Anticipating the Future:
Developing a Vision and Strategic Plan for
The Social Security Administration for 2025-2030

SOCIAL SECURITY ADMINISTRATION

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A Report by a Panel of the

NATIONAL ACADEMY OF
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For the Social Security Administration

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Anticipating the Future: Developing a Vision and Strategic Plan for the Social Security Administration for 2025-2030

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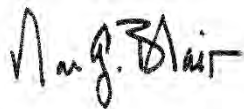**James Huse***

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FOREWORD

Federal agencies routinely prepare five-year forward-looking strategic plans pursuant to the Government Performance and Results Act (GPRA). But changing economic conditions, demographics and advances in information technology and communications require agency planners to begin preparations and strategies for devising plans that take a longer future view.

At the request of Congress, the Social Security Administration (SSA) contracted with the National Academy of Public Administration (the Academy) to develop a vision and high-level strategic plan aimed at helping the agency address the continuing service delivery challenges it may face. The Academy formed a seven-member Panel of Academy Fellows to complete this 10-month study to prepare for its long-term future. By shedding light on the challenges and opportunities presented by the uncertainties of SSA's long-term future operating environment, this study contributes to SSA's preparation to provide quality services to its millions of customers 10 to 15 years from now.

Even though SSA's future operating environment cannot be precisely known today, key elements of that environment can be forecast with reasonable certainty, which provides the agency with an opportunity to begin making needed changes. This study presents (1) a comprehensive future operating vision for 2025-2030 informed by extensive SSA employee input and by using long-term futures research and (2) elements of a high-level strategic plan to guide SSA's transformation from its current operating profile to a preferred state that best meets customer needs in 2025-2030. A successful transformation will require effective leadership, mission focus, communication, integration, and funding.

As a congressionally chartered non-partisan and non-profit organization with nearly 800 distinguished Fellows, the Academy brings seasoned experts together to help public organizations address future challenges. We are pleased to have had the opportunity to assist SSA and Congress by conducting this study. I appreciate the active engagement of SSA's leadership, employees, and stakeholders who provided important insight and context needed to inform this study. Also, I thank the members of the Academy Panel, who provided invaluable expertise and thoughtful analysis to this undertaking, and the professional study team that provided critical support to the Panel.

Besides its contributions to SSA, I trust that this study will also broaden awareness of the value and benefits of long-term future planning outside the GPRA framework, serving as an impetus for government-wide recognition as to the importance of taking a more systematic approach to it as we rapidly proceed through this 21st century.

Dan G. Blair
President and CEO

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EXECUTIVE SUMMARY

The future presents the Social Security Administration (SSA) with an array of challenges and opportunities. These include tight budgets, the loss of experienced personnel to retirement, increasing workloads, rapidly-changing technology, and customer expectations for service delivery. Strategic planning is essential if the agency is to make the investments needed to perform its critical missions 10 to 15 years in the future.

Congress recognized the urgency of long-term strategic planning by requesting SSA to contract with the National Academy of Public Administration, whose nearly 800 elected Fellows are deeply experienced in the art of managing public sector institutions. A seven-member panel of Fellows supported by a study team undertook a ten-month project to develop a long-range vision and recommend elements of a high-level strategic plan for SSA's consideration as the agency prepares for the future.

The Panel and study team examined the current capabilities and performance of SSA in five areas identified by Congress in the study: electronic service delivery; investment in automation and information technology; workforce capacity; organizational structure; and physical infrastructure. With the help of futurists and other experts, the Panel identified key factors affecting SSA's future operating environment. This work informed the effort to develop a vision of what SSA should look like in 10 to 15 years. The vision was developed with broad input from SSA executives through collaborative, consensus-building sessions. The Panel and study team worked closely with SSA to identify key elements of a high-level strategic plan for achieving this vision.

Based on this effort, the Panel drew four central conclusions.

First, SSA must improve its operational efficiency while continuing to provide access to quality service for all of its customers. The Panel believes that SSA should employ virtual channels (e.g., online, phone, videoconference) as the primary means of service delivery in the future while remaining committed to providing personal service delivery options as necessary and appropriate, including traditional in-person service delivery in the field as well as virtual options for providing direct assistance and face-to-face interaction.

Second, aggressive adoption of technology solutions should create opportunities both to improve customer service and to free up resources for face-to-face interaction and direct assistance where needed. Technology solutions should be well designed and so user-friendly that they become customers' choice for conducting most transactions. This will require not only leadership and sustained focus by SSA, but also continuing support from Congress through adequate budgets and policy refinements to facilitate online service delivery and process improvements.

Third, SSA must not only hasten the introduction of new technologies but also position itself to meet unforeseen challenges. This means that the agency must take steps to become more nimble, such as improving data access, developing a more agile workforce,

and expanding the use of shared support services to enable more rapid response to changing customer needs.

Fourth, while these changes will not come easily, the Panel believes that SSA can do what needs to be done with the support of Congress and its stakeholders. SSA has a track record of meeting extraordinary challenges effectively. This is a reason why Congress has often provided it with additional responsibilities, such as eligibility determination and income verification, which SSA has performed with great success.

In collaboration with SSA, the Panel has developed a report containing a proposed long-range vision. Based on further research, the study team also devised elements of a high-level strategic plan that provides robust guidance for SSA in its continuing efforts to prepare for the future. The Panel makes 29 recommendations for a strategic plan organized into 10 focus areas. These are listed in Figure I below.

Figure I: Focus Areas and Recommendations

Focus Area 1: Develop a more cost-effective service delivery system that is primarily virtual, but includes personal service delivery options as necessary and appropriate.
  1. Extend and improve virtual service delivery.
  2. Rationalize in-person service delivery in the field.
  3. Develop a plan to accelerate the movement of customers to virtual service delivery channels.

Focus Area 2: Strengthen capacities needed to guide process improvement and automation.
  4. Undertake a comprehensive policy review.
  5. Develop a business intelligence strategy.

Focus Area 3: Improve access to data to enable enhanced online service delivery, electronic data exchange, and data analytics.   6. Identify a portfolio of investments to improve data access guided by the agency's business intelligence strategy.

Focus Area 4: Strengthen investment management process.
  7. Institutionalize the enterprise portfolio management process.
  8. Strengthen the capacity of business customers to develop projects.
  9. Ensure that IT program management teams include strong representatives from business customer components.
  10. Strategically use contractors to support program management teams and to build program management capacity over time.
  11. Incorporate enterprise-level requirements in software development life cycle framework.

Figure I: Focus Areas and Recommendations

Focus Area 5: Attract and retain high-quality employees for 2025.
    12. Continue to attract talent that believes in SSA's mission and public service.
    13. Build sustainable talent pipelines to support SSA service delivery.
    14. Create learning and development opportunities to support employee retention.
    15. Use flexible work arrangements as a strategic recruitment and retention tool.

Focus Area 6: Develop an agile workforce to support the agency's integrated service delivery model.
    16. Develop a more flexible position and grade structure that better reflects the work of SSA today and in the future.
    17. Embrace a "Career Lattice" concept to offer employees multiple career development paths.
    18. Recruit and develop employees with strong problem solving and analytical skills.
    19. Use analytics to anticipate changing workforce needs.

Focus Area 7: Expand a Results-Oriented Performance Measurement System.
    20. Build on agency best practices to identify and measure outcomes.
    21. Use performance data to support management decisions.

Focus Area 8: Reduce cost and increase flexibility via shared support services.
    22. Identify the need and opportunity for streamlining and consolidating support functions.
    23. Build a common understanding of shared support services.
    24. Develop standard process steps to establish formal shared support service agreements.
    25. Focus on accountability of shared support services initiatives.
    26. Identify and embrace key flexibilities needed to enable the strategic expansion of shared support services model.

Focus Area 9: Capitalize on existing facilities planning resources.
    27. Continue to conduct needs assessment and expand planning activities.

Focus Area 10: Strategically engage all stakeholder groups in facilities planning.
    28. Coordinate with service delivery plan development.
    29. Coordinate and expand outreach strategy.

SSA performs a vitally important role for the American people. Guided by this report's vision and recommendations, SSA, working with Congress and other stakeholders, will be in a better position to meet the needs of Americans for years to come.

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CHAPTER ONE: BACKGROUND

Organizations in both the private and public sectors face a rapidly-changing operating environment impacted by technological, scientific, economic, political, cultural, and societal changes. Indeed, the 21st century promises to be, in many respects, exponentially more challenging than the previous one. Regarding the impact of changing technologies, Ray Kurzweil, Chief Engineer at Google, has noted the following: "The whole 20th century, because we've been speeding up to this point, is equivalent to 20 years of progress at today's rate of progress, and we'll make another 20 years of progress at today's rate of progress equal to the whole 20th century in the next 14 years, and then we'll do it again in seven years. And because of the explosive power of exponential growth, the 21st century will be equivalent to 20,000 years of progress at today's rate of progress, which is a thousand times greater than the 20th century, which was no slouch to change."[1]

Given the pace and uncertainty of change that organizations face, futurists have advocated the use of long-term planning and the development of alternative future scenarios to enable leaders and stakeholders to better anticipate and prepare for changes in their operating environment. By looking ahead and anticipating plausible changes, an organization can identify and take actions in time to meet likely challenges and opportunities.

The Government Performance and Results Act (GPRA) Modernization Act of 2010, which substantially modified the original GPRA enacted in 1993[2], requires federal agencies to prepare a five year strategic plan that contains a mission statement and results-oriented goals for each major function. This is a step forward, but more robust longer-term planning is needed. [3]

While the importance of long-range visioning and planning is increasingly recognized, most federal agencies outside of the defense and intelligence communities, have not engaged in it with a systematic and rigorous approach. However, a few federal agencies outside of the defense and intelligence communities are paying greater attention to long-term strategic futures. These agencies include the Federal Emergency Management Agency, the Department of Veterans Affairs, and a few others.

This report of a Panel of Academy Fellows addresses long-range visioning and planning for the Social Security Administration (SSA),[4] a uniquely important agency. SSA's web site

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[1]Ray Kurzweil and Chris Meyer, *Understanding the Accelerating Rate of Change.* Perspectives on Business Innovation. May 2003. http://www.kurzweilai.net/understanding-the-accelerating-rate-of-change

[2] Congressional Research Service, *Changes to the Government Performance and Results Act (GPRA): Overview of the New Framework of Products and Processes, (R42379;* February 29, 2012), by Clinton T. Brass.

[3] Leon S. Fuerth with Evan M. H. Faber provide a systematic discussion of the need for long-term planning in the public sector. See Fuerth, Leon S. and Evan M. H. Faber "Anticipatory Government: Winning the Future." *The Futurist* 47.4 (2013): 73 pars. http://www.wfs.org/futurist/2013-issues-futurist/july-august-2013-vol-47-no-4/anticipatory-governance-winning-future.

[4] A full list of acronyms and abbreviations can be found in Appendix J.

characterizes the importance of the agency this way: "For the public, we are the face of the government."[5] The agency serves virtually everyone in America at one or more points in his or her life, most commonly by enumeration at birth and by providing some combination of social insurance (i.e., retirement, disability and/or supplemental income) to recipients and their beneficiaries.

Looking to the future, SSA is faced with an array of challenges and opportunities, including tight budgets, the loss of experienced personnel to retirement, increasing workloads, and rapidly-changing technology and customer expectations for service delivery. Strategic planning is essential if the agency is to make the investments needed to perform its critical missions 10 to 15 years in the future.

1.1 Project Purpose

At the request of Congress,[6] SSA contracted with the Academy to help the agency develop a long-range vision and high-level strategic plan to address the continuing service delivery challenges it will face over the next 10-15 years. It focuses on such critical issues as electronic service delivery; investment in automation and information technology (IT); workforce capacity; organizational structure; and physical infrastructure.

This report can also be seen, in part, as a response to the recommendations contained in recent reports from the Government Accountability Office (GAO),[7] SSA Inspector General (IG),[8] and the Social Security Advisory Board (SSAB)[9] calling for greater focus on long-term strategic planning.

1.2 Approach and Methodology

The experience of other federal agencies indicates that the development of a long-range vision and high-level strategic plan are demanding tasks taking 2 to 3 years of concentrated

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[5] From the SSA web site: http://www.ssa.gov/aboutus/

[6] The Congressional direction for conducting this study is laid out in the Consolidated Appropriations Act of 2012. Based on SSA's "continued services delivery challenges in the coming decades," this directive specifies that NAPA administer an "evaluation of SSA's existing organizational structure, workforce capacity, physical infrastructure and a review of SSA's electronic service delivery and investment in automation and information technology." The result of this evaluation is a report proposing a long-term strategic plan for the agency, to be submitted to the House and Senate Committees on Appropriations, the House Committee on Ways and Means and the Senate Committee on Finance. House Committee on Appropriations, *Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012*, 112th Cong., 1st sess., 2011, S. Rept. 112-331, 1158.

[7] U.S. Government Accountability Office, *Long-Term Strategy Needed to Address Key Management Challenges* GAO-13-459. (Washington, D.C.: May 2013), 29-35.

[8] Social Security Administration, Office of Inspector General, *Evaluation Report: Fiscal Year 2013 Inspector General Statement on the Social Security Administration's Major Management and Performance Challenges* (Washington, DC.: December 2013), 130.

[9] Social Security Advisory Board, *Facing the Challenges—Envisioning the Future* (Washington, D.C.: July 2013), 1-2.

effort. The Academy team accepted the ambitious challenge of assisting SSA in long-range visioning and strategic planning within a ten-month period.

At a high-level, the Academy's work was divided into three phases.

> Phase 1: *Understanding the "as-is" state.* The starting point for mapping out future transformation planning is to understand the current state of affairs. To that end, the study team examined the current capabilities and performance of SSA, with particular focus on electronic service delivery, investment in automation and IT, workforce, organizational structure and dynamics, and physical infrastructure.

> The study team reviewed key public documents that have addressed SSA's current state, including GAO and SSA IG reports. A list of resources consulted is provided in Appendix B. The study team also conducted interviews with more than 70 SSA executives as well as other key stakeholders to gain additional understanding of the current state of SSA. A complete list of those interviewed can be found in Appendix C. The panel was briefed on findings during this initial stage of research and provided guidance on areas of focus.

> Phase 2: *Vision building.* This phase included research to understand trends and possible developments that may define SSA's future operating environment in 10-15 years; and defining the capabilities SSA will need to accomplish its mission under these conditions. The Panel implemented a disciplined approach commonly used by futurists to consider possible future operating conditions SSA may face. This process was informed by broad input from SSA executives, employees, and other stakeholder groups by means of individual interviews and group meetings, including a day-long workshop convened with SSA executives to build consensus around a vision.

> Phase 3: *Strategic planning.* This phase began with an evaluation of the gap between the agency's current state and vision for the future. The Panel then identified actions needed for the agency to achieve its service delivery vision 10 to15 years in the future. This process included input from focused discussions with SSA executives to identify key elements of a strategic plan in five different focus areas. The exercise was undertaken with attention to enabling the integration of SSA's Agency Strategic Plan 2014-2018 (ASP) with the Panel's strategic plan recommendations.

1.3 Key Assumptions

Long-range vision and strategic planning work are accompanied by a myriad of uncertainties. The Panel adopted two basic assumptions about SSA's future:

1. SSA will continue operating as a stand-alone agency. While the federal government may restructure during the years ahead, perhaps by consolidating some agencies, this Report presumes that consolidation, if it occur, will leave SSA intact.

2. The core programs[10] of SSA will not change from what they are at present. In making this assumption, the Panel recognizes that Congress and the Executive Branch quite regularly consider proposed legislative and regulatory changes that might impact SSA's core programs in future. The Panel recognizes that important changes in core SSA programs may well be adopted during the next 10-15 years. However, after consulting with SSA, Office of Management and Budget (OMB), and congressional oversight committees, the Panel concluded that there is no use to speculating on how SSA programs might specifically change in the long-term future. SSA can, of course, amend its long-range vision and strategic plan if core program changes are enacted.

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[10] The original Social Security Act of 1935 has been amended several times over the years. Title 2 (United States Code §§401-433, subchapter II, chapter 7, Title 42) of the Act creates the Federal Old-Age and Survivors Insurance Trust Fund as well as the Federal Disability Insurance Trust Fund. From these funds, the Social Security Administration administers the colloquially termed "Title 2" programs. For more information on Title 2, go to http://www.ssa.gov/OP_Home/ssact/title02/0200.htm#ft1. Title 16 of the Act (United States Code §§1381-1383f, subchapter XVI, chapter 7, Title 42.) creates the "Supplemental Security Income for the Aged, Blind, and Disabled" or the "Title 16" program, also referred to as "SSI". For more information on Title 16, go to http://www.ssa.gov/OP_Home/ssact/title16b/1600.htm. Together, these three programs make up the core programs of the SSA.

CHAPTER TWO: UNDERSTANDING THE CURRENT STATE

The study team reviewed current SSA operations, with a particular focus on organizational structure and dynamics, electronic service delivery and IT investment, workforce capacity, and physical infrastructure. It examined these areas as they relate to SSA's ability to achieve the long- range vision.

The study team conducted the current state review in two parts:

1. A background document review—a comprehensive set of background documents was compiled including previous long-term strategic plans, Agency Strategic Plans, Social Security Trustees reports, Budget documents, and more.[11]
2. Interviews—the study team engaged about 70 SSA employees to discuss the general strengths and challenges of the agency and his or her line of work.[12] These discussions were divided into comments about general agency strengths and areas of challenge as well as comments on four topics as requested in the project requirements: organizational structure and dynamics; electronic service delivery and IT investment; workforce capacity; and physical infrastructure.

2.1 Overview

In 2014, SSA is at an inflection point. While justifiably confident in its high standard of customer service and strong record of data security, the agency is not currently poised to meet the significant operating challenges it is likely to face over the next 10 to 15 years. Acknowledging and addressing the strengths and challenges of the agency is important. Strengths can be powerful, but, if accepted as enduring, they may have limiting, unintended consequences. Weaknesses present opportunities for change or a chance to reorient towards new realities.

SSA is generally seen to do its work well. This has led policy-makers to assign it non-mission related responsibilities, thereby increasing its workloads.[13]

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[11] The compiled bibliography can be found in the Appendix B.

[12] The interviewee list can be found in the Appendix C.

[13] The SSA performs work to support programs other than the administration of its Old-age, Survivors, and Disability Insurance Programs and Supplemental Security Income Program. The ongoing, non-core mission tasks of the agency include assisting with the administration of five federal programs: 1)The Medicare program, in which SSA has key roles of processing applications for eligibility determinations, calculating the appropriate level of Social Security benefits in conjunction with Medicare premiums for recipients of both programs, and ensuring that low-income Social Security beneficiaries are provided with the opportunity to enroll in Medicare; 2) Employment Eligibility Verification (E-Verify), in which SSA partners with the Department of Homeland Security (DHS). This system allows participating employers to send employment verification requests for new hires, which are processed by SSA to identify inconsistencies between worker information and electronic records; 3) The Supplemental Nutrition Assistance program (SNAP), in which SSA assists with SNAP applications if the household is currently applying for or receiving SSI benefits. Additionally, SSA is responsible for screening SSI applicants/recipients should they be subject to a redetermination involving SNAP benefits; 4) Railroad Retirement Board (RRB) benefits, in which SSA

A tactical mindset within the senior executive corps often sets a tone for the middle-management and front-line service ranks. Over time, short-term tactical thinking has engendered a short-term focus throughout the agency, and has limited opportunities to improve broader considerations of longer-term programmatic objectives.

SSA has excelled in providing personal service to its customers. However, this focus on in-person service seems to hamper its ability to identify and develop other opportunities to improve service (e.g., online delivery, self-service, automation). Moreover, SSA has not fully appreciated the opportunities presented by automation to free up resources that can be devoted to providing direct assistance to those customers who need it most.

The sections that follow—2.2, 2.3, 2.4, and 2.5—provide observations on the four focus areas. These observations serve as a starting point from which a long-range vision and recommendations for a high-level strategic plan were developed.

2.2 Organizational Structure and Dynamics

The structure and reporting relationships of SSA have evolved throughout the lifespan of the agency and these adjustments have continued to impact the culture and dynamics of the organization. SSA continues to review its organizational chart to identify new and improved ways to provide high-quality services to the customer and to make adjustments in a way that utilizes its human resources most productively. While the structure and organizational alignments affect performance and the ability to delivery services effectively, interview feedback reflected other key areas that support attainment of long-range vision and strategy including, organizational culture, and communication.

Strategy and agency structure
The OCSO was re-established in the fall of 2013 with the goal of enabling a Chief Strategic Officer[14] who could take a high-level approach to progress the agency toward its vision in a comprehensive manner, identifying synergies across organizational stovepipes and without allegiance to a particular component. The OCSO has taken the lead in coordinating agency-wide strategic planning efforts – looking at both near-term strategic planning (five years or less) as well as the agency-wide effort to develop a long-term strategic plan. Shorter-term strategic planning includes coordinating with agency components in order to provide quarterly updates to OMB on agency priority goals and providing key development support of the agency strategic plan, most recently providing details regarding the direction of SSA through 2018. The longer-term responsibilities include working in concert with the Academy on the development of Vision 2025, and linking component-level efforts

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coordinates with the RRB to share wage and benefits records regarding employees in both Social Security and RRB-covered jobs. This information-sharing leads to a mutual determination as to whether aforementioned employees or their families would receive either Social Security or RRB benefits; and 5) Administering special monthly benefits for certain World War II Veterans who are current non-US residents. Congressional Research Service, *Social Security Administration: Workloads, Resources, and Service Delivery* (R40207; February 6, 2009), by Kathleen Romig, 6-8.

[14] A Chief Strategic Officer was named in April, 2013. . The SSA Strategy Office had been disbanded in 2008.

of strategic planning into a long-range vision of SSA. This includes integrating technology needs and capacity with human resources and infrastructure considerations in a comprehensive, forward-looking service delivery plan.

Other strategic-focused functions have been added, or realigned, within the agency. The stand-alone Office of Strategic Human Capital Management (OSHCM) was established in September, 2013 and reflects a growing emphasis on integrating the human capital elements into the strategic planning process. Doing so in close coordination with the Chief Strategic Officer, the Chief Financial Officer, and agency leadership integrates human capital planning into long-range vision development.   Currently, the OSHCM is taking the lead role in developing strategy and planning and evaluating human capital management activities and the Office of Personnel manages key programs such as position classification, organization management and personnel data.

Other attempts have been made to provide strategic direction and vision, and to look to a long-range vision for the agency and the role technology will need to play. Agency leadership previously attempted to develop strategy in the Office of the Chief Information Officer (OCIO) prior to the dismantling of this function in 2011. That reorganization of the IT and systems functions, including the elimination of the Associate Chief Information Officer for Vision and Strategy, and restructuring of key roles and responsibilities, was mainly attributed to efforts to streamline and reduce costs in responding to a major cut to the 2011 IT budget. It also is an example of the inconsistent commitment to long-term strategic planning, a sentiment we heard from multiple interviewees. However, the realignment of the IT functions, including consolidating its CIO office within the Office of Systems, was done without a discernible long-term, comprehensive analysis of the potential impact of the new roles and responsibilities. Still, consolidation provides an important foundation for strategic planning. In particular, the Deputy Commissioner for Systems now has oversight of the entire IT investment budget.

The efforts to acknowledge long-term strategic needs have lacked sustained coordination and do not include a high-level approach to looking at business needs throughout the organization. Many of those interviewed stressed the importance of the newly-created OCSO and its role in coordinating cross-component activities in a consistent and continual way, and look forward to gaining more understanding of how the office will integrate the various strategic planning activities currently taking place throughout the agency.

Adapting to a new reality
SSA's current structure includes a decentralized field agency providing services locally through a nationwide network of close to 1,500 offices with ten standard federal regions comprising over 1,250 field offices (including Social Security Card Centers), eight processing centers, thirty Teleservice Centers (TSC), 169 hearing offices (including seven satellite hearing offices), five National Hearing Centers, National Case Assistance Center, the Appeals Council, and headquarters in Baltimore, Maryland.[15]

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[15] Agency Strategic Plan 2014-2018, http://www.ssa.gov/asp/plan-2014-2018.pdf

Each of these ten regions was originally structured to maintain independent support functions, providing services to agency staff at the regional level in areas such as Human Resources, Communications, and Technology. The ten regions all receive key operational assistance from regional staff, providing various economies of scale depending upon the size of the region.

The regional workforce is unevenly distributed. Three regions currently employ over half of the regional staff (approximately 54 percent of regional staff within the field offices work in aligned with the Atlanta, Chicago, and San Francisco regions) and the largest region employs nearly ten times the staff that the smallest region does.

Recent attrition and restrictions on hiring authorities have resulted in consolidation of support functions in order to provide key support services throughout the organization's regional structure. For example, the Denver regional office now receives HR support from the Dallas, San Francisco, and Chicago regions due to vacancies in its region. Due to the "can do" attitude that pervades the agency, employees often determine new processes and procedures to ensure that requirements are met and services are delivered to the internal customer (the SSA employee) and that service to the end-user does not suffer as a result of an employee's departure.

The adoption of shared support services is increasing and most members of regional leadership have found productive ways to increase efficiency via these cooperative arrangements. They recognize that the sharing of support functions bolsters the feasibility of additional consolidations and that some additional office closures are inevitable. The lack of focus on a long-range vision for regional offices and functions has created a level of frustration for some Regional Commissioners (RCs) as they struggle to make strategic restructuring decisions with the future in mind. RCs acknowledge they often make structure changes within their region in reaction to attrition, but would prefer to make such decisions based on the long-term goals of the agency.

RCs have expressed concern that the restructuring of functions has reduced promotion opportunities and the ability to retain potential leaders. Yet some have found new and creative opportunities that would not have existed previously but are now available due to shared support services and the new roles and responsibilities that have emerged for staff.

There is a disjointed relationship between the regional support functions and the component leadership at headquarters. Because all of the support functions within the regions operate independently and report to their RCs, this leads to ultimate accountability with the Deputy Commissioner (DC) for Operations, as opposed to the corresponding DC (e.g., human capital issues are addressed to the DC for Operations instead of the DC for Human Resources). While there is active communication across the DC functions at headquarters, there is a break in accountability between policies set at the DC level and the implementation of policies at the regional level. So the study team finds blurred lines of authority and inconsistent compliance at the regional level.

Organizational communication
Coordinated, strategic communication is a key to execution of SSA's mission. Interviewee feedback revealed that while structured and planned communication flows across headquarters component leadership, these executive-level meetings often focus on current, tactical issues and do not always systematically address long-term strategy or vision for SSA.

The process for communicating across components appears to cascade down to lower level managers, and the agency takes advantage of good informal networks. Service channels and systems still remain fairly siloed. Integration across program areas and delivery mechanisms requires a focused communication strategy to support implementation. An advantage within SSA is that so many long-term SSA employees have "grown up at the agency" and have developed and fostered many relationships that allow for informal channels to "push and pull" information and gain deeper understanding of challenges and opportunities. These informal channels enable messaging and are relied upon by leaders in order to gain acceptance for controversial efforts and to vet ideas early in the process.

Formal message development for different stakeholder groups (e.g., Congress, external stakeholder groups, and the SSA customer) frequently happens in siloes, and is not frequently effected in an adequately coordinated manner. There does not appear to be a synchronized effort to develop one message relative to vision and strategy at the highest levels of leadership and to then customize that message for the audience. There is, however, recognition from those interviewed that the integral elements and necessary tone often should differ across internal and external stakeholder groups. While the agency is utilizing new technology and social media to enhance communications, this does not appear to be part of a single, unified, and coordinated communication strategy for the agency, nor is it a tool for driving comprehensive transformational activities.

Culture of SSA
SSA has mission-motivated employees who embody a "can-do" spirit. SSA has a customer-centered service delivery mission that runs throughout the agency and, as a result, high customer satisfaction is achieved. The SSA workforce takes pride in being able to serve the public, and SSA customers often are among the most vulnerable populations in the country. Servicing these customers with high quality and reliability is a point of pride, as is the committed stewardship of the American taxpayers' dollars and doing so with extremely low administrative costs. There is not, however, universal agreement about what the correct or optimal service delivery approach should be going forward. Interviews with leadership revealed a disparity of opinions on what SSA's overall mission truly should be.

SSA is a large agency and differing views are held regarding organizational culture. The challenge is that factions within the organization arise out of these differing views of the agency's social insurance mission. SSA's historical role as a safety net provider of social services clashes with an efficiency-focused claims-processing cultural view. The competing doctrines vary between primarily a transactional focus of "we get the right check to the right person at the right time," as compared to a mantra of providing a more holistic, social-work-oriented approach to improving the quality of life and experience of each customer.

This disconnect for the agency has created the appearance of an "identity crisis" for the organization as a whole, and a lack of recognition that the agency does not need to utilize only one approach to providing services to those eligible beneficiaries. There is room within the agency to focus on both transactional and social service activities with efficiency and effectiveness.

SSA has extremely high standards for reliability of data security in its provision of services. The agency has not encountered any large-scale security breaches leading to service interruption. That record, achieved despite low administrative costs, is a source of pride for the agency.

Risk avoidance is another defining characteristic of the SSA culture. On one hand, this has been advantageous in helping the agency "get things right", a gravely necessary attribute for an agency that administered benefits to 61.9 million people in 2012.[16] On the other hand, risk-aversion has also deterred growth and innovation, leading to incremental and disjointed change and progress. Piecemeal advancements, as opposed to comprehensive improvement, often lead to short-sighted technological upgrades, providing modest operational gains and little long-term cost savings.

2.3 Electronic Service Delivery and IT Investment

Extension of online services and service channel integration
In order to meet customer expectations, mitigate rising workloads, and reduce costs, SSA has moved an increasing number of services online. SSA currently offers the public 28 electronic services.[17] Applications for two of its three benefits programs are online. The rate of claims submitted online rose from 35 percent in FY 2010 to 51 percent in FY 2013.[18] An online application for SSI benefits has yet to be put online for a mix of reasons, including its complexity and potential challenges that some SSI program customers may have in accessing and using online services.

A major focus of the effort to enhance online services is development of a personal account portal, MySocialSecurity. This portal is intended to provide access to online services in one place, enabling customers to access and manage their account information in real time.

Progress on this initiative was slowed by concerns about providing secure access following the establishment of fraudulent accounts and a large number of fraud allegations related to MySocialSecurity accounts.[19] However, SSA has recently developed an authentication

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[16] SSA. *Fast Facts & Figures About Social Security, 2013.*
 http://www.ssa.gov/policy/docs/chartbooks/fast_facts/2013/fast_facts13.html
[17] *Fiscal Year 2013 Inspector General Statement on Major Management and Performance Challenges* (A-02-14-14056), p.11.
[18] *Ibid;* Online filing rate for FY 2010 provided in SSA's Performance and Accountability Report, 2012.
[19] The SSA Office of Inspector General reports that in FY 2013, fraudulent MySocialSecurity accounts were established and Social Security benefits directed to unauthorized accounts. Also, 22,000 allegations of fraud

protocol capable of providing a recognized standard of security for the applications (up to levels 2 and 3)[20] to be accessed through the portal. SSA is now in the process of migrating online applications to the portal.

While SSA has made progress in extending and enhancing online services, its efforts to integrate online services with options for direct assistance have lagged. SSA's investment in a Voice-over-Internet Protocol system provides the basic technical infrastructure for offering such services as click to chat, screen sharing, and instant messaging. However, additional technical applications are needed. Also, SSA would need to institute changes in organization, business processes and workforce to support integration of service channels. Currently, phone service is limited to supporting general customer inquiries about claims and benefits. Direct assistance to customers making benefits applications online is not available by phone.

IT supporting service delivery in the field
The performance of field office personnel is hindered by antiquated technology. Claims processing is unnecessarily labor intensive due to the lack of integrated, web-based applications. Also, claims representatives lack integrated access to customer data and data from partner agencies needed to verify information. This is not only inefficient, but limits program integrity[21] efforts.

SSA has piloted the use of self-service options, such as kiosks, in field offices to enable customers to complete some routine transactions. These options should reduce the workload of claims representatives and free their time for handling more complex transactions and providing additional assistance to impaired clients. However, SSA has been slow to scale up these pilots.

While the shift to online services has reduced the overall volume of public transactions at field offices, significant processing of online applications continues to be borne by field offices. In its 2012 Annual Report, the SSAB reported that as many as 95 percent of online applications, including retirement claims, required a call-back by field office staff. Call backs are necessary to fill in missing information and address information that is not policy-compliant. While steps have been taken to address this problem, most notably combining two separate parts of the disability application into one, the field office

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related to MySocialSecurity accounts were reported. See *Fiscal Year 2013 Inspector General Statement on Major Management and Performance Challenges* (A-02-14-14056), p.10.

[20] The Office of Management and Budget (OMB 04-04) describes four levels of identity authentication assurance levels, with Level 1 being the lowest level of assurance and Level 4 being the highest level of assurance. Level2: Confidence exists that the asserted identity is accurate; used frequently for self-service application. Level 3: High confidence in the asserted identity's accuracy; used to access restricted data.

[21] Program integrity is defined in this report as the pursuit of reducing fraud, waste and abuse including predictive method that allows the agency to prevent these events from taking place in addition to more traditional detection mechanisms. It also includes coordination of activities related to sensitive data protection and cyber-security in order to improve the integrity of all programmatic activities at SSA.

processing of online claims remains an issue due in part to the lack of controls for preventing the submission of incomplete or non-policy compliant applications.

SSA has introduced video conference delivery capabilities in the field to enable sharing of claims-taking workload across field offices and to enable remote hearings, thus reducing the travel demands of hearing judges (as well as extending access to hearings to claimants in remote areas).

Process improvement and automation
SSA has sought to improve efficiency and program integrity through systems integration, transition from paper to electronic processes, and the use of data analytics to support process improvement and automation. The disability program has been a major focus of these efforts for a variety of reasons, including large hearing backlogs, controversy around hearing decisions, the disproportionately large administrative cost of disability programs,[22] and the program cost implications of disability determinations.

SSA is currently undertaking a major investment to integrate the disability determination process. The Disability Case Processing System (DCPS) project will replace the 54 disparate systems employed by the Disability Determination Services (DDS) responsible for medical determinations of disability. The DCPS is a common case-processing system that will deliver common functionality (e.g., Health Information Technology and decision automation tools), enable consistent support to each DDS, and provide accurate, current, consistent and accessible data. Also, it will enable more efficient policy integration. It will provide a common electronic interface with SSA offices and systems, which are responsible for making the work-based determination of eligibility.

To help ensure that disability hearing and appellate decisions are policy compliant and consistent, the Office of Disability Adjudication and Review (ODAR) developed automated decision support tools to guide decision making of administrative law judges. It also employs data analytics to identify weaknesses in decision making, to inform improvements in decision-making tools and policy, and to target training to judges.

Current agency leadership recognizes the value of data analytics and has sought to promote its application across the agency and to ensure a systematic approach. ODAR staff leads a small training and awareness initiative through the SSA "Academy." An Associate Commissioner-level steering committee on business intelligence has been working to locate data assets, and to identify data "owners" and authoritative sources of data. It has benchmarked capability with best practice and developed a vision for business intelligence at SSA.[23] Based on this vision, sub-teams developing strategy for data governance and guidance to people using the data. Part of this strategy is to develop a "data analytics hub" for agency activities in this area.

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[22] In 2012, SSA's disability programs accounted for 23 percent of total benefit outlays, but 66 percent of the administrative expenses for SSA's three benefits programs. See GAO-13-459, Social Security Administration Management Challenges, May 2013, p.4.
[23] See *Business Intelligence Executive Vision*, Version 4.3, December 2013

Health Information Technology[24] is generally recognized as having the potential to transform the disability determination process, enabling more objective, accurate, and faster determination, as well as enabling more effective data analytics throughout the process. At a minimum, electronic health records in the form of scanned paper records speed the exchange of health information for use in medical disability determinations. In the form of structured (machine-readable) data, electronic health records can enable the automation of processing and greatly facilitate data analytics.

SSA was an early promoter of the transition to electronic health records and has continued to invest over time in the development of information systems, data exchange partnerships with healthcare providers, and active participation in standard setting bodies. However, industry adoption of an electronic health record standard that provides the particular set of health information SSA needs for its disability determinations has been slow. In 2013, less than two percent of disability claims processed benefited from the use of Health IT. Slow adoption has been due partly to the lack agreement among federal government agencies on a common standard. Agreement on a common standard and industry adoption rates are largely outside the control of SSA. However, SSA outreach efforts have been limited by fewer budget resources in recent years.

Modernization of legacy systems
Since 2007, a number of independent reports have identified SSA's heavy reliance on legacy systems, and COBOL-based applications in particular, as a major impediment to the agency's ability to meet future service delivery needs.[25] COBOL is a robust programming language well-suited to certain types of processing and is still widely used in the banking and insurance industries. However, it is costly to write, de-bug, and maintain and is not designed to support web-based applications. Moreover, because COBOL is no longer broadly used, it is difficult to find programmers to replace retiring SSA employees responsible for maintaining COBOL-based systems.

The foundation of SSA's processing environment is the Master Data Access Method (MADAM) system. This is a largely COBOL-based system that connects SSA processing systems to master data files on its customers. A major focus of the SSA's modernization effort is a multi-year program to migrate master data files and other legacy data bases to modern relational database systems that enable automatic data access.

While many legacy databases have been migrated to relational data base systems the legacy structure of the data continues to pose a challenge. Much of the agency's data remains difficult to access, often inconsistent, and not readily integrated. This situation hinders efforts to enhance online service options, data exchange, and data analytics.

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[24] The term, Health Information Technology (HIT), as used here, refers to the management of electronic health records and the secure exchange of these records between consumers, providers, government and quality entities, and insurers.
[25] A review of past reports is provided in GAO-12-495, Social Security Administration: Improved Planning and Performance Measures are Needed to Help Ensure Successful Technology Modernization, April 2012.

IT investment management

Three concerns with the SSA's approach to IT investment include: the reluctance to embrace transformative change; the lack of a long-term strategic focus needed to guide and sustain investments over time; and the lack of ability to develop and implement IT capabilities quickly enough.

SSA officials generally acknowledge a risk-averse approach. They cite the concern of avoiding disruption to the critical public functions the agency performs and the charge of protecting sensitive personal information of citizens. In addition, they acknowledge the insularity of the agency that may limit decision makers' perspective on opportunities for change.

Agency officials attribute the lack of a long-term, strategic focus to a number of factors including: both a lack of agreement on vision and a lack of strong and consistent agency leadership in the past. The absence of agreement and leadership support has contributed to a tendency to spread scarce resources across projects, limiting the pace of progress on any given front.

A number of independent reports have identified the need for SSA to undertake or improve its long-term strategic planning. More specifically, a 2012 GAO report called for SSA to develop a long-term enterprise architecture plan and comprehensive gap analysis to guide its modernization efforts to ensure that it efficiently and proactively develops the capabilities needed to support future requirements for online services and data exchange. In its written response to the GAO report, SSA questioned the need for an overall enterprise gap analysis, arguing that investments are better guided by a bottom-up process wherein guidance is provided to business customers who propose projects that are evaluated based on the business case together with a technology-driven process for identifying at-risk applications in need of modernization.[26]

Leaving aside the relative merits of these two approaches, certain organizational weaknesses appear to have hindered the efficiency and effectiveness of the agency's investment management. The pre-planning or concept development stage of the investment process has been identified as a particular weakness. New service delivery ideas often have not been clearly evaluated in terms of desired outcomes and business process before entering the planning stage, when business requirements must be translated into technical requirements to guide the development and/or acquisition of IT solutions. This lack of business definition elongates the planning stage and the development stage in so far as requirements changes are needed due to poorly conceived project scope. Schedule overruns are further exacerbated by limited and uncertain budgets.

In addition to not always being well conceived, projects have often been designed to meet individual component business needs with insufficient attention to building enterprise-

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[26] See SSA's response in GAO-12-495, Improved Planning and Performance Measures are Needed, p.66.

wide capabilities. This reflects, in part, the stove-piped organization of both the business and technical sides of the agency.

The agency has taken some initial steps to address this weakness. Operations—the primary business customer of IT—has consolidated its IT-related activities under the Office of Electronic Services and Technology (OEST). OEST is responsible for defining business requirements for electronic services to the public as well as IT supporting work processes. The newly established Division of Innovation and Service Delivery within OEST is intended to build Operation's capacity as a customer to translate new service delivery ideas into actionable business requirements that address enterprise-wide needs.[27] A major focus of the Division of Innovation's efforts is supporting the development of new and enhanced online services, provided through MySocialSecurity.

SSA is also making changes to its Capital Planning and Investment Process known as the Strategic Investment and Review (SITAR) process at SSA. An internal review of the SITAR process identified a number of areas for improvement. A core conclusion was the need to better institutionalize the process. One step being considered is to better define the roles and responsibilities of the DCs who serve on the SITAR Board and place greater emphasis on training Board members for their role. The second is to professionalize the Portfolio Executive role to provide greater competence and continuity. This is considered especially important given the turnover in agency leadership.

2.4 Workforce Capacity

Overview
SSA has more than 60,000 employees working in about 1,500 offices across the country. The Operations component accounts for approximately 70 percent of the total workforce. The agency has a very experienced group of employees, with an average age of 47. About 33 percent of employees have worked at SSA for more than 20 years.[28]

SSA employees are passionate and dedicated to their jobs and the agency. The FY 2012 *Federal Employee Viewpoint Survey* (FEVS) results show that most employees believe that their work is important and understand how it supports the agency's overall mission.

The agency has taken a consistent approach to recruiting and retaining a diverse workforce that mirrors the diversity of the American public. About 68 percent of SSA employees are women, and 50 percent[29] are members of minority groups. Women and minorities are well represented in agency senior leadership positions, such as DCs, Assistant Deputy Commissioners, and Associate Commissioners.

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[27] OEST was established in October 2013 with the merger of the Office of Electronic Services and the Office of Automation Support. The Division of Innovation and Service Delivery was formed at that time.
[28] SSA HR data
[29] Social Security Administration. Annual Statistical Supplement to the Social Security Bulletin, 2013. http://www.ssa.gov/policy/docs/statcomps/supplement/2013/supplement13.pdf

Disconnected service channels and siloed workforce skillsets

SSA's workforce structure and skillsets have affected the agency's capacity to develop an integrated service delivery model. SSA currently provides services through multiple service channels, including in-person services, telephone, and internet. Field offices, TSC, and program service centers (PSC) function in silos. Segmented job duties and disparate position descriptions have limited the career development paths for employees. TSC employees can only handle part of the service process and often need to refer customers to field offices. Under this siloed service model, employees do not have the skillsets to address customer needs and process transactions from start to finish. In addition, due to SSA's complex policies and rules, employees are specialized by programs (e.g., retirement, disability, and SSI) and can be very difficult to replace. With a shrinking workforce, the agency cannot afford to continue to operate in this way.   Furthermore, as more work is automated, it becomes less necessary to maintain the current structure.

Attrition challenge

SSA is facing a significant loss of experienced employees with institutional knowledge and expertise.[30] The agency's ASP identifies attrition as one of the greatest workforce challenges. SSA has lost about 11,000 employees[31] since FY 2011. Retirement is the highest source of attrition. 2,631 employees[32] retired from the agency during FY 2012, and 16 percent of the retirees were supervisors. According to SSA's projection, about 45 percent of SSA non-supervisory employees and 55 percent of supervisors will be eligible to retire by FY 2022.[33]

Like most federal agencies, SSA is operating in an austere budget environment. As a result, a hiring freeze has been in place since FY 2010, and the agency has not been able to back-fill its retiring workforce. As baby boomers reach their disability-prone and retirement years, SSA's workload has increased significantly for the past few years, and is forecasted to continue to grow. A shrinking workforce has challenged SSA's ability to keep up with increasing workloads and meet customer expectations.

SSA has taken steps to prepare for attrition challenges. Important actions include developing Retirement Wave Reports to support human capital and financial decision making; rehiring retirees to support institutional knowledge transfer; shifting resources to support the most critical functions of the agency; and using new technologies to capture and maintain institutional knowledge. Interviewees noted that these are "quick-fix" approaches, and the agency lacks long-term strategies for coping with its attrition challenges. SSA's most recent succession plan was issued in 2007.

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[30] SSA received the authority to hire about 9,000 employees in FY 14. The vast majority of new hires are for agency's front line positions.
[31] SSA HR data
[32] SSA FY 2013-2022 Retirement Wave Report. August 2013
[33] SSA FY 2013-2022 Retirement Wave Report. August 2013

Recruitment and retention
Due to the limited budget resources and hiring freeze, it has been difficult for SSA to bring in new employees. As a result, the agency relies on targeted use of temporary employees/contractor support in some components. For example, the Office of Systems hires IT contractors to supplement its federal IT employees. In FY 2011, IT contractor costs accounted for approximately 9 percent of the agency's IT budget, while the costs for federal IT employees represented 32 percent of that budget.[34] According to SSA's Information Resources Management Strategic Plan (2012-16), the ideal ratio of federal IT employees to IT contractors is 3:1.

Generally, SSA has no significant retention issues.[35] From FY 2005 to FY 2010, the agency's one-year and two-year retention rates were over 90 percent and 85 percent[36] respectively; however, it is not clear whether the high retention rates will continue as current human capital research clearly shows that younger employees expect to change jobs more frequently than previous generations.   This tendency is not expected to diminish.

Training
In the current budget environment, training has become an important retention tool for the agency. Interviewees emphasized the importance of providing continuous learning opportunities to employees. The agency offers a variety of different training programs and its training budget is growing this year. However, as budget resources remain limited, SSA has cut most training that involves travel. In addition, SSA uses new technologies to improve its training programs. For example, the agency has implemented the "interactive video training" network and "Video on Demand" programs to provide employees virtual training opportunities. Another example within a specific component is ODAR's "How MI Doing Tool", which gives adjudicators extensive information about the reasons their cases were subsequently remanded and allows them to view their performance in relation to the average of other ALJs in the office, region, and Nation.[37] Training modules have been developed and are linked to this tool so that ALJs can obtain training on targeted issues.

The current training model will not likely meet the needs of an SSA service delivery model of the future. Due to the agency's overly complex policies and procedures, it takes two to three years to train new employees to become fully proficient in their work. Interviewees highlighted the need for accelerating the agency's training process, in part because younger employees are not likely to stay in their positions for very long.

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[34] SSA Information Resources Management Strategic Plan: FY 2012-2016, P.17
[35] Retirement attrition is not a retention issue. SSA has very little difficulty retaining employees who are not eligible for retirement.
[36] SSA FY12 Human Capital Implementation Plan, P.5
[37] Statement of Judge Patricia Jonas, Executive Director, Office of Appellate Operations; Office of Disability Adjudication and Review, Social Security Administration before the Senate Committee on Homeland Security and Governmental Affairs Permanent Subcommittee on Investigations.
 http://www.ssa.gov/legislation/testimony_091312.html

With respect to evaluating training priorities, interviewees noted that competency gap analysis is a significant weakness at SSA. The agency does not have a good understanding as to the competencies that the workforce currently possesses. Some components are further along than others in developing competency models. For example, the OS has an IT Skill Inventory to identify competency gaps that can guide training, hiring, or contracting decisions. SSA leadership has recognized the value of competency gap analysis, and competency-based management has become one of the focus areas in the agency's new human capital operating plan.

Leadership
SSA has highly regarded leadership development programs. Rotation assignments are considered as the most effective component of these programs. However, only a small number of people have the opportunity to participate in the leadership programs, in part because budget constraints have served to limit the pool of leadership candidates. In addition, the agency suffers from a government-wide problem that under the current General Schedule (GS) system, government employees are evaluated and promoted based on their technical skills. Interviewees observed that SSA tends to select leaders for their technical expertise, as opposed to managerial excellence and people skills.

Teleworking
Most interviewees stressed the importance of telework to the agency's future service delivery. SSA has implemented telework in some components/offices (e.g., SSA recently started a teleworking pilot in Operations); however, the implementation process has been slow. According to the FY 2012 FEVS results, management resistance, technical and information security concerns, and job requirements (some front-line jobs require physical presence) are the most frequently cited barriers to the implementation of telework.

Labor relations
SSA has a substantially unionized workforce—over 75 percent of SSA employees[38] are in collective bargaining units. SSA is in the process of building a trusting labor management environment. Under the current administration, SSA has taken a number of steps to improve its relationship with unions. For example, the agency holds regular communications (e.g., quarterly meetings) with unions; SSA managers receive labor relations training on terms of collective bargaining agreements; and unions are involved in the development process of the agency's strategic plan and human capital plan. Thus far, the agency has not faced significant opposition from unions on the use of contractors, teleworking, attrition, or automation. Most interviewees recognized the value of developing an effective and transparent labor management relationship.

2.5 Physical Infrastructure

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[38] SSA HR data

Overview

SSA serves the public through a network of approximately 1,500 facilities.[39] The majority of these facilities are leased, with relatively few government-owned.[40] The headquarters complex includes offices in Baltimore, MD, which conduct program activities and provide support needed to operate the agency. There is an extensive field network that provides the full range of social insurance services from the filing of applications through processing and reviews through in-person, telephone, and video services.[41] The first field office opened in Austin, Texas in 1936 and the network has been built out to support what was a paper-based process with customer files stored within local offices.[42] While some offices may be re-located at the end of lease terms or consolidated to improve efficiency in service delivery, there has been no major re-alignment as new technologies and business processes have been implemented that reduce the dependence on the provision of in-person service such as not requiring customer signatures for some transactions; the use of electronic files; and the introduction of telephone, video, and online service.

Management of SSA's physical infrastructure is shared by:
- Headquarters—the Office of Facilities and Supply Management[43]
- Operations—Office of Public Service and Operations Support[44]
- Disability Adjudication and Review—Facilities, and Security within the ODAR[45]

Facilities planning

The GAO conducted a review of SSA's facilities planning at the request of Congress in 2010.[46] Therefore, the Academy did not duplicate this recent, comprehensive review as part of this study, but rather focused on the changes SSA has experienced since receiving the GAO's report.

The key finding by the GAO was that, while SSA has various processes, tools, and standards to help manage its physical infrastructure, the agency lacks an overarching facilities strategic plan. It noted that the three components that share responsibilities for facilities do conduct some planning efforts; however, there are no written plans to guide actions or clear goals and milestones to assess efforts; not all facilities were covered by then-existing efforts; and SSA was not fully capitalizing on the potential for cost savings through shared

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[39] FY2015 Budget Request, Full Justification of Estimates for Appropriations Committees

[40] Social Security Administration Office of Inspector General. *Congressional Response Report: The Social Security Administration's Facilities Management* A-13-11-21110. November 2010.

[41] Descriptions of each office type can be found in Appendix C of GAO A-13-11-21110.

[42] Real Property Cost Savings and Innovation Plan FY2013-2015; Service Delivery Plan 2-20-2103

[43] A description of the office functions can be found http://www.ssa.gov/org/orgdcbfm.htm#ofsm2

[44] A description of the office functions can be found http://www.ssa.gov/org/orgdco.htm#opsos2

[45] A description of the office functions can be found http://www.ssa.gov/org/orgdcdar.htm#obfs

[46] The key questions of the GAO review were: "Does SSA have a comprehensive strategic plan with regard to its facilities? What facilities are included in the plan (e.g. teleservice centers, field offices, etc.)? Does the plan address current and future facility needs? Given the changing demographics, increased workloads, and technological advancements, what is the process and/or criteria used by SSA to determine: (1) the degree to which currently occupied space is being effectively utilized; (2) the type, number, and location of new facilities; and (3) placement of staff and/or equipment within all facilities?" GAO A-13-11-21110.

space. The GAO report also highlighted the need to better plan for how changes in technology will also change the agency's facilities requirements.[47]

Current facilities planning efforts are generally short-term in nature. Twenty percent of field offices are scheduled to undergo service area reviews each year to ensure that service delivery is consistent with the needs of the area being served.[48] Office leases begin a review approximately two years before the end of their term. The most recent service area review informs choices about lease renewal or possible relocation or consolidation of offices.

At the time, SSA disagreed with the GAO's recommendation to develop a centralized strategic plan. During interviews for this study, most agency representatives, when asked about this matter, still did not see the need for an agency-wide strategic plan. They indicated that work across the components continues to improve and expressed concern that centralizing such a function would result in a disconnect from the operational needs of the agency. However, several did indicate that, as more transformational technology is put into place, more integrated planning could aid in transitioning to the optimal use of that technology and greater potential for shared space.

Strategic steps
SSA has taken a number of steps to improve physical infrastructure management and planning. Many interviewees noted that these steps have improved the working relationship across components. These include:
- Real Property Cost Savings and Innovation Plan FY2013-2015 (Real Property Plan) —this document provides an overview of efforts to streamline facilities while improving service. It is agency-wide in scope.[49]
- Update of Space Allocation Standards—in 2012, SSA updated its space allocation standards to facilitate the more efficient use of space due to improvements in technology and current staffing patterns.[50]
- Update of Master Housing Plan—SSA indicated in interviews that it is finalizing an update of the Master Housing Plan. This will guide more efficient use of space for the Headquarters complex.
- Centralized Space Acquisition Authority—SSA has centralized oversight of new space requests by requiring all to be approved by the Associate Commissioner for Facilities and Supply Management.[51]

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[47] GAO. *Critical Infrastructure Protection: An Implementation Strategy Could Advance DHS's Coordination of Resilience Efforts across Ports and Other Infrastructure*. October 2012. GAO A-13-11-21110.
[48] The process is specified in the Automated Instruction Manual System Chapter 12. It includes review of factors such as demographics and workload, staffing, accessibility, and other characteristics of the area.
[49] Real Property Cost Savings and Innovation Plan FY2013-2015.
[50] Space Allocation Standards Memorandum, April 18, 2012. This is in keeping with the Administration's "Freeze the Footprint" initiative, Office of Management and Budget Memorandum M-12-12.
[51] Real Property Cost Savings and Innovation Plan FY2013-2015.

Facilities cost containment

The network of SSA facilities represents a significant cost for the agency with $727.6 million requested for rent in FY2015.[52] SSA is building upon previous efforts to streamline operations and to address sustainability of federal facilities including the total cost associated with them.[53] SSA's Real Property Plan outlines the agency's approach for reducing its facilities footprint from 26.4 million usable square feet in FY2012 to 24.5 million usable square feet in FY2015. Interviewees indicated that this reduction is due to more efficient operations, the updated space allocation standards, and as a result of workforce attrition. The expectation is that improvements in service will allow for infrastructure savings that can be re-directed into additional service improvements.

During the timeframe of this plan, SSA's total rent budget is still projected to increase by over $33 million.[54] This is due to the rising costs of commercial rent in facilities requiring improvements such as the construction of security barrier walls or customer waiting areas. The average cost per square foot was $14.18 in FY2001 and rose to $24.02 by FY2011.[55] Also rising is the cost of operating facilities such as utilities, communications, and security.

The Real Property Plan includes discussion of efforts across the entire agency. Several interviewees indicated that it could serve as a foundation for future facilities strategic planning efforts. It does not include the goals and milestones GAO recommended the agency develop, but those could be added in future iterations. The Real Property Plan includes discussion of options that hold potential for additional streamlining and cost containment including co-location, consolidation, online and video services, and increased telework. As SSA implements service delivery enhancements including automation and additional online services that alter workflow, interviewees indicated the need to look at the resultant changes that might require or enable for the agency's physical infrastructure.

Stakeholder concerns

Relocations, consolidations, and other changes to SSA's physical infrastructure generally raise concerns about service availability and jobs from both internal and external stakeholders. SSA has a detailed process to review service delivery and address current or emerging needs of the served community and includes stakeholder engagement.[56] Given congressional concerns that the process is not comprehensive or transparent, SSA is now required to submit a report to Congress detailing its plans and ensuring that public input is sought on any proposed closures.[57]

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[52] Justification of Estimates for Appropriations Committees Fiscal Year 2015.

[53] Sustainable Building Implementation Plan, December 2009.

[54] Real Property Cost Savings and Innovation Plan FY2013-2015.

[55] Service Delivery Plan, February 20, 2013 draft.

[56] The process is specified in the Automated Instruction Manual System Chapter 12. It includes review of factors such as demographics and workload, staffing, accessibility, and other characteristics of the area.

[57] Consolidated Appropriations Act, 2014: Joint Committee Report (H.R. 113-76).

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CHAPTER THREE: FACTORS SHAPING THE FUTURE OPERATING ENVIRONMENT

Uncertainty presents a challenge for strategic planning. This challenge is even greater in the case of long-term planning. The development of scenarios is widely accepted as leading practice for incorporating uncertainty into long-term planning and strategy development. The aim of the exercise is to inform a vision of what the organization must look like—what capabilities it must possess—to perform effectively under a range of circumstances.

As part of developing scenarios, the Panel undertook research to identify factors likely to significantly affect the future operating environment of SSA. It identified factors considered to be: (1) relatively certain with respect the direction and pace of change, such as demographic trends, or (2) relatively uncertain in pace or direction of change.

The study team analyzed the first set of factors in terms of how they come together to create organizational imperatives for SSA. They are the focus of this chapter.

The second set of factors was used to develop scenarios or possible alternative future operating environments wherein the imperatives and/or SSA's capacity to respond to them was significantly altered.

Appendix E provides a discussion of the methodology used to identify factors and develop scenarios. It reviews the full set of factors considered and the scenarios developed.

3.1 Explanation of Factors

The Panel identified nine factors believed to be significant and relatively certain in their impact on the future operating environment of the SSA.

Demographic trends related to volume of work. The aging of the population has predictable implications for the volume of programmatic work that will face SSA over the next 10 to 15 years. A GAO analysis of SSA beneficiary data indicates a 37 percent increase in the number of SSA program beneficiaries between 2012 and 2025. Baby Boomers have entered their disability-prone years prior to retirement age leading to an increase in claims for disability and SSI benefits together with follow-on work of conducting continuing disability reviews.[58] This disability-related work will diminish significantly as individuals reach retirement age. As Baby Boomers reach retirement age, retirement claims will increase. Baby Boomer retirement claims are projected to continue increasing beyond 2025.

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[58] The term Baby Boomers refers to people born during the demographic Post–World War II baby boom between the years 1946 and 1964. People become more likely to experience disabling conditions beginning at age 55. The number of Americans age 55 and older will increase by more than 10 million between 2015 and 2020. See Social Security Agency Strategic Plan 2014-2018.

Another important demographic trend related to the workload of the agency is the growing proportion of the population whose native language is not English. This is expected to translate into a growing demand for language-related services.

Continuing fiscal constraint and a shrinking SSA workforce. Flat or declining budgets have become a standard assumption among most domestic agencies. In this fiscal environment, many retiring federal employees will likely not be replaced. A GAO analysis of SSA beneficiary data indicates that over a third of SSA employees will retire between FY 2011 and FY 2020, with still more eligible.[59]

Increasing demand for online services and mobile access. Demand for online services may be expected to increase over time as the Baby Boom generation ages. This generation, is more comfortable accessing services online than the current generation of retirees.[60] The rapid spread of mobile devices, ease of use, and growth in service provision via these devices will fuel expectations for mobile access to government services. Also, smart phones and other mobile devices may provide an opportunity for delivering services online to SSA customers who lack traditional internet access in their homes.

Continued need to provide direct assistance options. Still, some citizens, including people with disabilities or no access to the internet, will need direct service, and SSA must make provisions for them.

Increasing demand for data access and sharing. The past 25 years have witnessed growing emphasis on making government documents and data available to the public in the name of transparency and reducing unnecessary duplication of effort. The increasing availability of data and "apps" has fueled public demand for data. Also, in the evolving "sharing economy," business has increasingly come to value stores of data that can be leveraged for commercial purposes. Finally, recognition is growing that "big data" can be leveraged to improve services across the government. SSA, like other data-centric agencies, will be under growing pressure to make its data available and to leverage this data to provide services outside of its traditional mission areas.

Increasing cyber threat. It is generally accepted that cyber-attacks will increase in volume and sophistication. In a recent report, GAO noted the dramatic increase in reports of

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[59] GAO-13-459, Social Security Administration: Long-Term Strategy Needed to Address Key Management Challenges.

[60] Pew Research's Internet Project tracks internet use of American adults over time. Its latest survey from September 2013 indicates that American adult use of the internet is up from 14% in 1995 to 86%, showing steady growth over time (http://www.pewinternet.org/data-trend/internet-use/internet-use-over-time/). While only 57% of 2013 respondents age 65 and older use the internet, that figure grows to 88% of survey respondents in the 50-64 age group (http://www.pewinternet.org/data-trend/internet-use/latest-stats/). These data are important in light of the 10-15 year outlook this study has, bearing in mind that many in the 50-64 year old group will seek SSA services in 2025-2030.

security incidents, the ease of obtaining and using hacking tools, and steady advances in the sophistication and effectiveness of attack technology.[61]

Changing mix of workforce skills supporting service delivery. While the precise mix of skills needed to support the new electronic service delivery model is not yet clearly defined, certain skills and abilities are commonly identified as increasingly important. These include: cognitive skills[62] (e.g., problem solving, analysis); capacity to learn and adapt new skills quickly; ability to communicate effectively (both in-person and virtually) on difficult issues; data-analytic skills; general skills and knowledge needed to manage transactions to completion;[63] and specialized technical knowledge and skills in areas such as cybersecurity.

Workforce preference for greater job mobility. Generation X and the Millennial Generation[64] show a markedly different attitude toward their careers than prior generations. Younger generations are inclined toward greater mobility across organizations and sectors[65] and are less likely to stay in a single organization for most or all of a career. These changing attitudes suggest greater staff turnover for many organizations. While the exercise of these preferences may vary depending on overall economic conditions, job tenure is likely to be significantly shorter on average.

Government unions. It is expected that government unions will continue to have a strong voice on issues related to the organizational realignment needed to take advantage of opportunities created by electronic service delivery, automation, and other information technology applications enabling new ways organizing work. Efforts to redefine roles and responsibilities and reengineer work processes will have to address union concerns, such as employment opportunities, pay grades, and work rules.

3.2 Organizational Imperatives

The factors discussed above come together to create a set of imperatives for service delivery organizations like SSA. These include:

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[61] GAO-13-187, National Strategy, Roles, and Responsibilities Need to Be Defined and More Effectively Implemented, February 2013. The number of cyber incidents reported by federal agencies to the U.S. Computer Emergency Team increased by 782 percent from 2006 to 2012.

[62] Institute for the Future. *Future Work Skills 2020*. http://www.iftf.org/uploads/media/SR-1382A_UPRI_future_work_skills_sm.pdf

[63] Social Security Advisory Board. *A Vision of the Future for the Social Security Administration*. March 2011. Social Security Administration. *Service Delivery Plan*. February 2013.

[64] Generation X is the generation born from the early 1960s to the early 1980s. The Millennial generation covers people born from the early 1980s to the early 2000s.

[65] KPMG Government Institute. *Whether You're Ready or Not, We're Millennial-Bound: Recruiting and Motivating Today's Millennial Generation.* April 2009. http://www.kpmginstitutes.com/government-institute/insights/2009/millennial-recruiting.aspx

Jeanne Meister. *Job Hopping is the 'New Normal' for Millennials: Three Ways to Prevent a Human Resource Nightmare.* Forbes. http://www.forbes.com/sites/jeannemeister/2012/08/14/job-hopping-is-the-new-normal-for-millennials-three-ways-to-prevent-a-human-resource-nightmare/

Increasing electronic service delivery and automation. Tight budgets, fewer personnel, increasing workload, and changing customer expectations of service delivery are driving agencies to move services online and to automate processes. Also, advances in IT have enabled agencies to implement virtual approaches to organizing work, such as telework, as a means of reducing infrastructure costs as well as providing a more flexible work environment.

Realigning the organization and workforce. Electronic service delivery, automation, and IT-enabled opportunities for reorganizing work, together with fewer agency personnel to do existing work, are pushing agencies to realign their organizations. Examples include changes in the roles and responsibilities among components; position descriptions and pay grades, and work processes. Realigning the organization also entails changes in the distribution of employees geographically and across the organization.

Developing a workforce with a different mix of skills. The new electronic service delivery model will require a different mix of skills. These skills may be obtained through a combination of hiring new employees, retraining existing employees, and contracting, as appropriate.

Reducing and reconfiguring its service delivery infrastructure. The shift toward online service delivery, increased automation, and IT-enabled approaches to organizing work (e.g., telework and virtual centralization of functions) make the reduction or re-alignment of physical infrastructure an important opportunity to reduce costs in a tight budget environment.

Increasing agility. The rapid pace of technical change, evolving service delivery models, and increasing cyber threats place a premium on the agency's ability to respond rapidly to change. Its success will depend on factors including a more robust process for planning and managing information resources, organizational and workforce realignment, and greater use data analytics.

CHAPTER FOUR: CREATING AN AGENCY-WIDE VISION

Long-term strategic planning is built on an assessment of present operational structure and service delivery, and a clearly defined vision of how the agency aspires to operate and deliver services in the future and what capabilities it will need to meet those aspirations. Chapter 2 provided a summary of how the agency operates at present. Chapter 3 reviewed key factors that will shape SSA's general operating environment 10 to 15 years from now. Based on an analysis of these factors, the Panel, in consultation with the SSA executives, several employee groups, advocacy groups, and others, developed a long-range vision for SSA. Appendix F provides a summary description of the methodology used to devise the vision. This chapter describes the vision.

4.1 Vision

In order to be usable by diverse audiences and for various purposes, the Panel's Vision for SSA encompasses three layers ascending in greater levels of detail:

- Single Vision Statement;
- Seven overarching Vision Components; and
- Twenty-seven more specific Vision Elements organized into five categories.

4.2 Vision Statement

> As a transformed SSA, we anticipate and meet customer needs anywhere, anytime by providing high quality virtual services.

The Vision Statement is intended to capture in a short phrase three key messages that specify how SSA will function in 2025-2030: (1) excellent customer service; (2) expansive use of modern technology; and (3) an agile agency that embraces change. The statement underscores its customer focus and embrace of technology in providing services.

4.3 Overarching Vision Components

The Vision Statement may be better understood by breaking it out into the following seven Components that more specifically describe how SSA aims to operate and provide services in 2025-2030. Consistent with the Vision Statement, the components offer a broader picture of various dimensions of SSA transformation.

> **To fulfill SSA's mission in 2025, as part of a comprehensive approach to delivering government services, we:**
>
> 1. **Value our diverse workforce that reflects the public we serve.**
>
> 2. **Achieve program integrity in everything we do.**
>
> 3. **Are nimble and embrace change.**
>
> 4. **Are flatter and integrated, and able to make timely decisions.**
>
> 5. **Use virtual service channels as our primary means of service delivery.**
>
> 6. **Automate processes to maximize operational efficiency.**
>
> 7. **Operate with a strategically sized workforce and physical infrastructure.**

In summary, the Vision Components call for a broad transformation of the agency's organizational culture and service delivery model that focuses on actively and flexibly meeting rapidly changing customer demands that may be expected in 2025-2030. To that end, the organization will be less hierarchical and will be demonstrably synchronized in planning and implementation across all operating segments.

By 2025-2030, SSA aims to deliver services primarily by virtual means, defined as all modes of service delivery, except for in-person service delivery, including online, phone, click-to-communicate (e.g., online chat, instant messaging, and screen sharing), and video conference. At the same time, the agency remains committed to providing personal service delivery options as necessary and appropriate, including traditional in-person service delivery in the field as well as virtual options for providing direct assistance and face-to-face interaction.

Technology will enable more virtual service, work sharing, and automation of delivery processes. These developments will enable a workforce and physical infrastructure sized and structured to manage the agency's evolving workloads, including direct service delivery to program customers, program integrity (e.g., continuing disability reviews) and

non-programmatic mission responsibilities (e.g., data matching and verification for agency customers).

4.4 Vision Elements

The seven Vision Components flow from a more specific set of Vision Elements, devised in order to provide greater clarity to the agency's vision transformational goals. These 27 Vision Elements contribute to a more precise view of the agency's anticipated future operating model and customer experience that can facilitate the agency's efforts to identify the many discrete actions that it must plan and implement to realize this long-range vision.

In order to better understand the relationships among these 27 Vision Elements, the Panel organized them into five categories:

1. direct service delivery to customers;
2. indirect support of service delivery;
3. planning and management of information resources;
4. workforce; and
5. organizational structure and dynamics.

4.4.1 Vision Elements: Direct Service Delivery to Customers

Direct service delivery to customers includes vision elements related primarily to improving customer service (e.g., quality and timeliness).

1. Virtual service channels are our primary means of service delivery.

2. We provide in-person service delivery in very limited circumstances.

3. Our service delivery is integrated across SSA programs and with external partners to ensure access to a high quality services across government.

4. We simplify programmatic, administrative, and operational policies in order to facilitate customers' applications for benefits and our processing of them.

In order to meet changing customer expectations for service delivery, as well as to deliver services more cost-effectively, SSA aims to deliver services principally by virtual means in 2025-2030. At the same time, the agency remains committed to providing personal service delivery options as necessary and appropriate, including traditional in-person service delivery in the field as well as virtual options for providing direct assistance and face-to-face interaction. While in-person delivery will be more limited than in the past, virtual service delivery channels will preserve and even extend options for direct assistance and face-to-face interaction. Service delivery will be integrated across channels (e.g., click-to-communicate options to complement online service) and across partners, including agencies and non-profit service organizations, to enable greater customer convenience as well as improved cost-effectiveness. Policy simplification will be pursued to facilitate online delivery and improve the customer experience, as well as process improvement.

4.4.2 Vision Elements: Indirect Support of Service Delivery

Indirect support of service delivery includes those elements primarily related to improving the cost-effectiveness of supporting work processes.

5. Our employees access integrated customer data, enabling efficient delivery of services across our programs and with other related government programs.

6. Our work processes are fully automated, except for those decisions that require some human judgment. We use expert systems to guide employees.

7. Our work is "portable" (e.g., electronic case files enable matching workload with available workforce capacity, advancing telework).

8. We employ shared service models for appropriate support functions.

9. We systematically employ data analytics to inform the development of more efficient business processes and ensure program integrity.

Employee access to an integrated set of data on customers will improve efficiency, as well as enhance customer service and program integrity. The automation of work processes and the use of expert systems enable greater efficiency thereby freeing scarce resources to be focused on strengthening program integrity and ensuring that direct assistance is available to those who need it. The virtual organization of work together with a shared services approach enables greater efficiency and flexibility. Data analytics guide continuing efforts to improve business processes and respond to changing circumstances.

4.4.3 Vision Elements: Planning and Management of Information Resources

Planning and management of information resources includes Vision Elements related to the foundational enterprise capabilities needed to support such things as information sharing, cybersecurity, and rapid innovation of technology to meet evolving business needs. It encompasses not just the work of the Office of Systems, but a coordinated effort involving agency leaders and business customers to plan and implement new systems to support mission performance.

10. We manage data at the enterprise level and our business systems are interoperable.

11. We maximize data sharing with external partners.

12. We employ a robust regime for providing information security and protecting customers' personal information over the entire data life cycle.

13. We use a disciplined and responsive management process to enable planning and implementation of new business solutions, utilizing industry best practices to rapidly meet IT and other business requirements.

Enterprise-level data management, interoperable systems, and expanded data exchange support our integrated delivery of services, greater efficiency, improved program integrity, and the agency's ability to respond more quickly to evolving service delivery needs. A robust regime for protecting information security and customers' private information enables success in delivering services primarily online. A disciplined, responsive IT investment management process is essential to rapidly adapt to changing service delivery needs. Business and technical leaders work closely to ensure the marriage of well-designed business processes and cost-effective technology solutions.

4.4.4 Vision Elements: Workforce

Among the most valuable assets of any organization is its workforce. Seven vision elements shape a future human capital management regime for SSA. They support the envisioned service delivery model.

14. Our integrated and diverse service delivery workforce is able to identify customer needs and manage transactions to completion efficiently and effectively.

15. Technology advances create opportunities to have a strategically structured and sized workforce appropriate to evolving workloads.

16. We make greater use of generalists with an emphasis on problem-solving, communication, and data analytics skills.

17. We use data analytics systematically to drive workforce decisions (e.g., training needs).

18. Our workforce delivers services with greater agility, including use of project-based employee and contractor teams.

19. We employ a flexible grade and compensation structure to facilitate career paths that encourage employee retention by providing employee development opportunities across the organization or with partner organizations.

20. Our labor-management relations have a strategic focus on improving agency performance.

Employees with broader skill sets, supported by the portability of work and expert systems, are able to handle a variety of different workloads. Expanded job definitions and opportunities for career development across the organization and with partner agencies attract and retain talent and promote a robust, broadly capable workforce. Data analytics help identify and meet evolving training needs and support improved performance. Unions are engaged in change to enable improved performance, while ensuring that employee needs are met.

4.4.5 Vision Elements: Organizational Structure and Dynamics

Strategically re-aligned organization structure and dynamics support the envisioned service delivery model and work processes. These vision elements are presented last as they reflect the vital role that structure and dynamics play in providing the foundation for an integrated high-performance service enterprise.

21. We embrace change and recognize the importance of purposeful risk (e.g., encouraging new development opportunities and potentially high-yield initiatives).

22. Our adaptive and open culture promotes new collaborative arrangements including those with external partners (e.g., other agencies and third parties).

23. We institutionalize long-term, strategic thinking throughout the organization (e.g., planning, organizational structure, and business processes).

24. We enable an accountable workforce to work in decentralized, non-traditional offices.

25. Our physical infrastructure is strategically reduced and re-aligned based on service delivery changes, and IT and automation investments.

26. Our consolidated and re-aligned organization integrates activities, eliminates duplicative work, and strengthens program integrity.

27. Clear policy direction and automated decision support empower employees and improve efficiency while ensuring quality and program integrity.

Clear policy direction (e.g., decision parameters, definitions of quality) and automated decision support are critical to enabling a flatter organization that is both more efficient and accountable. Structure and processes are in place to enable the communication, coordination, and accountability needed for performance in non-traditional work environments such as telework. A shared services approach enabled by technology supports a more efficient and flexible allocation of staff and resources in the context of a

more collaborative approach to dealing with evolving challenges across the organization. Finally, strategic thinking and a risk management approach are integrated into the life of the organization.

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CHAPTER FIVE: THE HIGH-LEVEL STRATEGIC PLAN

Preparation of a high-level strategic plan was the focus of the project's Phase 3. Simply put, a strategic plan is devised through a systematic evaluation that compares the envisioned future state with the current state, identifying any deficiencies that currently exist, and mapping out how to go "from here to there." Thus, the starting point for constructing it is drawn from a combination of two pieces of the project's work: (1) understanding the "as is" state of the agency, as described in Chapter 2; and (2) developing a vision of how the agency should deliver services in 2025-2030, as described in Chapter 4. In this chapter, the Panel recommends actions to achieve a future vision for delivering services.

The Panel's recommendations were developed based partly on input from SSA executives during strategy planning sessions organized around five topic areas. Further information about these five areas and the methodology used in Phase 3 is provided in Appendix G.

To facilitate integration with SSA's Agency Strategic Plan FY 2014-2018 (ASP), issued on March 10, 2014, the discussion of the Panel's recommendations for a high-level strategic plan is organized into the three categories used in the ASP: Services, Infrastructure, and People. In addition, the Panel's discussion includes a fourth category to address physical infrastructure, as distinct from the ASP's infrastructure category, which refers to IT infrastructure.

Strategic plan recommendations in this chapter are grouped into ten focus areas, each one with at least one strategic plan recommendation. This strategic plan contains a total of 29 recommendations, with each focus area and recommendation clearly labeled. Finally, with respect to most of the recommendations, the Panel also proposes specific actions that SSA might take to implement a recommendation. The Panel understands that SSA is, in some cases, already taking such actions.

Appendix H provides a list containing all recommendations and actions grouped under each focus area to enable a summary view of the high–level strategic plan.

5.1 Services
The "Services" section of the Long-Term Strategic Plan presented here encompasses the three strategic goals SSA addresses in the "Services" section of the ASP—Deliver Innovative, Quality Services; Strengthen the Integrity of our Programs; and Serve the Public through a Stronger, More Responsive Disability Program. This section of the Long-Term Strategic Plan is organized into two focus areas. The first addresses direct service delivery, focusing on the need to develop more cost-effective approaches while ensuring that options for direct assistance and face-to-face interactions remain available to meet customer needs. The second addresses process improvement and automation. While calling for a continued emphasis on disability programs given their high administrative cost and program cost implications, this section looks more broadly at building the capacities needed to guide process improvement and automation.

Focus Area 1: Develop a more cost-effective service delivery system that is primarily virtual, but provides personal service delivery options as necessary and appropriate.
While SSA recognizes that virtual channels (e.g., online, phone, videoconference) should be its primary means of service delivery in the future, it remains committed to providing personal service delivery options as necessary and appropriate, including traditional in-person service delivery in the field as well as virtual options for providing direct assistance and face-to-face interaction. While remaining true to this commitment, SSA should take full advantage of technological opportunities to (1) extend and improve virtual service delivery; (2) rationalize in-person delivery in the field; and (3) encourage customers to move toward more cost-effective delivery channels as appropriate.

Recommendation 1: Extend and improve virtual service delivery

SSA should extend and improve virtual service delivery by 1) improving online services; and (2) integrating online services with virtual options for direct assistance that allow SSA personnel to assist customers as needed to complete applications and other transactions.

SSA should improve online services through the use of rules-engine driven applications and automatic verification of customer data. With the development of a more robust authentication protocol, SSA is now able to move forward with its near-term plans to provide formerly stand-alone online services in one place and to enable customers to access and manage their documents and data through the MySocialSecurity online portal. However, longer-term actions are needed to improve customer service and enable more efficient processing including: (1) the development of rules-engine driven applications, pre-populated with customer information; and (2) automatic verification of customer information based on electronic data exchanges with partner agencies.

Rules-engine driven applications are potentially more user-friendly, directing the customer through the application based on the customer's previous answers and customer information already in the system. Also, they can reduce the processing workload by preventing submission of applications that are incomplete or not compliant with policy and by providing customers with the option for direct assistance in those cases when they are unable to complete the application.

Automatic verification of customer information based on electronic data exchange can improve customer service by accelerating determination. It also improves process efficiency by eliminating the need for manual follow-up with partner agencies to confirm customer information.

These advances in online service and process efficiency depend on improved access to SSA data to enable rules-engine driven applications prepopulated with customer data. Also, changes in policy will be required to enable automatic verification, which is in many cases precluded by federal and state law and policies.

SSA should integrate online services with virtual options for direct assistance. While most transactions may be executed online, customers will still need some form of direct

assistance to help them complete benefits applications for programs, such as Disability and SSI, with more complex requirements. Also, customers with impairments may need additional assistance.

SSA should take steps to integrate online service offerings with virtual direct assistance options that go beyond the general inquiries now handled by the TSCs. These might include enhanced assistance over the phone and click-to-communicate (e.g., click-to-talk, instant messaging, and screen sharing) options that allow SSA personnel to work with customers to resolve issues as needed to complete applications and other transactions.

Integration of virtual service channels would entail not only significant additional technical applications to the new Voice-Over-Internet-Protocol system, but also organizational and workforce changes, such as changes in job descriptions and training to support higher level assistance to online customers.

Recommendation 2: Rationalize in-person service delivery in the field

There are a number of reasons to expect that SSA will have to retain capacity for in-person service delivery in the field. These include providing service for those segments of the population that lack adequate online access or who require additional assistance due to some impairment. Also, interviews indicate that, in the case of Disability and SSI, substantial coordination with other agencies is required to help knit together services for customers across agencies, some of which are local. To the extent in-person service delivery is retained, SSA should take steps to mitigate the in-person service delivery workload that is prevalent today, and enable personnel in future to address the relatively more complex demands of service delivery and the particular needs of those with impairments.

SSA should extend self-service and videoconference delivery options to mitigate in-person workload in the field (near-term action). In its ASP, SSA addresses near-term steps to mitigate the in-person workload of field offices. These include the deployment of self-service options (e.g., kiosks) in a number of field offices, and extending service delivery via videoconference (1) to enable the sharing of claims processing workloads with other field offices remotely; (2) to reduce the travel demands on administrative law judges for hearings; and (3) to ensure access to hearings for customers in remote areas. SSA should aggressively deploy self-service and videoconference options for service delivery in the field.

SSA should improve technology support to make in-person service more efficient. In addition, to the near-term options already noted, SSA should deploy rules-engine driven claims processing in the field offices and take steps to extend electronic access to partner data needed for verification and to enable automatic verification based on electronic data exchange. The rules-engine driven claims processing would improve efficiency, and pre-populated claims would improve customer service and reduce the need for customer to supply as much paper documentation. Rules-driven applications may also reduce the need for specialized training needed for claims representatives, thereby increasing staffing

flexibility. Greater electronic access to partner data and automatic verification would enable greater processing efficiency and better customer service—quicker service with fewer paper documents required of the customer.

These steps depend on data access improvements to enable rules-driven applications prepopulated with customer data and change in policy to enable greater electronic access and automatic verification.

SSA should explore options for partnering in the provision of in-person service delivery. Another longer-term strategy for rationalizing in-person service delivery is to explore opportunities for colocation with partner agencies delivering similar or complementary services to overlapping customer populations. For instance, colocation with the Department of Veterans Affairs (VA) Benefit offices may make sense in certain areas with overlapping customers of disability services. Also, colocation with other federal or state and local agencies may make sense for serving SSI customers who also drawn on other social and economic assistance programs. In so doing, SSA can provide in-person delivery more efficiently and improve customer service by providing a one-stop service location.

Recommendation 3: Develop a plan to accelerate the movement of customers to virtual service delivery channels

While SSA is making progress in providing services through virtual channels and there has been a steady increase in the use of online services by the public, the pace of movement to online services might be accelerated. Also, the efficiencies offered by a shift toward virtual service channels may be more fully realized by reducing or eliminating in-person and paper-based delivery processes in some cases. However, this is not always a straightforward proposition and is often sensitive, as in the case of moving away from paper notices.

SSA should undertake a study to identify options for moving customers to virtual service options. In approaching this, SSA should consider the experience of Internal Revenue Service, a leader in the federal government in this area, which undertook a series of studies to identify options to meet a 1998 congressional mandate to achieve the goal of 80 percent of tax returns filed electronically.[66]

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[66] The 80% *e-file* goal derives from Title II, Section 2001 of the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA98): (a) IN GENERAL.—It is the policy of Congress that— (1) paperless filing should be the preferred and most convenient means of filing Federal tax and information returns, (2) it should be the goal of the Internal Revenue Service to have at least 80% of all such returns filed electronically by the year 2007, and (3) the Internal Revenue Service should cooperate with and encourage the private sector by encouraging competition to increase electronic filing of such returns. See two reports undertaken by Mitre for IRS to develop possible options. Internal Revenue Service, *Advancing E-file Study Phase 1 Report: Achieving the 80% E-file Goal Requires Partnering with Stakeholders on New Approaches to Motivate Paper Filers.* September 30, 2008; Internal Revenue Service, *Advancing E-file Study Phase 2 Report: An Examination of Options to Increase Electronic Filing of Individual Returns.* December 15, 2010.

While a plan for accelerating the movement of customers to virtual service delivery channels should be informed by further study, one element of this plan is clear: making online services so user-friendly that they become SSA customers' first choice for conducting most transactions. This element is embodied in Recommendation 1.

Focus Area 2: Strengthen capacities needed to guide process improvement and automation.

This section of the strategy focuses on actions related primarily to improving the cost-effectiveness of the service delivery process, but also has implications for improving customer service and strengthening program integrity. These actions may include such things as process integration, moving from paper-based processes to electronic processes, automated decision support, the application of data analytics to decision making and service delivery processes, and changes in policy.

Efforts in this area should continue to focus on improvements to disability determination and post-entitlement processes (e.g., continuing disability reviews) given the disproportionate administrative cost of disability programs and the fact that determinations of disability are the gateway to much larger, continuing program costs. Therefore, this strategy advocates continued support for ongoing, longer term major investments such as the Disability Case Processing System, the Intelligent Disability, the modernization of SSI and Title II systems.

Just as important, SSA's investments in process improvement and automation should be guided by a comprehensive policy review and a business intelligence strategy.

Recommendation 4: Undertake a comprehensive policy review

A review of policy should include administrative and operational as well as programmatic policies, and consider opportunities for policy simplification, harmonization of policies across agencies, and clarification of the agency's administrative discretion. Simplification of program policies is identified as an important factor in making Disability and SSI benefits applications easier to navigate and to provide online, and for enabling more efficient processing. Simplification also offers the possibility of improving program integrity by improving consistency of interpretation. Changes in operational policy also offer opportunities, such as allowing SSI claimants to fill out at least part of the disability application online.

Opportunities for harmonization have been identified in two areas: (1) the adoption of a common standard of medical evidence used by SSA and the VA determining eligibility for disability benefits; (2) the adoption of a common standard for electronic medical records by SSA and its federal partner agencies. The former promises to improve customer service and efficiency. By encouraging more rapid adoption of electronic medical records by healthcare providers and thereby providing SSA with more medical records electronically, the latter promises to radically improve the objectivity, consistency, and speed of disability determinations, as well as enabling data analytics that promise further improvements in service delivery.

The review should also consider possible changes in policy that would enable expanded access to data for use in determination processes and automatic verification of data via electronic data exchange. Such changes would greatly improve customer service, efficiency and program integrity efforts.

While policy changes offer a range of important benefits they have not been systematically examined. Also, it is not always clear what policy changes would entail. In some cases, statutory change would definitely be required. Other changes may simply require congressional approval or may be wholly within the agency's discretion, although consultation with Congress and stakeholders would be advisable. Also, some changes may present significant administrative, technical, and political challenges. With these considerations in mind, SSA should:

- Identify an initial set of policy changes offering the greatest potential to advance strategic objectives. This process should include participation by major mission organizations, the Office of Retirement and Disability Policy (ORDP), and the Office of Budget, Finance, Quality and Management.

- Determine what changes would require statutory or other legislative action and what changes are within the agency's discretion. The Office of General Counsel and the Office of Legislation and Congressional Affairs (OLCA) should be engaged to review proposed policy changes and advise on preliminary strategies for pursuing changes.

- Identify technical challenges and opportunities presented by proposed policy changes. Engage the Office of Systems to review the changes to systems and applications needed to effect policy changes as well as consider opportunities for rationalizing systems and applications suggested by policy changes.

- Change group policy with respect to the potential to advance strategic objectives and the relative likelihood and timeframe of achieving changes. This prioritization will enable effort to be focused over time. Also, some policy changes may be facilitated by others.

- Engage groups of internal and external stakeholders to lay the ground work for priority policy changes. A range of stakeholders may need to be engaged depending on the policy. These might include government unions, advocacy groups, partner agencies, OMB, and Congress.

Recommendation 5: Develop a business intelligence strategy.

A strong data analytics capacity is essential to the SSA's ability to identify and guide process improvement efforts, including the analysis of possible policy reforms and their potential business impacts. The importance of data analytics to process improvement has

been demonstrated by ODAR's success in increasing the consistency and accuracy of disability hearing and appeal decisions.

Currently, SSA is hindered in this area by limitations on its ability to collect, access, and readily use data at the enterprise level. This reflects deficiencies in processes, people, and applications and tools, which must be systematically addressed through a business intelligence strategy.[67] SSA should take the following steps as part of such a strategy.

- Develop an inventory of data that would identify what data exist in the enterprise, who owns them, what the data mean, why they are captured, and how they are currently used. This inventory would be followed by decisions establishing authoritative sources of data, common data definitions, and efficient data services.

- Identify those data elements needed to support key decision making and service delivery requirements.

- Connect business intelligence efforts to investment management process to ensure that modernization and new systems development incorporates key service delivery and management information needs.

- Establish a data governance process, such as defining who collects and owns data, and who responds to data requests.

- Establish a data hub within the agency to help channel and integrate agency data quality and business intelligence efforts.

- Identify and target data analytic skills needed in the workforce.

5.2 (Information Technology) Infrastructure

This section corresponds to the "Infrastructure" section of the ASP, but it focuses on improving data access to enable improved online service delivery, electronic data exchange, and data analytics. It also includes a focus on strengthening the investment management process.

Focus Area 3: Improve access to data to enable enhanced online service delivery, electronic data exchange, and data analytics.
A fundamental challenge facing SSA and other service delivery organizations operating in legacy environments is improving its ability to access reliable data, in a timely way, to readily address service delivery requirements. Limitations on data access constrain SSA's

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[67] Business intelligence is an umbrella term that includes the *people, processes, applications, and tools* we use to organize, analyze, and access information in order to improve decisions and manage performance. See *Business Intelligence Executive Vision*, Version 4.3, December 2013, p.3.

ability to realize improvements in electronic service delivery, data analytics, and electronic data exchange.

SSA has taken a two-prong strategy to improving data access—database modernization and data architecture modernization. The first step involves migrating data from legacy database systems to relational data base systems that meet industry standards of automatic data access. The second involves changes in the structure of the data to take advantage of the relational data model.

While these steps significantly facilitate data access, the needed improvements in data access with the SSA's legacy environment will require substantial investment in adapting data and systems not designed to meet these needs. Investments in these areas could easily consume the entire IT budget, driving out investments in a range of important electronic service delivery capabilities. Therefore, this substantial investment must be guided by a business intelligence strategy as discussed earlier.

Recommendation 6: Identify a portfolio of investments to improve data access guided by the agency's business intelligence strategy.

These investments should be planned and readied for execution as funding becomes available and as other windows of opportunity open, such as the need to replace at-risk legacy systems.

Focus Area 4: Strengthen investment management process.
To ensure its ability to quickly and effectively deploy IT capabilities needed to support evolving service delivery and decision-making needs, SSA should take the steps in five areas to strengthen its investment management process.

Recommendation 7: Institutionalize the enterprise portfolio management process.

The starting point for improving the management of IT investments is to establish a portfolio management process. This may be defined as a disciplined method by which an organization's senior leadership evaluates alternative investments to achieve strategic objectives. This process operates by creating the following conditions: 1) bringing together executives from all appropriate organizational components to collaboratively develop a shared understanding of agency needs in a particular mission or business area; 2) completing a comprehensive analysis in the mission or business area to identify ways to improve effectiveness and efficiency across the enterprise; and 3) creating a decision-making process that enables those executives to act effectively on the analysis to drive change in the organization. These conditions are critical to enabling executives to make the hard trade-offs and compromises needed to decide which new capabilities are needed (or

which duplicative systems should be eliminated) for the good of the enterprise, even if it is not the best option for an individual organizational component.[68]

In the case of large, complex organizations, it is considered good practice to divide the portfolio management process into two tiers: (1) a board of top executives responsible for making decisions about the overall portfolio of investments; and (2) a second tier of senior executive decision makers, who oversee individual portfolios of investments focused on achieving individual strategic objectives.

Effective portfolio management is not simply a technical matter. It also involves transformation in so far as it aims to change how organizations make decisions—typically moving away from a decentralized, largely unaccountable approach to investment decisions to a centralized, accountable, enterprise-wide approach. It may take several years to develop a mature process wherein executives are able to come together to define the capabilities and desired end state of major project investments.[69]

Given this long lead time and the reality of leadership turnover, it is vitally important to institutionalize the portfolio management process to ensure continuity and effectiveness over time. SSA is seeking to institutionalize its portfolio management process both at the enterprise level and at the level of individual portfolios organized around strategic objectives. At the enterprise level, it is planning to initiate a regular process for educating executives serving on its SITAR board to ensure that they understand the principles of portfolio management and understand their roles and responsibilities on the board.

At the portfolio level, SSA is considering the option of professionalizing this management function, by providing more in-depth training to perform this role. Institutionalizing this skill set at a working level would ensure competence and continuity in the event of turnover in top leadership ranks, which SSA has experienced recently. SSA should go forward with plans to institutionalize its portfolio management processes.

Recommendation 8: Strengthen the capacity of business customers to develop projects.

An effective portfolio management process depends on a strong planning and analysis capacity to support executives in evaluating the business case for a project and assessing possible alternatives and optimal project scope. The efficiency and effectiveness of the planning and analysis phase depends, in turn, on how well potential project ideas are developed during the pre-planning or concept stage.

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[68] This discussion of success factors is drawn from the written testimony of Chief Information Officer Richard Spires for a House Committee on Oversight and Government Reform, Subcommittee on Technology, Information Policy, Intergovernmental Relations and Procurement Reform hearing entitled "How Much is Too Much? Examining Duplicative IT Investments at DOD and DOE," February 16, 2012.

[69] For discussion of IT portfolio management as transformation, see Jeffrey Kaplan, *Strategic IT Portfolio Management: Governing Enterprise Transformation*. Pittigio Rabin Todd and McGrath (PRTM): 2005.

The efficiency and effectiveness of these processes and the ultimate success of an IT program depends critically on business customers being intimately involved in defining requirements, making hard functionality trade-offs, and being a champion for the program with stakeholders both inside and outside the agency. In the absence of this involvement, planning processes are elongated; costly requirements changes are likely during system development, testing and deployment; and the program may ultimately fail to meet customer needs, and thus waste scarce investment resources.

The effective engagement of business customers depends on the capacity to translate operational needs and new service delivery ideas clearly into business requirements to guide project development. SSA has come to realize that this capacity is lacking and is seeking to build this capacity within Operations to support the development of new and improved virtual delivery options. SSA should continue to build on these efforts.

Recommendation 9: Ensure that IT program management teams include strong representatives from business customer components.

If IT portfolio management has decision making as its focus, IT program management focuses on execution. IT programs vary greatly, and no one model of program management fits all circumstances. However, certain positions have been identified as typically essential to a successful program management team. First among these is a full-time business customer representative who can successfully work with the program management team to define the system's requirements. These individuals should be steeped in the current process end-to-end and have credibility with senior management.

Often business components do not give up the best people to fill this and other essential program management roles. SSA should take steps to ensure that top talent from business customer organizations is devoted to planning and execution of IT programs.

Recommendation 10: Strategically use contractors to support program management teams and to build program management capacity over time.

To the extent possible, senior positions on program management teams should be filled by government employees rather than contractors. This is important for ensuring accountability and to enable the building of the long-term relationships within the agency needed to support program success. However, given the ongoing loss of senior personnel at SSA to retirements and tight budgets, reliance on contractors to fill some program management team roles, at least temporarily, is unavoidable. Virtue should be made of this necessity. The use of contractors can be an important opportunity to obtain fresh perspective and cutting-edge skills that extend the current capacity of the organization and offer the opportunity to build capacity over time. When SSA hires contractors to strengthen near-term technical and management capacity, it should take the opportunity for training junior agency staff for future program management roles and responsibilities.

Recommendation 11: Incorporate enterprise-level requirements in software development life cycle framework.[70]

To ensure that all IT programs are consistent with enterprise-level requirements, these requirements should be incorporated into the software development life cycle framework employed in the investment management process. SSA has done this in the case of authentication protocols that online service applications must meet. SSA should also take steps to incorporate consistent requirements for management information capabilities based on results of business intelligence strategy and incorporate Open Government and Open Data requirements into new systems.

5.3 People

The "People" section focuses on the issues affecting the agency's internal customers—SSA employees, building on the ASP and its goal to Build a Model Workforce to Deliver Quality Service. This section has a broader scope though, and includes four focus areas: Attract and Retain High-Quality Employees for 2025; Develop an Agile Workforce to Support the Agency's Integrated Service Delivery Model; Expand a Results-Oriented Performance Measurement System ; and Reduce Redundant Workloads via Shared Support Services. This section includes shared support services71 (e.g., HR, IT, and Communications) because of its significant impacts on employees and its ability to increase efficiencies of internal service delivery and to free up resources for other critical tasks.

Focus Area 5: Attract and retain high-quality employees for 2025.

The Millennial generation will become the majority of the workforce by 2025.[72] The "Millennial workforce" has attracted a great deal of attention of scholars, policy makers, and media. According to the study team's futures research, Millennials have different expectations for their careers and employers. Most of them are highly educated, grew up with technology, emphasize learning and development opportunities at work, value work-life balance, and do not aspire to spend their entire career with one organization. The talent pool's desired working environment differs from that of previous generations of SSA employees, so SSA must adapt its talent acquisition and retention strategies to fit the changing workforce demands.

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[70] The software development life cycle framework is a structure for defining tasks performed at each step in the development of a software product, including planning; development, testing and documentation; and deployment and maintenance.

[71] Interagency shared support services are not covered in this section.

[72] Paul Keijzer. *How to Motivate, Integrate and Retain the Millennial Generation into your Workforce: 4 Challenges and their Solutions.* http://paulkeijzer.com/motivate-integrate-retain-millennial-generation-workforce-4-challenges-solutions/

Recommendation 12: Continue to attract talent that believes in SSA's mission and public service.

Previous studies show that the Millennial generation is driven by "purposes." They like being part of a big and meaningful mission. According to the 2013 National Association of Colleges and Employers (NACE) student survey, more than 70 percent of the students surveyed want to work for an organization that provides opportunities to build a better community, country, or world.[73]   Although the federal government's pay may not be able to compete with the private sector, there are many nonfinancial motivators that agencies can take advantage of to inspire employees. SSA's mission—delivering social insurance services to the American public—offers the agency a comparative advantage in hiring over the private sector. SSA's recruitment and retention efforts should emphasize the agency's special mission, its broad impacts on the country, and the value of public service. Working at SSA, regardless of job titles or locations, provides the opportunities to make a difference in other people's lives, affect some deeper social issues, and contribute to a better America.

Recommendation 13: Build sustainable talent pipelines to support SSA service delivery.

As discussed in Chapter 2, there is an increasing concern about the impact of the attrition challenge and talent shortage on the agency's service delivery. As a result, it has become important for SSA to build and sustain strong talent pipelines to meet the needs of service delivery and ensure the agency's future success. There are multiple talent pools that SSA can tap into.

The agency should continue its efforts of attracting high-quality entry-level employees by developing robust internship programs and partnerships with colleges/universities. A report from the *Partnership for Public Service*[74] indicates that a large number of college students, especially former federal interns, are interested in joining public service after graduating from college. However, only a small number of former federal interns receive full-time job offers from the government. Quality internship programs offer SSA a low-cost way to build a pipeline of talented, young professionals, providing students with the exposure to SSA's daily operations, opportunities to explore SSA careers and get familiar with the agency culture. The agency can use internships to identify, attract, and recruit exceptional individuals for full-time hires.

Engaging and retaining highly-skilled older workers will help SSA deal with projected labor shortages and maintain institutional knowledge. Baby boomers, a generation with extensive experience and a strong work ethic, are rapidly approaching retirement. However, research shows that most baby boomers choose to work beyond retirement age. According to the *American Association of Retired Persons*' data, about 45 percent of the baby

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[73] Partnership for Public Service, *College Students are Attracted to Federal Service, but Agencies Need to Capitalize on Their Interest,* March 2014.
[74] Ibid.

boomer population plan to work into their 70s.[75] The skills and talents of these experienced workers are an important resource SSA cannot afford to ignore. SSA should expand its current retiree reemployment program to support institutional knowledge transfer and identify additional opportunities to better engage older workers to address the challenges associated with an aging workforce.

SSA should recruit for innovative thinking at all levels and should incorporate managerial competencies as quality ranking factors in selection for mid-level and senior-level positions. OPM has developed the *Supervisory Qualification Guide*,[76] which can serve as a valuable resource as SSA pursues ongoing improvement of its leadership development initiatives. Once SSA has exhausted all opportunities to promote qualified candidates with strong managerial skills from within, SSA will likely need to look outside the agency for qualified candidates.   SSA should improve its recruitment process and policies by removing unnecessary requirements that would put external applicants at a disadvantage. General managerial competencies, rather than agency-specific experiences, should be the basis of the job descriptions for leadership positions. In addition, more interagency/intersectoral partnerships and employee transfer arrangements will help SSA to attract top talent from other agencies and private sector organizations, when appropriate.[77]

Recommendation 14: Create learning and development opportunities to support employee retention.

Numerous studies have concluded that opportunity for professional growth is an effective motivator in building employee engagement. According to the 2013 NACE student survey, learning and career development opportunities are the most important job attribute to college students surveyed.[78] It is critical for SSA to recognize the impacts of learning and career development on the agency's recruitment and retention, especially in a budget constrained environment. The study team's current state research has found that SSA leadership is committed to providing training opportunities and helping employees succeed professionally. To remain an employer of choice, SSA should continue to strengthen its culture of continuous learning to support employee growth.

The study team's research of training best practices reveals that mentoring programs are considered a key element for enhancing organizational and individual development. A successful mentoring relationship provides rewarding experiences for both mentors and mentees. While some SSA executives mentor junior employees on an informal basis, there

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[75] American Association of Retired Persons, *A Top 10 List for Future Employment,* http://www.aarp.org/about-aarp/press-center/info-2003/futureemployment.html
[76] OPM. *Supervisory Qualification Guide* http://www.opm.gov/policy-data-oversight/classification-qualifications/general-schedule-qualification-standards/specialty-areas/supervisory-guide/
[77] Partnership for Public Service. *Building the Leadership Bench—Developing a Talent Pipeline for the Senior Executive Service.* July 2013.
[78] Partnership for Public Service, *College Students are Attracted to Federal Service, but Agencies Need to Capitalize on Their Interest,* March 2014.

is not an agency-wide mentoring program in place. During interviews, multiple SSA officials emphasized the value of establishing a formal mentoring program. According to the best practice guidelines developed by the Office of Personnel Management (OPM),[79] agencies need to pay attention to a number of key factors when developing mentoring programs, such as leadership commitment, realistic goals and expectations, communication and marketing strategies, clear program policies and guidance, and regular evaluations.

SSA should take an analytics approach to better assess the training needs at the organizational level as well as the individual level. According to the FEVS (FY12), only 55 percent of SSA survey respondents believe that their training needs are assessed. In the future, SSA should build effective tools to capture program data, organize data in a structured format, and use the data to identify skill gaps—error-prone areas that require additional training. Data analytics will allow the agency to provide more tailored training (rather than the same general training for everyone) to improve employee performance. In addition, the agency should develop individual development plans (IDP) to support employee growth. Developing IDPs is considered a good management practice that can assist employees in setting and achieving career goals.[80] IDPs can also help the agency make a better use of its training resources and ensure that the personal career goals of employees are aligned with the agency's overall service delivery requirements.

Technology has changed the way people work, learn, and communicate. Millennials, the digital native generation, expect their learning environment to include technologies. SSA should expand its virtual training and career development initiatives to meet the changing needs of its employees. Compared to traditional face-to-face training, virtual training programs are less expensive and more flexible. For example, mentoring programs do not have to be face-to-face and can be accomplished through email or telephone. Virtual mentoring provides employees a low-cost and time efficient way to develop a mentoring partnership, and the choices of mentors are not limited by locations. Another example of virtual career development is virtual details. SSA can expand its cross-component or headquarters/field offices rotation programs by providing virtual detail opportunities. Virtual details allow more employees to participate in rotation programs to gain a broader perspective and discover new career opportunities without adding travel costs.

Recommendation 15: Use flexible work arrangements (FWA) as a strategic recruitment and retention tool.

The study team's futures research has found that the younger generation has an increased focus on work-life balance. According to a national survey conducted by the Families and Work Institute, Generation X and Millennials are less likely to become work-centric.[81]

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[79]U.S. Office of Personal Management, *Best Practices: Mentoring.* September, 2008.
http://www.opm.gov/policy-data-oversight/training-and-development/career-development/bestpractices-mentoring.pdf
[80] Office of Personnel Management, *Training and Development Policy Wiki.*
http://www.opm.gov/wiki/training/Individual-Development-Plans.ashx
[81] In this survey, work-centric is defined as "putting higher priority on their jobs than family."

FWAs are especially appealing to younger employees who have a strong desire to better blend work and personal time. Some common forms of FWA include: teleworking, compressed workweek, part-time work, job sharing, and flexible work hours.[82] Successful use of telework and other FWAs will help the agency reduce overhead costs, improve employee loyalty and job satisfaction, and increase workforce diversity and productivity.

Technology will significantly change the working environment and enable the agency to develop a more virtual workforce. The notion of having to work from 9am to 5pm and coming to an office will likely change. Advanced technology will allow more employees to work effectively and efficiently from anywhere, anytime. Teleworking is quickly becoming increasingly commonplace in both public and private sectors.

According to the FY 12 FEVS, only 15.4 percent of survey respondents had received approval to telework at SSA. As many researchers point out, the biggest challenge to the implementation of telework (and other FWAs) is usually not technology, but rather leadership and organizational culture. A change in mindset is required. The agency must foster a culture that not only accepts, but also encourages, employees to participate in FWA programs. It is important for leaders and supervisors to develop the skillsets to effectively lead the agency and keep employees motivated in a virtual environment. Additionally, many interviewees cited technology security and equipment as being their major concerns with teleworking. However, this technical challenge cannot be used as an excuse for not implementing telework. To address this problem, the agency should conduct a thorough review of the current IT security weaknesses and develop solutions, provide IT security training to managers and employees, and invest in the technologies/equipment (e.g., laptop, software) needed for telework. Moreover, SSA should provide training to employees to help them understand the agency's telework (and other FWAs) policies and performance expectations, and develop the skillsets required to work remotely (e.g., virtual communications skills and e-collaboration skills). Unions should be included in the designing and implementing process of FWAs, as union support is critical to the success of FWAs.

Focus Area 6: Develop an agile workforce to support the agency's integrated service delivery model.
In this continuously evolving environment, workforce flexibility and adaptability are critical components to an organization's success. To support an integrated service delivery model, SSA should build an agile workforce by adopting a flexible position and grade structure, providing multiple career development paths, recruiting employees with strong problems solving skills, and using analytics to anticipate changing talent needs.

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http://www.abcdependentcare.com/docs/current_news.shtml
[82] Society for Human Resource Management, *Workplace Flexibility in the 21st Century,* November 2008.

Recommendation 16: Develop a more flexible position and grade structure that better reflects the work of SSA today and in the future.

The study team's current state research reveals that SSA's frontline positions and workloads are highly specialized. The agency will need a more flexible position management structure to support its future service delivery. SSA should continue to review its position descriptions to identify the positions that should be combined or eliminated to improve the agency's operational efficiency. Under a more integrated service model, each frontline position will represent a much wider set of duties and responsibilities. There will be no significant difference between the responsibilities of customer representatives in TSCs and FOs. The agency should adopt a consistent GS grade structure for its frontline positions across the board, facilitating employees' career development and encouraging retention. Employees should develop the skillsets to handle cases from start to finish or hand them off in a seamless way. SSA should work with the OPM to ensure relevant classification standards are up-to-date and better match the new service delivery model. The agency should consult employee unions and other key stakeholders when making changes to the position and grade structure to avoid misunderstanding and obtain their cooperation and support.

Recommendation 17: Embrace a "Career Lattice" concept to offer employees multiple career development paths.

The Career Lattice concept has emerged as a more flexible approach for an organization to build talent and boost employee retention in both public and private sectors. Currently, SSA's workforce has the challenge of residing in traditional government career development paths. Some operational policies (e.g., the rule of three, which limits the number of cross component transfers to three per year) have greatly limited employees' cross-component movements. SSA should develop more flexible policies and structures that enable employees to move across components more easily to gain exposure to a variety of functions and projects, and discover new career interests. Lateral movement within SSA can serve as a strategic tool to retain high-performing employees by offering them more flexible options to grow their career and stay in the agency. These lateral moves should support service delivery needs and contribute to the overall goal achievement of the agency.

Recommendation 18: Recruit and develop employees with strong problem solving and analytical skills.

To develop an agile workforce, problem-solving and analytical competencies are considered the foundational skillsets that SSA should look for when recruiting. With advanced artificial intelligence tools and simplified program policies, highly specialized technical expertise will become less important for SSA frontline positions. Employees will not have to memorize all of the rules and policies, but should be able to use their problem-solving and analytical skills to quickly learn the technical aspects of a job, and interpret and apply policies in a meaningful way. People who have those foundational skills can be shifted to other positions as needed, and they should be able to easily adapt to changing

requirements. To that end, competency models for future service delivery methods should be researched and developed to support refined qualification standards as needed, including the possible development of SSA-specific selective factors for recruiting and examining talent. Those competency models should also underpin SSA training and development programs.

SSA should implement cross-training programs to broaden employee skillsets and provide the agency more workforce flexibility. Employees with skills outside of their immediate functions can adapt rapidly to expanded responsibilities. In addition, the agency should provide more cross-component or headquarters/field offices rotation assignments. Such programs can help employees get familiar with the work in other components/offices, gain a broader exposure to the agency's operation, and explore new career development opportunities.

Recommendation 19: Use analytics to anticipate changing workforce needs.

To improve workforce agility, SSA must develop its capability to perform predictive workforce analytics. In other words, the agency should rely on good use of analytics, as opposed to merely relying on best judgment of experiences or gut feelings, to anticipate the agency's changing needs and make workforce decisions accordingly. SSA should continue to develop the Retirement Wave Reports to better predict employee attrition and gauge the overall health of its workforce. Additionally, high-quality workload and workforce data will help the agency develop data-driven talent acquisition strategies by providing a better picture of how many new employees/contractors should be hired, and what types of employees (and with which skillsets) are needed. Analytics will bring more rigor to SSA's workforce planning to ensure the agency get the right people at the right time to support its service delivery model.

Focus Area 7: Expand a Results-Oriented Performance Measurement System.
Performance measurement is a long-standing, government-wide management challenge. Building a results-oriented performance measurement system is not a new concept. As we enter a virtual working environment, measuring employees' performance based on results, rather than physical presence and observed behaviors, has becomes increasingly important. To ensure employee performance, SSA will need to set measurable, realistic performance standards and hold employees accountable. Employees, no matter whether participating in FWAs, should have a clear understanding of what their performance expectations are and how they can differentiate themselves from others.

Recommendation 20: Build on agency best practices to identify and measure outcomes.

Researchers have identified a number of best practices[83] for building performance measurement systems oriented toward results. First, an explicit connection between individual performance goals and the agency's overall mission and strategic objectives is a key element of effective performance measurement. The clear linkage can help employees understand how their daily performance contributes to the organizations' performance and transformation. Also, rewards should be linked to performance evaluation based on achieving results. In the FY12 FEVS, SSA employees identified performance management as their major concern. How to deal with employees with poor performance is one of the most enduring complaints in the federal government. Some SSA officials also noted that some managers at SSA tend to ignore low performers. Tolerance of poor performance erodes morale and drags down the overall performance of the agency. High performers should be recognized or rewarded, while poor performers should be held accountable with performance improvement plans developed and appropriate actions taken. Finally, agencies should engage labor unions early in the process to build employee buy-in for the results-oriented performance measurement system. Early involvement of unions is a key factor to ensure successful implementation of the performance measurement system. Following these best practices will facilitate the development of a results-oriented performance system and management culture within SSA.

Recommendation 21: Use performance data to support management decisions.

Agencies are required to collect performance data to meet external reporting requirements, and as a result, there is a large amount of performance information available in federal agencies; however, not many agencies have made a good use of the data they have to manage for results. Agency leaders can use performance information to make informed management decisions. GAO has identified the lack of analytical capacity as one of the barriers to the use of performance information.[84] SSA should build and strengthen its capacity to effectively capture and analyze performance information to support the agency's decision making. "People" is viewed by SSA executives as the top priority in building the agency's analytical capacity. It is necessary for SSA to invest in developing the analytics talent—staff with strong skillsets to build models and use tools to analyze data, and turn data into understandable information to support the agency's decision making. Data analytic skills are not limited to statistics and math, but also include the skillsets to combine data and business, and develop solutions to solve management problems.

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[83] Government Accountability Office, *Results-oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, March 2003. http://www.gao.gov/assets/240/237578.pdf
[84] Government Accountability Office, *Results-oriented Cultures: Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information*, August 2009.

Focus Area 8: Reduce cost and increase flexibility via shared support services.

To date, SSA has taken piecemeal approaches within pockets of the agency to take advantage of shared service initiatives. The next logical step is to undertake a more comprehensive review of functions to identify the most widespread redundancies so as to focus on areas that could benefit most from comprehensive and strategic shared support services programs. Throughout government, shared support services programs have brought savings in such areas as Human Resources, IT Support, and Communications.

The focal point of increasing the shared service models within SSA is not to centralize employees within a defined physical space but to centralize activities and decision making in order to develop the foundational support for enabling a more nimble, agile and virtual organization. The shift towards shared support services reflects the need to reduce cost and increase flexibility to accommodate changes in the field structure. The following actions can contribute to the agency's systematic efforts to consolidate support functions.

Recommendation 22: Identify the need and opportunity for streamlining and consolidating support functions.

The study team's research indicates a clear opportunity for streamlining and consolidating support functions within the regions, creating a structure with high levels of coordination between the field and headquarters. SSA should conduct a comprehensive review of the current field structure, the anticipated vacancies, and the most crucial vulnerabilities that these vacancies will create.

Recommendation 23: Build a common understanding of shared support services.

It will be essential to build a common understanding of shared support services, exchanging information about what is currently being done and the early successes that have been realized. A crucial step is to ensure that all members of the organization receive the same information from common authoritative sources of what is being done, and where it is being done, within SSA. Sharing this information will illustrate the duplicative processes and help to build support for more efficient approaches to work, and ultimately, improved outcomes for the customer.

Additionally, it is essential that the value of consolidating internal service functions is clearly communicated to all internal stakeholders. The cost savings of reducing duplicative processes provides the opportunity to reallocate funds in order to provide the highest level of service to the most vulnerable populations. SSA should establish communication and knowledge management strategies for formal expansion of shared support services within the agency.

Recommendation 24: Develop standard process steps to establish formal shared support service agreements.

Building on current early success stories of shared support services such as the Geospatial and Public Affairs National Database, there are several steps to be considered. Initial steps

include identifying stakeholders in order to consider all who are affected as well as all who can benefit from streamlining activities; and developing a work group and charter, with defined governance guidelines.

Essential to the process is to develop a business case to provide context and clarity about why an initiative should be pursued.   A formal document should include:

- Background and supporting data (e.g., financial metrics on duplicative processes and dollars wasted);
- Costs, benefits, risks and strategic options for shared support service implementation;
- Clear recommendations for development of agreements in areas best suited for shared support services; and
- Next steps including explicit timelines.

Developing collaborative mechanisms will help to provide understanding of the disparate culture throughout the regions and components of SSA, recognizing that there will be new opportunities for geographically dispersed staff to work together.

Recommendation 25: Focus on accountability of shared support services initiatives.

Once a shared support service agreement has been established, it is important to establish clear guidelines and expectations for performance, especially in virtual shared support services environments.   It is important to track performance of the shared service initiatives with agreed-upon metrics and to share information regularly. Utilizing a mechanism similar to ODAR's "How MI Doing" tool to provide timely, specific feedback and a customized training plan to improve performance, will allow for continuous improvement. SSA should develop a tracking tool to monitor current and future shared support service initiatives in order to provide continuous feedback and course correction as necessary.

Recommendation 26: Identify and embrace key flexibilities needed to enable the strategic expansion of shared support services model.

Shared support service initiatives will require creative and flexible approaches as they are established. SSA should identify key flexibilities needed to support expanded shared support services, beginning with straightforward flexibilities such as the need for extended business hours to ensure all time zones are served and the understanding that temporary staffing needs may require increased physical presence of employees during crucial activity periods (e.g., more IT staff on the ground during an implementation phase or additional HR staff during an open enrollment period).

5.4 Physical Infrastructure

SSA's ASP mentions physical infrastructure briefly to suggest that the agency "evaluate its physical footprint to incorporate improved service options." This report, in part, responds to a congressional request to study physical infrastructure as an area of critical concern relative to improved service delivery. While physical infrastructure is an important element of SSA's operations, it is one that needs to be addressed sequentially, as strategic decision making regarding the bricks and mortar assets takes place. This should result from, and not be the impetus for, a well-defined and established service delivery model.

Focus Area 9: Capitalize on existing facilities planning resources.

Recommendation 27: Continue to conduct needs assessment and expand planning activities.

It is important to identify the best path forward for addressing current and upcoming needs for physical infrastructure in a deliberate and comprehensive manner. This should not be done by relying on opportunistic situations such as leases expiring and scenarios where there is little or no opposition from Congressional representation and local political leadership.

When addressing the location needs for staff and equipment in both the field offices as well as headquarters, updated space allocation standards developed in 2012 should guide the decision making in order to ensure that the most efficient use of space is taking place. These standards were modernized due to improvements in technology and current staffing patterns and reflect an optimal tool for physical infrastructure planning.

An integral support for the development of a facilities strategic plan will be expansion of the elements of the current Real Property Plan. SSA should build on the Real Property Plan as it provides an overview of efforts to streamline facilities while improving service. It is agency-wide in scope and can serve as a useful platform for supporting the value of strategically planning the agency's physical infrastructure evolution

Focus Area 10: Strategically engage all stakeholder groups in facilities planning.

Recommendation 28: Coordinate with service delivery plan development.

Strategic decisions about physical infrastructure need to rely heavily on development and implementation of an increased virtual service delivery plan. This plan will review and adjust current shared support service strategies, flexible work schedules, and portable workloads to make accurate determinations of the facilities needs of the organization.

As SSA works to identify options for moving customers to virtual service options and creates a service delivery plan that meets the needs of customers and employees alike, representatives of key groups is essential. Representation from the Headquarters Office of Facilities and Supply Management; Operations' Office of Public Service and Operations

Support; ODAR Facilities; and Security within ODAR need to be actively involved to ensure the appropriate strategic decisions are being made in physical infrastructure.

As the service plan is developed, technology will play an expanded role in enabling interactions between staff and customers. Sequencing of activities relative to providing alternative customer engagement mechanisms is another critical aspect of strategic changes to physical infrastructure. Whenever possible, SSA leadership should look to integrate video chat in nearby facilities and promote online support tools *prior* to office closures so that these new tools have already begun to be adopted and integrated into the customer experience, thus providing less anxiety related to physical infrastructure changes.

Recommendation 29: Coordinate and expand outreach strategy.

Close coordination with Operations, Systems, and Human Capital activities will be paramount to success, as will devising a strategy for regularly engaging key external stakeholders such as Congress and local governments with open, collaborative dialogue.

SSA must work with a variety of external stakeholders. Involving them as early in the infrastructure review process as possible will allow time to collaboratively identify the best opportunities for strategic realignments of office locations, and to alert SSA to challenges that exist in the field. A deeper understanding of the environments of the field office structures and open dialogue for discussing potential changes provide more opportunity to make decisions and provide comprehensive plans to ensure that there is minimal impact on service delivery in the process. SSA should develop a continuous and routine engagement strategy with Congress and other key stakeholders in order to anticipate and mitigate challenges or opposition to office closures.

CHAPTER SIX: FACTORS FOR SUCCESSFUL PLAN IMPLEMENTATION

The foregoing outlines an ambitious vision and integrated high-level strategic plan that presents significant challenges to SSA as it prepares to serve its customers during the coming 10 to 15 years. Implementation will require strong leadership, laser focus on objectives, comprehensive dialogue within the agency and with stakeholders, expeditious investment evaluation and decision-making, accountability, and a sense of urgency.

The road ahead is fraught with challenges that will test the proven skills and resolve of the SSA organization to successfully pivot its service delivery assets to meet a rapidly-changing future. To be sure, some employees, stakeholders, and advocates will oppose certain aspects of this vision, opting to hold to current paradigms. Challenges to implementation of the strategic plan will also come from elsewhere, such as budget constraints, legal and regulatory limitations, and congressional influence, just to name a few. That said, the SSA's leadership places the agency in certain jeopardy should it ignore or fail to overcome opposition that repudiates clear signals about a future operating environment in 2025-2030.

This chapter provides four factors that will enhance both the SSA's planning and execution of its long-term strategic plan, and will contribute to its efforts to sustain a disciplined approach to long-range visioning and planning.

6.1 Transformation and Organizational Dynamics

SSA touches the lives of more members of the American public than any other agency. From enumeration through survivor benefits, the agency provides services to millions each year and does so with a deep sense of commitment and stewardship. The culture of the agency supports this, but this culture will need to adjust so that it can also support and embrace the paradigm of an agency focused on innovation and willingness to take thoughtful, managed risk in order to improve performance.

The culture also needs to support the pursuit of an agreed-upon mission, recognizing that SSA now has an "identity crisis." Members of the organization have differing opinions about whether the goals of the agency should support transactional performance or should link to a broader social-work-oriented vision for one coordinated, federal government. Additionally, SSA needs to address the disparity of opinions relative to the expectations of the customer and the level of obligation that SSA has to provide services in the manner in which the customer prefers them. Interviewees have articulated the notion that the customer has the right to receive services however he or she chooses and yet others interviewed suggested that the customer will need to adapt, citing other federal and state services that have been moved online with extremely limited or no in-person service options. SSA, as an agency will need to provide one, unified position as it looks to develop and implement a modern service delivery plan, recognizing that this position will not receive universal support or agreement but that it will serve as a consistent foundational element needed to make progress and chart a course for developing a service delivery plan.

As SSA develops its long-range vision and high-level strategic plan, the agency will need to identify the elements of organizational transformation that will facilitate the achievement of these goals. Paramount to moving forward is a clear understanding of the agency's change readiness. After researching best practices for organizational transformations and narrowing them down to the most reputable sources[85] reflecting the most common best practices for organizational transformation, the Panel has identified eight common areas or Key Success Indicators (KSIs) for successful organizational change.

Drawing from best practices identified in both the public and private sectors, the Panel developed the following eight key organizational transformation success indicators, against which it compared and assessed the SSA. Details of the development of the KSIs as well as more specific examples of SSA's strengths and challenges are listed in Appendix I.

Organizational Transformation Key Success Indicators

1. Ensure top leadership drives the transformation.
2. Establish a clear vision and integrated strategic transformation goals.
3. Design the organizational structure that will enable the vision.
4. Create a sense of urgency, implement a timeline, and show progress from day one.
5. Communicate frequently through multiple channels to multiple stakeholders.
6. Dedicate a powerful implementation guidance team to manage the transformation process.
7. Engage employees to seek their improvement ideas, build momentum, and gain their ownership for the transformation.
8. Sustain the effort by nurturing a new culture, rewarding risk, and measuring progress.

SSA has begun to develop key foundational elements that support organizational change, recognizing the need for leadership support, structural realignments and a clear long-range vision. The major challenges for SSA as it looks to transform the organization are centered on what appears to be an inconsistent approach to sustaining the efforts to drive change, including creating urgency and sustaining the effort. The incremental and at time, piecemeal approaches to effecting progress have resulted in a largely static environment, struggling to demonstrate capacity for long-term strategic thinking. The KSIs can serve as guidance for establishing a comprehensive change management plan.

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[85] *Transforming Organizations*, by Mark A. Abramson and Paul R Lawrence; *The Heart of Change,* by John Kotter and Dan Cohen; and A Government Accountability Office (GAO) report to Congressional Subcommittees, *Results Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*.

6.2 Coordination and Accountability

SSA should form a cross-functional team to lead the agency's efforts in implementing this long-term strategic plan. One key practice of successful organizational transformation identified by GAO is establishing a strong implementation team to manage the transformation process. Many government agencies, such as DoD, DHS, and USCIS,[86] established business transformation offices dedicated to implementing their transformations efforts. In its previous study with the U.S. Coast Guard, an Academy Panel also recommended establishing a modernization implementation guidance team to manage the Coast Guard's transformation process.

The implementation team, with sufficient rank and visibility, should be responsible for overseeing the day-to-day activities associated with the implementation effort. The implementation team should be held accountable for carrying out all change initiatives in a coherent, coordinated way with a focus on high priority areas. The team should be vested with necessary authority to allocate resources and make decisions.

The "people" element—the qualifications of team members—is critical to the success of the implementation. Best practice research suggests that a transformation implementation team should be a "cadre of champions."[87] A number of factors should be taken into consideration when selecting team members, including their titles, expertise, skillsets, reputations, and relationship with senior leadership and key stakeholders. Each member of the implementation team should have the ability to achieve results in a rapidly-changing environment, an adequate knowledge of the organization's operations and services, a thorough understanding of the overall goals of the transformation, and trust and confidence of the top leadership. Additionally, team members are often selected from the organization's top performers (e.g., using individual performance ratings as a selection criterion).

The implementation team should be cross-functional. All components (both headquarters and field offices) should be represented on the team to ensure accounting for a wide variety of perspectives in the implementation process. Team members are not necessarily those with top titles, but should have the authority (e.g., hold senior-level positions and be deputized with authority by superiors) and knowledge required to represent their components. Literature highlights the importance of including key line managers in the implementation team.

Large-scale transformation requires focused, full-time attention from implementation team members (as opposed to collateral duty assignments). The performance of the implementation team members should be measured based on agreed results and outcomes that support the agency's overall mission.

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[86] GAO, *Organizational Transformation: Implementing Chief Operating Officer/Chief Management Officer Positions in Federal Agencies.* November 2007. http://www.gao.gov/assets/270/268886.pdf
[87] Ibid. P.26

While it is not necessary to include senior executives of an organization in the implementation team, team members should have visible support from and full access to the top leadership. Change management literature emphasizes that visible commitment from organizational leadership plays a vital role in sustaining momentum. It is also important to identify a senior executive sponsor to ensure leadership accountability and the success of the implementation team. The team should engage in regular communications with the leadership to review implementation plans, report progress, address issues, and resolve conflicts.

6.3 Ongoing Futures Research and Long-Term Planning

To achieve the capacity to pro-actively shape its rapidly changing future, as well as respond to the attendant uncertainties and challenges that the long-term future holds, SSA should designate a dedicated small set of staff to engage in long-term futures work—both in visioning and strategic planning. Among key characteristics, the team might:

1. Be embedded within the OCSO (rather than taking the form of an external consultant) to ensure that the team well understands agency-specific programs, operational issues, and culture;
2. Include individuals with knowledge of, and/or experience in, futurology;
3. Include individuals who have strong communication and research skills;
4. Build quality relationships with other federal agencies that have similar long-term strategy teams in order to exchange best practices and build knowledge transfer networks;
5. Build quality relationships with both public and private sector long-term futurists and consultants in order to remain abreast of current research, methodology, and trends;
6. Identify and monitor key issues and variables (e.g., the adoption rate of Health IT) that may significantly affect SSA's long-term future operational environment so that pro-active, anticipatory actions may be considered by agency leadership and implemented if deemed appropriate;
7. Actively communicate with all agency components with periodic updates and analyses that can be used for distribution across the agency, underscoring the forward-thinking posture;
8. Work closely with short-term strategic planners (five years or less) to ensure consistency between long-term and annual strategic plan content across time periods.

A dedicated, long-term futures team should periodically update the agency's leadership with analysis of major trends and key issues that have an impact on previously adopted visions and strategic plans, particularly in the case when the observations might merit a leadership decision to adjust vision and/or strategic plans.

Even though federal agencies in large part lack systematic long-range visioning and strategic planning at the present time, the Panel recommends that there be a greater focus on this topic by federal agencies and Congress in the coming years. As mentioned earlier,

currently a small number of agencies focus on long-term futures. An effort has been made to informally bring those staff responsible for long-term strategic planning together periodically to exchange best practices. SSA is currently in a position to join this group of federal agencies in an effort to enhance a disciplined and methodical addressing of long-range visioning and planning within SSA, and even across government.   To that end, SSA is poised to contribute demonstrably not only to its own operating future, but also to the federal government as a whole.

6.4 Monitoring Key Factors that Impact the Future Operating Environment

Chapter 3 identified factors that are expected to have a significant effect on future operating conditions, but the pace and direction of change is uncertain. These are deemed important for SSA to systematically monitor, at least on a quarterly basis. The task might best be a part of the long-term strategic process and tackled by an implementation team described in Section 6.2.

The Panel reviews these factors in Appendix E. A summary list is provided below.

1. Economy and jobs
2. Political environment
3. Pace of customers' shift to online services
4. Cybersecurity and identity management
5. Deployment of broadband internet
6. Government approach to consolidating/reconfiguring service delivery infrastructure
7. Immigration policy (and other changes in law, policy and expectations that might lead to a spike in workload)[88]
8. Expansion of health IT
9. Access to needed employee skills

SSA should review these factors and identify those likely to have the greatest impact on its future operating environment. This will position its leaders to proactively shape the agency's future.

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[88] The study team analysis addressed the possibility of significantly increased workload following from changes in immigration policy causing greater demand for labor-intensive services, such as determining the earnings history of the newly legal immigrants. Participants in our vision building session with Operations emphasized the importance of considering a broader array of changes in law, policy, and expectations that might lead to spikes in workload.

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APPENDICES

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APPENDIX A: PANEL AND STAFF

PANEL

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Timothy B. Clark*—Editor At Large, Government Executive Media Group, Atlantic Media Co. Former Editor in Chief, Government Executive Magazine; Editor and President, Government Executive; Staff Correspondent and editor, National Journal; Editor and Publisher, Empire State Report; Associate Editor, National Journal; Writer and Editor, Congressional Quarterly.

Rita Geier*—Former Associate to the Chancellor and Senior Fellow, Baker Center for Public Policy, University of Tennessee, Knoxville; Former positions with the Social Security Administration: Executive Counselor to the Commissioner; Associate Commissioner and Deputy Associate Commissioner for Hearings and Appeals. Former General Counsel, Appalachian Regional Commission; Assistant Director, Commercial Litigation Branch, Civil

Division, U.S. Department of Justice; Regional Director, Legal Services Corporation, Seattle, Washington; Executive Director, Seattle-King County Legal Services; Staff Attorney, Legal Services of Nashville, Tennessee; Instructor, Fisk University; Instructor, Tennessee State University.

Doris Hausser*—Former positions with U.S. Office of Personnel Management: Senior Policy Advisor to the Director, Assistant Director of Workforce Compensation and Performance, Office of Performance and Compensation Systems Design; Director for Strategic Initiatives and GPRA Implementation and Reports; Director, Position Classification, Performance Management and Incentive Awards Programs; Director, Training and Leadership Development.

James Huse*—Independent Consultant, Grant Thornton LLP. Former Senior Advisor (Program Integrity and Investigations), Global Public Sector, Grant Thornton LLP; Chief Executive Officer, InteriGuard LLC; Self-employed consultant, Independent Consultant. Former positions with the U.S. Social Security Administration: Inspector General, Office of the Inspector General; Deputy Inspector General, Office of the Inspector General. Former positions with the U.S. Secret Service: Assistant Director; Special Agent-in-Charge; Inspector; Assistant to the Special Agent-in-Charge; Special Agent. Former Commissioned Officer, U.S. Army.

ACADEMY STUDY TEAM

Joseph P. Mitchell, III, *Director of Project Development*—Leads and manages the Academy's studies program and serves as a senior advisor to the Academy's President and CEO. He has served as Project Director for past Academy studies for the Government Printing Office, the U.S. Senate Sergeant at Arms, USAID/Management Systems International, the National Park Service's Natural Resource Stewardship and Science Directorate, and the USDA Natural Resources Conservation Service. During his more than ten years at the Academy, Dr. Mitchell has worked with a wide range of federal cabinet departments and agencies to identify changes to improve public policy and program management, as well as to develop practical tools that strengthen organizational performance and assessment capabilities. He holds a Ph.D. from the Virginia Polytechnic Institute and State University, a Master of Public Administration from the University of North Carolina at Charlotte, and a BA in History from the University of North Carolina at Wilmington.

Roger Kodat, *Project Director*—Works as a financial professional and Principal of The Kodat Group LLC, with offices in Herndon, VA. He brings 20 years of commercial and investment banking experience with JPMorganChase and six years of senior level government experience at the Department of the Treasury. He holds a BS in Education from Northwestern University and both an MBA in Finance and MA in Political Science from Indiana University.

Brenna Isman, *Senior Advisor*—Previously directed the Office of Management and Budget's Collaborative Forum online initiative to help identify state-level best practices and

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Jonathan Tucker, *Senior Research Analyst*—Joined the Academy staff in 2004, Dr. Tucker is a Senior Analyst with expertise in policy analysis, program evaluation, organizational design and management assessment, strategic planning, and information technology management. He holds a Ph.D. in Public Policy from George Mason University, an MS in Science and Technology from Rensselaer Polytechnic Institute and a BA in Public Policy from New College of the University of South Florida.

Chloe Yang, *Research Analyst*—Since joining the Academy in 2009, Chloe has worked on projects with a range of federal agencies, including the Office of Management and Budget Collaborative Forum Coordination and Facilitation project, the Government Printing Office Organizational Review, the Amtrak Office of Inspector General Organizational Assessment, the U.S. Coast Guard Financial Management and Procurement Review, and the Government Accountability Office Comptroller General Position Structure and Compensation Review. Before joining the Academy, Yang graduated from GMU with a Masters in Public Administration. She also holds a bachelor's degree in Financial Management from the Renmin University of China.

Matthew Gripp, *Research Associate*—Previously served as Research Associate for a past Academy project with the Office of Management and Budget's Partnership Fund for Program Integrity Innovation. Former Attorney in private practice; Research Assistant, St. Thomas University School of Law; Research Assistant, George Washington University. He holds a Juris Doctor from St. Thomas University School of Law, a Master of Public Administration from The Trachtenberg School at George Washington University and BA in Philosophy from the University of Central Florida.

Daniel Orr, *Research Associate*—Prior to joining the Academy, Mr. Orr served as an AmeriCorps VISTA focusing on capacity-building and strategic planning for housing outcomes and completed an internship with the National League of Cities. He holds a Master of Public Administration from Penn State University, Capital College and a BA in Political Science from American University.

Amanda Mullan, *Research Associate*—Joined the Academy in summer of 2012 after having spent time as an intern for the Congressional Research Service in 2011 and the New York

State Assembly in 2010. Has recently completed work on a study for the National Weather Service. She holds a Master of Public Administration from Cornell University and a BA in Political Science from the State University of New York at Cortland.

Academy Fellow

APPENDIX B: SELECT BIBLIOGRAPHY

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APPENDIX C: PARTICIPATING INDIVIDUALS AND ORGANIZATIONS

(Titles and positions listed are accurate as of the time of the Academy's initial contact)

The Panel and study team met with nearly 110 stakeholders through formal interviews, and meetings. The Academy would like to thank these individuals for their contributions.

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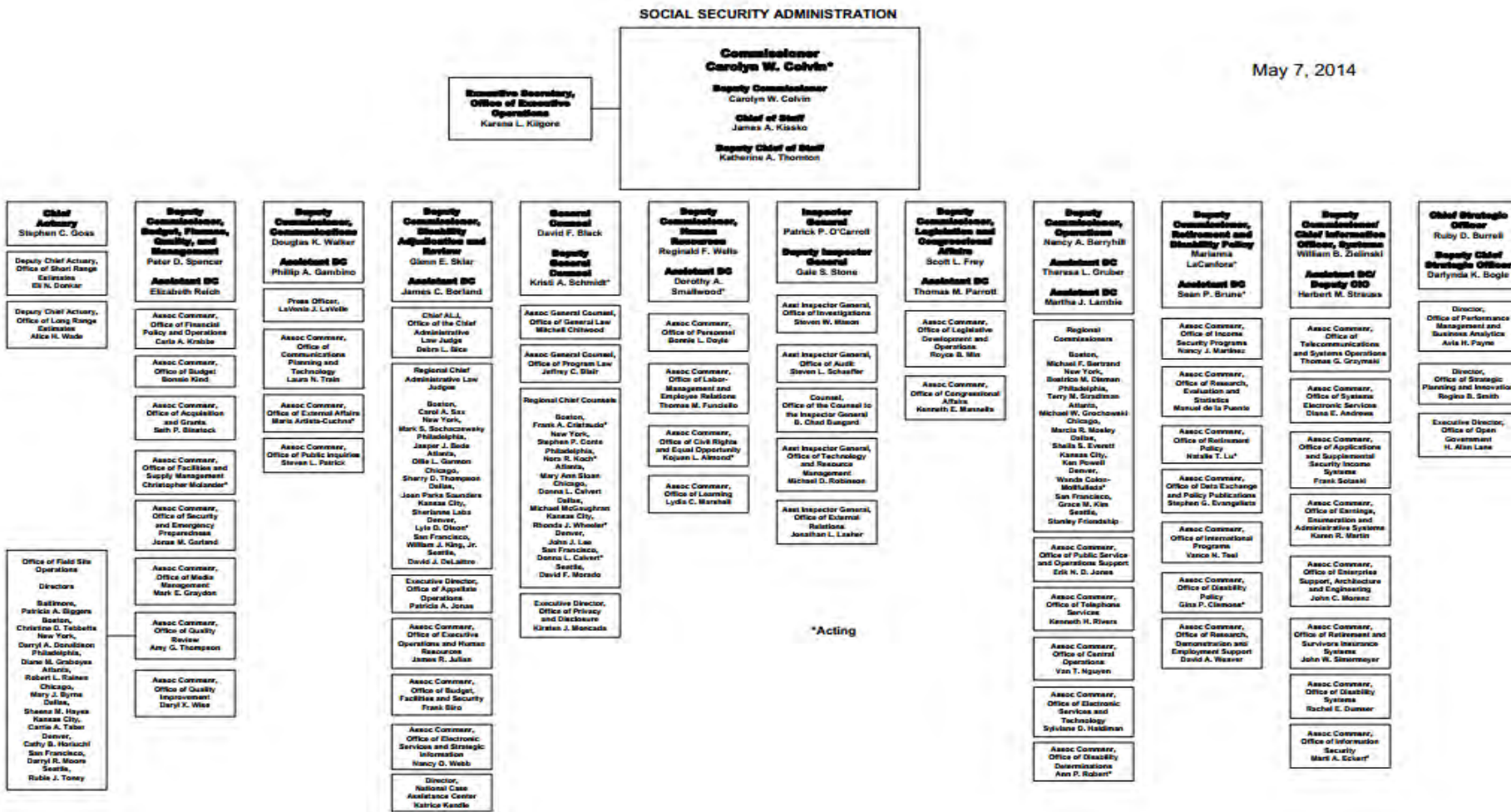Consortium for Citizens with Disabilities

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APPENDIX E: SCENARIO DEVELOPMENT METHODOLOGY

Appendix E is organized into four sections.

1. **Section 1** provides an overview of the approach used for developing scenarios to inform the development of a long-range vision for SSA.
2. **Section 2** discusses (1) "predetermined scenario elements"—relatively certain factors, such as demographic trends, considered to have a significant impact on the future operating environment of SSA; and (2) the organizational imperatives these factors create for SSA.
3. **Section 3** discusses "drivers"—factors considered to have a potentially important impact on SSA's operating environment, but that are relatively uncertain.
4. **Section 4** identifies those drivers considered to be most important—"critical uncertainties"—and discusses the logic used to develop the scenarios. The scenarios are presented graphically and in narrative form.

SECTION 1: OVERVIEW OF SCENARIO DEVELOPMENT APPROACH

Scenarios are a tool for enabling planning under uncertainty, particularly long-term planning (where uncertainty is greater) and "foresight" initiatives. Foresight initiatives may be contrasted with prediction or forecasting the future. Rather than predict what the future state will be, foresight efforts aim to identify and understand possible futures to enable the development of a robust strategy and guide adaptive planning efforts.

As part of its research, the Panel drew on expert resources in the areas of forecasting and foresight and subject matter experts in areas such as information technology/electronic service delivery and demography, and officials involved in ongoing foresight initiatives at the Federal Emergency Management Agency and the Department of Veterans Affairs. It also reviewed SSA vision documents developed in the recent past by the Social Security Advisory Board (2011) and the Federal Systems Technology Advisory Panel (2010).

This research was complemented by interviews with SSA's leadership and key component managers. In addition to understanding the current state of the agency, these interviews were intended to obtain agency perspective on factors affecting SSA's future operating environment.

There are multiple approaches to foresight. The Panel adapted the methodology pioneered by Pierre Wack in his work with Royal Dutch Shell in the 1970s and popularized by Peter

Schwartz of the Global Business Network (GBN).[89]   This is the most widely used approach in government and business.[90]

Steps in Scenario Development

Scenarios were developed in three steps reviewed below.

Step One: Determined key questions to be addressed with scenarios

- A general question was developed: How might a changing operational environment affect SSA's ability to deliver services effectively and efficiently in the future? More specifically:
    - How can SSA continue to meet customer expectations (e.g., quality, timeliness, desired mode of delivery—online, in-person, by phone, service channel integration)?
    - How can SSA deliver services in a cost-effective manner?
    - How can SSA maintain the public trust (e.g., limit waste, fraud and abuse, including improper payments; provide information security and protect personally identifiable information)?
- Then, it was determined that the scenarios would explore possible future operating conditions as they relate to SSA's ability to address four key challenges in an era of fiscal constraint and changing models of service delivery. These include:
    - Increasing electronic service delivery and automation;
    - Realigning the organization;
    - Developing a workforce with a different mix of skills; and
    - Reducing or re-aligning physical infrastructure.

Step Two: Identified drivers

- Drivers are factors expected to have a significant effect on the future operating conditions of the organization for which the scenarios are developed.
- Drivers were identified within four broad categories: social, technological, economic, and political.[91]
- These drivers were assessed with respect to two dimensions:

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[89] See Peter Schwartz, *Art of the Long View*, 1991.

[90] Peter Bishop, Andy Hines and Terry Collins, The Current State of Scenario Development: An Overview of Techniques, 2007.

[91] We sought to identify drivers in five categories—Social, Technological, Economic, Environmental, and Political—commonly used in foresight projects employing the GBN approach. We did not identify any drivers in the Environmental category, which in our view, is not directly relevant to the future operating environment of SSA.

- ▪ Significance of its impact on the future operating environment; and
- ▪ Certainty of its impact on the future operating environment.
  - o Drivers whose impact is determined to be highly important and relatively certain are referred to as "predetermined scenario elements." Predetermined elements "do not depend on any particular chain of events." [92] Demographic trends (e.g., how many people will be reaching retirement age in 2025) are one commonly recognized type of predetermined scenario element. The nine such elements identified are discussed in Section 2.
  - o Also, nine drivers whose impact was determined to be both important and *un*certain were identified. Those drivers were used to develop alternative scenarios. In the literature, those drivers considered to be most important are referred to as "critical uncertainties." It is these critical uncertainties that provide the organizing logic of scenarios. The nine drivers identified and reviewed in Section 3.

Step Three: Developed initial scenarios
  - o Four scenarios were developed to explore critical uncertainties. They employ different assumptions about key drivers to shed light on SSA's vulnerabilities or opportunities.
  - o While assumptions about individual drivers in different scenarios may be understood as pessimistic or optimistic, the scenarios are not intended to represent "best case," "worst case," or "more likely" futures per se.
  - o The four scenarios are summarized in Section 4.

SECTION 2: PREDETERMINED SCENARIO ELEMENTS
The nine predetermined scenario elements are reviewed below. They are then discussed with respect to how they come together to create a set of organizational imperatives for SSA.

Demographic trends related to volume of work. The aging of the population has predictable implications for the volume of programmatic work that will face SSA over the next 10 to 15 years. A GAO analysis of SSA beneficiary data indicates a 37 percent increase in the number of SSA program beneficiaries between 2012 and 2025. Baby Boomers have entered their disability-prone years prior to retirement age leading to an increase in claims for disability and SSI benefits together with follow-on work of conducting continuing disability reviews.[93] This disability-related work will diminish significantly as individuals reach retirement age. As Baby Boomers reach retirement age, retirement claims will increase. Baby Boomer retirement claims are projected to continue increasing beyond 2025.

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[92] The Art of the Long View, P. 110

[93] The term Baby Boomers refers to people born during the demographic Post–World War II baby boom between the years 1946 and 1964. People become more likely to experience disabling conditions beginning at age 55. The number of Americans age 55 and older will increase by more than 10 million between 2015 and 2020. See Social Security Agency Strategic Plan 2014-2018.

Another important demographic trend related to the workload of the agency is the growing proportion of the population whose native language is not English. This is expected to translate into a growing demand for language-related services.

Continuing fiscal constraint and a shrinking SSA workforce. Flat or declining budgets have become a standard assumption among most domestic agencies. In this fiscal environment, many retiring federal employees will likely not be replaced. A GAO analysis of SSA beneficiary data indicates that over a third of SSA employees will retire between FY 2011 and FY 2020, with still more eligible.[94]

Increasing demand for online services and mobile access. Demand for online services may be expected to increase over time as the Baby Boom generation ages. This generation, is more comfortable accessing services online than the current generation of retirees.[95] The rapid spread of mobile devices, ease of use, and growth in service provision via these devices will fuel expectations for mobile access to government services. Also, smart phones and other mobile devices may provide an opportunity for delivering services online to SSA customers who lack traditional internet access in their homes.

Continued need to provide direct assistance options. Still**,** some citizens, including people with disabilities or no access to the internet, will need direct service, and SSA must make provisions for them.

Increasing demand for data access and sharing. The past 25 years have witnessed growing emphasis on making government documents and data available to the public in the name of transparency and reducing unnecessary duplication of effort. The increasing availability of data and "apps" has fueled public demand for data. Also, in the evolving "sharing economy," business has increasingly come to value stores of data that can be leveraged for commercial purposes. Finally, recognition is growing that "big data" can be leveraged to improve services across the government. SSA, like other data-centric agencies, will be under growing pressure to make its data available and to leverage this data to provide services outside of its traditional mission areas.

Increasing cyber threat. It is generally accepted that cyber-attacks will increase in volume and sophistication. In a recent report, GAO noted the dramatic increase in reports of security

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[94] GAO-13-459, Social Security Administration: Long-Term Strategy Needed to Address Key Management Challenges.

[95] "Three out of four adults aged 40 years and older use the internet, whether via a computer, laptop, smartphone, tablet, or some other device. Nearly Six in ten report using the internet one or more times a day." Further, "Use of the internet … declined with age. Adults aged 65 and older, in contrast, were the least likely to report using the internet." See AARP, *Use of Internet, Social Networking Sites, and Mobile technology for Volunteerism: Implications for Volunteer Recruitment and Engagement.* April 2014. http://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2014/Use-of-Internet-Social-Networking-Sites-and-Mobile-Technology-for-Volunteerism-Implications-for-Volunteer-Recruitment-and-Engagement-AARP-res-gen.pdf

incidents, the ease of obtaining and using hacking tools, and steady advances in the sophistication and effectiveness of attack technology.[96]

Changing mix of workforce skills supporting service delivery. While the precise mix of skills needed to support the new electronic service delivery model is not yet clearly defined, certain skills and abilities are commonly identified as increasingly important. These include: cognitive skills[97] (e.g., problem solving, analysis); capacity to learn and adapt new skills quickly; ability to communicate effectively (both in-person and virtually) on difficult issues; data-analytic skills; general skills and knowledge needed to manage transactions to completion;[98] and specialized technical knowledge and skills, in areas such as cybersecurity.

Workforce preference for greater job mobility. Generation X and the Millennial Generation[99] show a markedly different attitude toward their careers than prior generations. Younger generations are inclined toward greater mobility across organizations and sectors[100] and are less likely to stay in a single organization for most or all of a career. These changing attitudes suggest greater staff turnover for many organizations. While the exercise of these preferences may vary depending on overall economic conditions, job tenure is likely to be significantly shorter on average.

Government unions. It is expected that government unions will continue to have a strong voice on issues related to the organizational realignment needed to take advantage of opportunities created by electronic service delivery, automation, and other information technology applications enabling new ways organizing work. Efforts to redefine roles and responsibilities and reengineer work processes will have to address union concerns, such as employment opportunities, pay grades, and work rules.

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[96] GAO-13-187, National Strategy, Roles, and Responsibilities Need to Be Defined and More Effectively Implemented, February 2013. The number of cyber incidents reported by federal agencies to the U.S. Computer Emergency Team increased by 782 percent from 2006 to 2012.

[97] Institute for the Future. *Future Work Skills 2020.* http://www.iftf.org/uploads/media/SR-1382A_UPRI_future_work_skills_sm.pdf

[98] Social Security Advisory Board. *A Vision of the Future for the Social Security Administration.* March 2011. Social Security Administration. *Service Delivery Plan.* February 2013.

[99] Generation X is the generation born from the early 1960s to the early 1980s. The Millennial generation covers people born from the early 1980s to the early 2000s.

[100] KPMG Government Institute. *Whether You're Ready or Not, We're Millennial-Bound: Recruiting and Motivating Today's Millennial Generation.* April 2009. http://www.kpmginstitutes.com/government-institute/insights/2009/millennial-recruiting.aspx

Jeanne Meister. *Job Hopping is the 'New Normal' for Millennials: Three Ways to Prevent a Human Resource Nightmare.* Forbes. http://www.forbes.com/sites/jeannemeister/2012/08/14/job-hopping-is-the-new-normal-for-millennials-three-ways-to-prevent-a-human-resource-nightmare/

Organizational Imperatives

The factors discussed above come together to create a set of imperatives for service delivery organizations like SSA. These include:

Increasing electronic service delivery and automation. Tight budgets, fewer personnel, increasing workload, and changing customer expectations of service delivery are driving agencies to move services online and to automate processes. Also, advances in IT have enabled agencies to implement virtual approaches to organizing work, such as telework, as a means of reducing infrastructure costs as well as providing a more flexible work environment.

Realigning the organization and workforce. Electronic service delivery, automation, and IT-enabled opportunities for reorganizing work, together with fewer agency personnel to do existing work, are pushing agencies to realign their organizations. Examples include changes in the roles and responsibilities among components; position descriptions and pay grades, and work processes. Realigning the organization also entails changes in the distribution of employees geographically and across the organization.

Developing a workforce with a different mix of skills. The new electronic service delivery model will require a different mix of skills. These skills may be obtained through a combination of hiring new employees, retraining existing employees, and contracting, as appropriate.

Reducing and reconfiguring its service delivery infrastructure. The shift toward online service delivery, increased automation, and IT-enabled approaches to organizing work (e.g., telework and virtual centralization of functions) make the reduction or re-alignment of physical infrastructure an important opportunity to reduce costs in a tight budget environment.

Increasing agility. The rapid pace of technical change, evolving service delivery models, and increasing cyber threats place a premium on the agency's ability to respond rapidly to change. This will depend on a number of factors, including a more robust process for planning and managing information resources, organizational and workforce realignment, and the greater use data analytics.

SECTION 3: DRIVERS

The nine drivers are reviewed and discussed in terms of their potential direct and indirect effects on SSA's future operating environment.

1. **Economy and jobs**
   a. The rate of economic growth may impact the future SSA service delivery environment in at least two ways. Most evidently, it will affect the level of tax revenues available to allocate to agency budgets. It may also affect the ability of the government to attract and retain employees. For example, in good

economic times private sector competition for talent in certain fields may be greater.

b. Rates of unemployment may have their own effects. For example, disability claims may increase in times of higher unemployment, thus increasing agency workload. Higher rates of growth are generally associated with lower rates of unemployment and lower rates of growth with higher rates unemployment. However, it is important to note that higher rates of unemployment may accompany a given rate of economic growth due to such factors as automation and offshoring.[101]

2. **Political environment**

a. Policy making and budgeting generally require compromise among political actors with different interests and views of the public good. Increased political polarization in recent years has made compromise difficult and has translated into significant budget uncertainty and inaction on many important policy issues. However, political polarization does not necessarily prevent major policy changes from being enacted.

b. Initiatives related to improving and rationalizing service delivery often do not require major policy changes and are generally not the focus of political battles, but their progress may be impeded by the indirect effects of political polarization, such as budget uncertainty. The success of individual and, especially interagency, initiatives depends on sustained leadership attention over time. In an environment defined by uncertain budgets and government shutdowns, the limited attention of agency leadership and management typically focuses on sustaining operations and immediate priorities, leaving less time and energy for longer-term strategic efforts.

c. While the current political polarization may continue or become worse, it is also possible that future elections or other factors may lead to an alternative dynamic defined by greater willingness to compromise. A more stable environment would facilitate the planning and implementation of initiatives to rationalize and improve service delivery. Also, a changed political dynamic that includes greater agreement on basic government functions could lead to more attention and possibly additional resources being devoted to efforts focused on improved government performance.

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[101] The term, offshoring refers to the practice of moving employees or certain business activities to foreign countries as a way to lower costs, avoid taxes, etc. See: http://dictionary.reference.com/browse/offshoring

3. **Pace of public shift to online services**
   a. While it may be inevitable that the public will increasingly choose to conduct transactions online, the pace of this transition is not certain. For instance, it is possible that the movement online could be slowed by major cyber incidents, such as cases of massive identity theft. All things being equal, this possibility becomes more likely with the increasing volume and sophistication of cyber-attacks.
   b. If the pace of movement by the public online slows significantly, government agencies may be denied substantial cost savings from the reduction of in-person service infrastructure.

4. **Cybersecurity and identity management**
   a. The expansion of electronic service delivery and information sharing relies heavily on the public trusting that measures are in place to protect the security and privacy of personal information. Another factor identified as important to the expanded use of online services is the ease with which customers can manage secure access to accounts. For example, the prospect of setting up and maintaining multiple accounts to access services is a documented impediment to broader use of online services.
   b. Currently, there are efforts to implement government-wide approaches to cybersecurity and identity (ID) management. Cross-government initiatives not only facilitate individual agency efforts but also promote an environment more conducive to the success of electronic service delivery. For example, a more secure and user-friendly ID management regime implemented across the government would encourage the public to conduct more transactions online.

5. **Deployment of broadband internet**
   a. Limited deployment of broadband internet is generally recognized as a constraint on fully realizing the potential of electronic service delivery. The multimedia dimension of electronic service delivery (e.g., video) requires substantial bandwidth.
   b. Depending on the extent of broadband deployment and its implementation, disadvantaged groups and remote communities may lack adequate internet connections needed to access services fully online.

6. **Government approach to consolidating/reconfiguring physical infrastructure of service delivery**
   a. SSA and other agencies across the government have built extensive field structures over time when in-person service was the norm. As electronic service delivery and related IT capabilities have expanded and program needs have evolved, some of this infrastructure has become unnecessary and costly to maintain in the context of fiscal constraints.
   b. The shift toward online services, greater automation of service delivery processes, and virtual approaches to organizing work, such as telework, have created opportunities to significantly reduce costly infrastructure.

c. More broadly, these developments create opportunities for the integration of service delivery across agencies with similar or related missions and overlapping customer bases as in the case of disability programs administered by SSA and the Department of Veterans Affairs. Such integration creates opportunities not only for reducing costs by sharing infrastructure and support services, but also for improving customer service by providing "one-stop" government service.

d. The ability of agencies to realize these cost-saving and customer service opportunities depends on the willingness of political actors to allow agencies to reduce and reconfigure physical infrastructure as well as support for shared services initiatives.

7. Immigration policy

a. Immigration reform, such as proposals for a "pathway to citizenship," suggest the possibility of large numbers of legalized immigrants. This could translate into significant new workload for SSA, such as demand for social security cards and the need to sort out the earnings history of the newly legal immigrants. The service delivery processes for both are currently highly labor intensive.

b. The prospect of this additional workload adds additional impetus for the agency to automate work processes.

8. Expansion of health IT

a. Health IT refers to the management of electronic health records and their secure exchange between consumers, providers, government and quality entities, and insurers.

b. Broader adoption of healthcare IT by healthcare providers promises the opportunity for dramatic improvements in SSA's delivery of disability services, which account for a disproportionate share of administrative costs and are subject to chronic hearing backlogs. The direct exchange of electronic health records with healthcare providers will enable much faster, more objective, and more consistent medical assessments. Also, it will strengthen efforts to reduce improper payments.[102] Currently, less than two percent of all disability claims assessed are supported by direct exchange electronic health records with providers, so great opportunity remains for continued improvement over time as more providers move to electronic health records.

c. The adoption of healthcare IT depends on a number of factors. However, it is plausible to expect that the adoption of healthcare IT will be positively influenced by the general movement toward conducting business electronically. The shift of customers to online service delivery is an indicator

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[102] Electronic health records may refer to simply to health records in electronic format (e.g., pdf) or records captured electronically in the form of structured data. It is the latter that provides the greatest opportunity for efficiency gains and analytics that can greatly strengthen efforts to detect and prevent fraud, waste and abuse.

of this broader movement. Other factors affecting the adoption of healthcare IT might include agreement among federal agencies on a common standard and potential privacy issues raised by the transition to electronic medical records.

9. **Access to needed skills**
   a. Access to needed skills may be obtained through a combination of hiring, training, and contracting. The appropriate mix depends partly on the determination of what skills must be held in-house. This in turn affects access. For instance, it may be harder to hire employees with certain skills than to contract for those skills. Moreover, in fast changing fields, such as cybersecurity, it may make more sense to contract for services with private companies better able to keep abreast of developments.
   b. Economic conditions can affect access to skills. For instance, in a strong economy the government may be less able to obtain needed talent due to stronger demand by private companies competing for that talent. However, access to skills may be less problematic where contracting is an option; it is likely that contracting for skills will be easier than hiring employees.
   c. For those skills needed in-house, government agencies' access to skills may also be affected by not only by economic conditions, but by the perception of government as a good place to work. Budget uncertainty and other consequences of political polarization could negatively affect perception of government as a desirable place to work, making recruitment and retention more difficult.

SECTION 4: SCENARIOS

Based on its review of these drivers and their interconnections, the Panel identified two drivers as critical uncertainties: drivers considered to have the greatest potential impact on SSA's operating environment through its linkage to other drivers. The first is political environment. The second is the pace of customer shift to online services.

The choice of political environment as a critical uncertainty reflects its potential impact on cross-agency efforts required for improvements in areas such as integrated service delivery and cybersecurity protections, including the possibility of greater budget resources coming available to support major initiatives. The pace of customer movement toward online service delivery relates to opportunities for significant cost reduction and relates to the risk of cyber-attacks.

Each of the two critical uncertainties may be understood along a continuum. As discussed in the prior section, the political environment may be understood broadly as more or less hospitable to initiatives related to rationalizing and improving government service delivery. In Figure 1, which provides a matrix-based summary of each scenario, this continuum is represented on the X axis. The pace of customers' shift to online services is represented on the Y axis. The polar extremes of each of the two critical uncertainties are combined to create four alternative scenarios, one in each quadrant.

- **Scenario 1**: negative political environment combined with faster movement of customers to online services.
- **Scenario 2**: positive political environment combined with faster movement of customers to online services.
- **Scenario 3**: negative political environment combined with slower movement of customers to online services.
- **Scenario 4**: positive political environment combined with slower movement of customers to online services.

Scenario assumptions

As already discussed, the GBN approach entails a decision about which drivers are the critical uncertainties that should be the axes used to generate alternative scenarios. This approach provides a clear and consistent logic for examining how drivers might come together to affect the operating environment of an organization. However, it is important to understand that the scenarios generated cannot be expected to establish specific causal links between the critical uncertainties and all the drivers. Not all drivers will clearly link to the critical uncertainties organizing a set of scenarios. The aim is to find the best fit among factors and to offer insight to decision-makers about possible links and implications that may not have been considered otherwise.

The linkage among factors is often complex and the correspondence between individual drivers and critical uncertainties may not always be clearly established. In that circumstance, a judgment must be made about the most plausible link to provide a consistent logic for applying the driver across scenarios. To inform the review of the scenarios presented, a few important assumptions made about the linkages between drivers and critical uncertainties are discussed.

- Immigration reform: the enactment of immigration reform is linked to a positive political environment. While a major policy change could be enacted even in a polarized political environment, such as the Affordable Care Act. Still, it is assumed that major policy actions are more likely to occur in a more positive political environment.
- Healthcare IT: The adoption rate of healthcare IT is linked to the rate of customer movement online. While the adoption of healthcare IT depends on a number of factors, it is plausible to expect that the adoption of healthcare IT will be positively influenced by the general movement toward conducting business electronically. The shift of customers to online service delivery is an indicator of this broader movement.
- Access to needed skills: Access to skills is linked to political environment, which corresponds with public perceptions of the attractiveness of federal service. However, other factors such as economic conditions are considered.

- Economy and jobs: There are many factors that contribute to economic growth and unemployment rates. Of the two critical uncertainties, the political environment was determined to be the most plausible link to economic conditions, although certainly not the only or even the most important one. This choice of linkage was made to ensure a consistent logic for applying the driver across scenarios.

Figure 1 is followed by brief narrative descriptions of each scenario, which provide more detailed discussions of linkages.

Draft Future Scenarios for SSA

Faster movement online

Scenario 1-Behind the Curve
- Limited progress on consolidating physical infrastructure and integrating service delivery across agencies due to political resistance and lack of support
- Vulnerability to cyber attacks increases in the absence of government-wide security regime
- Immigration reform stalled
- Adoption of healthcare IT more rapid than expected
- Access to needed skills hindered by poor perception of government service
- Weaker economic growth, higher rates of unemployment

Scenario 2-Riding the Wave
- Rapid progress on consolidating physical infrastructure and integrating service delivery
- Vulnerability to cyber attacks reduced by robust government-wide approaches to security
- Immigration reform enacted, increasing demand for services
- Adoption of healthcare IT more rapid than expected
- Access to needed skills improves with better perception of government service
- Stronger economic growth, lower rates of unemployment

Less certain operating conditions; conflict over role of government ← **US Political Environment** → **More certain operating conditions; focus on performance issues**

Public Shift to Online Services

Scenario 3-Swimming Against the Current
- Opportunities to consolidate physical infrastructure limited by slower shift to online services and integration of service delivery across agencies progresses slowly for lack of support
- Slower customer shift to online services limits consequences of possible cyber attacks
- Immigration reform stalled
- Adoption of healthcare IT remains slow
- Access to needed skills hindered by poor perception of government service
- Weaker economic growth, higher rates of unemployment

Scenario 4-Laying the Foundation
- While opportunities for consolidation limited by slow movement online, significant progress made and integration of service delivery moves forward more quickly
- Slower customer shift to online services and robust government-wide security regime limits the risk of cyber attacks
- Immigration reform enacted, increasing demand for services as workload rises more quickly than expected due to slower movement online
- Adoption of healthcare IT remains slow
- Access to needed skills improves with better perception of government service
- Stronger economic growth, lower rate of unemployment

Slower movement online

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SUMMARY DESCRIPTIONS OF SCENARIOS
<u>**Scenario 1: Behind the Curve**</u>

The 2025 political environment is characterized as polarized, with attendant conditions such as budget uncertainty that distract leadership's attention from long-term efforts at interagency coordination needed to address key issues, e.g., cybersecurity and reconfiguring physical service delivery infrastructure. Important policy reforms, such as immigration, fail to be enacted.

While there are still pockets of the country where broadband access is limited, the movement of citizens to online services is rapid. Given a faster shift of citizens to online services in 2025, there is an opportunity for agencies to consolidate their in-person service delivery infrastructure. However, the ability of agencies to fully realize these cost reductions is limited by political resistance and limited progress on the integration of service delivery.

The adoption of healthcare IT proceeds faster than expected due in part to rapid movement to electronic service delivery across the economy. This enables SSA to significantly reduce the administrative cost and improve the performance of the disability program more generally.

The uncertain and fractious environment created by political polarization fuels a negative perception of government and limits the attractiveness of work at government agencies. As a result, federal agencies face a challenge in recruiting skilled workers. This is counterbalanced to some extent by a relatively weak economy and relatively high unemployment. These poor economic conditions generally help federal agencies successfully to recruit and retain a skilled workforce because private sector job opportunities are more limited.

<u>**Scenario 2: Riding the Wave**</u>

In 2025, a more positive political environment develops, defined by less conflict over basic government functions and more focus on improved government performance. There is greater budget and operational certainty allowing for agency leaders to focus on pushing forward on cross-agency initiatives to rationalize and improve service delivery. While budgets remain tight overall, additional funding becomes available for advancing service delivery initiatives.

Substantial progress is made not only on consolidating physical infrastructure by individual agencies, but on sharing infrastructure among agencies as part of broader initiatives to integrate service delivery across related agency programs with overlapping customers. Rapid movement of citizens to online services together with support for infrastructure consolidation and integration of service delivery enables substantial agency cost savings as well as improved customer service.

By 2025, robust government-wide cybersecurity regimes are established. This reduces the risk[103] of cyber-attacks even as the movement of citizens to online service delivery increases rapidly.

The passage of immigration reform adds significant new service demands in areas that remain relatively labor intensive, such as issuing social security cards and sorting out earnings histories to calculate benefits for newly legalized immigrants. The impact of this additional workload is mitigated by the rapid movement of customers to online services and efficiencies enabled by the streamlining and automation of processes. Also, faster than expected adoption of healthcare IT enables reduced administrative costs of disability programs.

A stronger economy and lower unemployment create hinder access to talent at the same time that the need for new skills increased with the more rapid progress toward electronic service delivery. This challenge is tempered somewhat by the improved perception of government as a place to work that follows from the development of a more positive political environment.

Scenario 3: Swimming Against the Current

The service delivery environment in 2025 is characterized by a slow shift by citizens to online services. The slower shift to online services hinders the ability of agencies to reduce costs by consolidating physical infrastructure. Political resistance to field office closures further moderate what potential cost savings can be achieved. Planning and implementation of initiatives is hindered by budget uncertainty and the limited attention of leadership that is distracted by near-term crises. Adoption of healthcare IT is slow, constraining the potential for cost-savings and performance benefits.

A negative political environment characterized by political polarization also hinders progress toward government-wide cybersecurity protections. However, slow movement to online services lessens the risk from cyber-attacks.

There is little progress on other major policy issues; immigration reform is stalled.

A weaker economy and higher rates of unemployment make it easier for agencies to hire skilled workers. This is tempered somewhat by a negative impression of government as a place to work.

Scenario 4: Laying the Foundation

A more positive political environment develops in 2025, defined by less conflict over the role of government and greater focus on improved government performance. There is greater budget and operational certainty allowing for agency leaders to focus on pushing

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[103] We use risk to mean probability times consequences.

forward on cross-agency initiatives to rationalize and improve service delivery. While budgets remain tight overall, additional funding becomes available for advancing service delivery initiatives.

Despite a supportive environment for rationalizing and improving service delivery, cost savings are limited by the slow movement of citizens to online services. Also, the adoption of healthcare IT remains slow, but investments continue to be made in the capacity needed to move forward as technology adoption by healthcare providers increases.

By 2025, robust cybersecurity and identity management regimes are put in place, which reduce the risk of cyber-attacks in advance of the expected shift of more citizens to online services.

Immigration reform is passed. This adds significant new service demands in service delivery that remain relatively labor intensive. The impact of this additional workload is amplified by the slow movement of citizens to online service, which limits efficiencies and, therefore, resources available to respond to this increased demand.

Government access to a skilled labor is hindered by a stronger economy in 2025. This challenge is mitigated somewhat by an improved public perception of federal service as a career.

APPENDIX F: METHODOLOGY USED IN PHASE 2—VISION BUILDING
HIGH-LEVEL SUMMARY OF STUDY TEAM'S APPROACH

The SSA Vision presented in Chapter 4 of this Report was extensively consulted with SSA executives during over 120 hours of discussions over the course of the Project's Phase 1 and 2. The agency offered the study team broad access to more than 70 leaders across all SSA components, including time with Acting Commissioner Colvin. Individual interviews with SSA executives were completed during the Project's Phase 1 – Discovering the "As-is" State, during which interviewees were asked to share their views about the current state, as well as a long-term future vision.

Furthermore, the study team convened 13 Vision Building Meetings (VBMs) with SSA component groups. Most VBMs were convened with the leadership team of one SSA component (e.g., Systems, Human Resources, Budget, ODAR, and the like), but a few smaller components were combined into one VBM in a few instances. During VBMs, the study team presented its futures research, which included the following points: high-level agency imperatives; predetermined variables impacting SSA's long-term future; critical uncertainties with respect to the agency's future; and an outline of four future scenarios intended to enhance a vision discussion.

The majority of VBM time with each component was spent facilitating a discussion with SSA executives about vision. We invited participants to be creative in positing what the agency should look like and how it should deliver services in 2025-2030. Most of the VBMs were followed up with a second conference call meeting during which the study team reviewed a summary of what vision statements were made, asked for further input into the vision, and ensured a clear understanding of SSA's vision ideas.

Taking into account SSA's input from both individual interviews and VBMs, and contributing its own vision insights, the study team and Panel, finalized a proposed Vision to SSA. The vision had three tiers. It consisted of a Vision Statement, seven Vision Components, and 29 Vision Elements divided into five categories.

Focusing strictly on the 29 vision elements, the study team convened a day-long Vision Building Workshop at SSA's headquarters on March 10, 2014, attended by 59 SSA executives. The workshop was used to systematically talk through and gain SSA feedback on the 29 originally proposed Vision Elements (neither the Vision Statement nor the seven Components were part of the workshop agenda). The workshop employed small discussion groups to consider all 29 Elements. The working group discussions resulted in SSA-proposed re-wording of some of the Panel- proposed Vision Elements, and deletion of two Elements. With intent to drive convergence around the Vision Elements, all participants were asked to vote (favorable, partially favorable, partially unfavorable or unfavorable) on the revised 27 Vision Elements. It was agreed with SSA that a favorable or partially favorable vote of at least 80 percent would be deemed to be an acceptable margin to signal agency concurrence. The workshop concluded with a greater than 80 percent positive vote for all 27 vision elements.

Given the fact that SSA executives converged on all 27 Vision Elements during the workshop, the study team and SSA determined that a meeting limited to Deputy Commissioners would convene to consider the Panel-proposed seven Vision Components and the Vision Statement. At this meeting on March 25, 2014, Deputy Commissioners accepted many of the Panel's proposals, but did propose changes to a few of the Panel-proposed Components.

Concurrently to these meetings, the study team also convened meetings with several SSA employee associations, employee unions, the Social Security Advisory Board, and advocacy groups (by means of a Virtual Town Hall webinar)[104] to review the proposed Vision Elements. These meetings were constructive in providing further feedback as the Vision was constructed.

After collecting all of the various comments and suggested revisions, the Panel reconvened in April to consider making changes to its original Vision Statement, Components, and Elements. In this regard, it is notable that the Panel and SSA's executives were in fundamental agreement on virtually all vision points, with modest differences arising in a few points. The final Vision is found in Chapter 4.

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[104] Advocacy groups that attended the webinar include: American Savings Education Council (ASEC), OWL: The Voice of Midlife and Older Women, National Association of Insurance and Financial Aid, Consortium for People with Disabilities, AARP, Center on Budget and Policy Priorities, The Arc of the United States, and American Payroll Association.

With convergence achieved on a long-range vision, the project moved into Phase 3 - building the initial high-level strategies that to help SSA realize its long-range vision. In so doing, the study team honed in on five key operating challenges for focus during this phase of work: business process redesign; policy simplification/rationalization/clarification; legacy IT environment; shared services; and workforce. In order to systematically cover each of these focus areas, five focus group meetings – each called a Strategic Planning Session (SPS) - were convened with SSA executives and the Academy study team.

Each SPS participant was charged to identify key strategic activities necessary for SSA to meet its mission in that particular focus area as articulated in the 2025-2030 vision. Participants were further urged to be guided by the biggest challenges and opportunities SSA faces with regard to three objectives and the tradeoffs they entail:

1. Meeting customer expectations (e.g., quality, timeliness, desired mode of delivery--online, in-person, by phone, service channel integration);
2. Delivering services in a cost-effective manner; and
3. Maintaining the public trust (e.g., limiting waste, fraud and abuse; providing information security and protection of customers' private information).

SPSs were structured with the following guidelines:

1. While each of the five SPS focus groups should have members from various components, it was not required that all components be represented in every focus group. Group diversity contributed to an integrated discussion with a wide variety of perspectives taken into account.
2. Focus group members were selected with the understanding that they would have authority and knowledge requisite to represent their component effectively.
3. A focus group optimally should not exceed 14 members in order to enhance group discussion and productivity.
4. Each SPS had read ahead documents that included guiding questions for meeting, summary of meeting objectives, and "as-is" state observations from Phase 1 of the project.
5. A second convened for two focus areas.
6. The Academy recommended that SSA consider naming individuals to participate in each focus group who might need to continue working together for a longer period on the topic. This recommendation reflects that Panel's general view that the work of a coordinated strategic plan, with the granularity that will be required, is not likely to be finished as quickly as a few months that remain in the Academy project's timeline.

7. The Academy recommended that SSA designate at least one person to participate in each SPS so that there is some degree of agency understanding about how all of the SPS work progressed.

The study team met with five groups of SSA executives to cover the following operational challenges.

1. Business Process Redesign, Automation, and IT

This focus area includes strategies for business process redesign, automation and other IT applications related to electronic service delivery; work processes; and the virtual organization of work (through "portability" and telework).

2. Policy Simplification, Rationalization, and Clarification

This focus presumes a number of possibilities, including not only the simplification of SSA policies, but also the harmonization of SSA and other government agency policies. It also allows for the possibility that existing policies, properly understood, may serve adequately.

3. Legacy IT Environment

This focus includes strategies related to developing new systems/migrating from legacy systems, (e.g., data management/access and core processing systems), as well as strategies to improve other fundamental capabilities, such as data security and electronic data exchange.

4. Shared Services

This focus area includes identifying the most optimal uses of shared services, recognizing here are opportunities for utilizing a shared services model within the regional structures (sharing support functions), at the agency level (looking across components) and at a government-wide model (an agency provides support services across government.) Key elements to this discussion will focus on considering where it is appropriate and most beneficial to apply a shared services model to support functions.

5. Workforce

This focus area includes such things as flexibilities in hiring, job definition, and skill sets needed to support service delivery improvement initiatives. Discussion will include the most effective strategies to ensure that SSA has the employees it needs with the necessary skill sets for achieving the agency's long-range vision.

The following questions were put to SPS participants in advance to guide and enhance individual meeting preparation:

1. What are the strategies needed to achieve the vision with respect to this focus area?
2. What is realistic to get done in 5 years? 10 years? How do these ideas add to, or change, the Agency Strategic Plan for 2014-2018?

3. Are these strategies dependent on internal or external actions (perhaps beyond 2025)? What can be done in the meantime to lay the foundations for more fully implementing the strategy later?
4. What parts of the organization are critical for success of implementing the strategy?
5. What external stakeholders need to be engaged?
6. What are the workforce needs (e.g., recruitment and retention, training, skillsets, labor relations) to accomplish this?
7. Are organizational changes needed to accomplish this (working relationships, business processes, policy simplification)?
8. What are the physical infrastructure implications of these strategies?
9. What are the anticipated obstacles and proposed solutions or strategies to deal with these issues?

Each meeting concluded with a summary of key points that were made by the group, and, in a few cases, an additional meeting or written correspondence followed to facilitate clarity and facilitate a more comprehensive understanding of SSA's views. In total, more than 45 different SSA executives participated in SPS meetings.

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APPENDIX H: SUMMARY OF HIGH-LEVEL STRATEGIC PLAN RECOMMENDATIONS AND ACTIONS

The high-level strategic plan is divided into four categories and contains 29 recommendations. Many recommendations are accompanied by suggested actions.

SERVICES

Focus Area 1: Develop a more cost-effective service delivery system that is primarily virtual, but includes personal service delivery options as necessary and appropriate.

Recommendation 1: Extend and improve virtual service delivery.

Actions:
- Improve online services through the use of rules-engine driven applications and automatic verification of customer data.
- Integrate online services with virtual options for direct assistance.

Recommendation 2: Rationalize in-person service delivery in the field.

Actions:
- Extend self-service and videoconference delivery options to mitigate in-person workload in the field (near-term action).
- Improve technology support to make in-person service more efficient.
- Explore options for partnering in the provision of in-person service delivery**.**

Recommendation 3: Develop a plan to accelerate the movement of customers to virtual service delivery channels.

Action:
- Undertake a study to identify options for moving customers to virtual service options.

Focus Area 2: Strengthen capacities needed to guide process improvement and automation.

Recommendation 4: Undertake a comprehensive policy review.

Actions:
- Identify an initial set of policy changes offering the greatest potential to advance strategic objectives.

- Determine what changes would require statutory or other legislative action and what changes are within the agency's discretion.
- Identify technical challenges and opportunities presented by proposed policy changes.
- Group policy changes with respect to their potential to advance strategic objectives and the relative likelihood and timeframe of achieving changes.
- Engage groups of internal and external stakeholders to lay the ground work for priority policy changes.

Recommendation 5: Develop a business intelligence strategy.

Actions:
- Develop an inventory of data.
- Identify those data elements needed to support key decision making and service delivery requirements.
- Connect business intelligence efforts to investment management process.
- Establish a data governance process.
- Establish a data hub within the agency to help channel and integrate agency data quality and business intelligence efforts.
- Identify and target data analytic skills needed in the workforce.

(INFORMATION TECHNOLOGY) INFRASTRUCTURE

Focus Area 3: Improve access to data to enable enhanced online service delivery, electronic data exchange, and data analytics.

Recommendation 6: Identify a portfolio of investments to improve data access guided by the agency's business intelligence strategy.

Action:
- Investments should be planned and readied for execution as funding becomes available and as other windows of opportunity open, such as the need to replace at-risk legacy systems.

Focus Area 4: Strengthen investment management process.

Recommendation 7: Institutionalize the enterprise portfolio management process.

Actions:
- Initiate a regular process for educating executives serving on SSA's Strategic Investment and Review board (which manages across portfolios) to ensure that

they understand the principles of portfolio management and understand their role and responsibilities.

- Professionalize the management of individual portfolios by providing more in-depth training to executives serving in this role.

Recommendation 8: Strengthen the capacity of business customers to develop projects.

Action:
- Continue to build the capacity within Operations to translate new service delivery ideas into clear business requirements needed to guide investment planning process.

Recommendation 9: Ensure that IT program management teams include strong representatives from business customer components.

Recommendation 10: Strategically use contractors to support program management teams and to build program management capacity over time.

Recommendation 11: Incorporate enterprise-level requirements in software development life cycle framework.

PEOPLE

Focus Area 5: Attract and retain high-quality employees for 2025.

Recommendation 12: Continue to attract talent that believes in SSA's mission and public service.

Action:
- Develop effective recruitment strategies by highlighting SSA's special mission, its broad impacts on the country, and the value of public service.

Recommendation 13: Build sustainable talent pipelines to support SSA service delivery.

Actions:
- Continue the agency's efforts of attracting high-quality entry-level employees by developing robust internship programs and partnerships with colleges/universities.
- Engage and retain highly-skilled older workers to address projected labor shortages and maintain institutional knowledge.

- Recruit for innovative thinking at all levels and incorporate managerial competencies as quality ranking factors in selection for mid-level and senior-level positions.
- Open mid-level and senior-level positions to external candidates, once the agency has exhausted all opportunities to promote qualified internal candidates.

Recommendation 14: Create learning and development opportunities to support employee retention.

Actions:
- Establish a formal mentoring program to enhance organizational and individual development.
- Take an analytics approach to better assess the training needs at the agency level as well as the individual level.
- Develop individual development plans to support employee growth.
- Expand the agency's virtual training and career development initiatives to meet the changing needs of its employees in 2025.

Recommendation 15: Use flexible work arrangements (FWA) as a strategic recruitment and retention tool.

Actions:
- Foster a culture that not only accepts, but also encourages, employees to participate in FWA programs.
- Build new leadership skillsets to keep employees motivated and engaged in a virtual environment.
- Conduct a thorough review of the current IT security weaknesses and develop solutions, and invest in the technologies/equipment needed for telework.
- Provide training to help employees understand FWA policies and performance expectations, and develop skillsets required to work remotely.
- Include unions in the designing and implementing process of FWAs.

Focus Area 6: Develop an agile workforce to support the agency's integrated service delivery model.

Recommendation 16: Develop a more flexible position and grade structure that better reflects the work of SSA today and in the future.

Actions:
- Continue to review position descriptions to identify the positions that should be combined or eliminated.

- Adopt a consistent GS grade structure for frontline positions across the agency.
- Work with the OPM to ensure relevant classification standards are up-to-date and better match the new service delivery model.
- Consult unions and other key stakeholders when making changes to the position and grade structure.

Recommendation 17: Embrace a "Career Lattice" concept to offer employees multiple career development paths.

Action:
- Develop more flexible policies and structures that enable employees to move across components more easily.

Recommendation 18: Recruit and develop employees with strong problem solving and analytical skills.

Actions:
- Develop competency models for future service delivery methods to support refined qualification standards as needed.
- Implement cross-training programs to broaden employee skillsets.
- Provide more cross-component or HQ/field offices rotation assignments.

Recommendation 19: Use analytics to anticipate changing workforce needs.

Actions:
- Continue to develop the Retirement Wave Reports to better predict employee attrition.
- Use predictive workforce analytics to anticipate the agency's changing needs and make workforce decisions accordingly.

Focus Area 7: Expand a results-oriented performance measurement system.

Recommendation 20: Build on agency best practices to identify and measure outcomes.

Actions:
- Link individual performance goals to the agency's overall mission.
- Review and revise performance appraisal elements and standards to emphasize achieving results.
- Engage labor unions early in the process to build employee buy-in for the results-oriented performance measurement system.

Recommendation 21: Use performance data to support management decisions.

Action:
- Strengthen the agency's capacity to effectively capture and analyze performance information to support decision making.

Focus Area 8: Reduce cost and increase flexibility via shared support services.

Recommendation 22: Identify the need and opportunity for streamlining and consolidating support functions.

Action:
- Conduct a comprehensive review of the current field structure, the anticipated vacancies, and the most crucial vulnerabilities that these vacancies will create.

Recommendation 23 Build a common understanding of shared support services.

Action:
- Establish communication and knowledge management strategies for formal expansion of shared support services within the agency.

Recommendation 24: Develop standard process steps to establish formal shared support service agreements.

Action:
- Develop a business case to provide context and clarity about why an initiative should be pursued and include background and supporting data; cost benefit analysis; clear recommendations for development of agreements; and next steps and timelines.

Recommendation 25: Focus on accountability of shared support services initiatives.

Action:
- Develop a tracking tool to monitor current and future shared service initiatives in order to provide continuous feedback and course correction as necessary.

Recommendation 26: Identify and embrace key flexibilities needed to enable the strategic expansion of shared support services model.

Action:
- Begin with straightforward flexibilities such extended business hours to accommodate all relevant time zones and increased physical presence of employees where needed.

PHYSICAL INFRASTRUCTURE

Focus Area 9: Capitalize on existing facilities planning resources.

Recommendation 27: Continue to conduct needs assessment and expand planning activities.

Actions:
- Utilize updated space allocation standards to guide decision making in order to ensure efficient use of space.
- Build on the Real Property Plan to expand efforts to streamline facilities while improving service.

Focus Area 10: Strategically engage all stakeholder groups in facilities planning.

Recommendation 28: Coordinate with service delivery plan development.

Action:
- Include representation from the HQ Office of Facilities and Supply Management; Operations - Office of Public Service and Operations Support; Disability Adjudication and Review – Facilities; and Security within the Office of Disability Adjudication and Review functions to integrate development of service delivery plan initiatives with strategic planning of physical infrastructure activities.

Recommendation 29: Coordinate and expand outreach strategy.

Actions:
- Develop a continuous and routine engagement strategy with Congress and other key stakeholders in order to anticipate and mitigate challenges or opposition to office closures.

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	Transforming Organizations* (Abramson/Lawrence)	Heart of Change* (Kotter/Cohen)	Implementation Steps to Assist Mergers and Organizational Transformations* (GAO July 2003)
Key Success Indicators	Select the right person ■(red)	Create a sense of urgency so that people start telling each other "Let's go, we need to change things!" ■(orange)	Ensure top leadership drives the transformation. ■(red)
	Clarify the mission ■(navy)	Pull together a guiding team powerful enough to guide a big change. ■(purple)	Establish a coherent mission and integrated strategic goals to guide the transformation. ■(navy)
	Get the structure right ■(green)	Create clear, simple, uplifting visions and sets of strategies. ■(navy)	Focus on a key set of principles and priorities at the outset of the transformation. ■(green)
	Seize the moment (urgency / right time) ■(orange)	Communicate the vision through simple, heartfelt messages sent through multiple channels so that people begin to buy into the change. ■(yellow)	Set implementation goals and a timeline to build momentum and show progress from day one. ■(orange)
	Communicate, communicate, communicate ■(yellow)	Empower people by removing obstacles to the vision. ■(green)	Dedicate an implementation team to manage the transformation process. ■(purple)
	Involve key players ■(purple)	Create short-term wins that provide momentum. ■(brown)	Use the performance management system to define responsibility and assure accountability for change. ■(blue)
	Engage employees ■(brown)	Maintain momentum so that wave after wave of change is possible. ■(blue)	Establish a communication strategy to create shared expectations and report related progress. ■(yellow)
	Persevere ■(blue)	Make change stick by nurturing a new culture. ■(blue)	Involve employees to obtain their ideas and gain their ownership for the transformation. ■(brown)

The Organizational Change Readiness Framework reflects the amalgamation of areas for critical focus according to multiple change experts. This chart illustrates the common areas of importance found in all three change readiness best practice lists and the colors in the grid all represent the Key Success Indicators developed as overarching themes with details relevant to SSA listed in the charts on page 117-119.

References

GAO Report to Congressional Subcommittees, Results Oriented Cultures: Implementation Steps to Assist Mergers & Organizational Transformations, GAO-03-669, July 2003

Cohen, Dan and Kotter, John. "The Heart of Change." Boston, Harvard Business School Press, 2002.

Transforming Organizations. Edited by Marc A. Abrahamson and Paul R. Lawrence, Lanham, MD. Rowman and Littlefield Publishers, 2001.

Organization Transformation* *Key Success Indicators*	SSA	
	What's going well?	**What are current challenges?**
1 Ensure top leadership drives the transformation	• Current Acting Commissioner is committed to transformation process. • SSA re-established Office of the Chief Strategic Officer (OCSO).	• Commissioner is not confirmed – not always able to fully execute transformation due to the limitations of acting status.
2 Establish a clear vision and integrated strategic transformation goals	• SSA established the OCSO to infuse strategic thinking into the culture, promote innovation, and achieve program performance improvements. • SSA has established the Executive Vision Council.	• Many decisions are still being made based on attrition and management is done in response to crisis. • There is still some lack of clarity about how the Chief Strategy Office is integrating this information and interacting across DCs interacting with interacting with RCs on these issues. • The links between IT decisions, business needs and long-term strategy development are unclear.
3 Design the organizational structure that will enable the vision	• SSA recently added DC-level Strategy function to develop long-range vision and high-level strategic plan. • SSA engaged the Academy to assist in the development of a long-range vision and high-level strategy. • Recent shifts in reporting relationships in Systems, HR, Finance have been done with the goal of improving efficiencies	• Vision is not currently identified or articulated. • Occasional disconnects between HQ and Regional Support functions have occurred due to reporting relationships (e.g., HR functions at field level report to DC Operations, not DC for HR). • Duplicative support functions exist in field structure and HQ. • There is lack of action-oriented coordination and communication across DCs. • SSA did not develop a management plan that describes the challenges associated with the IT/Systems DC realignment or how to resolve them. • Structure currently supports stovepiped components and segregated, geographically defined regional structure.

Organization Transformation* *Key Success Indicators*	SSA	
	What's going well?	**What are current challenges?**
4 Create a sense of urgency, implement a timeline, and show progress from day one	• There is an increased level of attention being paid to strategic planning and performance measurement. • The DC level strategic planning function shows illustrates the urgency for transformation.	• Strategic Planning has been limited to 5 year increments, yet planning for 2025 requires advanced planning that needs to start now. • SITAR process makes it very difficult to act quickly and respond to evolving customer needs.
5 Communicate frequently through multiple channels to multiple stakeholders	• Engagement takes place in weekly DC meetings. • Engagement takes place in weekly RC meetings. • SSA conducts quarterly In-person meetings. • Strong informal communications occur across DCs and Regions. • Internal Communication initiatives (Ideascale and Twitter chats) have garnered important feedback from stakeholders.	• DC meetings need to be more action oriented; they are very tactical and don't always encourage DCs to be thinking strategically • One component often is unaware of what is happening in another component due to siloed activities and communication.
6 Dedicate a powerful implementation guidance team to manage the transformation process	• OCSO recognized the need for transformation and has dedicated resources to the initiative. • Strategic planning at DC levels is driving process change.	• There is still a lack of clarity around the role of the Strategy office and how it will integrate across DCs and throughout the organization. • There is no implementation guidance team as of yet.
7 Engage employees to seek their improvement ideas, build momentum, and gain their ownership for the transformation	• SSA analyzes results of Federal Employee Viewpoint Survey. • SSA holds Quarterly Operations Executive Meetings with Agenda items submitted, providing opportunity for regional leadership to provide improvement ideas. • SSA conducts Ideascale initiatives to solicit feedback from employees.	• The formal process for ideas from front line staff is not clear. • Systems has expressed that they look to Operations to for direction to move forward on improving service delivery and Operations similarly discusses the need for input from Systems before moving forward, creating impasses on activity.

Organization Transformation* *Key Success Indicators*	SSA	
	What's going well?	**What are current challenges?**
8 Sustain the effort by nurturing a new culture, rewarding risk, and measuring progress	• Training details offer employees opportunities to step outside their comfort zone and to take risks as they learn. • Constrained resource environment is challenging employees to think in new ways.	• Organizational culture is extremely risk averse, wed to doing things as they have always been done, relying on transactional success to validate managed risk taking. • Efforts of strategic planning have been incremental and take place in "fits and starts" with little sustained activity.

* Transforming to a more agile and responsive organization that can meet achieve the long-range vision for 2025 - 2030.

APPENDIX J: ACRONYMS AND ABBREVIATIONS

ASP	Agency Strategic Plan 2014-2018
CDR	Continuing Disability Review
CIO	Chief Information Officer
DC	Deputy Commissioner
DCPS	Disability Case Processing System
DDS	Disability Determination Services
DI	Disability Insurance
FEVS	Federal Employee Viewpoint Survey
FO	Field Office
FWA	Flexible Work Arrangement
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
GS	General Schedule
HHS	Department of Health and Human Services
HIT	Health Information Technology
IDP	Individual Development Plan
IRM	Information Resource Management
KSI	Key Success Indicators
MI	Management Information
MADAM	Master Data Access Method
NACE	National Association of Colleges and Employers
NCSL	National Conference of State Legislatures
OASDI	Old Age Survivors and Disability Insurance
OBFQM	Office of Budget, Finance, Quality, and Management
OCSO	Office of the Chief Strategic Officer
ODAR	Office of Disability and Adjudication Review
OEST	Office of Electronic Services and Technology
OLCA	Office of Legislation and Congressional Affairs
OPM	Office of Personnel Management
OS	Office of Systems
ORDP	Office of Retirement and Disability Policy
OSHCM	Office of Strategic Human Capital Management
PIN	Personal Identification Number
PMO	Project Management Office
PSC	Program Service Center
POMS	Program Operations Manual System
RC	Regional Commissioner
RRB	Railroad Retirement Board
SITAR	Strategic Investment and Review
SPS	Strategic Planning Session
SSAB	Social Security Advisory Board
SSI	Supplemental Security Income
SSN	Social Security Number

SSNVS	Social Security Number Verification Service
TSC	Teleservice Center
VA	Department of Veterans Affairs
VBM	Vision Building Meeting

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