

STELIC

Improving Program Management in the Federal Government



SECTION 1: BACKGROUND AND OVERVIEW

The federal government, on balance, does an admirable, and largely unsung, job of managing the day-to-day operations needed to deliver an extensive array of public services under difficult circumstances. However, the government increasingly is called upon not just to manage the routine operations of ongoing programs, but to undertake large, complex initiatives to create new programs and services and to adapt and improve ongoing programs in a rapidly changing environment. Once considered the province of agencies such as the Department of Defense (DoD) (e.g., developing next-generation weapons systems) and NASA (e.g., sending people to the moon, developing pioneering scientific facilities and instruments), large complex change initiatives have become a major feature of agencies once associated with the most routine production operations, whether it be delivering benefits or collecting statistical data. This is driven by factors such as the rapid advance of technology, changing customer preferences for service delivery, and the need to accomplish more with fewer resources.

A management discipline—program management—has evolved over the past few decades to address the challenges of managing large, complex change initiatives. This discipline has been widely adopted by the private sector with demonstrated success across a range of industries and endeavors. However, the federal government has been slow to embrace program management. With the exception of the DoD and some civilian agencies, such as NASA and the Department of Energy, program management capabilities are generally weak, with some pockets of strength in individual agencies. According to a recent survey released by the Project Management Institute, only 11 percent of government organizations (federal, state, and local) have a senior-level program management-related role (compared with 22 percent elsewhere on average), and only 37 percent of government respondents have a formal process for developing program management competency, 17 percent lower than industry.¹

Successful adoption of program management would enable the government to more consistently and efficiently achieve important public purposes, save taxpayer dollars, enhance service delivery, and perhaps most importantly, rebuild public trust. The recent, high-profile failure of the Healthcare.gov launch is just one example from a long list of

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¹ Survey results reported in Clark, Charles S., "Program Managers Too Scarce in the Federal Government, Survey Concludes." *Government Executive* (12 June 2013).

troubled government efforts to manage change efficiently and effectively. The regularity of challenges with large projects led the Government Accountability Office (GAO) to create its High-Risk List, which seeks to highlight the underlying weaknesses in government capability (including program management) and to spur improvement. Recent research points to the potential for cost savings in particular: According to a study by Accenture, the United States Government could save as much as \$995 billion by 2025 by increasing public-sector efficiency by just 1 percent a year, including improving program management practices.²

This white paper was sponsored by the Stelic to stimulate action needed to strengthen project and program management across the federal government. This white paper aims to address the following:

- Key strategic challenges for project and program management in the federal government;
- Steps that Congress and the executive branch can take in the near-term to strengthen project and program management across the federal government;
- Roles and responsibilities of the Office of Management and Budget (OMB), Office of Personnel Management (OPM), and executive branch agencies; and
- Implementation recommendations and solutions for improving government-wide capacity and capability for project and program management.

Stelic employs standard definitions given their general acceptance in the professional project and program management community. Also, the use of standard terminology is important to avoid confusion stemming from the different language used across agencies and is an important first step in institutionalizing project and program management in the federal government.

Program: A group of related projects, subprograms, and program activities that are managed in a coordinated way to obtain benefits not available from managing them individually. All projects within a program are related by a common goal, often of strategic importance to the sponsoring organization.

Program Management: The application of knowledge, skills, tools, and techniques to a program to meet the program requirements and to obtain benefits and control not available by managing projects individually.

Program Manager: The person authorized by the performing organization to lead the team or teams responsible for achieving program objectives.

Project: A temporary endeavor undertaken to create a unique product, service, or result with a defined beginning and end achieved either by meeting project objectives/goals or by being terminated due to objectives/goals not being met. (Note: While accepting the definition of projects as “temporary,” Stelic emphasizes that projects may extend over long periods of time. What matters is the distinction between ongoing operations related to providing an existing product or service and a time-limited effort to create a new or improved product, service, or result).

Project Management: The application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.

Project Manager: The person assigned by the performing organization to lead the team that is responsible for achieving the project objectives.

Project and program management should be understood along a continuum of increasing scale and complexity. The continuum begins with small projects and moves to projects of increasing size and complexity. As the scale and complexity of these projects increases the work must be broken into multiple projects that should be managed in a coordinated way as programs.

Project and program management are distinct disciplines, but they are inextricably linked. Effective program management depends on effective project management, which itself depends on a cadre of professionals including not only project managers, but also an array of technical specialties and disciplines within the project and program management profession, such as requirements development, cost and schedule estimation, and risk management. Program managers typically begin their professional careers in project management or supporting technical specialties and then, through progressive training and experience, develop the ability to manage larger projects and ultimately programs.

While this paper is concerned with strengthening project and program management, its focus is on program management. Stelic recognizes and builds on past efforts to promote a program management approach in the areas of acquisition and, more specifically, the acquisition of information technology. However, Stelic understands program management more broadly as the management of any large-scale, complex change initiatives encompassing people, processes, and technology.

SECTION 2: CHALLENGES TO THE DEVELOPMENT OF PROGRAM MANAGEMENT CAPABILITIES ACROSS THE FEDERAL GOVERNMENT

Despite its great potential and demonstrated success in the private sector, program management³ has largely failed to take root in the federal government. With the exception of DoD and some civilian agencies, such as NASA and the Department of Energy, program management capabilities are generally weak with some pockets of strength within individual agencies.

This weakness has been the subject of concern and study for years. Most studies have addressed program management in the context of efforts to improve federal government acquisition, and IT acquisition more specifically.⁴ A study focused on program management was published by the Council for Excellence in Government in 2008.⁵ This report identified five major challenges that hinder the development of program management capabilities across the federal government. Stelic holds that these challenges, summarized below, remain valid and provide the basis for organizing discussion of the current state. We also address the findings of other studies and recent developments such as the creation of an IT program management job series and career path.

1. Laws and policies have been developed over time to address specific problems and do not holistically address the challenges of program management.

Program management, by design, is intended to integrate and align diverse functions and stakeholders toward the common end of managing change. This organizing logic runs counter to forces that have led to a highly fragmented management environment in the federal government. One such force is the tendency in the federal government to address management failures by strengthening individual management functions. These efforts often entail the creation or enhancement of senior executive positions, including Chief Financial Officers, Chief Acquisition Officers, Chief Information Officers, Chief Human Capital Officers, and Chief Performance Improvement Officers.

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⁴ Important exceptions include the 1999 National Research Council report, *Improving Project Management in the Department of Energy*, and *Improving Project Management*, a report of DOE's Contract and Project Management Working Group, 2014. Summaries of recent studies dealing with IT acquisition in the federal government are provided in Volume 2 of Tech America's Government Technology Opportunities in the 21st Century. An important exception is a 1999 National Research Council report addressing the need to institutionalize professional project management in the Department of Energy.

⁵ Council for Excellence in Government, *Delivering Program Results: Improving Government Performance and Delivery* (3 December 2008).

While there are senior leaders who recognize the value of program management, there is no single office at the federal government level recognized to be responsible for promoting its development. Responsibility for important pieces of effective program management resides in various offices focused on policy regarding individual functions such as procurement and acquisition (OMB's Office of Federal Procurement Policy) and performance improvement (OMB's Office of Performance and Personnel Management).

OMB leadership has sought to integrate the work of these offices over time. The Office of Federal Procurement Policy has adopted a program management approach to acquisition and has worked closely with agencies seeking to develop program management career paths tailored to their particular needs.

2. Program management is not consistently recognized as a management discipline that is essential to government performance, success, and results.

Perhaps the most important barrier to the development of program management capabilities in the federal government is the simple failure of many senior government leaders to recognize its value and champion its development. In the absence of consistent, senior-level support, efforts to institutionalize the discipline in agencies are likely to flounder.

Program management is considered an administrative or technical specialty concerned with implementation rather than an integral part of accomplishing the agency's mission. A symptom of this attitude is that program management staff is not consistently involved in the planning for policy and transformation initiatives. They may be brought in once major decisions are made, when it is too late to address the requirements—people, processes, and technology—of initiatives, leading to troubled implementation efforts—e.g., costly scope changes, cost and schedule overruns.

Furthermore, program management is not always seen as a promising career by those who wish to rise in the agency. This hinders the development of a strong and valued program management capability within agencies.

3. Agency executives and stakeholders do not clearly understand their roles and responsibilities.

The successful management of change depends on the clear assignment of roles and responsibilities to groups within the organization and to external partners in the change effort. Within the organization, these groups include: (1) executives with the authority needed to support management processes and provide the personnel and resources needed to do the work; and (2) representatives of internal business customers of program outputs. External partners may include other agencies, other levels of government, grantees or contractors that may be partners in the development of a new or improved service for customers.

Currently, agencies often do not provide clear guidance on the roles and responsibilities of agency executives and stakeholders within program management processes. For instance, executives sitting on major investment boards often have little or no training in their role and responsibility.

4. There is no consistency across the government in the training and development of program managers.

Research has shown that an experienced program manager is one of the most important determinants of a successful program.⁶ However, until the recent development of the IT program management job series and related guidance by OPM, there was no program manager job series with a career path. Still, there is no policy in place to support the career development of program managers outside of the IT space. While a general program management job series⁷ (0340) has been in place for many years, it is little more than a place-holder. There is no provision for career path—a job series with increasing levels of responsibilities.

The Federal Acquisition Project and Program Manager (FAC-P/PM) certification program administered by the Federal Acquisition Institute⁸ (FAI) provides for progressive levels of certification based on training and experience requirements. OMB has provided policy guidance to agencies on identifying and providing for certification of personnel involved in acquisition decisions. However, agency compliance is voluntary.

Most agencies have not developed a systematic approach to the training and development of program managers. It is largely up to individuals to seek out such certification and it is not clear there is any assurance that this investment will pay off because agencies may not have defined jobs to require the certification.

By contrast, in the case of DoD, the Defense Acquisition Workforce Improvement Act⁹ (DAWIA) requires certain identified categories of acquisition workforce personnel, including program managers, to receive certification based on training and experience requirements similar to those needed for FAC-P/PM certification.

⁶ Stelic *Program Management 2010: A Study of Program Management in the U.S. Federal Government* (June 2010).

⁷ An OPM job series is an occupational group or job family consisting of positions similar as to specialized line of work and qualifications requirements; it is designated by a title and number.

⁸ The Federal Acquisition Institute (FAI) was established in 1976 under the Office of Federal Procurement Policy Act. It has been charged with fostering and promoting the development of a federal acquisition workforce. FAI facilitates and promotes career development and strategic human capital management for the acquisition workforce.

⁹ The Defense Acquisition Workforce Improvement Act (DAWIA) was initially enacted by Public Law 101-510 on November 5, 1990. It requires the Department of Defense to establish education and training standards, requirements, and courses for the civilian and military workforce. The DAWIA has been subsequently modified by amendments to the USC Title 10 Chapter 87.

In addition to the lack of a legislative mandate, civilian agency efforts are hindered by the current hodgepodge of job series involved in acquisition and in program management more generally. The most recent FAI survey of FAC-P/PM certified acquisition program managers identified 10 different groups with “other” being the largest.¹⁰

5. Program managers lack a professional community within the federal government that can provide support and a voice on issues affecting the development of program management.

Currently, individuals performing program management roles in many agencies work in relative isolation. They are often unaware of colleagues within the government and have no ready way to connect and discuss common issues and share best practices. Also, they are unable to participate as a group in discussions of policy affecting the development of program management within the government. This lack of community and a collective voice hinders efforts to build and improve program management capabilities across the government.

SECTION 3: CONDITIONS SUPPORTING THE INSTITUTIONALIZATION OF PROGRAM MANAGEMENT ACROSS THE FEDERAL GOVERNMENT

The discipline of program management¹¹ is a body of principles, practices, and techniques that continues to evolve over time to provide a rigorous, repeatable approach to managing large, complex change initiatives effectively and efficiently. It provides a framework for integrating and aligning the diverse functions and stakeholders within and across organizations around the common end of managing change. In the absence of this discipline, successful program management depends largely on luck and the heroic efforts of individuals.

OMB has issued guidance on project and program management policies and processes and for the training and development of project and program managers. However, this guidance has not been consistently adopted or utilized.

Stelic has identified seven conditions it believes are important to institutionalize program management discipline across the federal government. These include:

- 1. An integrated approach to the development of government-wide program management policy and oversight of agency implementation.**

As discussed earlier, OMB has demonstrated more comprehensive approaches towards program management policy as it relates to acquisition and IT. However, the designation of a single responsible individual with clear responsibility and authority for coordinating program management policy would assist in promoting this effort government-wide.

- 2. Agency leadership support for program management.**

A key factor in the success of change management initiatives is the active support of top leadership. This support is essential to help ensure the alignment of diverse groups within the organization, whose normal incentives (e.g., routine production goals) often militate against effective participation. Also, top agency leadership backing is needed to engage the support of key external stakeholders such as OMB, Congress, and, in some cases, other agency partners. These groups must be engaged early and often to obtain and maintain agreement on priorities and resource needs, which is essential to execute a program efficiently and effectively.

¹¹ As noted in Section 1, we are concerned in this paper with the specialized discipline of program management, which was developed to manage large-scale, complex change initiatives. We are not referring to program management in the common sense of managing the operations of ongoing programs. However, program management is critical to undertaking initiatives needed to adapt and improve ongoing programs in a rapidly changing environment.

Top agency leadership support is critical not just for success of individual programs, but also to the institutionalization of program management within an agency. As discussed earlier, the institutionalization of program management within agencies is itself a large-scale, complex change initiative involving significant changes that will require sustained support from top leadership to succeed.

3. Integration of program management into strategic planning, goal-setting, and performance improvement processes.

The successful implementation of policy and business transformation initiatives depends on a thorough planning process wherein the goals and requirements—people, processes, and technology—of the initiatives are clearly thought through. Program management staff must be closely involved early on in the front-end planning of initiatives to help ensure that goals are feasible and the requirements for implementation are provided for. Program management staff should also be involved in the development of performance measures to help ensure the use of metrics that are appropriate to the task.

Also, the development of program management capabilities needs to be integrated into agency planning and budgeting. Toward this end, the development of program management capabilities and how they relate to achieving mission goals should be articulated in agency strategic plans. Agency strategic plans and associated performance management processes mandated by the Government Performance and Results Act of 1993 (GPRA) and the GPRA Modernization Act of 2010 provide a framework for integrating the development of program management capabilities into agency and federal government performance improvement efforts and communicating program management needs to Congress. In particular, the GPRA Modernization Act provides an important tool—the establishment of priority goals at the agency and federal government level to focus performance improvement efforts.

4. Clearly established roles and responsibilities of agency executives and stakeholders in program management processes.

Successful program management depends on alignment among the different groups within an agency. Toward this end, the agency should clearly define the roles and responsibilities of agency leadership, and functional (e.g., finance, IT, legal) and mission operations executives within program management processes. These roles and responsibilities should be clearly spelled out in project and program management policy. To help ensure accountability, these roles and responsibilities should be incorporated into individual performance plans where feasible. Pertinent training in program management may also be necessary to ensure understanding of roles and responsibilities.

5. A strong, senior-level program management organization in agencies.

While OMB has issued government-wide guidance on project and program management policies and procedures and providing for the training and development of project and

program managers, adoption and utilization has been inconsistent. The lack of a clear owner with the support and capacity to implement this guidance is part of the problem.

Program management organizations (PMOs) can provide a continuing engine for institutionalizing and sustaining program management discipline within the organization over time. One important role is to develop and communicate project and program management policies and procedures and to help ensure their consistent application across the organization.

Another important role is to actively support the training and development of project and program managers within the agency. The PMO would develop and carry out plans for training and development linked to strategic agency planning.

Program management organizations also can play an important role in integrating program management into GPRA-mandated strategic planning and performance improvement processes. PMO staff would have the expertise needed to assist agency leadership in goal-setting and appropriate measures of performance.

To realize this potential, PMOs must have clear responsibility and authority for these roles and the backing of senior leadership.

6. A government-wide job series for program managers that spans business functions with a career path that extends into senior career executive management ranks.

The IT program management job series and career path is an important step given the central role played by IT in realizing many policy and business transformation initiatives. However, IT is only one part and not always the most important part of change initiatives. A general program management job series with a career path is still needed to build the cadre of project and program managers needed to support the broader range of change initiatives the government must undertake.

Of course, one size does not fit all. This job series and career path would have to be designed with sufficient flexibility to accommodate the different functional demands of agency missions and change initiatives. This can be anticipated based on the evolution of the DAWIA, which was amended to accommodate the different needs of weapons development and facilities management.

Program managers at the career executive level can help address major challenges to effective and efficient program management noted earlier—uncertain funding, changing priorities, and turnover and extended vacancies in appointed agency leadership positions. Experienced program managers at the career executive level would be better able to engage key stakeholders, including agency leadership, congressional oversight staff, and OMB, to communicate program management needs and to build and sustain support for program goals and funding over time.

- 7. An organization bringing together senior program management officials from across the government to advise on government-wide policy, share leading practices, and oversee the development of expert program management resources.**

Such an organization could enable the development of program management capabilities across the government by providing perspective on policy, identifying and disseminating leading practices, and providing a vehicle for connecting agencies with expert assistance in their efforts to manage programs and build capabilities. This latter role may be especially important in the early stages of building program management capabilities across the government.

SECTION 4: SUPPORT FOR PROPOSED LEGISLATION

Stelic believes that a systematic approach backed by the authority of law would facilitate the more rapid and consistent development of project and program management¹² capabilities across the government. Further, Stelic believes “The Program Management Improvement and Accountability Act of 2015” (HR 2144)¹³ offers a sound overall basis for launching this effort. Actions provided for in this legislation are generally consistent with the major recommendations of past studies and current expert opinion.

The four major provisions of HR 2144 are reviewed below with reference to conditions identified in Section 3. Stelic considers possible adjustments to the bill , mindful of the important practical considerations that informed the drafting of this bill, including: (1) ensuring certain baseline requirements are met across the federal government, while allowing agencies the flexibility to tailor programs to meet their particular needs; (2) focusing limited oversight resources on high-risk programs; and (3) political feasibility (e.g., crafting the bill to be budget neutral to facilitate passage).¹⁴

1. Creation of a formal job series and career path for program managers in the federal government.

The creation of a job series with a career path for program managers would begin to address a critical point of failure—the lack of experienced program managers within the federal government—by providing for the systematic training and development of personnel, who gain the needed experience as they advance based on performance in assignments of increasing responsibility. Frameworks for such a development path already exist in the private sector and precedent for their application to the government personnel system is provided by the IT program management series developed within the IT field.

2. Assigns the following responsibilities to the Deputy Director for Management at OMB or designee:

- a. adopt government-wide standards, policies, and guidelines for program and project management for executive agencies;
- b. oversee program and project management for the standards, policies, and guidelines;
- c. chair the Program Management Policy Council;

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¹³ A similar bill, S 1550, has been introduced in the Senate.

¹⁴ Interviews with participants involved in the legislative drafting process.

- d. issue regulations and establish standards and policies for executive agencies in accordance with nationally accredited standards for program and project management planning and delivery issues;
- e. engage with the private sector;
- f. conduct portfolio reviews to address programs identified as high-risk by the Government Accountability Office;
- g. not less than annually, conduct portfolio reviews of agency programs in coordination with project management improvement officers; and
- h. establish a five-year strategic plan for program and project management.

While this provision assigns multiple responsibilities to the Deputy Director of OMB, the overarching responsibility may be described as the development of a standards-based model for program management consistent throughout the federal government. The designated OMB official would be responsible for translating accepted program management standards, principles and practices into regulations, and policies for executive agencies, overseeing their establishment by agencies, and effectively addressing compliance in terms of performance, through annual reviews of high-risk programs. Also, opportunities for leadership and encouraging adoption by agencies are offered through a regular government-wide strategic planning process.

This provision creates an “owner” of program management policy at the federal government level. It also provides mechanisms to begin the task of integrating the principles and practices of program management into the fabric of agencies.

3. The designation of a Program Management Improvement Officer (PMIO) at each agency, whose responsibilities would include:

- a. implement agency program management policies established;
- b. develop a written strategy for enhancing the role of program managers within the agency that includes the following:
 - i. enhanced training and educational opportunities for program managers.
 - ii. mentoring of current and future program managers by experienced senior executives and program managers within the agency.
 - iii. improved career paths and career opportunities for program managers.
 - iv. incentives for the recruitment and retention of highly qualified individuals to serve as program managers.
 - v. improved resources and support, including relevant competencies encompassed with program and project management within the private sector for program managers.
 - vi. improved means of collecting and disseminating best practices and lessons learned to enhance program management across the agency.
 - vii. common templates and tools to support improved data gathering and analysis for program management and oversight purposes.

This provision creates an “owner” of program management policy implementation at the agency level. This senior-level official is the necessary counterpart to the OMB official responsible for program management policy at the government-wide level.

However, this provision does not address important issues regarding qualifications and duties. Again, the management of a large, complex change initiative should be placed in the hands of an experienced program manager. Also, leading practice in change management is to dedicate the leadership of the initiative to the task and insulate them from day-to-day operational responsibilities. Leading practices suggest, but does not dictate, that the role of PMIO should not be assigned to an existing functional executive, who may be too narrowly focused on the demands of that function to fully embrace the integrative, cross-functional role of a program manager.

This discussion is provided only as guidance and is not intended as a recommendation for specifying the designation of the PMIO role in the proposed legislation. Stelic respects the need for agencies to have the flexibility to address the goals of the legislation as appropriate to their particular circumstance.

4. The creation of a Program Management Policy Council that shall act as the principal interagency forum for improving agency practices related to program and project management and have the following responsibilities:

- a. advise and assist the Deputy Director for Management of the Office of Management and Budget;
- b. review programs identified as high-risk by the Government Accountability Office and make recommendations for actions to be taken by the Deputy Director for Management of the Office of Management and Budget or designee;
- c. discuss topics of importance to the workforce, including:
 - i. career development and workforce development needs;
 - ii. policy to support continuous improvement in program and project management; and
 - iii. major challenges across agencies in managing programs;
- d. advise on the development and applicability of standards government-wide for program management transparency; and
- e. review the information published on the website.

The overarching role of this Council would be to support and align efforts to develop program management across the government through:

- Advising OMB on the development and refinement of government-wide policies and procedures that provide common baseline guidance on program management principles and practices, while ensuring that agencies retain the flexibility to adapt program management efforts to meet their particular mission needs.
- Providing a continuing voice on issues affecting the development of program management as a professional community.

- Providing a resource for program managers—leading practices, access to expertise and assistance.

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