Social Security Administration's Planning Process 3

T he Social Security Administration intends to spend about $1.1 billion on information system procurement and modernization over the next 5 years. Critics of the agency especially the General Accounting Office (GAO)—assert that SSA does not have a defensible justification for this huge investment, and has not shown it will significantly improve either service delivery or the work environment. [1]

In discussions with Office of Technology Assessment (OTA) analysts, GAO officials have stated that the core of their criticism of SSA is the agency's perceived unwillingness to undertake a rigorous, systematic restructuring of the entire process of eligibility determination and delivery of Social Security benefits before major additional procurements of information technology are carried out.

SSA, however, maintains that:

- meeting GAO's demand that SSA first review and restructure the entire service delivery process, which may require regulatory changes, would delay technological improvements for a number of years;

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[1] Specifically, GAO has urged SSA to "link technology systems redesign to a long-range business strategy" by setting performance goals; demonstrating institutionalized plans and timeframes to achieve the goals; and identifying the financial, information, and human resources needed for implementation. See letter from Frank Reilly, Director of Human Resources and Information Systems, GAO, to Louis D. Enoff, Acting Commissioner of Social Security, Mar, 30,1993. GAO also urged SSA to: 1) document [he justification for SSA's technical solution, 2) better define SSA's need for intelligent work stations and local area networks, 3) develop an accountabil ity methodology, and 4) better define state disability requirements. GAO analysts say that SSA has made significant progress in responding to GA() criticisms and suggestions.

- the present "dumb terminals" are at the end of their life, no replacements are available, and failing devices are being cannibalized to repair the inadequate number still in use;
- new workstations and networks are necessary to allow SSA to cope with a rapidly increasing workload and to solve persistent and worsening problems in processing disability claims; and
- SSA has chosen technology that is flexible enough to accommodate all changes that will result from strategic planning and agency reengineering, both of which it is diligently undertaking.

GAO'S criticism mirrors criticisms leveled at SSA a decade ago, during an earlier cycle of information technology procurement. In 1982, SSA announced a 5-year "Systems Modernization Plan." This was a response to serious problems that had developed during the 1970s, threatening to disrupt SSA's service delivery operations. It was also a desperate attempt to prepare for the coming decimation of SSA's workforce by the Office of Management and Budget (OMB), from which the agency has not yet recovered.

GAO[2] and OTA[3] both concluded that the Systems Modernization Plan was defective because it was not based on a long-range strategic plan for solving SSA's deeper management and service delivery problems. The OTA assessment pointed out that SSA's attempts at strategic planning were flawed because the agency failed to:

- include strategic as well as operational planning;
- have an effective vision of the future, with strategies for using new technology to accomplish government missions;
- involve users, clients, and the interested public in the planning process;
- identify innovative opportunities for use of information technology; and

- effective y connect planning to implementation.

PLANNING IN THE 1990s

In the late 1980s, SSA set up a new strategic planning office and developed an Agency Strategic Plan (ASP) released in January 1988. A revised strategic plan appeared in September 1991, which included some objectives for service delivery. The ASP is now about to undergo its third iteration. But only in mid-1993 did SSA move to correct some of the deficiencies noted above:

- The ASP of 1991 defined some service delivery objectives and looked to modernized systems to achieve them; thus, SSA is beginning to forge a link between strategic planning, operational or service delivery planning, and systems planning.
- SSA is in the early stages of developing a Service Delivery Plan that is intended to operationalize the goals of the ASP and move a step further in generating "a vision of the future."
- A "framework for human resource planning" has been developed.
- The Systems Modernization Plan has become firmly focused on "user needs" and users are consulted in architecture design.
- The new planning process includes parallel initiatives to develop and schedule steps toward implementation.
- In late 1993, SSA began to reach out to clients and "the interested public" in service delivery planning through the use of focus groups, surveys, and similar techniques.
- SSA began, also in late 1993, the process of "reengineering" some especially troublesome service delivery processes; this is still in the early stages.

These signs of progress are somewhat suspect because systems planning still has first priority

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[2] U.S. Congress, General Accounting Office, *Social Security Administration: Stable Leadership and Better Management Needed To Improve Effectiveness,* GAO/HRD-87-39 (Gaithersburg, MD: Mar. 18, 1987).

[3] U.S. Congress, Office of Technology Assessment, *The Social Security Administration and Information Technology—Special Report,* OTA-CIT-311 (Washington, DC: U.S. Government Printing Office, October 1986), p. 15.

and receives most of SSA's planning resources; it is already in the implementation stage. Strategic planning and service delivery planning lag far behind systems planning, and therefore seem to be the post-hoc rationale for systems procurement rather than its purpose. The signs of progress are also suspect because many of them have appeared during the few months that SSA procurement funding and authority have been clearly threatened by continuing GAO criticism of SSA planning--criticism echoing that made in the 1986 OTA report and the 1987 GAO report.

The SSA planning process is fragmented, poorly sequenced, and uncoordinated. The links between the component plans often appear weak and *pro forma. The* sequencing is especially unfortunate. Systems planning, which should follow and be designed to implement strategic and service delivery planning, has already reached the implementation stage and could, therefore, constrain and distort the overall planning process.

To fully correct these problems, SSA needs an agency planning process that is comprehensive, integrated, and thoroughly supported at the highest executive level. Ideally, the comprehensive plan would include the following elements (whether embodied in one document or in several):

1. an overall *strategic plan* to formulate long-range agency goals;
2. a *service delivery plan* to redefine improved modes of delivery and target quality levels for all SSA services-possibly including fundamental restructuring or "reengineering" of SSA's work process;
3. a *systems plan* that would procure technology that is selected or designed to achieve the strategic and service delivery goals;
4. a *human resources plan* that would prepare SSA's workforce to use the technology to accomplish those goals in a cooperative and productive environment;
5. a *facilities plan* that would efficiently marshal] SSA's physical resources toward goal accomplishment; and

6. an *implementation plan* that would schedule and coordinate the necessary steps in a rational change program.

The service delivery plan should give form to the "vision of the future" articulated in the agency's long-range strategic plan. The plans for technological, human, and physical resources would then spell out the steps to be taken toward these goals. SSA has, indeed, put these elements in place, but because it resisted long-range planning for so long, the relationships between the elements are only weakly established.

Fortunately, modern information technology has become very flexible and adaptable. SSA systems modernization is taking good advantage of this flexibility, choosing platforms that can accommodate and adapt to changing needs-even to processes that are far more innovative and creatively reengineered than SSA planners appear likely to come up with. Much of the ASP implementation—perhaps 75 percent, some SSA officials say—will require systems support. The systems planners maintain that the intelligent workstation/local area network (IWS/LAN) architecture they have chosen is appropriate for these goals.

The fact that an improved strategic planning process is becoming institutionalized at SSA and has been accepted by the new SSA commissioner is a hopeful sign that the agency may eventually achieve the benefits that will fully justify its ambitious systems procurement plans. In the past, new commissioners have ignored or thrown out existing plans, forcing SSA to repeatedly begin again. This is demoralizing to the agency and confusing to congressional oversight committees.

AGENCY STRATEGIC PLANNING

An Agency Strategic Plan was issued by SSA in January 1988. However, anew SSA commissioner who took office in August 1989 declared new goals and objectives and redirected budget allocations, ignoring already stated priorities.

A second ASP was issued in September 1991. It includes seven broad service goals, a set of stra-

tegic priorities, and 34 related quantified service delivery objectives.[4] The service goals are: 1) to issue Social Security numbers properly; 2) to maintain earnings records properly; 3) to pay benefits correctly; 4) to pay benefits when due; 5) to provide prompt, courteous service; 6) to inform the public of their rights and responsibilities; and 7) to ensure the integrity of payments and records. The strategic priorities are: improving client access to SSA, improving the disability process, improving the appeals process, moving toward a "paperless agency," and establishing a decentralized data-processing structure.

These five priorities are the clearest link between the Agency Strategic Plan, the Service Delivery Plan, and the Systems Plan. In 1992, a National Research Council Committee on Review of SSA Systems concluded that:

> Although the ASP serves as a high-level overview or framework, it falls short of what would be accepted as a strategic plan in industry. . . . [because it] does not provide strategic, focused implementation plans. . . .

SSA has, however, put in place a "Unified Planning System" with a four-person strategic planning staffs The Unified Planning System includes a process for revising and updating the ASP and a process to translate ASP into detailed "tactical plans" and annual budgets. The planning staff works with representatives from major SSA components (e.g., Operations Division) to do detailed planning for each of the strategic priorities.

Larry Thompson, SSA's principal deputy commissioner, acknowledges that there are "a lot of similar things going on in different places" that need to be tied together, that there is not yet a "shared vision," and that the strategic plan still needs to be validated by the public. However, he believes that SSA is moving aggressively in the right directions.

SERVICE DELIVERY PLANNING

Although SSA already is developing several projects to improve service delivery, it has just begun to work up a Service Delivery Plan (SDP), in response to GAO's repeated recommendations. The basic assumption of SSA's management is that the substance of SSA service is mandated and can be changed only in response to congressional actions. The agency does recognize that the location and mode of service delivery can change, but SSA has appeared content to let these changes be determined by technology, rather than proactively using a service delivery plan to define systems requirements.

The SDP began as the responsibility of SSA's operations Division, not of the planning staff. The initial approach was to refine the work process to take advantage of the technology envisioned in the Information Systems Plan, i.e., IWS/LAN.[6] Recently, more emphasis has been put on outreach to beneficiaries, employees, and the public, and the responsibility for development of the SDP has been elevated to the Office of the Principal Deputy Commissioner in order to move the plan to "a rapid track for completion."[7]

The SDP so far exists only as "A Conceptual Proposal." The first version appeared in mid-October 1993. The aim was to fill out the "vision of the future" spoken of in the Agency Strategic Plan by specifying "the access methods from which customers will be able to choose and the level of service that the customer can expect from SSA." The conceptual proposal recognized some

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[4] A comparison of the current levels of performance with the levels to be reached by 2005 enabled SSA to "identify its strategic priorities." Under each of these strategic priorities are defined "initiatives"; under these, in turn, are sub-initiatives and "pro@)jects" designed to demonstrate ways of reaching the goal.

[5] The planning staff is under the senior executive officer (the third-ranking official in the agency, following the commissioner and the Principal deputy commissioner).

[6] Also see chs. 1 and 4.

[7] (Then Acting SSA Commissioner) Larry Thompson's letter to Comptroller-General Bowsher, Sept. 16, 1993, p. 2.

serious problems within the agency, including business processes "which were designed to work in highly specialized, sequential, and manual environments" and required large overhead structures, rigid responses, highly specialized jobs, and limited career paths.[8] The plan stressed the necessity for SSA to reengineer its processes to "dramatically change the way it does business" and to maximize flexibility, responsiveness, and speed while minimizing cost.

The details of this reengineering were lacking, but the draft was definite on one point; namely, that '*only the combination of Community-Based Offices (CBOs) and Integrated Services Centers (ISCs)" would "meet all of the objectives that SSA wants to drive its process reengineering."[9] This definitive conclusion was reached on the basis of analyzing 18 different alternatives, ranging from strong centraliza tion into fewer larger-scale centers to complete decentralization into the 1,300 field offices.

On December 30, 993, a revised Conceptual Proposal was distribut ed as a basis for "stakeholder discussion s." Far from being an amplified or more detailed proposal, this version was a step back toward generalizations and away from a plan. In fact, the cover memo emphasized that the revised draft "deleted all references to. . . a 'service delivery plan'. . ." and ". . limited SSA's next steps to the stakeholder discussions." [10] Most

importantly, this version deleted all references to community-based organizations and integrated services centers, or to any alternative organizational arrangements. The reason given was that "SSA has decided that it is premature to discuss organizational alternatives without first deciding what process changes it needs to make."[11]

SSA says that is determining how to get the service delivery concept paper out for comment to SSA managers, the union, advocacy groups, Congress, and others. As early as 1987, GAO urged SSA to involve clients and public interest groups in determining future service delivery methods, ' [2] but SSA did not do so. Some SSA line managers criticized this lack in early drafts of the Service Delivery Plan,[13] and even SSA's planners noted that the lack of consultation with the public compromises the agency's ability to understand client needs. The SSA's Policy Council finally decided in August 1993 that SSA needed public input on service delivery from beneficiaries and the general public. From October through December 1993, 12 focus groups (including one Hispanic group and one Vietnamese group) were held in six cities. Their input, SSA says, "will be the cornerstone of the Agency's Service Delivery Plan."[14]

INFORMATION SYSTEMS PLANNING
In 1990, three factors drove the agency to evaluate alternative systems strategies:

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[8] Social Security Administration, "Improving Service Delivery at the Social Security Administration: A Conceptual Proposal," Oct. 21, 1993, draft, p. ii. In fact, however, SSA has a proud and longstanding tradition of bringing employees up through the ranks from clerical to high-level executive positions during a lifetime of service. This sharply changed during the 1980s as the last wave of systems modernization routinized and narrowed many jobs and cut off many job ladders. See Office of Technology Assessment, op. cit., footnote 3.

[9] Social Security Administration, op. cit., footnote 8, p. iii.

[10] Cover memo to SSA Executive Staff, Dec. 26, 1993, accompanying revised Conceptual Proposal of Dec. 30, 1993.

[11] Social Security Administration, "improving Service Delivery at the Social Security Administration: A Conceptual Proposal'" Dec. 30, 1993, draft.

[12] General Accounting Office, op. cit., footnote 2, p. 35. GAO also noted that, in developing the first ASP, SSA "did not seek or respond to input broadly from within the agency. "

[13] The professional association representing SSA's line managers has supported a more decentralized work distribution focused on small community-based field offices.

[14] Thompson, op. cit., footnote 7.

1. the shelf life of the existing terminals would begin to expire in 1995; maintenance contracts were running out and some parts would no longer be produced;
2. other agencies and corporations were moving to distributed processing and networking; and
3. key elements of the ASP called for modernizing and improving basic processes and substituting electronic claims folders for paper folders; this implied—according to the systems planners--establishing a cooperative processing architecture.

An SSA working group was convened in September 1990 to review technical and business issues and develop recommendations.[15] The working group visited many agencies and companies to identify and compare technical alternatives.[16] It eventually recommended "smart terminals" or personal computers (as had earlier been recommended by the Department of Health and Human Services' (HHS's) Office of the Inspector General, GAO, and the National Research Council). [17] The working group reported its recommendations in March 1991, and set goals for pilot and pre-operational testing.

SSA planners then formulated 12 business elements to support the Agency Strategic Plan. These were reviewed and endorsed by a National Research Council panel; then five alternative systems architectures were developed and analyzed. This analysis was published in 1991.[18] The five architectures were rated using 15 criteria, and the IWS/LAN architecture was rated best. Thirteen IWS/LAN pilot sites are now operational.

The Information Systems Plan was developed without guidance from a service delivery plan; thus, it aimed at further automating the existing work process, focusing on making recognized tasks more efficient rather than on innovations in the mode or quality of service. It does, however, describe an information system "that will support employees who provide personal services to beneficiaries *and* will support other service-delivery options for those who choose to interact with the agency differently than in the past."[20] The architecture, says SSA, is flexible enough to meet all of the agency's needs, however much the work process changes. In the worst case:

> . . .Should current or planned reengineering efforts lead in a direction of such radically altered business processes that the IWS/LAN platform could not support it, the very scope of such changes would make it unlikely that implementation would occur before the end of a normal life cycle for any equipment procured within the next few years.[21]

For the next 5 years (1994-98), SSA plans to implement the IWS/LAN project agency wide, do process reengineering studies, and support other selected pilots and investments in technology derived from SSA's tactical plans (e.g., kiosks).

15 Social Security Administration, "Report to the Senate Appropriations Committee on the Intelligent Work Station/Local Area Network Project," Apr. 5, 1993, p. 11. Transmitted by Elizabeth M. James, Acting Assistant Secretary for Management and Budget, Department of Health and Human Services, memo, Apr. 16, 1993.

16 These included the Internal Revenue Service, Department of Health and Human Services, Department of Defense, Central Intelligence Agency, General Services Administration, Hartford Insurance Group, Wal-Mart, and several state governments.

17 The working group considered and rejected a prototype system called TAPLINK that used the existing dumb terminal-mainframe computer connection and added a minicomputer via a LAN to provide access to office automation applications and local computing power.

18 Social Security Administration, "The Social Security Administration's Analysis of the Alternative Architectures for the Distributed Data Processing Pilots," May 24, 1991.

19 Ibid. Also see summary of the Aug. 10, 1993, SSA briefing for OTA.

20 SSA, op. cit., footnote 15.

21 Thompson, op. cit. footnote 7, p. 3.

The SSA's unionized workforce has not participated actively in planning activities. According to union officials, they did ask to participate in planning.[22] Union representatives **were** briefed at quarterly meetings with top managers, and were told that the automation plan would involve significant downsizing of the workforce and retraining for those retained.

SSA projects a savings from automation of 7,504 workyears, but insists that the resulting workyear savings will be redeployed to other tasks where additional workers are badly needed. SSA may be forced to take personnel cuts anyway.[23]

Union officials welcome automation and like the proposed workstations, but fear that further automation could be used to justify workforce downsizing even though SSA is already understaffed as a result of downsizing in the 1980s and growth in the workload.[24] Union officials also argue that new automation should be deployed first where it is most needed—to workers involved in disability claims-processing. Training is another stubborn issue. Union officials claim that training is inadequate because the workload is so heavy that people cannot be offline long enough for proper training.[25]

Union officials support the IWS/LAN strategy, but some privately assert that SSA consistently "overbuys" technology that is more sophisticated than it needs.[26]

Some of the problems that beset SSA's systems modernization efforts in the 1980s—such as a lack of up-to-date systems and software skills, poor choice of outside contractors, and inadequate attention to user needs—have been corrected. A comparison of SSA's efforts with similar automation programs in the United Kingdom shows a number of similar mistakes and problems. However, as a whole, the comparison tends to shed a favorable light on the U.S. program. (See box 3-1 for details.)

In 1986, an OTA report, referring to SSA's earlier Systems Modernization Plan (SMP), concluded—in words that apply equal] y well to SSA's current systems modernization efforts—that:

The basic strategy (of the SMP). . . is reasonable and defendable in the sense that it is consistent with accepted systems engineering practices . . . . [W]hether or not the original decisions were the best ones, the alternative strategies also have disadvantages and risks; they cannot be shown to offer stronger guarantees of success. . . . Achieving SMP's objectives now

[22]Discussion with John Gage, President, AFGE Local 1923, Sept. 8, 1993; and by telephone with Al Levy, Executive Director of the AFGE headquarters local, Aug. 17, 1993. The information about occasional briefings and worker-nonparticipation was also confirmed in a telephone discussion with David Jenkins, of SSA's Office of Human Resources, also on Aug. 17, 1993. According to John Gage, participation in systems planning was raised in contract negotiations, but it does not appear in the final contract. The union has concentrated in the recent past on successfully negotiating ergonomic furniture.

[23]According to SSA, the current OMB directive is that HHS must give up 5,000 full-time equivalent positions in 3 years; 2,000 will come from SSA. Note, however, that while this is the official position, the Department of Health and Human Services may reduce SSA's cuts and shift personnel reductions to other areas within the department.

[24] The number of SSA employees declined from 82,500 in 1983 to an estimated 63,300 in 1993 (full-time equivalents), a decline of 23.3 percent, while the number of people served rose from approximately 39.5 million to about 47.5 million (a rise of 16.8 percent).

[25] Gage, op. Cit., footnote 22, SSA's Office of Human Resources did a human factor impact survey using questionnaires and task analyses and found that employees with 6 months' experience were very positive, but complained that front-end training was "too intense" and refresher training was inadequately scheduled. Training is being reevaluated.

[26] Ralph C. de Juliis, Executive Vice President, National Council of SSA Field Operations Locals, AFGE Council 220, personal communication, Oct. 4, 1993. One labor representative says that ". . .SSA wants to buy this hardware (1 WS/LAN) and has all kinds of ideas how it might be used when SSA's work is reengineered pursuant to SSA's many and various Strategic Plans. . . . reengineering will be driven by very expensive hardware purchases and the need to *ex post facto* justify those purchases instead of having reengineering driven by the needs of the public and the employees (external and internal customers).'"

BOX 3–1: Systems Modernization in the United Kingdom's Department of Social Security

The United Kingdom's Department of Social Security is one of the U.K.'s largest agencies, accounting for 30 percent of all public spending and 10 percent of central government staff. Until 1980, the agency used only batch processing by central computers, at the client level, everything was done on paper. In 1980, a decision was made to install 40,000 microcomputers in 1,000 offices, linked to centralized computer systems.

The plan was called the "Operational Strategy." Business objectives were to reduce costs and increase both quality of service and job satisfaction.[1] Net savings of $2.4 billion were to be achieved, mostly by eliminating 20,000 jobs.

In the next 11 years, projected costs rose from $1 billion to $3 billion, while estimates of eventual savings and benefits fell.[2]

The baste choice made in 1980 was between complete centralization and Integration of the database, and decentralization. Centralization entailed disadvantages of size, complexity, heavy communications costs, and highly complex software; and susceptibility to disruption from systems failure, sabotage, or natural disaster. The disadvantages of decentralization were higher capital and running costs, untested microcomputer facilities, and problems of maintaining uniform software. "The compromise was a three-tier structure with a central general index, several area (regional) centers, and terminals m local offices.

Planning and design took 3 years (1982-85), But in 1985, the government announced plans for completely reforming social security and restructuring benefits, this sent much of the planning back to the drawing boards. By 1987, many of the 14 implementation projects had slipped far behind. Anew "fast and furious" implementation initiative began, but slippage continued. A critical report from the National Audit Off Ice in 1989 was followed by strong criticism in Parliament.

The major problems in the U.K. modernization effort included:

1 High turnover (45 percent) among the operational strategy staff and an extreme shortage of technical skills These were dealt with by hiring "consultants, but the outsiders cost nearly five times as much as the equivalent number of in-house staff The relations between consultants and internal staff were bad There was little skill transfer from consultants to government workers

2 Lack of low-level user Involvement systems designers did not understand the work processes they were trying to automate. Some projects had "project user teams" as part of their steering committees, but these were composed of "Higher Executive Officers, Senior Executive Officers, and above."[3]

3. Policymaking and administrative management were unnecessarily separated. For example, the restructuring of benefits in 1985 took systems planners by surprise, ". .The overall tone of the Operational Strategy was aimed at how best to run the administrative machine, given the policy inheritance, rather than how to serve the public or effect an anti-poverly policy." There was no link between operational systems and the production of data for planning.

Experts say that the U.S. Social Security system, in spite of its problems, is more cost-effective than the U K. system m terms of costs and time expended per transaction.[4]

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[1] United Kingdom, Department of Social Security, "Social Security Operational Strategy A Framework for the Future, " 1982

[2] Discussion with Helen Margetts, Research Officer, London School of Economics, in Washington, DC, Sept 10, 1993, see also Helen Margetts, "The Computerization of Social Security The Way Forward or a Step Backward, " *Public Administration*, VOI 69, autumn 1991, pp 325-343

[3] David Collingridge and Helen Margetts, 'Can Government Information Systems Be Inflexible Technology? The Operational Strategy Revisited, " forthcoming in *Public Administration*, 1994

[4] Margetts, op cit footnote 2

depends on SSA's technical competence, on the quality of its management as it implements the SMP, and on certain factors outside of the agency's control, including Administration policy and directives.[27]

HUMAN RESOURCES PLANNING

The Agency Strategic Plan of 1991 recognized that the future will bring significant changes in SSA's workforce, and called for the development of a Human Resources Plan. The impending challenges include the approaching retirement of a majority of SSA mid- and upper-level managers;[28] steadily increasing workloads; the need for an increasing number of bilingual employees; and the demand for retraining, job redefinition, and new career ladders that is implied by new technology.

In the meantime, SSA already suffers from "serious imbalances in human resources allocations" resulting from uneven attrition after the *20* percent downsizing during the 1980s.[29]

Work on a Human Resources Plan for meeting SSA's recruitment, training, promotion, and motivational challenges began in 1991 when SSA created a new position, deputy commissioner for human resources. Not until the end of 1993, however, was a "framework" for human resources (HR) planning ready for internal comment. The first deputy commissioner for human resources says that developing **a** plan **was slow because** there was no Service Delivery Plan to guide HR

planning, and because "this was unexplored territory and we couldn't find anyone who knew how to do it."[30]

HR planning was assigned to a small group of people temporarily engaged in SSA development programs. They conferred with human resource directors from other agencies, and "scanned the environment" to identify trends to use as a basis for planning. A draft framework was developed and reworked with the deputy commissioner for human resources. A second draft was taken to the other deputy commissioners, who insisted on a number of revisions. A third draft was negotiated with the deputy commissioners in individual face-to-face meetings. The framework has now been presented to the SSA commissioner and released to unions, internal advisory councils, and the SSA Managers Association for comment.

Up to that point, the "human resources" themselves—the employees—had not participated in the planning.[31] Nor were the personnel in SSA's regional offices given any opportunity to contribute. From this point on, however, employees at all levels and in all locations are to be represented in working out ways to achieve the goals laid out in the framework.

The general theme of the framework is "that managers must now learn to manage teams" and to be coaches and mentors. Total quality management is "a central part of the vision. " The elements of the plan are staffing and recruitment, the work environment, training and development, and man-

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[27] Office of Technology Assessment, op. cit., footnote 3

[28] According to the General Accounting Office, 54 percent of SSA's Senior Executive Service level and 42 percent of GS grades 14-15 employees are eligible to retire between 1992 and 1997.

[29] Social Security Administration, op. cit., footnote 8.

[30] The deputy commissioner for human resources reports that her working group visited "many companies, agencies. and universities, " but could find "few or no people who knew anything about human resources planning. " In fact, however, human resources pkannmg is a well-developed professional area with a large national professional association, several excellent journals, annual and regional meetings. and a large body of literature.

[31] As to why workers were not asked t. participate in the planning process, the deputy commissioner for human resources explained that this is not the way that SSA operates. At least until recently, the relationship between management and the unions has been considered adversarial by both sides. There are three unions the Association of Federal Government Employees (AFGE), the National Teamsters Union (NTU), and the National Federation of Federal Employees (NFFE). AFGE, a large white-collar union, represents by far the largest percentage of SSA employees.

agerial tools. The framework is based on an assumption that there will be neither growth or further downsizing of the workforce. As already noted, however, SSA could have to take its share of the reductions assigned to HHS in the context of the President's "reinventing government" initiative.

The HR plan is merely a very general framework, according to the planners. It contains no quantified goals and no time lines; these will be developed later in implementation plans. (Draft implementation projects are being developed but are not yet, in March 1994, ready for comment.) The HR planners are confident that when the HR Plan, the Information Systems Plan, and the Service Del i very Plans are fully developed, "they will all come together." The links between them are, however, tenuous during the development process. As the first IWS/LANs are being installed, there is no long-range plan for managing the retraining, job redefinition, promotions, recruitment, and health issues that they will raise. Those will have to be dealt with on an ad hoc basis, probably in part through labor negotiations.

FACILITIES PLANNING

Facilities planning will begin only when the other plans and reengineering recommendations are accepted because facilities plans must be responsive to them. SSA officials discuss several alternative facilities scenarios ranging from one integrated hub per state to highly decentralized community-based centers, depending on factors such as a possible move to consolidate service centers or to significantly downsize staff. In the meantime, routine facilities planning continues to ensure that maintenance and necessary replacement of buildings, leasing arrangements, installation of ergo-

nomic furniture, and site preparations for IWS/ LAN are carried out.

Significant changes in SSA organization and delivery modes thus might be temporarily delayed or hampered by the necessary changes in facilities and accommodations, but this appears unavoidable.

REENGINEERING AND TOTAL QUALITY MANAGEMENT

"Total quality management" (TQM) is an organizational tool used to restructure an organization through "continuous improvement" to deliver a complete, well-defined service to a specific group of users. TQM emphasizes the cooperative efforts of workers and managers to find new and better ways of defining and relating goal-oriented tasks.

SSA has had a TQM effort underway for some months, with a number of active TQM committees and the vigorous support of most of the top managers. This initiative figures largely in all of the plans under development, especially the HR plan.

A more drastic organizational improvement strategy is "reengineering," which ". . . reflects the growing realization that continual improvement . . . is not enough"[32] and "aims to disrupt and redefine established procedures on a one-time basis."[33]

> Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance such as cost, quality, service, and speed.[34]

From the reengineering perspective, any work process should consist of combining various inputs to create an output of value to a customer (who may be external or internal). Individual tasks

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[32] Gary K Gulden and Robert H Tack, "Combining Quality and Reengineering Efforts for Process Excel lence," *Information Strategy: The Executive's Journal*, spring 1992, pp. I IO-1 15.

[11] Richard p Wells et al., "What's the Difference Between Reengineering and TQEM?" *Total Quality Environmental Management*, spring 1992, pp. 273-282.

[34] Michael Hammer and James Champy, *Reengineering the Corporation: A Manifesto for Business Revolution* (New York, NY: HarperBusiness, 1993). (Book excerpt, "The Promise of Reengineenng," *Fortune*, May 3, 1993, pp. 94-97).

may be combined, eliminated, or automated to achieve the desired workflow. Reengineering is not incremental change; it reshapes core processes, eliminates unnecessary organizational hierarchy and work specialization, and identifies hidden flows of resources and information in order to cut out those that are not productive. Reengineering also emphasizes a shift from individual data collection for single use to pooling data for multiple uses,[35] and emphasizes the connection between an organization's strategic plans and information systems.

Unlike TQM, which can be tackled at departmental levels, many experts argue that reengineering should involve the whole company or agency,[36] or at least a major, discrete product-delivery component of the agency. It works best where a company or agency is floundering and has no option but to do something quickly.[37]

In spite of the 1986 criticism by OTA[38] and continual prodding by GAO, SSA had not begun to think seriously about the necessity of reengineering its business processes until the summer of 1993. On July 26, the decision was made to try reengineering the part of SSA--disability claims and benefits-that was most clearly "floundering and with no option but to do something, fast." A reengineering team or task force was charged with recommending whether and how reengineering was to be implemented. The task force began work on October 4, and by the end of 1993 had interviewed about 1,000 people, conducted 12 focus groups, and visited approximately 60 federal and 30 state agencies in 25 states. A first draft plan, originally expected by February 4, 1994, is now promised by March 31.

The task force will make two sets of recommendations to the SSA commissioner. One set will be based on current law; the other will be unconstrained by current law. There is to be a 1-month period for executive staff comment, followed by a final decision by the SSA commissioner. Implementation at some sites is planned before the end of 1994.

The reengineering task force has been instructed that it should "rethink" the entire disability process, except for things that cannot be changed: 1) the basic definition of disability, which is set by law; 2) the process of vocational rehabilitation; and 3) the right to appeal, including a hearing before an administrative law judge. SSA is not holding the design team to the current hearing process or to the current federal-state division of responsibility.39

The 18-person task force, consisting mostly of SSA managers with field experience in disability determination and processing, includes a physician and an administrative law judge. There is an executive steering committee to provide direction; it includes one union official, one Disability Determination Service director, and two SSA regional commissioners.

The reengineering effort is designed to correct serious problems in the disability determination and appeals process that were marked as priority areas in the Agency Strategic Plan, but it is not directly linked to the more general planning activities. SSA maintains that, of necessity, the reengineering initiative and strategic planning will continue in parallel. Strategic planning or the recommendations of TQM circles may produce im-

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35 Wells et al., op. cit., footnote 33.

36 Dan Rasmus, "Reengineering, or Evolution Through Violent Overthrow," *Manufacturing Systems,* September 1992, pp. 52-58.

37 Jon Parker "An ABC Guide to Business Process Reengineering," *Industrial Engineering,* May 1993, pp. 52-53.

38 OTA op. Cit., footnote 3. in its 1986 report, OTA noted that SSA's "frequent, drastic reorganizations broke up the earlier coherence and accountability of major programs but failed to provide what may have been better---a *rational structure based on a redesigned work flow and technology-based functions."* (p. 14).

39 State offices (entirely funded by the federal government through SSA) make the initial determinations of who is or is not entitled to disability benefits.

provements that are urgently needed and should not be delayed until reengineering is implemented. If the improvements are congruent with the more radical changes anticipated by reengineering, they will be preserved; if not, little will have been lost and some interim benefits may still have been enjoyed.

This strategy is based on two assumptions: 1) because they are mandated by laws, the basic parameters of disability compensation will not change, and 2) any significant reengineering of" the process will require new regulations or basic revisions of existing regulations, which take a long time. Some laws related to Social Security benefits are self-effectuating; that is, they mandate a straightforward change in benefits or entitlements with a date at which they will become effective, and there is no need and no room for discretionary action by SSA.[40] Other laws, however, provide for determinations or discretionary findings by SSA;[41] therefore, regulations are issued using the notice of proposed rulemaking (NPRM) procedures required by the Administrative Procedures Act to assure equity and fairness. NPRM procedures take from 6 months to several years to accomplish (in extreme cases, 5 years). New or revised regulations are then turned into detailed Program Operations Manual System (POMS) processing procedures.

This is a central dilemma for SSA in trying to meet the GAO demand for thorough restructuring or reengineering of the entire service delivery process before final decisions about systems modernization and technology procurement are made.

SSA assumes that the wait would delay further automation for a number of years.

The reengineering team leader reports that they will "look for things to implement quickly, using studies already done" (although this violates the reengineering premise that incremental changes may interfere with the opportunities for radical change). An internal SSA document entitled "Disability Process Reengineering and the Modernized Disability System," dated September 2, 1993, says that SSA plans "to improve the disability process. . .[through]. . .a concentrated effort to reengineer the procedures and methods that are currently used to serve the customer," and also recognizes that "the primary enabling tools that are being used" are the IWS/LAN technology and the Modernized Disability System (MDS).[42] In a report by SSA to the Senate Appropriations Committee, the agency said that:[43]

> Automation provides the tools that will allow SSA to achieve reengineering of the current business processes, not to simply automate what is done today.

However, automation assumptions are already in place although reengineering is just beginning. The MDS is, in fact, designed to automate the disability claims process as it now exists, at the same time laying a foundation for reducing paperwork documentation, eliminating some queuing time, and establishing better workload controls. It begins to provide automated decision logic and documentation, and incorporates some job function changes.

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[40] This material is based on discussions with officials in theSSA Office of Regulations,November 1993. An example Of a self-effectuating rule is the provision in the 1990 Omnibus Budget Reconciliation Act that all determinations of childhood disability must be based on a recommendation by a pediatrician. In such cases, there is no need for SSA to promulgate a regulation, although guidelines for operational procedures may be issued.

[41] Actually by the Secretary of Health and Human Services; such laws may read "The Secretary shall determine. . . ." or "at the discretion of the Secretary. . . ."

[42] The MDS is described as "a singular software solution running on a client server hardware platform." The intake process, 'here "are gathered from the claimant, is being reengineered to utilize decision support logic to structure the interview toward the particular body system(s) at issue. The structured interview will guide the claims takers to be sure that all necessary questions are asked and documented and to be sure that all available information is obtained in that first encounter.

[43] Social Security Administration, op. cit., footnote 15, p. 8.

CONCLUSION

SSA has not yet satisfied the GAO recommendation that its systems procurements be based on an integrated, comprehensive planning process aimed at thoroughly restructuring its service delivery. SSA does, however, appear to be making a good faith effort to create and institutionalize such a process. The extent to which it will have the will, resources, management stability, and executive leadership to accomplish this goal remains to be seen.

The lack of stable and consistent management in the past, together with the failure to actively involve its customers or its large and dedicated workforce, contributed to SSA's failure to articulate a "vision of the future" that would authoritatively and convincingly define an appropriate technological infrastructure for meeting the needs of service recipients and service delivery.

The technology procurement and deployment plan that SSA now seeks to implement was not designed on the basis of a thoroughly developed, broadly participatory strategic plan. In spite of this, SSA systems planners have learned from past mistakes. They are increasing their attention to the needs of end users, listening to the recommendations of national experts, and taking advantage of the flexibility of modem information technology. They appear to have chosen an architecture and platforms that can accommodate changing needs and new methods of packaging and delivering services as these are created by improved long-range planning or process reengineering.

The development and acceptance of effective strategic planning has a long way to go at SSA. The elements of the process are, however, now in place. Congressional oversight committees and GAO should continue to insist that SSA leaders nurture and broaden their planning to make it more participatory, more creative, and more effective. This does not require that systems modernization be halted, but it does require that it continue to provide the flexibility to accommodate changing agency requirements.