

Tools and Techniques of Effective Governors

Introduction

Over the past several years, National Governors Association (NGA) Consulting has conducted considerable research and produced resources for the organization and operation of the governor's office. Recently, NGA Consulting has focused its attention on the governor's role in leadership and management of state government. As this work progressed, it became clear that those who seek to be governor or who play important roles in the governor's office should understand the tools available to help governors effectively lead and manage state government.

This management brief provides an overview of the primary tools available to governors:

- Accessing information;
- Setting priorities;
- Managing the governor's staff;
- Selecting key personnel;
- Allocating fiscal resources; and
- Using the "bully pulpit."

Operating in the Public Eye

In considering how best to use these tools, it is important to understand that a governor's role is unique. Although a new governor can bring fresh perspectives and important skills from his or her experience in other venues, such as business, politics, advocacy, law or academia, not all of the lessons learned in those venues will be transferable to the governor's office. The governor is expected to lead and manage government within a complex system of constitutional and statutory constraints, supplemented by the demands and expectations of tradition. A chief executive officer (CEO) in business or the nonprofit sector will likely have broad and

independent authority around critical issues such as budgeting, personnel and procurement. A governor's authority in these areas will be more limited.

A business CEO will usually exercise more control over his or her board of directors than a governor can exercise over an independent legislature. A legislator, an academic or an advocate can focus on broad policy issues with little immediate concern for the mechanics of implementation. A governor must see that his or her policies not only are adopted but implemented in an effective and efficient manner. Individuals outside the executive branch can point fingers and raise questions because their role is often to hold others accountable. In most cases, it is the governor who will be accountable in the public's eye and who must realize that indeed "the buck stops here."

Many officials in business and politics struggle for media attention, but governors are constantly in the public eye. All the governor's actions—professional and personal—are subject to intense public scrutiny. A recent review of news headlines provides powerful evidence that nothing is likely to remain secret in the face of a 24-hour news cycle. Unfortunately, this media scrutiny may extend to a governor's family, which means that additional measures are often necessary to protect their privacy.

Numerous official bodies and people—auditors, legislative committees, federal agencies, attorneys general—review and report on a governor's performance as well as the work of gubernatorial departments and agencies. Some of the issues raised will be important and demand attention and response. Others may be less important but force a governor to divert time and resources away from established priorities. As with the media, the operating assumption is that problems cannot be hidden, at least not permanently.

Increasingly, a growing body of federal requirements, rules and regulations limit the governor's purview. Governors need to pay close attention to developments at the federal level and may need to play a much more active role in shaping and modifying federal statutes and regulations. Similarly, the courts are playing a more active role in the implementation of state programs and services. In a number of states, key programs and services operate under a consent decree that significantly limits the governor's authority to set priorities or reshape the programs.

In addition, demographic and economic conditions limit a governor's options. Changes in the number of school-age children, increases in the number of elderly residents, immigration trends, and so on can significantly affect the volume and type of services a state provides. Recessions and economic downturns may have a negative effect on state revenues, and good economic times may generate unrealistic demands for service. International competition can affect employment, and emergencies and scandals require attention that diverts focus from established priorities.

Although the specifics vary from state to state, successful governors quickly develop a clear understanding of the context in which they must operate. That understanding should begin with knowledge of the state's constitution and statutes. It should include knowledge of the traditional interactions between the governor and key stakeholders such as the legislature and state employees. In many cases, new governors benefit from a scan conducted during the transition to identify problems and issues in individual departments and agencies.

Accessing Information

Governors have access to an overwhelming amount of demographic and programmatic information. State agencies collect and report on a seemingly endless array of statistics, and benchmark data are available from numerous sources. A growing body of

research provides the foundation for evidence-based decisions, and countless individuals and organizations stand ready to provide access to their suggested best practices. The governor's challenge is to create a systematic approach to identifying, collecting, organizing and analyzing the available information so that he or she can use it effectively to:

- Accurately describe the characteristics of a problem or issue;
- Support evidence-based decision making; and
- Monitor the implementation of priorities or the ongoing operations of state government departments and agencies.

All too often, government proposes solutions without a clear understanding of the problem's cause. Similarly, government often endorses solutions without empirical evidence that those solutions are successful or an understanding of the underlying conditions that contributed to success in other jurisdictions.

The transition period between election and inauguration is the perfect time to review the operation of major departments and agencies and identify any issues. In many states, the governor-elect uses this time to convene transition teams collect and analyze information.

Once in office, a new governor should focus on understanding and using the data available from state departments and agencies on an ongoing basis. Unfortunately, much of these data go unused, even though they can help explain what government does and whom it serves. The most valuable data address government outcomes, and collecting and analyzing these data can be a powerful tool in ensuring a clear focus on established priorities.

In considering performance measures, governors can build on the performance measurement systems already in place rather than establishing new systems. The success of any system depends on the bureaucracy's willingness to collect and report accurate information. In too many instances, that

willingness is undercut by a failure to sustain any system past a single administration. At a minimum, officials should put any new system in a historical context and demonstrate how a new system would build on what is already in use.

It is true that “what gets measured gets done,” but performance measurement is most effective when combined with a system of performance management—a system that identifies problems and works to develop solutions to those problems. In a growing number of states, the governor and his or her staff actively are participating in such a performance management system.

To be effective, governors must ensure their department and agency heads focus on evidence- and data-driven management. A governor’s access to information, however, goes well beyond the state’s official sources, including organizations such as the NGA Center for Best Practices, the Council of State Governments, regional governors’ associations and the Republican and Democratic Governors Associations. Through each, governors learn about successful practices in other states and draw on the experience and expertise of their peers. The public policy and advocacy communities often bring valuable information to the table too, and can be the source of promising practices and research-based evidence about program effectiveness.

Similarly, the federal government offers access to technical assistance and collects information that can provide valuable benchmarks for individual states. In addition, a governor and his or her staff interact regularly with constituents and a variety of stakeholders, and those interactions provide a personal perspective on what works and what does not.

Finally, governors receive criticism from citizens and the media. An endless number of oversight entities, including state auditors, legislative oversight committees, federal auditors and the attorney general, review government operations and decisions, and it is important to listen.

All in all, the most useful information governors collect is what they seek out proactively. Their use of this information depends on the ability to select staff who recognize its value.

A governor’s access to information goes beyond the value of that information for developing policies and managing the executive branch. It also conveys implied responsibility for accurate dissemination of information. Government must share data with those whom the state and its programs impact daily.

Setting Priorities

Governors bring two critical resources to the table: time and political capital. These are limited resources, however, so it is important for them to prioritize the use of both. In doing so, a governor must realize that the priorities he or she sets must include personal time as well as time for governing.

One of the greatest powers a governor has is the ability to establish priorities for his or her administration. In most states, those priorities focus on policy changes, usually in the form of new programs or major modifications of existing programs. They may be as broad as improving education and promoting economic growth or as specific as a change in the formula for local government assistance or the construction of a new state facility. In some states, the governor’s priorities also may include management initiatives to raise customer service or improve the economy and efficiency of government operations.

Competition for selection as a gubernatorial priority can be intense. Each stakeholder feels slighted if his or her program or initiative does not make its way into the State of the State address. At the biennial NGA Seminar for New Governors (SNG), one consistent lesson is the importance of limiting the governor’s priorities. Most governors serving on the SNG faculty recommend that new governors select between three and five priorities. A longer list tends to dilute public and legislative attention and may overtax the governor’s limited political capital.

The governor's staff play a key role in ensuring the priority-setting process is well-informed and that options and proposals are evidence-based and have been vetted with department and agency personnel as well as key stakeholders. In addition to focusing the work of the governor's staff, the governor's priorities help his or her department and agency establish their missions and priorities. In many states, departments and agencies are challenged to examine and prioritize their programs and services to contribute to the achievement of the governor's priorities.

Establishing a list of gubernatorial priorities does not mean that only those priorities receive attention and resources. The state budget provides a means of ensuring attention to a broader range of issues. In addition, department and agency heads will establish priorities of their own that require little gubernatorial involvement or investment.

The governor's bully pulpit provides numerous opportunities to communicate priorities both formally and informally. Formal mechanisms include the governor's State of the State address, the executive budget, and the governor's legislative program. In addition, the governor has informal opportunities to articulate and promote his or her priorities through speeches and other public appearances.

Another point communicated at the SNG is the importance of controlling the governor's message and schedule. Every governor faces a list of "must-do" events, but there is also considerable flexibility in accepting or creating invitations that place him or her in front of key audiences. In fact, governors can use any appearance to spend time discussing and promoting their priorities.

The establishment of priorities provides an opportunity to build connections with the legislature as well as key interest groups and constituencies. It also provides an opportunity to build a team mentality among the department and agency heads. In both cases, the governor can suggest and evaluate alternatives.

Finally, internal communications are critical. The governor's appointees best serve him or her when they possess a clear understanding of the governor's priorities and how to contribute to accomplishing those priorities. Cabinet meetings, subcabinet meetings and one-on-one meetings with the governor can be powerful tools in this communications process.

Managing the Governor's Staff

The governor's personal staff are a primary tool for interacting with the executive branch, the legislature, the media and a wide variety of stakeholders. In every state, the governor has considerable flexibility in determining the organization and structure of the office, selecting his or her staff and defining how those staff function.

In most governors' offices, the staff perform a variety of functions, including:

- Policy development;
- Agency liaison;
- Legislative relations;
- Legal counsel;
- Appointments;
- Scheduling;
- Correspondence and constituent services;
- Communications; and
- Project management.

Similarly, the governor designates a chief of staff to manage and coordinate these functional areas and, in many cases, to serve as his or her surrogate. Although loyalty, political skill and trust are requirements for this position, the individual also must have a strong understanding of state government and the skills needed to both manage the governor's staff and oversee the management of a large, complex government structure.

Governors' management styles vary considerably. Some prefer to interact with a number of senior advisors on an ad hoc basis. Others prefer the chief of staff coordinate the flow of advice and information.

Some governors like to receive information orally and make decisions in meetings. Other governors prefer written briefings and memos and make decisions in a more private setting. There is no right answer. The challenge is to be clear and consistent.

Governors also vary considerably as to the level at which they want to be involved. Some prefer to deal almost exclusively with the big picture, while others want to get involved in the details of program design or implementation. For most governors, the level of involvement may vary from issue to issue, depending on the importance of the issue as well as individual expertise and interest.

Governors have numerous options for interacting with appointees who are running departments and agencies. In some states, the governor relies on these appointees exclusively and interacts with them individually as needed. In other states, the governor relies on his or her staff to monitor agency activities on an ongoing basis. The governor's willingness to address and define the nature of this interaction may be critical to his or her success and the success of appointees.

The most successful governors often seek to focus on building and maintaining a team approach both in the operation of the governor's office itself and between the governor's office and department and agency heads. The team concept is enhanced when all players understand their roles and the roles of others on the team. It is critical that agency heads be included in the decision-making process. It is also critical that governors' staff who serve as liaisons with department heads understand what agencies can and cannot do. Conversely, agency heads must practice political sensitivity and stay focused on the governor's priorities, not become captives of their agencies or constituencies. The complexity of state government and the relatively small size of the governor's office suggest that the key is the appointment of department and agency leadership whom the governor trusts, who share a commitment to the governor's priorities, and who have the political and management skills needed to succeed.

The greatest challenge a governor's administration likely will face is maintaining effective internal and external communications. Staff and agency heads often compete for access to the governor and may treat information as the currency that gains them that access. A governor must make clear that information is to be shared if he or she is to avoid making decisions without the input needed. It is also important that the governor (or the chief of staff) convey priorities, assignments, and expectations clearly and that he or she give staff and appointees clear feedback regarding their performance.

Selecting Key Personnel

The department and agency heads the governor appoints are crucial to the governor's success. They play an important role in developing the governor's priorities and often are responsible for the successful implementation of those priorities. More importantly, they are responsible for detecting and responding to operational problems and issues within their authority that threaten the governor's credibility, re-election potential or legacy. Most governors can survive the loss of a specific priority, but they are less likely to survive a major ethics scandal, a service snafu or an inadequate response to a natural disaster or other emergency.

Many appointments will be determined, at least initially, during the transition period, when governors develop a specific procedure for soliciting and processing applicant resumes. One or more high-level staff members are usually specifically charged with screening potential candidates for higher-level positions. In many cases, those staff members are assisted by volunteers charged with personnel responsibilities or by the team responsible for reviewing individual agencies or program areas.

Once in office, the governor likely will rely on his or her chief of staff or other senior advisors to seek and evaluate candidates as vacancies develop. In some states, staff may assist in recruiting for high-level positions as well as appointments to boards and commissions. Governors-elect must give adequate

attention to the selection process. The nature of the tasks assigned to each position should receive equal attention. Although the political component of the appointment process is acceptable and important, governors must be certain that appointees have the skills needed to succeed in a management position.

It has been suggested that the successful management of a state department or agency requires three critical roles: leader, manager and navigator. The first two are self-explanatory and often found without reference to the candidate's experience in state government. The third requires a clear understanding of the mission, environment and operational capacity of state government, often of a specific agency. Only in rare instances can one individual or position combine all three functions, so it may be helpful to think about selecting a team of two or three individuals who together incorporate the necessary skills.

The selection process works best when viewed as building a team. Doing so requires a clear understanding of the governor's objectives and priorities for any given agency and knowledge of how appointees are to interact with the governor and the governor's staff members. Loyalty and trust are important, but they should not come at the cost of competency.

The selection of key appointees presents both an opportunity and a risk. In the short term, that risk relates primarily to issues of ethics and conflicts of interest. Many governors give early attention to articulating an ethics policy for their staff and appointees that may often go beyond the requirements set forth in state law. In addition, governors need to pay specific attention to developing a screening process to uncover ethical issues or conflicts in the backgrounds of potential employees. In most states, the governor will have access to an official agency that can perform formal background checks, but those checks also must be supplemented by careful reference checks and detailed pre-appointment interviews. Experiences in numerous states suggest that these screening tools must be applied to *all* appointees unequivocally.

Without a thorough vetting process, a governor can be embarrassed by newly discovered issues related to individuals they have known or who have been in the public eye for years.

Allocating Fiscal Resources

In most states, the governor may influence or decide the allocation of state resources through a combination of the executive budget, as created by the governor's budget office, and the ability to veto budget or appropriation bills. Even in those states where such powers are limited, the governor typically can play a major role in the allocation of resources.

The governor's role in preparing and approving the executive budget consists of three important tools. An appropriation request can:

- Send clear signals as to the governor's priorities;
- Specify the resources needed to accomplish those priorities; and
- Provide useful bargaining chips for working with legislators and important stakeholders.

State tax revenues—particularly income tax revenues—have become increasingly volatile as they are more and more affected by economic booms and busts. Because this is more a result of the cyclical nature of the economy than of tax policy, the task of budgeting is greatly complicated. Although state revenues have grown lately, revenues still have not reached the pre-recession levels in real terms. Historically, governors have been able to fund new initiatives and priorities from the annual growth in state revenue. Unfortunately, this option will be extremely limited or unavailable in most states over the next several years. State revenues eventually will begin to grow again, but the recovery will be slow, and revenues are not projected to reach prerecession levels for several years. In addition, federal mandates, matching requirements and grant conditions—especially in big-ticket areas such as health care and education—will require the commitment of much of the available growth.

As a result, governors increasingly will be forced to look at reducing existing expenditures or the rate of growth in existing programs to free resources for innovations or new initiatives. Unfortunately, most stakeholders and interest groups tend to use the level of appropriations as the scorecard by which they judge the governor's support and commitment. The governor can consider a number of options under these conditions to minimize uncontrolled growth and develop public support for more creative strategies.

The process might begin with asking a single question each time the governor is told that any expenditure is mandatory: Why? Department and agency heads should be able to provide clear documentation for any mandatory request. In many cases, what may initially appear to be mandates may not prove to be so, and some mandatory expenditures may be attempts to respond to or avoid potential federal audit exceptions or criticism. In some cases, the costs of preventive activities may exceed any potential losses or benefits.

Quite possibly, the easiest approach is to focus attention on improving the economy and efficiency of existing programs. To this end, governors have used a variety of tools, including:

- **Enterprise solutions:** initiatives designed to break down the silos in administrative or management systems to reduce duplication or obtain savings through economy of scale;
- **Government reorganization:** efforts to reduce duplication and overhead costs through the elimination or consolidation of administrative structures;
- **Economy and efficiency reviews:** comprehensive reviews of government operations, often with private-sector involvement, to identify opportunities for savings;
- **Reduction of fraud and abuse:** focused efforts to identify and eliminate fraud and abuse in government programs, with a

major emphasis on medical payments and program eligibility;

- **Shared services:** opportunities to reduce costs by identifying cross-agency and cross-jurisdictional opportunities to share services; and
- **Employee involvement and empowerment:** agency- or government-wide initiatives that focus internal attention on potential improvements.

A second approach is to begin a formal process of evaluating and prioritizing the services that state government provides or funds. In many states, the focus has been on across-the-board expenditure reductions rather than a more targeted approach to reducing or eliminating programs. A formal process of articulating goals and priorities, and then evaluating programs and services according to their ability to help achieve those goals and priorities, can be powerful in helping legislators and the public reach a rational decision as to which programs may no longer be justifiable in terms of existing resource limitations.

It is often helpful to review the original purpose of programs and services. In many cases, these factors are no longer relevant, particularly for outdated regulatory programs, including a number of boards and commissions.

The third approach is a conscious effort to redefine the scorecard to focus public and stakeholder attention on outcomes rather than inputs. Like a review of expenditure priorities, this process begins with an effort to articulate clear goals and objectives for major programs and expenditure areas. It includes developing a set of simple measures to evaluate progress toward those goals and a willingness to modify programs and strategies that do not appear to be working. Because of the complexity of state government, it will often be most productive to limit this effort, at least initially, to a small number of programs or objectives.

All efforts to reduce or reallocate government resources likely will come with a political cost. As a

result, one of the most important decisions a governor makes is whether those costs are acceptable. It makes little sense to expend limited political capital on initiatives that will have little fiscal or program effect.

In addition, it is important to realize that although savings do not necessarily have to lead to a reduction in services, they will result in reductions in personnel, facilities and purchasing. Moreover, realization of actual savings likely will require an investment of time and resources to oversee the implementation of agreed-upon changes. Like the implementation of new programs or priorities, savings are not automatic. Many potential areas for savings will be small, but they can do much to demonstrate a commitment to the process itself and improve public support for the programs and services that continue.

Using the Bully Pulpit

Governors are in an ideal position to communicate their concerns and priorities to a wide range of audiences. The so-called “bully pulpit” encompasses a range of formal and informal tools. The formal tools include official communications, such as the State of the State address, budget message and official testimony before the state legislature. Less formal tools include meetings with key stakeholders, press conferences and press releases, appearances and speeches, the governor’s website and correspondence and constituent services.

Generally, governors use the bully pulpit to focus public attention on an issue and their proposed solution to it or to mobilize public support for action on a proposal. There are at least two important components of the bully pulpit: defining the message and creating a strategic approach.

In most cases, the governor’s priorities will define the message, but it is equally important to focus on creating a strategic approach to communicating that message. The governor’s schedule can provide a powerful tool, because governors invariably are welcome to speak at most gatherings. Similarly, the

governor usually has considerable flexibility in what to emphasize during a speech. Because of the importance of the governor’s time, the scheduling team often involves several members of the governor’s senior staff, including the chief of staff and the communications director. Department and agency heads can broaden and amplify the governor’s message after it has been clearly defined and communicated to them.

The bully pulpit is also a powerful educational tool. The governor can play a major role in creating public awareness and engaging the public in efforts to address critical issues such as conservation, childhood obesity and reducing drug abuse and smoking.

The governor can play a critical role in reshaping public expectations about the role of government and its capacity to make large changes quickly. This move requires a real effort to improve public awareness about the role of state government and tough choices in times of fiscal retrenchment.

Conclusion

Governors have an overwhelming amount of information at their disposal; their staff must understand the availability and importance of that information and collect, analyze and use it on a regular basis. Governors also bring important information to the decision-making process.

A governor’s staff will be critical to his or her success, so their careful selection is imperative. Governors must ensure that staff members focus on what is important and insist they work as a team.

A governor’s appointments to department and agency leadership will be critical to his or her success. Appointees must understand their responsibilities and have the skills needed to succeed. Governors must define their priorities and expectations, allow access from staff and hold staff members accountable.

Governors should allocate limited state dollars to their priorities. With lower revenues and growing demands, governors will need to make difficult choices. New initiatives and new priorities will require the reallocation of resources as well as require a reduction in or elimination of prior state programs. Governors must make the tough choices and try to redefine the scorecard to focus on the effectiveness of services provided to key constituencies, not just the dollars appropriated.

A governor's bully pulpit can move mountains— even legislators and bureaucrats. They must keep the message focused to manage public expectations.

*Contact: Nikki Guilford
Director, NGA Consulting
202-624-5422*