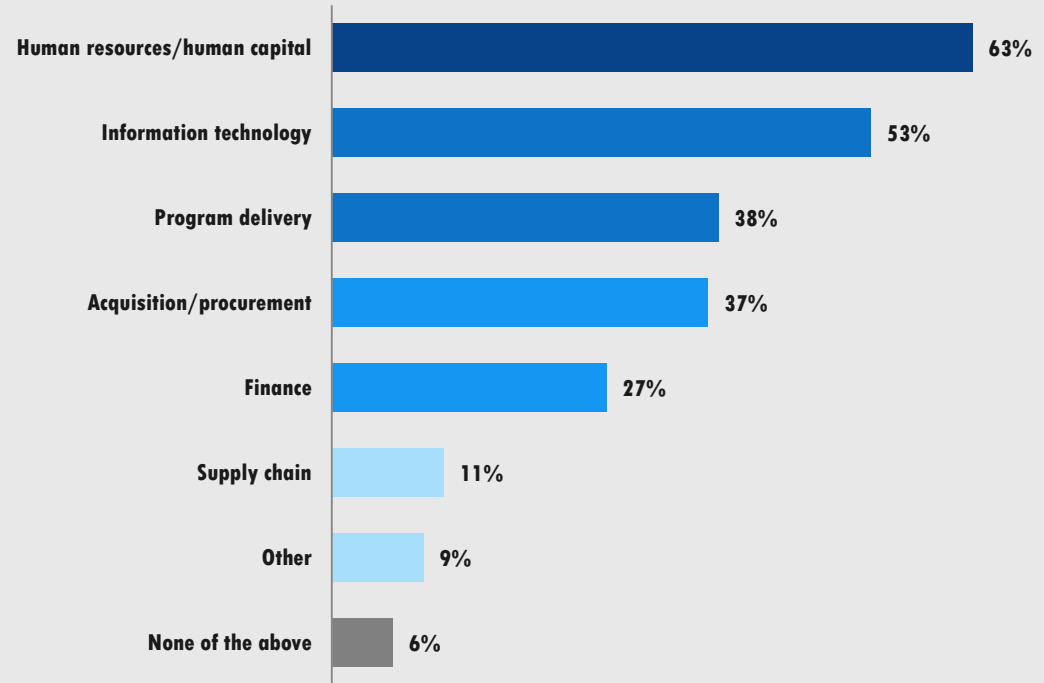
Respondents identify human resources and information technology as the areas most in need of transformation, with program delivery, acquisition, and procurement also being top priorities. Respondents are motivated to undergo transformation programs primarily out of a desire to redesign outdated practices, but other key drivers cited include imperatives to meet changes in compliance as well as achieving cost savings.

Respondents see enormous value in data analytics, but find current processes inadequate

Of the emerging technologies mentioned in the survey, data analytics is perceived as having the greatest potential impact on public sector transformation going forward. Despite its recognized importance, however, only 6% of respondents are very satisfied with the data access their organization provides them to support the decision-making process.

Research Findings

In your organization, which of the following areas are most in need of transformation?

Area	Percentage
Human resources/human capital	63%
Information technology	53%
Program delivery	38%
Acquisition/procurement	37%
Finance	27%
Supply chain	11%
Other	9%
None of the above	6%

Percentage of respondents, n=688
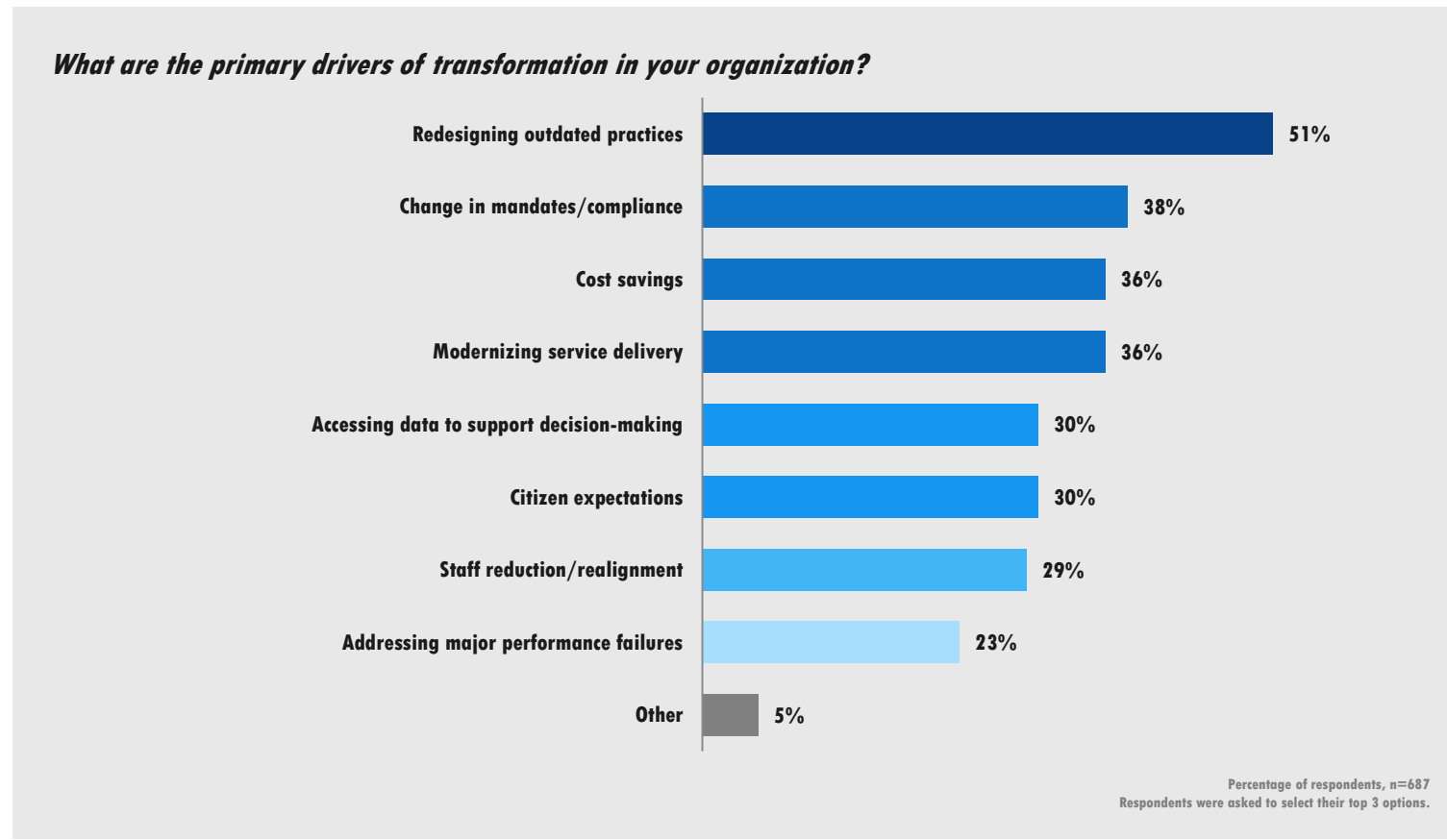Respondents were asked to select their top 3 choices.

Federal, defense, and state and local agencies are under pressure to transform numerous areas of operation, but human resources/human capital and information technology are the top priorities. Program delivery and acquisition/procurement also feature prominently.

"Other" responses specified by participants included communication, enterprise GIS, contract management, management training and accountability, and quality assurance activities.

63%

of government respondents rank human resources as one of the top 3 areas most in need of transformation.

Agency transformation is primarily motivated by a desire to update legacy practices

What are the primary drivers of transformation in your organization?

Driver	Percentage
Redesigning outdated practices	51%
Change in mandates/compliance	38%
Cost savings	36%
Modernizing service delivery	36%
Accessing data to support decision-making	30%
Citizen expectations	30%
Staff reduction/realignment	29%
Addressing major performance failures	23%
Other	5%

Percentage of respondents, n=687
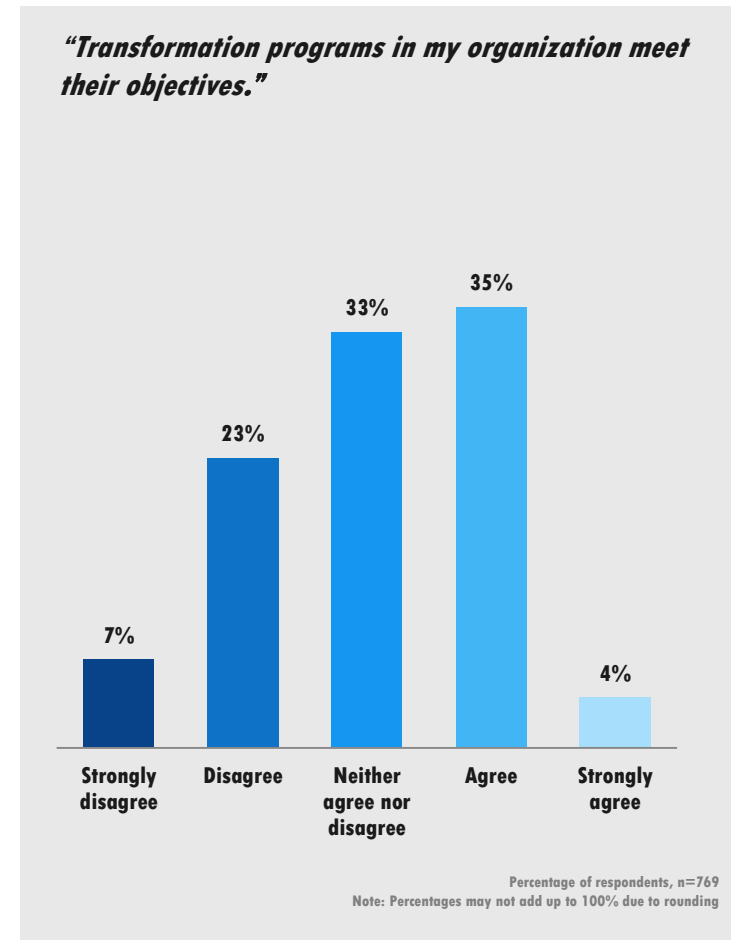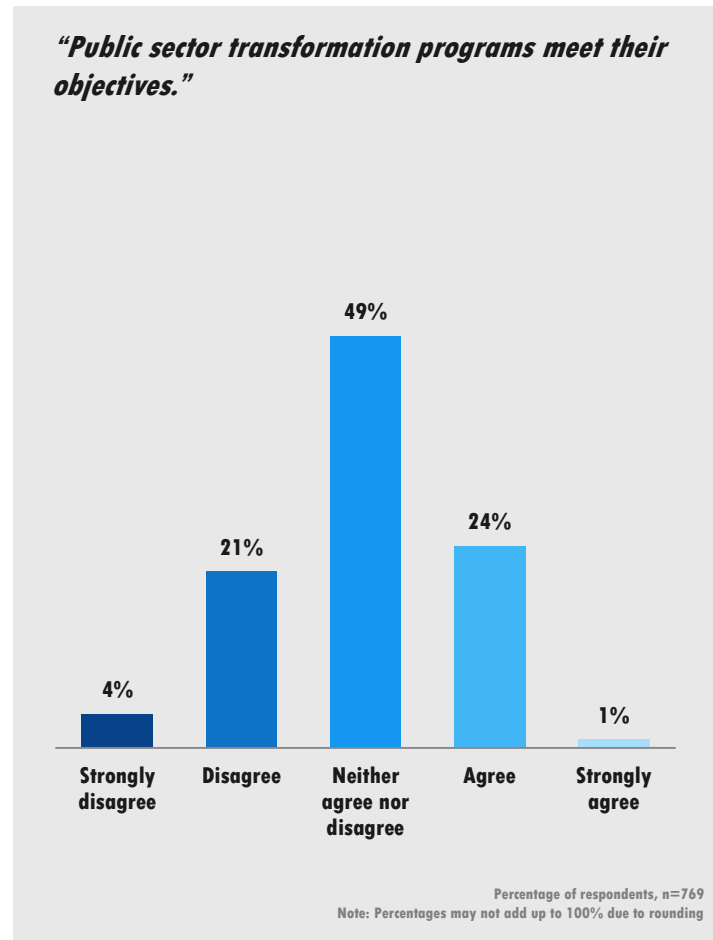Respondents were asked to select their top 3 options.

According to survey respondents, redesigning outdated practices is still the biggest factor driving government agencies to transform. Smaller yet significant shares of respondents selected changes in mandates/compliance, cost savings, and modernizing service delivery, indicating that revamping outdated practices is not the only factor pushing organizations forward.

"Other" responses specified by participants included audit readiness, senior management, government directives, politics, and mission needs.

51%

of government respondents report that redesigning outdated practices is a primary driver of transformation.

Respondents have seen more success in transformation programs within their organizations, versus the public sector more broadly

"Public sector transformation programs meet their objectives."

49%

24%

21%

4%

1%

| Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |

Percentage of respondents, n=769
Note: Percentages may not add up to 100% due to rounding

"Transformation programs in my organization meet their objectives."

35%

33%

23%

7%

4%

| Strongly disagree | Disagree | Neither agree nor disagree | Agree | Strongly agree |

Percentage of respondents, n=769
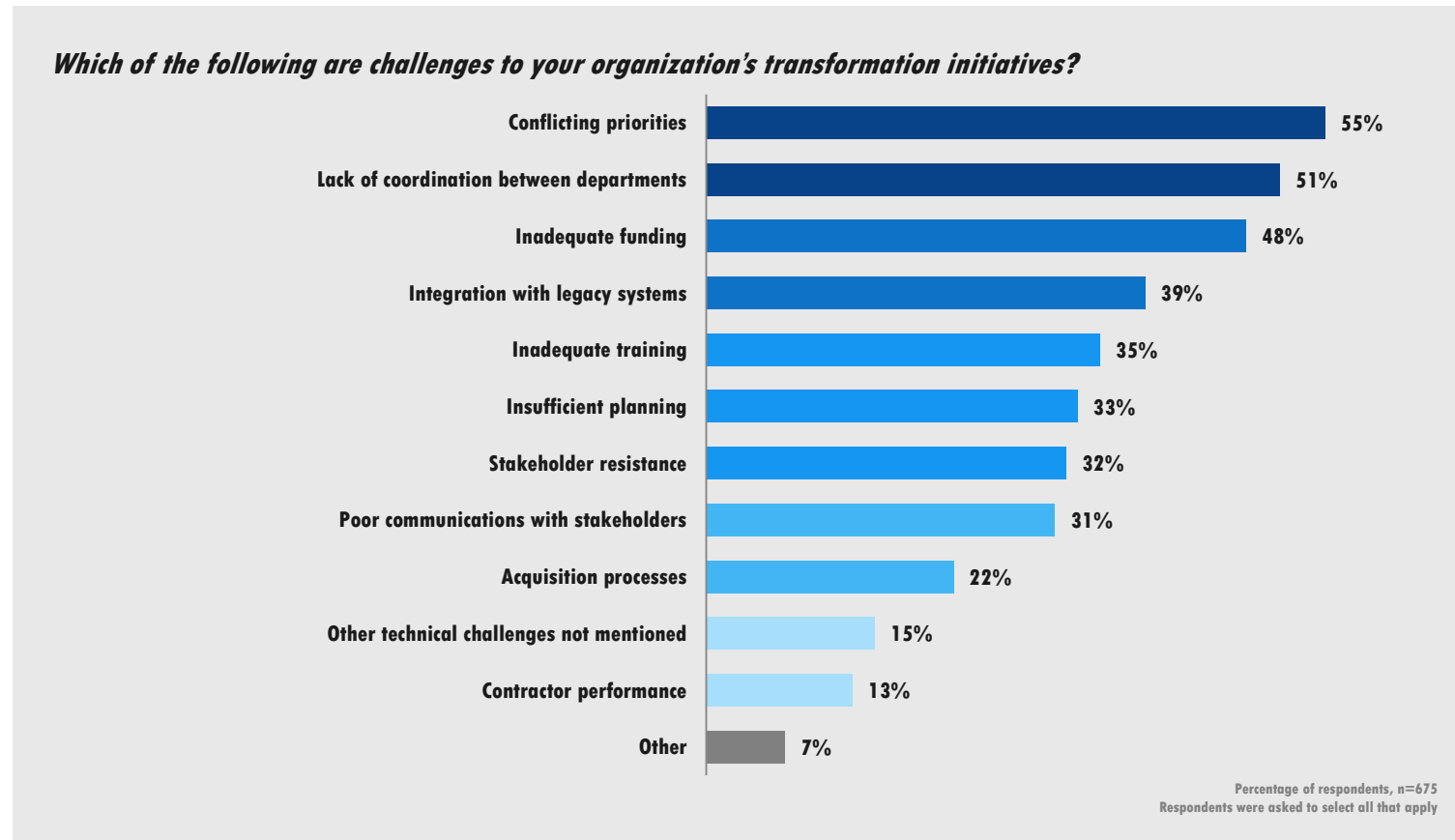Note: Percentages may not add up to 100% due to rounding

Respondents feel that transformation programs within their specific organization more often meet their objectives than public sector transformations more generally. Slightly more than one-third (39%) of respondents either agree or strongly agree that transformation programs in their organization meet their objectives. Still, a significant portion (30%) disagree that their organization's transformation programs meet their objectives.

39%

of those polled agree or strongly agree that their organization's transformation programs meet their objectives.

Conflicting priorities, lack of coordination between departments, and inadequate funding are the most common challenges

Which of the following are challenges to your organization's transformation initiatives?

Challenge	Percentage
Conflicting priorities	55%
Lack of coordination between departments	51%
Inadequate funding	48%
Integration with legacy systems	39%
Inadequate training	35%
Insufficient planning	33%
Stakeholder resistance	32%
Poor communications with stakeholders	31%
Acquisition processes	22%
Other technical challenges not mentioned	15%
Contractor performance	13%
Other	7%

Percentage of respondents, n=675
Respondents were asked to select all that apply

"Other" responses specified by participants included data privacy limitations to share information, lack of focus on the mission, weak leadership, and human resource bottlenecks.

55%

of government respondents encounter conflicting priorities when implementing transformation programs

More than half of respondents have participated in a transformation program within the last 24 months

Have you participated in a transformation program within the last 24 months?
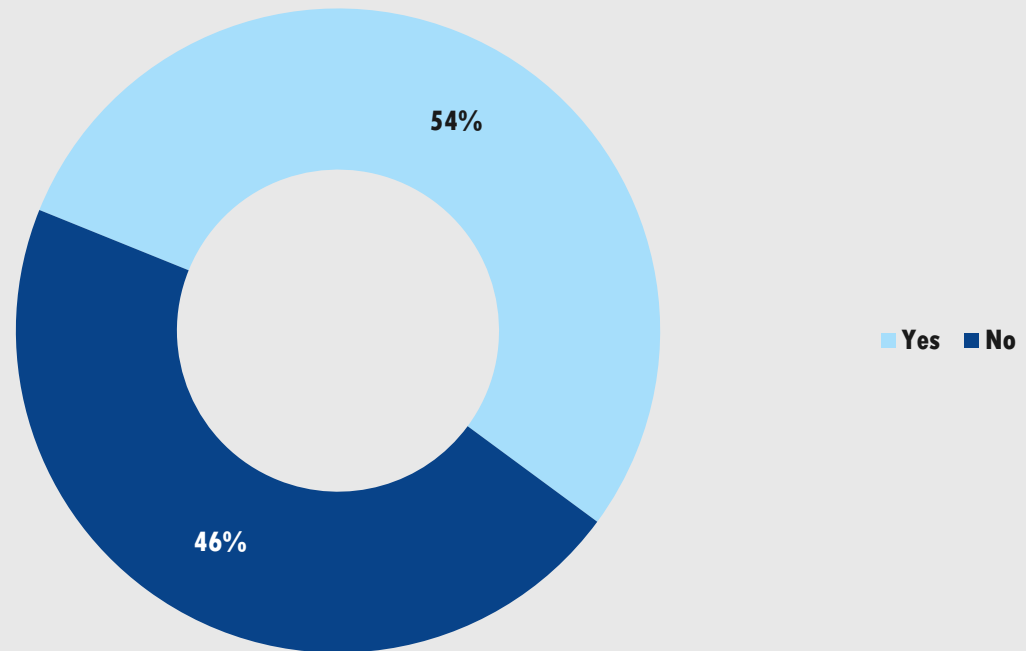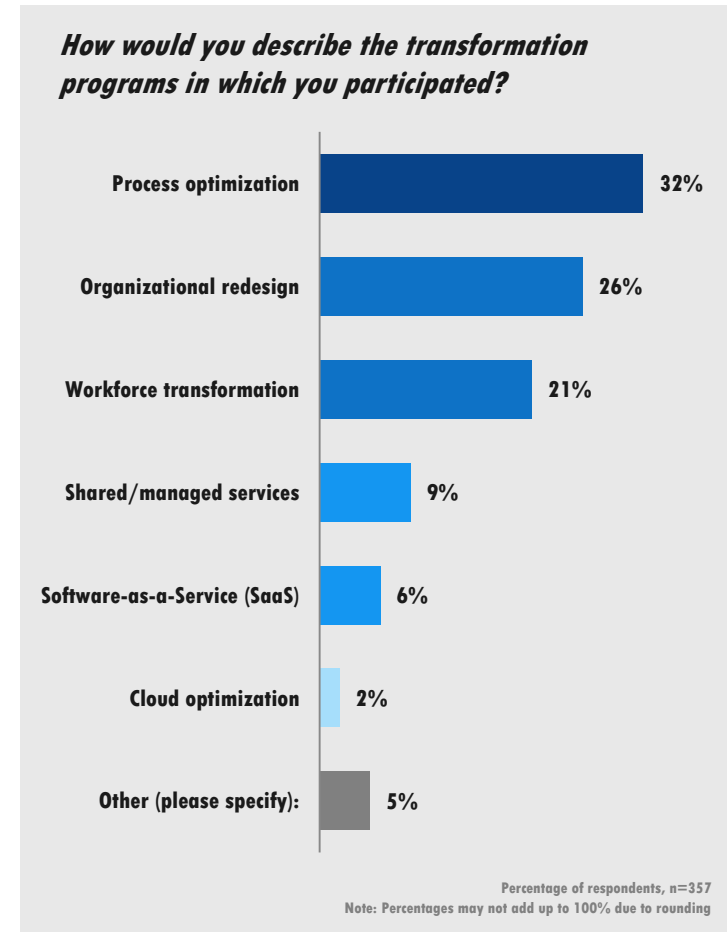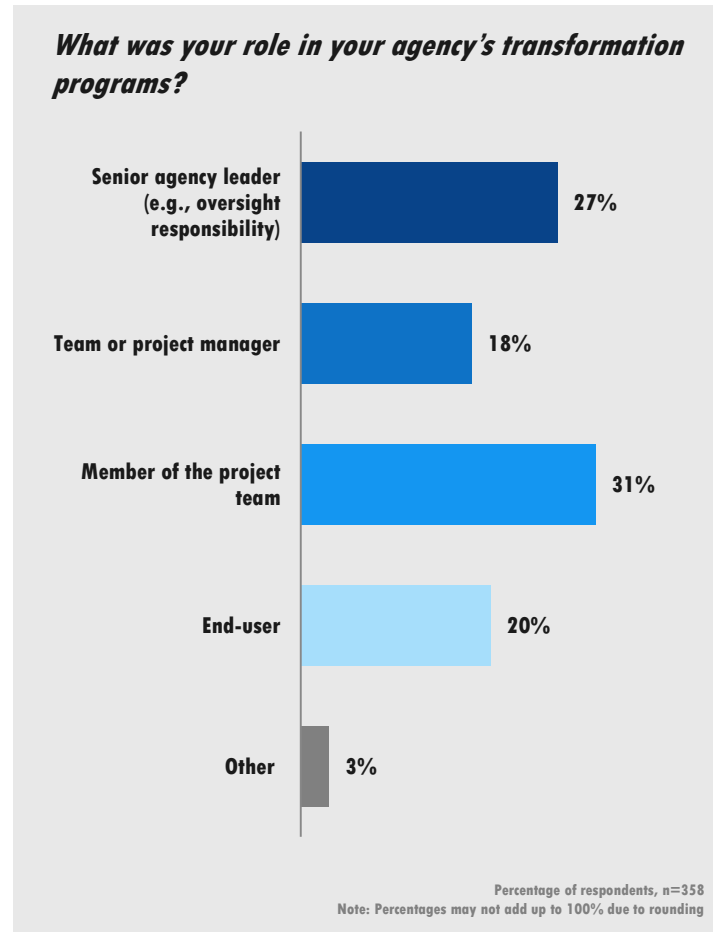

54%

46%

■ **Yes** ■ **No**

Respondents were provided the following definition of transformation program:

Transformation programs can be defined as efforts to dramatically improve government operations and services by systematically changing a combination of an agency's strategy, workforce, functions, processes, and technology. These initiatives can range in scale from changes within a bureau/division to enterprise-wide shifts.

54%

of respondents report that they have participated in a transformation program within the past two years.

Agencies are focused on improving internal processes before looking outward for technology solutions

What was your role in your agency's transformation programs?

Role	%
Senior agency leader (e.g., oversight responsibility)	27%
Team or project manager	18%
Member of the project team	31%
End-user	20%
Other	3%

How would you describe the transformation programs in which you participated?

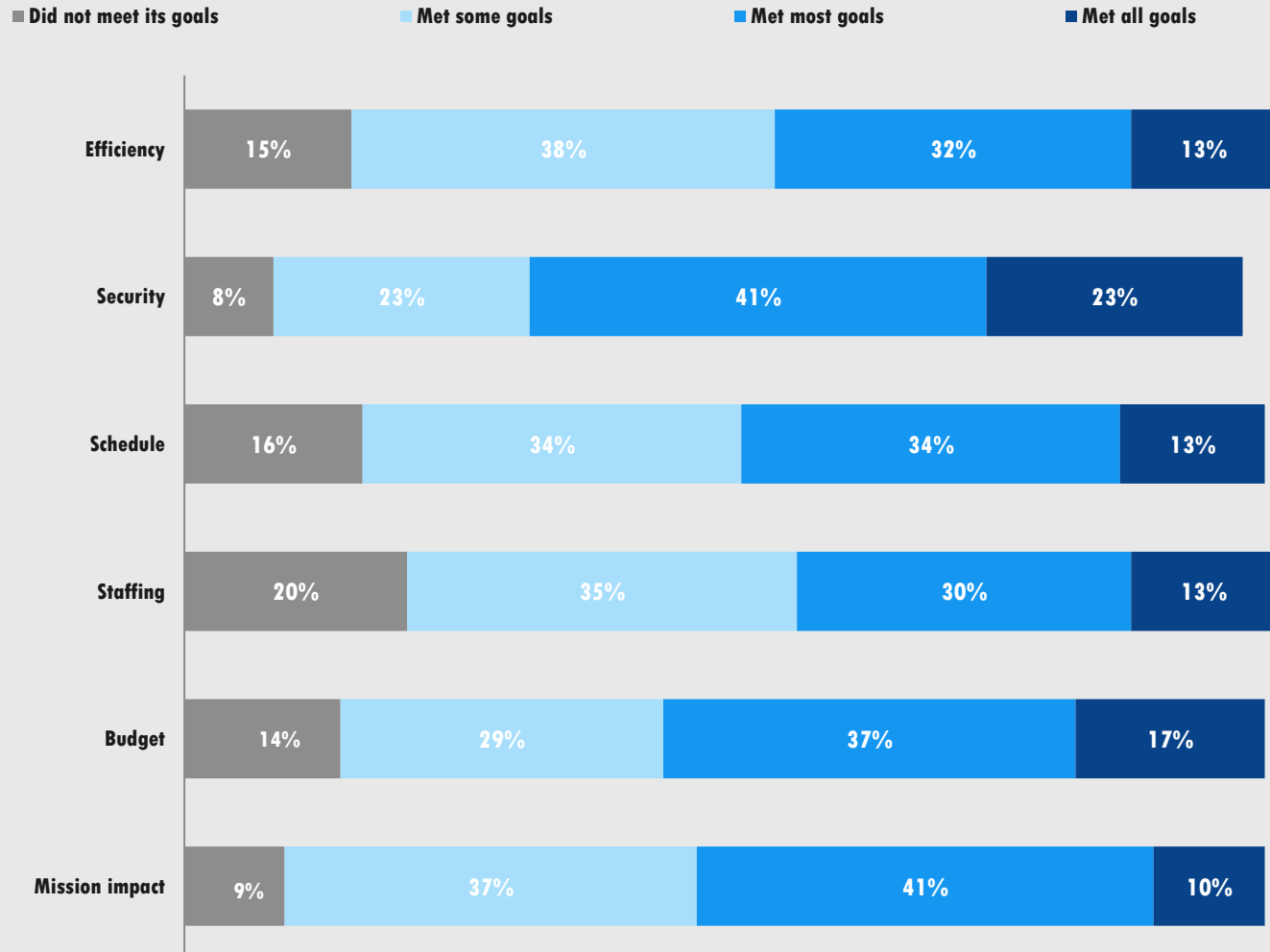| Type	%
Process optimization	32%
Organizational redesign	26%
Workforce transformation	21%
Shared/managed services	9%
Software-as-a-Service (SaaS)	6%
Cloud optimization	2%
Other (please specify):	5%

Of the respondents who have participated in a transformation program within the last 24 months, 31% were involved as a member of the project team, 27% had oversight responsibility as a senior agency leader, and 18% served as team or project managers.

The most common types of transformation projects were process optimization (efforts to make processes more efficient and perform better with less money), organizational redesign, and workforce transformation.

32%

of transformation programs were focused on process optimization.

At least one-third of respondents hold the opinion that their transformation programs met none, or only some, of their goals
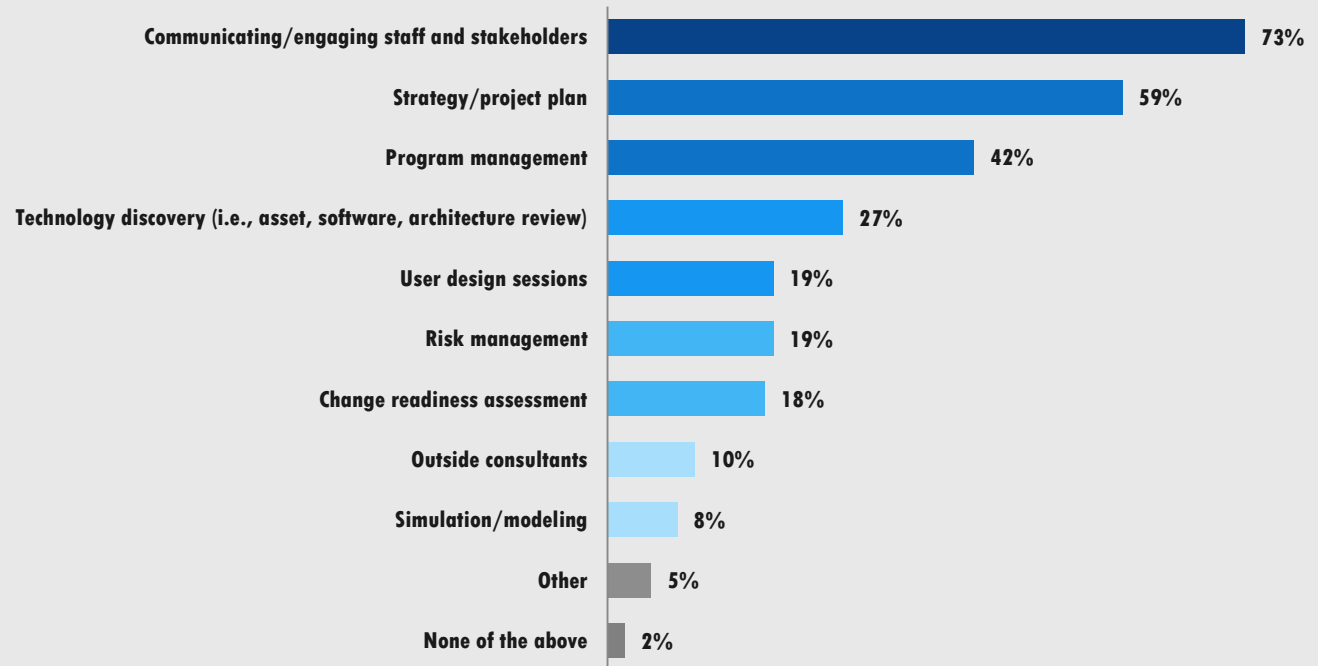
To what extent did your transformation program meet its goals relative to the following?

■ Did not meet its goals   ■ Met some goals   ■ Met most goals   ■ Met all goals

Category	Did not meet its goals	Met some goals	Met most goals	Met all goals
Efficiency	15%	38%	32%	13%
Security	8%	23%	41%	23%
Schedule	16%	34%	34%	13%
Staffing	20%	35%	30%	13%
Budget	14%	29%	37%	17%
Mission impact	9%	37%	41%	10%

Percentage of respondents, n varies by item, but ranges from 336 to 345.
Note: Percentages may not add up to 100% due to rounding

Communicating and engaging with staff and stakeholders is the most important factor for supporting transformation programs

What tools and resources are the most important for supporting a transformation program?

Communicating/engaging staff and stakeholders	73%
Strategy/project plan	59%
Program management	42%
Technology discovery (i.e., asset, software, architecture review)	27%
User design sessions	19%
Risk management	19%
Change readiness assessment	18%
Outside consultants	10%
Simulation/modeling	8%
Other	5%
None of the above	2%

Percentage of respondents, n=634
Respondents were asked to select their top 3 choices

Beyond communication, smaller yet significant shares of respondents say that having a strategy or project plan and strong program management are key tools and resources for successful transformation programs.
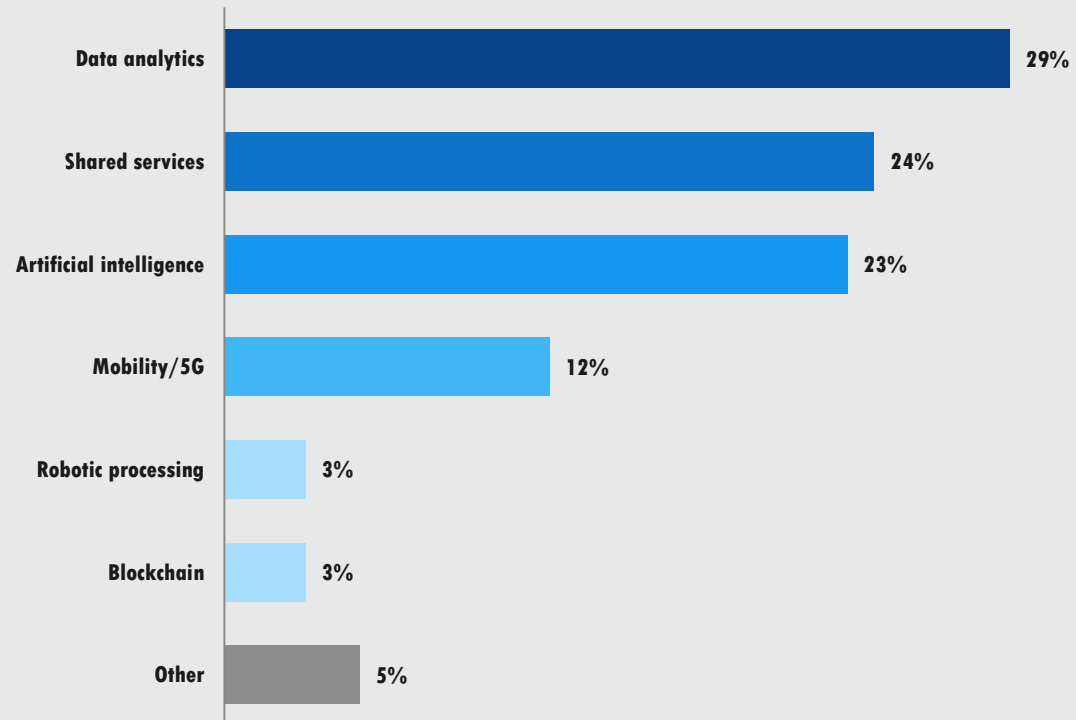
"Other" responses specified by participants included funding, getting beyond politics/reduction of political influence, leadership, and rapid experimentation.

73%

of government respondents identify communicating and engaging with staff and stakeholders as important for supporting transformation programs.

Government respondents expect data analytics to have the greatest impact on public sector transformation

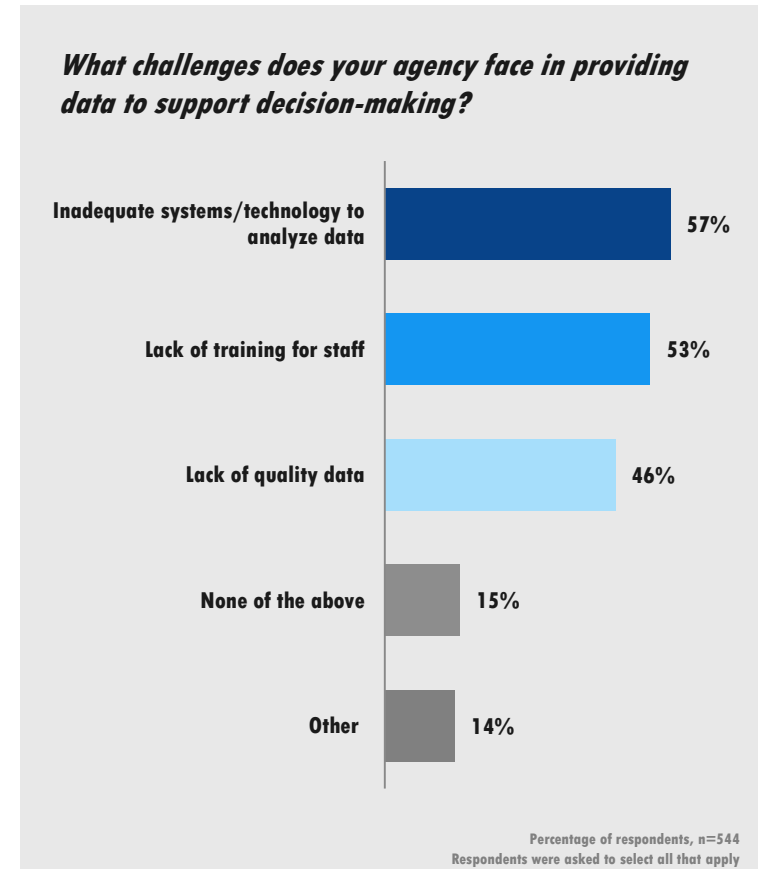*Looking ahead, what emerging technology do you think will have the greatest impact on public sector transformation?*

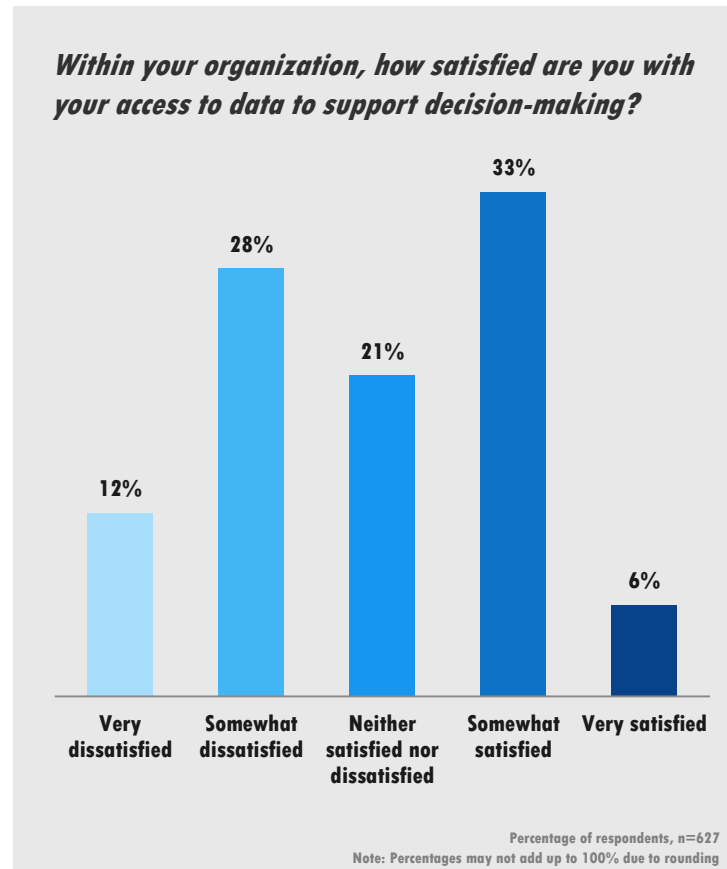| Technology	Percentage
Data analytics	29%
Shared services	24%
Artificial intelligence	23%
Mobility/5G	12%
Robotic processing	3%
Blockchain	3%
Other	5%

Percentage of respondents, n=622
Note: Percentages may not add up to 100% due to rounding

Respondents also signal that they expect shared services (24%) and artificial intelligence (23%) to have a significant impact on public sector transformation.

"Other" responses specified by participants included spatio-temporal intelligence, automated vehicles, broadband, and collaboration technology.

29%

of government respondents predict that data analytics will have the greatest impact on public sector transformation looking ahead.

Poor data access and quality present major challenges

Within your organization, how satisfied are you with your access to data to support decision-making?

- Very dissatisfied: 12%
- Somewhat dissatisfied: 28%
- Neither satisfied nor dissatisfied: 21%
- Somewhat satisfied: 33%
- Very satisfied: 6%

Percentage of respondents, n=627
Note: Percentages may not add up to 100% due to rounding

What challenges does your agency face in providing data to support decision-making?

- Inadequate systems/technology to analyze data: 57%
- Lack of training for staff: 53%
- Lack of quality data: 46%
- None of the above: 15%
- Other: 14%

Percentage of respondents, n=544
Respondents were asked to select all that apply

While 39% of those polled are somewhat or very satisfied with their access to data to support decision-making, 40% are either somewhat or very dissatisfied.

Inadequate systems and technology to analyze data and lack of training for staff rank as the most common challenges agencies face in providing data to support decision-making. Lack of quality data presents major headaches as well.

"Other" responses specified by participants included sharing information, more focus on providing data to public than staff, agreeing on the data and what they are measuring, lack of coordination between departments, lack of a data depository, lack of cooperation from stakeholders, and lack of integration of multiple systems.

40%

stated that they are either somewhat or very dissatisfied with their access to data to support decision-making within their organization.

What Respondents Say…

In one word, how would you describe your organization's transformation projects?

What Respondents Say…

"What transformation lessons learned would you share with other agencies?"

- Communication and planning are key to success. Embedding a dedicated business process re-engineering unit into the organization is key. It is unreasonable to expect employees to do the day-to-day work and reinvent and transform at the same time.

- Train your trainers first. Implement the transformation strategy and keep it prioritized appropriately. Set dates for the transformation to phase in and the old processes to phase out.

- Don't be defensive. Be willing to change.

- Beware of transformation "burnout." Transformations take time. True transformations will still be a work in progress when the senior leader who initiated the transformation moves on. Think and plan for the long-term--and establish short-term milestones to track progress and, if necessary, make adjustments.

- Ensure that all key stakeholders have the time and resources necessary to perform their duties for the project. Many stakeholders are burdened with their day to day jobs, and this causes schedule slips and reduces active project communication.

- To transform, you must build with your customer, not for your customer. There is no value in surprise transformation.

- Patience; managing change takes time and will generally be most successful iteratively.

- It has to be more than just personality-driven, the entrenched stakeholders will just wait out the person who happens to be pushing this initiative.

- People first! Then processes and lastly technology that facilitates the process and is rolled out through workforce training. So very important to start and end with the people.

- Change management is difficult, even in the best conditions. No matter what people will say, they fear the unknown more than a known problem

- Plan plan plan, then train and inform BEFORE roll-out.

- Make peace with uncertainty. It is important to accept some degree of ambiguity about the transformation, and plan effectively to actively manage implementation and recalibrate strategy. There will always be one more factor to analyze, and all possible outcomes and eventualities cannot be mitigated during the planning stage.

- Communication, early and often, is critical. Input from the workforce is crucial - what looks like it makes sense on paper often does not make sense in execution.

- Plan for the long-term, build incrementally, and engage the impacted workforce in the transformation process.

Industry Perspective

EY's Perspective

Public sector leaders recognize the value of transformation to improve outdated processes, address citizen expectations, and save taxpayer dollars. They also fully understand how difficult it is to implement change. Some of the most significant challenges to transformation result from decisions made long before a program begins. Communicating the value of the program, building workable governance models, assigning program roles and responsibilities across the agency, and building performance models aligned with agency strategy are among the key activities that can make or break transformation success.

Whether an agency is looking to tap the potential of artificial intelligence or implement managed services, transformation planning is more involved than traditional project management. When asked "Which of the following are challenges to your organization's transformation initiatives?", survey respondents identified **intra-agency coordination and priority management** as their top challenges. These dimensions are not always addressed in traditional project plans.

EY recommends that public sector agencies develop a **Transformation Roadmap** that envisions the transformation from both a strategic and tactical view. Whereas common project plans are developed from a single function's (or contractor's) perspective, the Transformation Roadmap identifies how people will be impacted, how performance measures will align with agency strategy, and where intra-agency coordination is necessary – all driven by a change management approach that matches the agency's culture. The Roadmap should consider all the transformation levers the agency has available. Transformation levers include **organizational change** (e.g., operational model design)**; process optimization** (e.g., shared services and automation)**; and infrastructure redesign** (e.g., cloud adoption/optimization). In considering the best approach, the goal of the Transformation Office should be sustained performance improvement, but it should also recognize the importance of realizing and demonstrating near-term results.

"These are exciting times, as the promise of technology, robotics, and automation inspire public sector leaders to visualize more productive and impactful government services," says Roberta Mourão, EY's Government and Public Sector (GPS) Solutions Leader. "To realize the promise, as the survey respondents report, it is critical that agencies get the people dimensions right."

Final Considerations

Looking forward, leaders of public sector transformation programs should...

Acknowledge that *people* are at the core of any successful technological transformation

Human capital is the largest bottleneck to successfully meeting the objectives of transformation programs, as many current staff are not trained on new systems, and recruiting top talent proves challenging. Our survey found that meeting staffing needs was harder to accomplish than meeting budgetary goals. Agencies must focus on developing strategies for training current staff and hiring new employees in order to accomplish mission goals. Additionally, to ensure that there is one unifying and widely-understood strategy and plan fueling a transformation program, agencies should optimize their available platforms to coherently voice their transformation objectives.

Improve communication

Government employees feel that open, frequent communication and staff engagement are the most significant drivers of successful transformation programs. In that same vein, respondents identify lack of coordination between departments and conflicting priorities as top challenges. While digital transformation inherently involves new technology, government agencies should use IT and novel systems to augment collaboration, rather than reduce interpersonal communication opportunities.
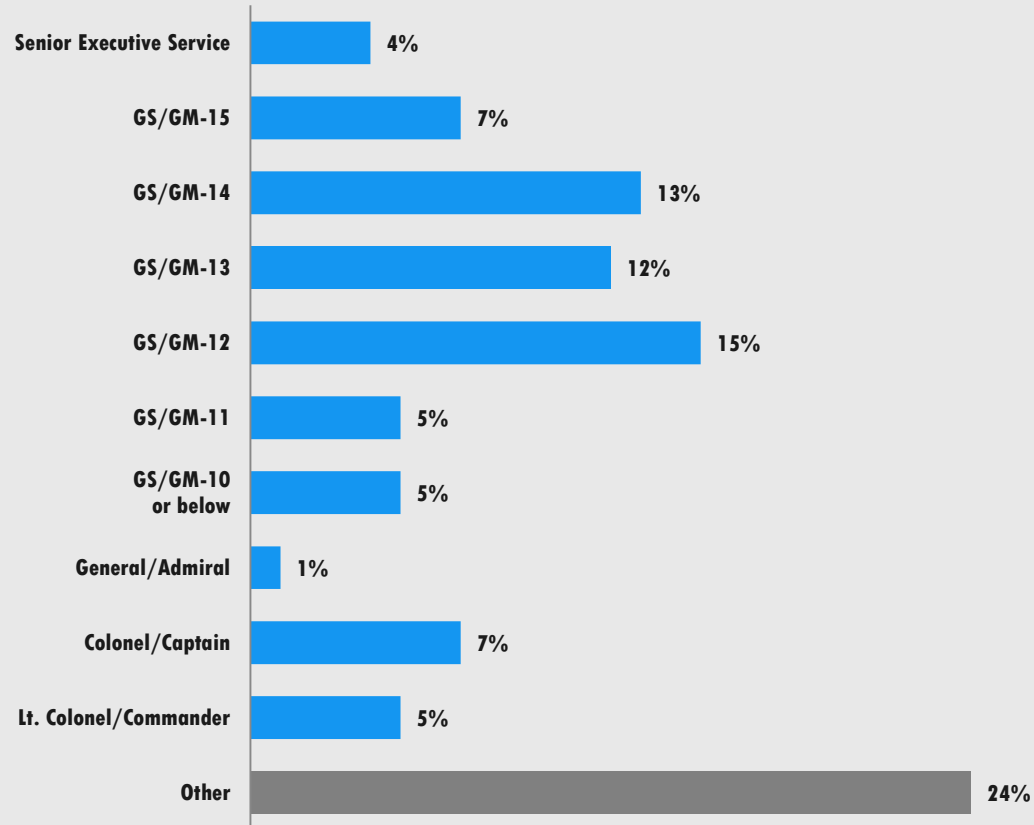
Prioritize data analysis systems and expanding data access

As more and more government agencies integrate smart devices and interactive applications to their user portals, the number of data points agencies collect is growing exponentially. This can result in feelings of futility amongst employees and users if the data is not properly utilized. Survey respondents feel that data analytics will have the greatest impact on their transformation efforts. As more technology vendors are meeting security compliance standards, agencies should make use of the abundance of data analytics tools available to optimize their missions.

Respondent Profile

Over a third of respondents are employed at the highest levels of government

Please indicate your job grade/rank.

Grade/Rank	Percentage
Senior Executive Service	4%
GS/GM-15	7%
GS/GM-14	13%
GS/GM-13	12%
GS/GM-12	15%
GS/GM-11	5%
GS/GM-10 or below	5%
General/Admiral	1%
Colonel/Captain	7%
Lt. Colonel/Commander	5%
Other	24%

Percentage of respondents, n=257
Note: Percentages may not add up to 100% due to rounding

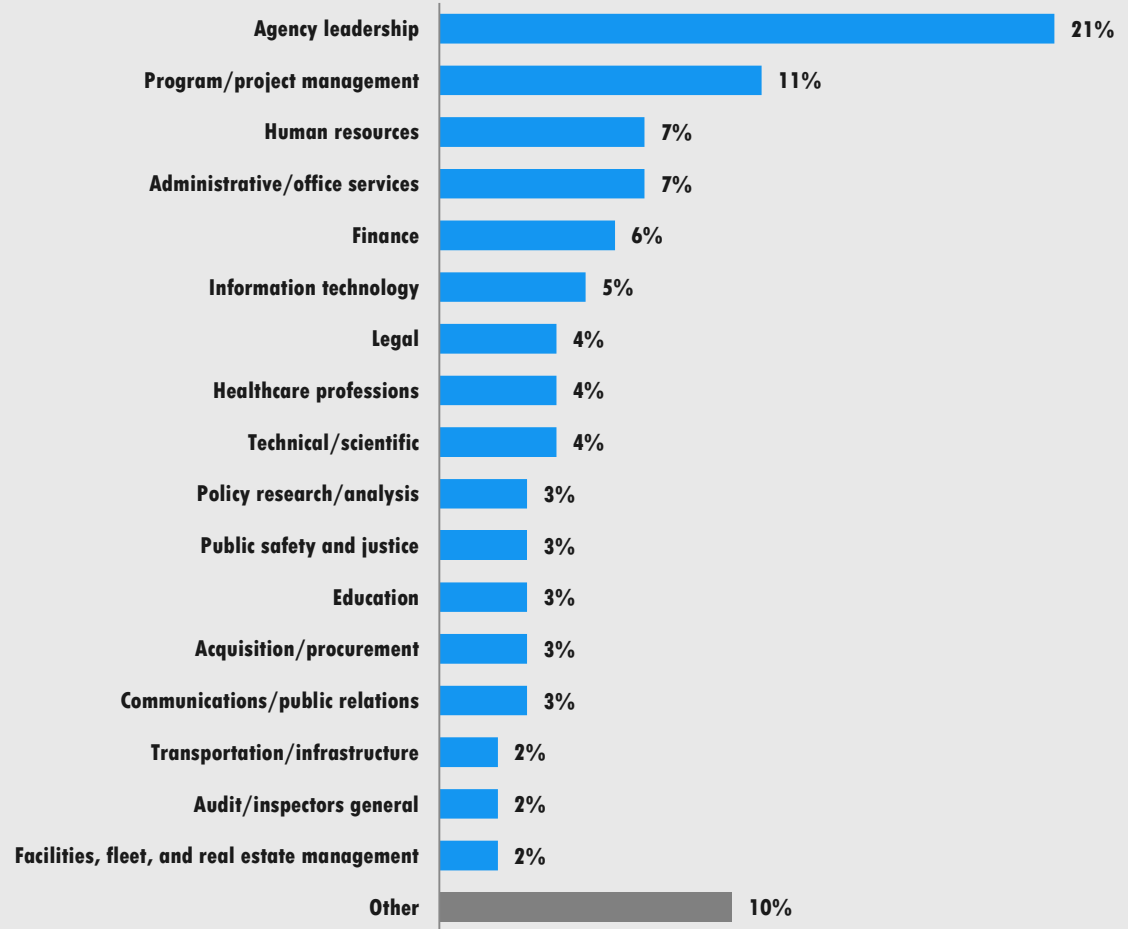**Respondents represent a wide range of federal agencies and military branches**

For which department/agency do you work?

Army

Navy

Air Force

Homeland Security

Agriculture

Other independent agency

Transportation

Office of the Secretary of Defense

Interior

Veterans Affairs

Health and Human Services

Housing and Urban Development

Environmental Protection Agency

Social Security Administration

National Aeronautics and Space Administration

General Services Administration

Treasury

Marine Corps

Commerce

Education

Combatant Commands

Justice

Small Business Administration

Labor

State

Congress/Legislative Branch

Office of Personnel Management

Agency for International Development

Multiple departments/agencies

Joint Chiefs of Staff

Departments and agencies are listed in order of frequency.

Respondents represent a variety of job functions, including management and technical roles

Which of the following best describes your job function?

Job Function	Percentage
Agency leadership	21%
Program/project management	11%
Human resources	7%
Administrative/office services	7%
Finance	6%
Information technology	5%
Legal	4%
Healthcare professions	4%
Technical/scientific	4%
Policy research/analysis	3%
Public safety and justice	3%
Education	3%
Acquisition/procurement	3%
Communications/public relations	3%
Transportation/infrastructure	2%
Audit/inspectors general	2%
Facilities, fleet, and real estate management	2%
Other	10%

Percentage of respondents, n=626

70% of respondents have worked in government for at least 15 years
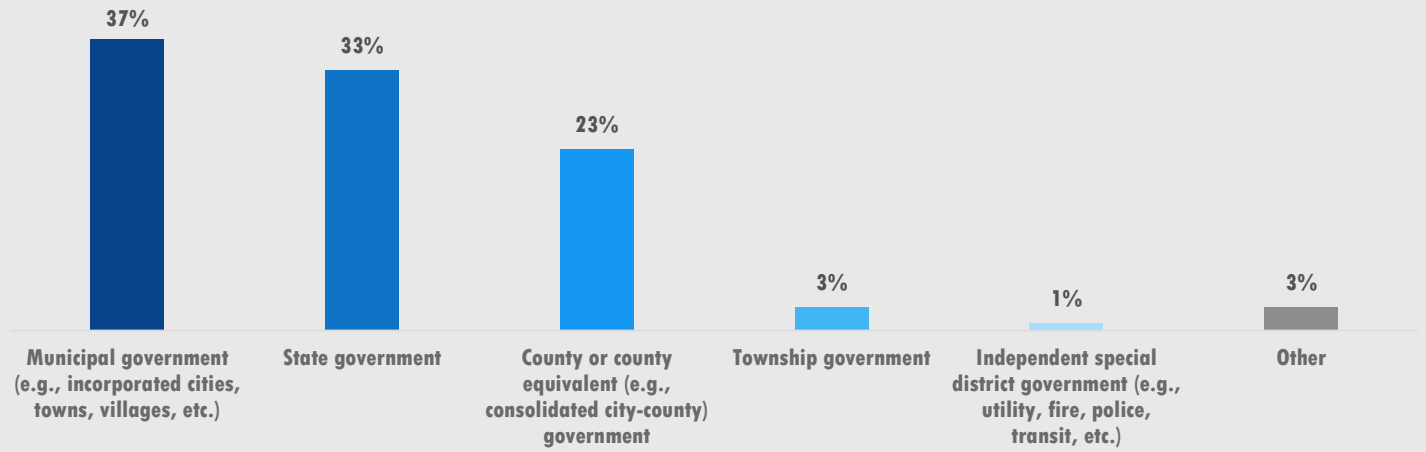
How long have you worked in government?
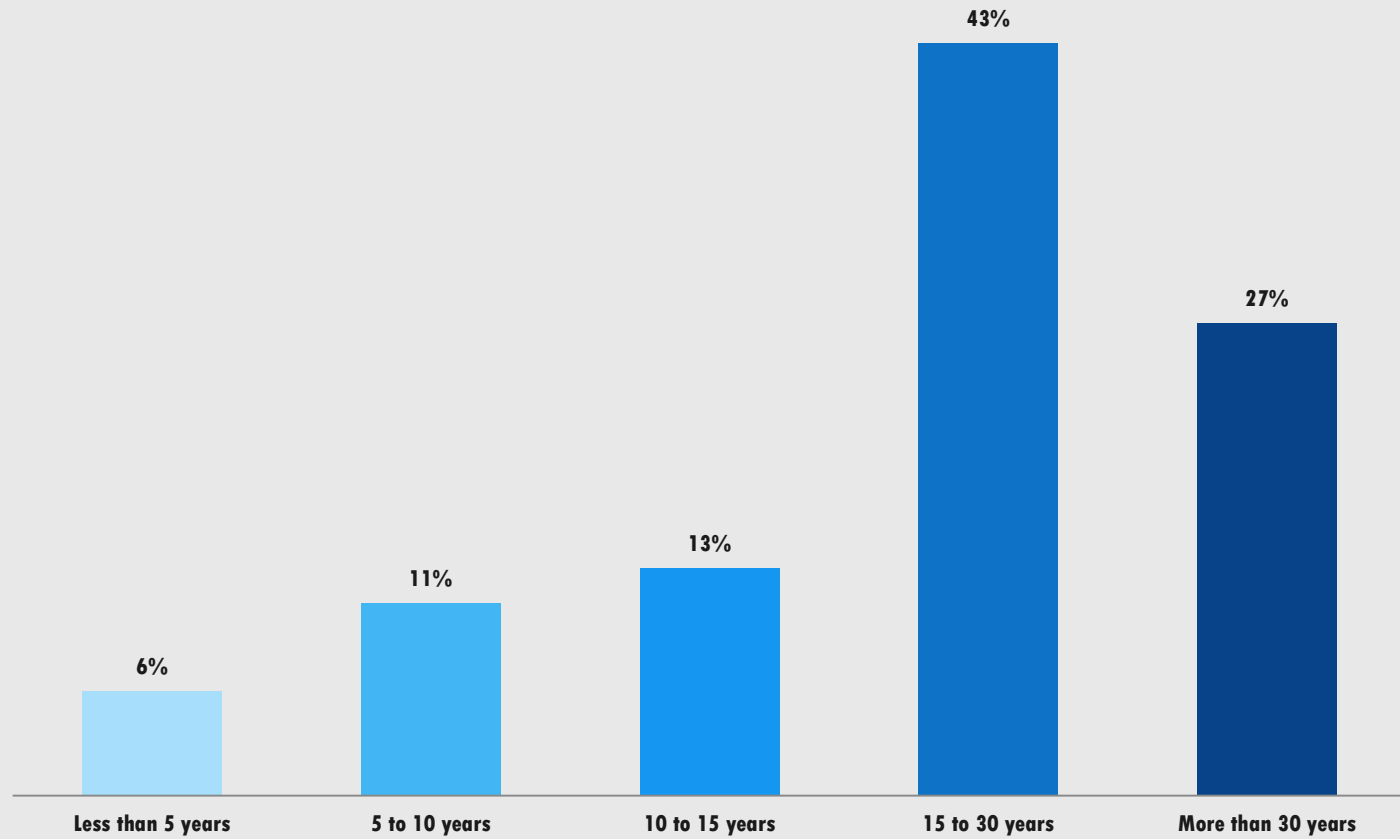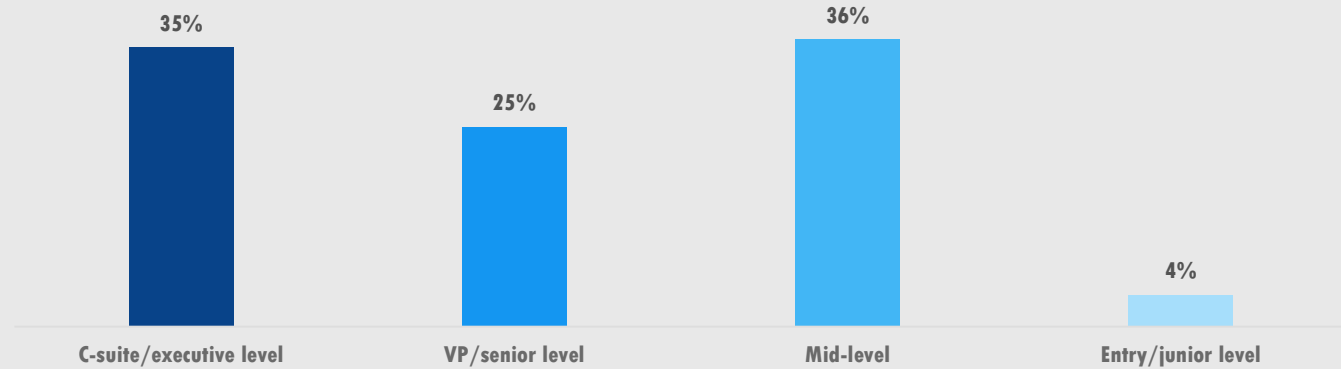

Percentage of respondents, n=626

Roughly two-thirds of state and local respondents work at the municipal or county level

Which best describes your employment situation?

37%	33%	23%	3%	1%	3%
Municipal government (e.g., incorporated cities, towns, villages, etc.)	State government	County or county equivalent (e.g., consolidated city-county) government	Township government	Independent special district government (e.g., utility, fire, police, transit, etc.)	Other

Percentage of respondents, n=376

Which best describes your role within the organization?

35%	25%	36%	4%
C-suite/executive level	VP/senior level	Mid-level	Entry/junior level

Percentage of respondents, n=376

About

About Government Business Council

As Government Executive Media Group's research division, Government Business Council (GBC) is dedicated to advancing the business of government through analysis, insight, and analytical independence. An extension of *Government Executive*'s 40 years of exemplary editorial standards and commitment to the highest ethical values, GBC studies influential decision makers from across government to produce intelligence-based research and analysis.

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About EY

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