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JAMMING IN THE SYMPHONY

When we think of the federal government's working smoothly—for those of us who are not disabled, by ideology or experience, from harboring any such thought—one conventional metaphor might be a thoroughly rehearsed symphony orchestra. Each member acts in concert with the rest of the section. Each section, in turn (oboes or second violins, the FBI or the Federal Reserve), delivers—in the right sequence, in the right key, at the right tempo—its own contribution to the overall effort. The ensemble follows a score written out in advance, which each of the players understands but which none, by all odds, had any hand in composing. The leader sets the tone and the pace (within the narrow range of discretion the scripted score allows) and coordinates the components into a harmonious whole, scanning for missed beats and sour notes and herding errant players back into line. And the performance unfolds with a majestic predictability. The repertoire is essentially the same from one performance to the next, varying little even if some (or indeed all) of the players change. Novelty, almost by definition, constitutes error.

Imagine, then, that a handful of players stray from the program. They segue to a different key, shift the tempo to their own syncopated rhythm, synthesize riffs never written in any score. Even if the audience applauds, and even if the conductor encourages the improvisation, the performance poses a startling challenge to convention.

This chapter was written by John D. Donahue.

No federal agency operates in quite so robotic a fashion as this stereotype suggests—nor, for that matter, does even the starchiest symphony orchestra—but the metaphor sets the stage for the tales to be told in this volume: fourteen federal organizations, each in its own way compelled or inspired to suspend the score and improvise, each running risks and even courting chaos, each racking up achievements and raising questions (at once heartening and unnerving) about the meaning of "good government."

Why Is It Hard to Innovate in the Federal Government?

Let's not kid ourselves. Innovation may never be Washington's strong suit. The federal government *does* enjoy some obvious advantages when it comes to adaptation, to be sure, including a strong executive branch periodically infused with fresh leadership and more fiscal freedom than state or local governments. But its characteristic features of scale, complexity, monopoly, and indirect accountability (each taken up in more detail shortly) render the federal government less amenable to innovation than other kinds of organizations. Creativity, boldness, intuition, and initiative tend to rank lower in the bureaucracy's pantheon of virtues than do continuity, predictability, accountability, and impartiality. Compared with a solitary entrepreneur or a small private company—indeed, compared with a *large* private company, or a foundation, or even a major university—the federal government is not built for flexibility.

In an unchanging world, governmental rigidity might be tolerable, even admirable. But the federal government's challenges and constraints do change, and an atrophied capacity to innovate can result in the wasteful pursuit of yesterday's imperatives, delay in addressing citizens' priorities, and squandered opportunities to do things better. Citizens become disenchanted with Washington and hesitate to entrust it with important tasks or empower it with resources. Political pressures grow to write off our shared aspirations as unachievable or to reallocate responsibilities to state and local governments, which are presumed to be nimbler and more responsive to new goals and possibilities. For anyone who harbors some faith that the federal government retains a central role in the pursuit of Americans' common purposes, the stakes of federal innovation are immense.

Before reading the stories of the fourteen federal enterprises that were selected, from among many contenders, for special recognition by the Ford Foundation's "Innovations in American Government" award, consider the hurdles the innovators had to overcome. The federal government has four features that pose special impediments to an aspiring innovator.

Scale

Whatever else it may be, the federal government is *big*. Its spending in fiscal year 1998 approached $1.7 trillion. Even after rounds of downsizing over the previous several years, it employed around 2.8 million civilians, plus almost 1.5 million uniformed military personnel. The Department of Defense alone employs nearly 750,000 civilian workers. Three cabinet agencies employed more than 100,000 each in 1997 (Veterans Affairs, with 212,000; Treasury, with 146,000; and Justice, with 111,000), while five others (Agriculture, the Social Security Administration, Interior, Health and Human Services, and Transportation) employed more than 50,000 each.[1] It is a cliché but nonetheless (like most clichés) rooted in truth: the federal government is an ocean liner of an institution, its maneuverability hindered by far more inertia than that of the speedboats that typify the private economy. If Washington's *only* distinctive feature were a matter of scale, it would face special challenges in meeting new missions and adopting new approaches.

Yet size cannot be the whole story. Wal-Mart has more employees (825,000) than the Defense Department's civilian work force, and quite a few U.S.–based companies—including Boeing, Sears, General Motors, K-Mart, Motorola, J. C. Penney, General Electric, IBM, and Ford—employ more people than does any civilian department in the federal government.[2] So there must be something other than scale at work.

Complexity

It may be that no organization—even a taco stand or a day-care center—feels all that focused to the people on the inside, but even the largest private institutions tend to enjoy a blessed clarity of purpose compared with the federal government. International Business Machines makes and sells business machines internationally. United Parcel Service ships parcels. Tootsie Roll produces Tootsie Rolls. Many firms have subsidiaries and affiliates, to be sure, but they are usually integrated in some fairly simple way with the main line of business. General Motors has a financial affiliate that makes loans for car purchases, but not for movie production; U.S. Airways has alliances with hotels, car rental chains, and other airlines, but not with bakeries or brokerage houses. The corporate world's fling with conglomeration a generation or so ago ended badly, for the most part, and "stick to your knitting" has become a durable theme of business orthodoxy. Rare is the corporation that wanders too far from its core competency and avoids making a hash of it.

Simple missions have obvious advantages when it comes to innovation: it is easier to think up new ideas, and easier to tell whether they work, when you have some reasonably coherent conception of what it is you are trying to do. Corporate "mission statements" are soft targets for comic-strip satire, but the mission-statement fad does demonstrate the usefulness—and, for most private organizations, the feasibility—of encapsulating an institution's purpose in a sentence or two.

The federal government's closest analogue to a mission statement, the preamble to the Constitution, proclaims that the goal is to "establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity." Words to stir the blood—but a bit imprecise as workaday guides to action. In practice, the federal government inspects meat, sends robots to Mars, reroutes rivers, delivers the mail, takes care of ailing veterans, guards against danger or discrimination in the workplace, negotiates trade deals, subsidizes dance troupes and ethanol producers and about one-fifth of everything that state and local governments do, mows the grass at military cemeteries all over the world, deals with natural disasters, looks for cancer cures, manipulates the price of milk and the supply of money, broadcasts propaganda to Cuba, rescues stranded hikers, counts everybody in the country every ten years, patrols the borders, breaks up monopolies, lends money to college students, reverses invasions in the Middle East, maps the human genetic code, chases drug dealers, makes hydrogen bombs, writes Social Security checks, listens to the stars in case somebody out there sends a message, and prevents airplanes from running into each other. Among other things.

No single department has quite so vast a mandate, to be sure, but even the most focused agency will usually have a mission sufficiently sprawling and tangled to chill the blood of the average corporate acquisitions manager. The Immigration and Naturalization Service, for example—just one element within the Justice Department's organizational portfolio—is responsible for keeping track of the whereabouts and circumstances of every foreigner inside U.S. borders, welcoming new citizens with suitable ceremony into the American family, and checking to be sure that nobody employs a person who may not legally work in this country. The Food and Drug Administration—a subagency of the Department of Health and Human Services—monitors the quality of most of the nation's food and drink and regulates the safety and efficacy of all drugs and medical products—goods and services that claim about 25 cents of every consumer dollar.

Moreover, the missions of different agencies tend to be interconnected, making the federal government's overall complexity an ever-present factor in how individual units operate. The State Department cannot put pressure on China by denouncing prison labor, for example, without stepping on the toes of the Bureau of Prisons, which believes in putting inmates to work and opposes international conventions forbidding it. When an interagency working group meets to coordinate policy, it is not in the least remarkable to have six or eight chairs around the table for the delegates of departments that can claim perfectly legitimate stakes in the outcome—even before the deputies and support staffers and representatives from the metropolitan White House complex (Office of Management and Budget, National Security Council, Domestic Policy Council, National Economic Council, and so on) crowd the room.

The impediments to innovation this complexity introduces are not particularly subtle. Interagency coordination, no matter how protracted and painstaking, is unlikely to yield more than a tiny number of approaches that are simultaneously acceptable to every agency, and the odds are very long against a consensus solution that breaks new ground. The coordination process itself absorbs prodigious amounts of time, ingenuity, and managerial attention. This deters creativity both directly (by gobbling up the resources that might otherwise be devoted to the development of new approaches) and indirectly (by making federal managers groan at the prospect of reopening any issue that has been tolerably laid to rest, even in the name of the most sparkling new idea).

The characteristic complexity of the federal government tends to make continuity and standardization more important than they are in most other settings. Except for problems of exceptional urgency, only issues with staying power can make it through the process by which a potential mission gains political endorsement and then incorporation as a federal institution. International travelers have long required a piece of paper affirming their identity and attesting to their citizenship, and the State Department has provided passports for two centuries, with a reasonable degree of efficiency and by a process that has not changed in any fundamental way. Even if the mission's continuity does not rule out incremental change—and while increments can surely aggregate over time to become major transformations—the procedural tracks established during an agency's early days tend to put boundaries around subsequent innovation.

More than other institutions (with some obvious exceptions, such as the Roman Catholic Church), the federal government is organized around the expectation that its core missions will change only slowly, pushing flexibility and creativity downward in the hierarchy of institutional priorities. Citizens, businesses, state and local governments, and even foreign governments come to depend, in ways large and small, on the stability of federal policies and processes. The worker looking toward retirement, the investor structuring a real-estate deal with an eye to tax liabilities, the auto maker designing the safety features for cars to be marketed five years hence, the mayor planning a waste-treatment plant, or the governor contemplating options for highway construction all anticipate and rely on continuity from the federal government. Change—even change that is a clear-cut improvement from Washington's perspective—tends to disrupt such plans. Constituencies' reliance on federal stability narrows the range of innovation an agency can contemplate without damaging (or undergoing intricate negotiations with) those who had accommodated themselves to the status quo. Even if we approve of creative adaptation, as a general matter, many of us may have qualms about the federal officials with whom we do business noodling around with new ways of doing things.

Monopoly

The federal government—unlike all but a few private organizations, and even unlike state and local governments—faces no rivals for most of what it does. The implications for innovation are profound. While there are some caveats and complications, it is a bedrock axiom of economic theory (and justly so) that competition fuels innovation. Private firms are bestirred to innovate by the recognition that stasis means extinction, as rivals race to deliver better results or lower prices. In the nonprofit world as well, innovation is often essential to finding a sustainable niche where unmet needs and willing donors coexist. The market metaphor is less applicable to government than some careless theorists suggest. Nevertheless, it is true that citizens' option to "vote with their feet," if their current jurisdiction fails to meet their priorities, does tend to discipline state and (to a greater extent) local governments in ways to which the federal government is all but immune. Without competitive pressures, obsolete missions can continue to absorb resources, approaches that are tolerable but very far from ideal can endure indefinitely, and the generation of new ideas can recede from a sine qua non to a dispensable frill or even a disruptive distraction.

Indirect Accountability

The single most important feature distinguishing government from business is the public sector's lack of a direct link between resources and results. This is a more nuanced matter, to be sure, than is commonly asserted. The conventional view, reprised routinely on the Sunday morning chat shows and around countless dinner tables, is that the federal government has become arrogantly indifferent to public opinion or to the judgments of the citizenry's representatives. Any federal veteran who has labored to improve some department's image, or who knows the alacrity with which an agency responds to congressional concerns, is aware of just how preposterous this notion is. The federal government is by no means insulated from accountability. But the mechanisms by which it is held to account are indirect, aggregated, uneven in their effectiveness, and notoriously error-prone.

In business, delivering better value to customers tends to generate higher revenues with a fair degree of reliability and without too many intervening steps. So there is both a bright star by which to steer efforts at innovation and a bottom-line measure by which to gauge whether a particular change actually constitutes improvement. Pleasing customers all but automatically means also pleasing stockholders, the other (or, perhaps more accurately, the ultimate) constituency to which private managers are accountable. Not-for-profit private institutions are not accountable in precisely the same way, but there is usually a reasonably sturdy link between performance and resources: donors are free to supply or to withhold funds based on their assessment of the organization's work.

Not so in the public sector. Resources originate with taxation or borrowing, which conveys next to no information about how individuals value particular governmental activities, and they are allocated in ways that have much more to do with the perceived importance of an agency's mandate than with how well that mandate is pursued. The agency's "customers," if they can even be identified, generally contribute no more to its budget than noncustomers. ("User fees," while growing more common, still account for a tiny fraction of most agencies' resources.) It is seldom sufficient, and sometimes flatly perverse, to define the mission as gratifying those with whom the agency most directly interacts (consider the agencies whose "customers" are industrial polluters, or federal prisoners, or illegal aliens, or the managers of sweatshops). Even when learning and serving customer priorities is a major part of the mission—as it is, in fact, for many federal agencies—it is almost never the *only* goal. If a mission claims public resources, it is (inevitably and appropriately) subject to diverse public demands.

But this diversity of legitimate goals makes *value* a radically ambiguous notion for the public sector. And since innovation less often results from Darwinian selection among random deviations than it does from informed speculation about how better to create value, indeterminate priorities can confuse or paralyze potential innovators. To blaze new trails, one must know which way is forward. Instead of the clear beacon of profit and loss guiding his or her private-sector counterpart, the public manager must recognize and reconcile many different kinds of signals about the relative value of alternative activities. These signals are dimmed, distorted, filtered, or refracted in complex ways by electoral politics, interest-group activity, or strategic behavior on the part of individuals. There is a temptation to favor the more visible or vocal interests (or those that accord with a manager's own priorities) at the expense of longer-term or more diffuse dimensions of value.

At the same time, federal institutions are riddled with channels through which interests can make themselves heard. The most vivid signals, however, may not be the most valid. For example, in the mid-1990s the Labor Department received two messages about the value of the programs that one community-based organization had been running, with federal support, for many years. One message was delivered by evaluation researchers in the form of statistically convincing, if arid, analyses showing that the programs were ineffective. The other message was delivered by demonstrators who stormed and occupied the department's headquarters to protest cuts in funding for the programs. A single prime-time exposé on food-stamp fraud or military waste, similarly, can obliterate the signals sent by a million well-nourished children or a thousand days of peace.

Indirect accountability greatly complicates the innovator's task. He or she must make a convincing case that an innovation will *work*—the far-from-trivial burden shared by a private-sector counterpart. Then it must be established that the values the innovation will advance are more important than the values that will be sacrificed, or reduced in priority, by departing from the status quo. Then the innovator must argue persuasively that the political system will affirm that judgment. The old way of doing things almost always represents an uneasy equilibrium of competing priorities—an equilibrium that an innovation is bound to disrupt. And since the ranking of priorities is seldom settled once and for all, the players in the federal arena are poised for perennial vigilance. Congressional patrons, constituency organizations, advocacy groups, and employee unions are always ready to push back against any perceived threat to their interests. Significant changes must pass through many settings in which a veto can be exercised, including the review process of the Office of Management and Budget, congressional authorization and appropriations, the federal courts, and a gauntlet of other perils.

Potential innovations must thus navigate a hazardous route from idea to action. And since government's attenuated link between resources and results means that even the most successful innovation may not pay off very directly or very tangibly for the proponent or the agency, a potential innovator may well balk at attempting the journey—even if duty bound to try.

This brings us to the most general, and most disheartening, implication of indirect accountability: the links between results and resources can become so twisted and attenuated that accountability simply ebbs, allowing federal agencies to stick with the status quo not because it works for the public, but because it works for agency insiders and for privileged constituencies. Garden-variety indolence, self-dealing, and indifference to the public interest are less common in Washington than folklore suggests, but they are by no means unknown.

A deliberate and defensible inclination toward established routine, driven by these four distinctive features, is only part of the reason why Washington can be so inhospitable to innovators. There is another layer of explanation—more primitive, less logical, less rooted in reasoned responses to the federal system's distinctive purposes and constraints, but no less potent for all that. This is the accretion of checks and double checks, rules and regulations, restrictions, guarantees, legally mandated administrative procedures, and so on. This superstructure of safeguards can be thought of as institutional scar tissue, the legacy of wounds left by scandals large and small since the 1780s. History offers ample excuse for the prejudice that unusual behavior indicates bungling or corruption rather than ingenuity or ambition, and this prejudice motivates a profusion of rules constraining discretion. Such scar tissue makes federal institutions stiff and awkward, even relative to the far-from-limber ideal that a counterfactual federal government, free from historical trauma, might attain.

So for some perfectly good reasons (as well as some bad reasons), reverence for standard operating procedure is woven into Washington's genetic code. Departures from the norm are conventionally presumed to signal pathology. And a daunting immune system—with administrative law judges, inspectors general, employee organizations, and congressional investigators serving as the institutional analogues of the macrophages and antibodies coursing through the bloodstream on the lookout for intruders—remains poised to identify and annihilate alien processes and unfamiliar structures.

Why Do Federal Workers Innovate Anyway?

Yet innovation *does* happen in Washington. New missions are taken up; old missions are pursued in novel ways; standard approaches are refined to the point of real reinvention. The stories summarized in this volume offer only a small, unsystematic sample of the adaptation that goes on within federal agencies and thus cannot support conclusive generalizations about the sources of innovation. But they do suggest a few of the forces that cause agencies to do things differently, a set of catalysts that might be summarized (straining only a little in the name of alliteration) as *pressure*, *promises*, and *pride*.

Pressure

No matter how intimidating the impediments arrayed against it, innovation becomes more probable once the status quo is rendered unbearable. World War II required a wrenching transformation of the federal government, made up of hundreds or thousands of separate innovations (including the successful campaign to harness then-mysterious atomic forces to the war effort) that became possible only because the alternative to entering and winning the war was indisputably hideous. Few examples are quite so dramatic. But pressure—the prospect of dire consequences as the price of rigidity—quite frequently inspires change.

Sometimes the pressure comes in the bluntest possible form, as a mortal threat to an institution's existence. If the death penalty for failing to deliver value is seldom as clear and present a danger for public organizations as it is for their private-sector counterparts, it is by no means unknown. The Bureau of Reclamation's traditional mission had become patently unsustainable by the early 1990s. Its founding raison d'être—building dams—had been eroded not only by a shift in public priorities but also, ironically, by its very success in completing most of the more valuable potential projects within its domain. The bureau's traditional constituencies, feeling betrayed by the diminished pace of dam building, withdrew their support. Its traditional adversaries, in turn, were disinclined to waste many tears over the abolition of a lightly altered bureau.

Thus deep reinvention became the only alternative to more traumatic change imposed from outside the agency. As this perception spread, it gave resonance to internal calls for change.

Similarly, the budgetary fallout from the end of the cold war tightened the resource constraints facing the Defense Personnel Support Center's customers in mess halls and quartermaster's offices throughout the armed services. As dwindling appropriations left supply officers progressively less slack, they became eager to ease their own budget pressures by seeking better deals on blankets, bug spray, bayonet scabbards, and the countless other items the center had traditionally delivered. When the center lost its monopoly on military supply in 1994, its future was suddenly put in jeopardy, triggering a campaign of root-and-branch restructuring. Similarly, the Consumer Product Safety Commission, after years of wasting away as an organizational invalid, had to make a case for its existence if it hoped to endure.

External pressures need not be quite so stark. Even as budgets and head-count ceilings have tightened in successive deficit-reduction campaigns, very few federal institutions have actually been abolished. If nothing but the prospect of organizational oblivion could concentrate the minds of potential innovators, the payoff would be meager. Dysfunctional or redundant bureaus can linger for decades as the institutional undead—drained of vitality, but still issuing paychecks. More commonly the pressure that inspires innovation comes in the form of new or intensified challenges, or a concatenation of separate stresses that together trigger change. The much-publicized prospect of a financial catastrophe echoing the savings-and-loan meltdown forced congress and the administration to deal with the problems at the Pension Benefit Guaranty Corporation and made possible a series of innovations that might otherwise have been blocked. Congress's flat refusal to allow the Internal Revenue Service to simply update and expand its established procedures, as aging computers and growing demands rendered retooling imperative, created an internal seller's market for new ideas that sped the transit of over-the-phone tax filing from the drawing board to implementation.

By the early 1990s tightening budgets, expanding missions, and endless choruses of reproach from management and labor—similar in intensity, pulling in almost exactly opposite directions—made business as usual an excruciating prospect for the Occupational Safety and Health Administration. Elsewhere in the Labor Department, the Wage and Hour Division of the Employment Standards Administration found its traditional inspection model an increasingly futile method for holding accountable a complex, institutionally fluid, and highly competitive garment industry. And the sudden imposition of a new imperative—limiting environmental damage—inspired the Air Force's Aerospace Guidance and Metrology Center to rethink its technological fundamentals. While it differs in degree and character, external pressure helped lay the foundation for change in every case profiled here—and in most of the less heralded innovations throughout the federal government.

Promises

On the day John F. Kennedy challenged the United States to send a man to the moon, neither the technology nor the institutions existed to make the mission happen. But the audacious dream galvanized action, and in less than a decade the goal was accomplished. High-profile promises can alter the calculus of possibility and catapult missions to the front of the queue. Particularly when the promise serves to augment the resources devoted to an enterprise, it can powerfully catalyze innovation. Yet even if budgeted resources stay the same, the priority that comes with visible commitments can make it easier to sacrifice other institutional goals in the name of the explicitly anointed priority.

Several of the innovations profiled here owe much of their momentum, and sometimes their origins, to the national performance review (NPR), which was unveiled with great fanfare at the start of the first Clinton administration. Clinton and (even more directly) Vice President Al Gore wagered their reputations on the promise to deliver "government that works better and costs less." Federal appointees, from the cabinet level down, had personal and political stakes in delivering on the promise, given Gore's prominence in the administration and his obvious positioning for a presidential race himself.

The NPR featured a certain amount of hoopla and hucksterism, no doubt, but few who passed through Washington after 1993 would deny that it provided a thematic focus and institutional anchors that made it easier to market potential innovations internally. The visible commitment of top officials sent powerful signals throughout the bureaucracy—reassuring the enthusiasts and warning the recalcitrant—that the campaign would not fade away once a few speeches had been made. Explicit reinvention promises made by senior Labor Department officials (including Secretary Robert Reich and Joe Dear, the political appointee responsible for occupational health and safety) empowered people like Bill Freeman, the front-line architect of the "Maine 200" experiment with a workplace safety policy based on results. Many career officials at the Department of

Housing and Urban Development (HUD) had long been frustrated by the clutter of separate programs that made their dealings with states and localities so awkward and process-ridden. But not until Assistant Secretary Andrew Cuomo decided to make his mark through administrative consolidation could the impediments be overcome.

Leadership matters, in short.[3] But these cases suggest that a particular type of leadership spurs innovation. It is not so much a matter of pep talks and uplifting slogans, but of senior officials who put their reputations on the line with concrete public promises. Only by burning their bridges can leaders credibly commit that they will not retreat to business as usual when the status quo bites back. Leaders' promises, moreover, must be anchored in the organization's underlying mission and consistent with career staffers' seasoned assessments of what that mission means in practice. With the possible exception of HUD's Consolidated Planning, none of these reforms can be characterized as top-down. Most were fueled by an interdependent blend of front-office and front-line initiative, and several—including the innovations at the Immigration and Naturalization Service, the Federal Emergency Management Administration, the Internal Revenue Service, the Labor Department's Wage and Hour Division, and the Forest Service—clearly started with career bureaucrats.

Professional Pride

Pressure and promises can help to overcome the federal government's special impediments to innovation, but they are not enough. Necessity may be the mother of invention, but the record attests that this mother's fecundity is remarkably uneven. There are *always* pressures to deliver more with less, since federal resources fall short of claims even in the flushest of times. But these pressures only sometimes lead to true innovation. Similarly, a great many promises—even high-profile presidential promises—go unfulfilled. Challenges from the head office can improve the climate for innovation, but they cannot on their own force growth from barren fields. Other factors must aid in incubating innovation, and the cases here suggest the importance of intrinsic commitment and professional pride on the part of front-line federal workers.

Not one of the innovations celebrated in this volume would have been possible without the purposeful engagement of bureaucrats in the trenches. Personal commitment to an agency's goals among its workers can do much to counter the federal government's special impediments to innovation. Such motives are not unique to public workers, to be sure. But intrinsic commitment to the organization's mission is more indispensable in the public than in the private sector. A for-profit business could still operate, albeit badly, if its workers were motivated by nothing more than eagerness for income and the fear of its loss. But the federal government would promptly collapse. The innovations described here, like the many that remain unheralded, may have been nurtured by political pressure and committed leaders, but their parentage is usually found among front-line workers who were determined to make a difference.

Failure, futility, and irrelevance are soul-destroying for anyone with the slightest self-regard. Few federal workers can live comfortably with the thought that their work is pointless. When an agency fails to deliver on its mandate, or when that mandate drifts out of alignment with the public's desires, some bureaucrats salvage their dignity through self-deception; others seek more satisfying work elsewhere. But for many federal workers, pride forces reflection about how to do things better. By no means all such reflection is fruitful. Some potential innovators are earnest but inept; others lack a wide enough perspective to make reasonable judgments about what can and should be done; a great many assume, often correctly, that their superiors are not interested in new ideas and solace themselves with daydreams of what they could accomplish were it not for the chowderheads in the front office. But on any given day, at any given agency, there are likely to be any number of latent innovations in the works.

Bureaucrats at the Internal Revenue Service's Research Division had long sought ways to simplify tax filing, and they dreamed up on their own the idea of filing by phone (along with other ideas for simplification that foundered short of implementation). External pressures for change helped them overcome the lawyers' objection that a tax return required a signature, and a signature required paper. Why couldn't a "signature" be a personal code, the improvisers asked? This time the stars were in the right alignment—congressional politics, administration slogans, and budget cycles were all favorable—and the internal promoters of procedural simplicity won the day.

The intense eighteen-month reform campaign that reworked the Bureau of Reclamation's mandate while trimming the agency's personnel by one-fifth was, for the most part, the aggregate result of innumerable improvements suggested by front-line workers that leaders picked up once they started listening. The dismay of Forest Service workers at the declining health of the Carson National Forest played at least as great a role as the grief they were getting from environmentalists, loggers, and local residents in inspiring a new way to balance claims on the land.

The Immigration and Naturalization Service's policy of helping employers find legal workers sprang directly from the wounded pride of street-level agents. "There was a sense of frustration that we were really not doing the job," recalled one of the initiative's pioneers. "We would arrest the aliens and they would come back the next day, but everybody still got their paycheck. So we decided we were going to do something different."[4] That "something different"—getting the jobs previously held by aliens filled by U.S. citizens, thus reducing the temptation for the employer to return to illegal labor—became national policy.

Bureaucrats at the Pension Benefit Guaranty Corporation (PBGC) were chagrined at being outmaneuvered by their corporate counterparts (to the detriment of retirees and of taxpayers); this eventually led to tougher PBGC policies and to new legislation that gave the rules teeth. A small group of career civil servants at the Labor Department, frustrated that the old strategy of raids and inspections was not curbing the growth of sweatshops, dusted off an obscure legal detail to amplify their leverage over companies that sold goods made in violation of the law.

Often the new ideas front-line workers develop require higher budgets. This is perfectly normal; it is always easier to think of ways to do more *with* more. Any healthy organization, whether in the public or private sector, chafes at resource constraints and can instantly summon a dozen plausible uses for a budget increase. Since cutbacks require more managerial effort than do expansions—especially in the federal government—innovation is almost always easier if new missions are accomplished with new resources, rather than with budget and personnel wrenched away from older missions. In recent years, as budget pressures reinforced the reigning imperative to do more with *less*, some workers dismissed the new dogma as self-evident nonsense. Others, however, like the compliance officers at the Consumer Product Safety Commission, chose to emphasize economy and in so doing found a particularly hospitable climate for their ideas.

The power of professional pride as a spur to bureaucratic innovation is mostly good news for sympathetic observers of government reform. (It is not news at all, to be sure, for those who have worked much with federal bureaucrats.) Yet the good news is alloyed with some cause for anxiety. One worry is that bureaucrats may anchor their self-regard so solidly in accustomed ways of pursuing their missions that they resist radical shifts in strategy. For example, Wage and Hour investigators had come to score their successes by the number of employers caught in the act of shortchanging workers and forced to make good on the wages they owed. The "no sweat" initiative put the emphasis not on catching scofflaws, but on creating new incentives within the garment industry to raise the rate of voluntary compliance. In the (admittedly unlikely) event this strategy succeeded completely, wage and hour enforcers would never nail an offending employer. Veteran investigators had a hard time stretching their sense of professional satisfaction to include deterring violations, not just catching violators, and this presented a significant challenge to expanding the initiative. Other innovations will surely experience similar complications.

More generally, the greater the weight we accord professional pride as a motive for good performance—including innovation—the greater Washington's vulnerability to degraded effectiveness from any threat to the quality and morale of its personnel. This raises the stakes of attracting bright, energetic Americans into federal service and retaining them long enough for experience to season their idealism. As a casual contempt for federal workers becomes the unremarkable norm, self-respecting young men and women can be expected to shun the civil service, with a growing risk of poisoning the well of federal innovation.

Why Innovation Matters

The innovations profiled here record the stories of the fourteen federal agencies included among the forty innovations winners recognized since 1995, when the federal government first became eligible for the annual competition sponsored by the Ford Foundation. Winners were sifted through a sequence of evaluations by progressively more demanding judges under the aegis of Harvard University's Kennedy School of Government. A panel of distinguished public and private leaders made the final selection. The process is painstakingly thorough. But it is not scientific, by the scrupulous standards of social-science research—this is not that kind of book—and there is no way to be sure that these stories are representative or that they are the fourteen most significant recent innovations in Washington.

Nor is there any easy way to measure the staying power of these innovations, or the capacity of the innovators to continue evolving to keep pace with changing conditions and needs. One of the organizations celebrated here (the Aerospace Guidance and Metrology Center) no longer exists. Marty Slate of the Pension Benefit Guaranty Corporation, the cornerstone of another innovation, died young in office before his reform campaign was completed. And some signs of backsliding can no doubt be found for each of the stories told here. But that is not really the point. Some of the private firms heralded in the 1982 book *In Search of Excellence,* by Thomas J. Peters and Robert H. Waterman Jr., have since stumbled, which neither negates their erstwhile accomplishment nor undermines the validity of the principles they embodied.[5]

Fixing problems, not infallibility, is what we expect of the private economy. For the public sector as well, the real challenge in an ever-changing world is not to find the one best way and stick to it, but ceaselessly to adapt, revise, and readjust. Readers are not asked to believe that the public organizations profiled here have attained some kind of ideal. Any citizen has a right to quibble with an agency's new agenda or even denounce the whole enterprise. We are all bosses, after all, entitled to weigh in on what the mission should be and render our judgment of how well it is pursued. Indeed, one need not even concur that the transformations described here constitute clear-cut progress to accept the central, unfashionable, profoundly consequential claim that innovation, after all, lies within Washington's repertoire. Creative improvisation, of the sort depicted in these stories, is the best hope for progressively improving the score that guides the whole federal symphony, in the never-ending search for a better fit between what the citizenry values and what the government delivers.

Hopeful anecdotes do not make the case that the federal government has a pervasive predilection to innovate (any more than selective stories of brain-dead torpor prove the opposite). But the tales told here do present a counterpoint to the conventional depiction of the federal government as an inert behemoth immune to adaptation. And they celebrate, appropriately, the tangible triumphs of federal workers who summoned the courage to change.

Notes

1. Agency-specific employment figures are from the Office of Management and Budget, *Budget of the United States Government, Fiscal Year 1999*, "Analytic Perspectives" volume, table 10-1, "Civilian Employment in the Executive Branch," p. 228. The figure for all federal civilian employment (which includes around 850,000 postal workers) is from data compiled by the Office of Personnel Management and published on the Census Bureau's online data source, "Federal Government Civilian Employment by Function, 1997," at http://www.census.gov/govs/apes/97fedfun, accessed in October, 1998.

2. Employment figures for the private corporations listed are from *Fortune* magazine, August 3, 1998, "Global 500" table, pages F-1 and F-2.

3. While I cannot claim to be an unbiased observer on this point, it is probably no coincidence that former Labor secretary Robert B. Reich was involved in three of these fourteen innovations.

4. Neil Jacobs, Federal Innovators Roundtable, Council for Excellence in Government, Washington D.C., January 16, 1998.

5. Thomas J. Peters and Robert H. Waterman Jr., *In Search of Excellence: Lessons from America's Best-Run Companies* (Harper and Row, 1982).