

ENHANCING PUBLIC PRODUCTIVITY: A UNIFIED APPROACH

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ABSTRACT

Florida International University's Institute of Government and Metropolitan Center have completed four years of a "reengineering" process at the Miami-Dade Housing Agency, one of the largest Public Housing Agencies (PHA) in the nation. Consistent with Elaine Morley's approach (1988), this effort has required rethinking everything from filing and record keeping to management information systems (MIS) redesign to performance appraisal conduct. Per Osborne and Plastrik's (2000) work, fiscal crisis—in this case, actual and threatened cuts in federal support—has been a critical catalyst to the reengineering effort. Management and street-level staff alike have come to realize that the agency must become more efficient and responsive to stakeholder needs, and has done so through systems redesign.

I. Introduction

While no universally accepted path leads to enhanced performance in a public agency, successful productivity improvement requires the systematic review and redesign of numerous facets of the organization (Morley, 1988; Swanson, 1996; Osborne and Plastrik, 2000). Organizational mission, operational structure, and staff responsibilities must be defined and aligned. Employees need the requisite training to facilitate the timely completion of daily routines, and technology must be in place to foster rapid task completion and enhance citizen satisfaction. Work processes should be assessed to reduce unnecessary paperwork and stumbling blocks to task completion. Every level of management must design and act upon performance measures to assure that agency outputs and outcomes square with mission and stakeholder needs.

For reengineering to have organizational impact, it is most important that senior management fosters an organizational climate that encourages reappraisal of long-standing operational norms, establishing a line between the actions required to change culture while enforcing accountability for unproductive work. To encourage innovation and risk-taking, management must hold subordinates harmless for occasional missteps in a “fishbowl” environment of intense public and political scrutiny (Ammons, 1999). At the same time, all employees must understand that they will face consequences for non-performance. The difference between nonproductive behavior that requires discipline versus outcomes resulting from new changes in procedures or management practices must be easily understood. This denotes clear definitions of “an honest day’s work” and personnel appraisal systems that accurately reward or sanction differentials in performance (Behn, 2002; Behn,

2003; Frank and D'Souza, 2004). Designing and implementing this complex locus of activities is challenging, but experience suggests that permanent and significant public productivity improvement requires these pillars to be in place (Ukeles, 1982).

The following case study details the implementation of a comprehensive approach to enhanced performance in a public agency. It describes the re-engineering efforts at the Miami-Dade Housing Agency (MDHA) Section 8 Private Rental Housing Program.¹ Further, the study reflects the close “town-and-gown” relationship between researchers at Florida International University (FIU) and senior agency staff, which has fostered peer-reviewed academic research as well as agency-required technical reports. This relationship is predicated on mutual respect and has engendered a frank and open communication channel in which the University has been both the bearer of bad tidings as well as a producer of workable solutions. As such, it is consistent with the new role of many professional academic researchers seeking to put performance measurement theories to practical use (Coplin, Merget, & Bourdeaux, 2002).

The article is divided into four parts. In the first, we lay out the problems faced by MDHA and their demographic, political, and organizational drivers. In part two, we discuss the difficulties MDHA has faced aligning mission with individual responsibilities and performance appraisal, as well as shortcomings in the agency’s work processes and physical plant. In part three, we lay out the solutions deployed in reengineering the agency, among them significant upgrades in training, management information systems, and quality assurance. In the conclusion, we

¹ For the purposes of this paper, “Section 8” and “Private Rental Housing (PRH)” are terms that will be used interchangeably.

discuss our case study's lessons for managers should they face the daunting task of enhancing performance in troubled agencies.

1.1. MDHA Case History

In 1988, due to long-standing management deficiencies, MDHA faced potentially losing millions of dollars in funding cuts from the U.S. Department of Housing and Urban Development (HUD). They began to experiment with various reorganization strategies, including privatization, the "team" concept of supervision in contracts and leasing, and numerous small changes to procedures. Beginning in 1995, MDHA contracted with the Institute of Government/Metropolitan Center (IOG/MC) to study various aspects of its Public Housing and Section 8 Private Rental Housing (PRH) programs. This project gained importance when HUD indicated that MDHA's Section 8 Management Assessment Program (SEMAP) scores, which range from 0 to 100, were trending down to the 80-point level, below which is failing. Thus, MDHA requested that the IOG/MC concentrate its investigation on current procedures to improve managerial and procedural efficiency and effectiveness in the customer service, inspections, technology, and contracts and leasing divisions of the PRH program. Shortly after the initial observation and analysis of PRH activities and departments, evidence arose suggesting that MDHA's SEMAP score were indeed falling below 80 (G. Cousar, personal communication, March 20, 2003), requiring MDHA and the IOG/MC team to redouble their efforts and institute a recovery plan to avoid the potential loss of federal funding. In order to understand how MDHA arrived at this crisis, it is useful to understand the broader managerial dilemmas they faced, rooted in policy, meteorology and demographics.

Policy: Under both Republican and Democratic administrations, funding for construction and maintenance of public housing has been reduced while federal housing policy has increasingly turned to voucher programs in order to 1) disperse housing assistance to the private rental sector and 2) increase client choices in the private housing market (Reichl, 1999; Varady and Wang, 2001). Consistent with this policy shift, HUD has altered the administrative overhead allowable for PRH relative to traditional Public Housing, in effect, making PRH more lucrative based on fee structure. Coupled with HUD's long-term commitment to vouchers, this stands as another driver behind MDHA's increased concern for its Section 8 PHR operations (J.P. Topinka, personal communication, August 10, 2003).

Meteorology: Another cause of Section 8's administrative shortcomings, Hurricane Andrew made landfall on August 24, 1992. As a result of the damages from this Category 4 storm, over 250,000 individuals became unexpectedly homeless and many low-income housing units were destroyed in South Dade. Long-time MDHA employees point to the sudden surge of applicants and vouchers in Andrew's aftermath as an important historical demarcation of the agency's difficulties.² In addition, as a response to the particular need in South Dade, the agency opened a satellite office in that region, marking the beginning of Private Rental Housing's decentralized and diffused physical plant, an issue that inhibited management-initiated reengineering efforts.

Demographics: Last but certainly not least, the tremendous growth of the Miami-Dade County population over the past two decades includes a significantly larger proportion of low-income individuals with low levels of education

² Vouchers increased by about 60 percent in the first few months, from about 5,000 to about 8,000. Currently, more than 13,000 families have been assigned vouchers.

(Dluhy and Frank, 2002; Frank and Dluhy, 2003). More families are eligible for Section 8 housing, further exacerbating administrative shortcomings, and highlighting Miami-Dade's extraordinary problems with affordable housing. The gap between the number of families in need and PRH voucher availability has grown exponentially. Public awareness of these problems has led frustrated Miami-Dade County commissioners to increase their scrutiny of MDHA's operations. While this oversight is appropriate, it has also contributed negatively to the organizational culture by shortening senior management timeframes and adding to the crisis mindset among several critical agency heads and the rank-and-file.

2. Critical Organizational Issues

In this section, we detail the principal issues facing PRH in its redesign efforts using an analytic framework provided by Morley (1988) and Swanson (1996). In a nutshell, we could argue that by late 2001, PRH was suffering from an administrative deficit with many components, including organizational climate, human resources, outcome measurement, workflow, the physical plant, and information systems.

2.1. Organizational Climate

Producing organizational change is virtually impossible without a supportive organizational climate. Receptivity to change is itself a critical determinant of an organization's capacity for renewal (Osborne and Plastrik, 2000; Ammons, 1999; deLancer Julnes & Holzer, 2001). While re-engineering a large, complex organization requires support from upper management levels as a general concept, practical consideration based on problem identification, innovative ideas, and potential solutions

from the rank-and-file is even more important. Street-level staff must know that managers will listen to them, and they must feel free to speak up without fear of recrimination in regard to redesign problems and priorities.

On December 31, 2001, IOG/MC staff wrote the following:

Our assessment is that PRH suffers from an all-pervasive crisis mentality. This is partly justifiable given chronic understaffing coupled to a sizable ramping-up of operations in the post-Andrew era. But it is largely the result of an organization that puts a heavy emphasis on working “harder” rather than “smarter.” This is the result of many factors, not the least of which is an operational climate in which finger pointing and “the blame game” have replaced basic notions of civility and accountability. (Frank and Strube, 2001: 2)

By allowing problems to fester for over a decade, the organizational climate had deteriorated to the point at which it was effectively “frozen.” Collective efforts at organizational redesign were virtually impossible. Upper-level management brought in from other Miami-Dade County agencies or from the outside did not stay long. Employee recruitment was hindered by the agency’s bad reputation within the County and in HUD circles. In point-of-fact, a candidate from the San Diego Housing Agency with a stellar track record who was chosen to head the MDHA PRH turned down the directorship in late 2002 after consultations with Miami’s local HUD office regarding the state of the program (J.P. Topinka, personal Communication, December 14, 2002).

The most dysfunctional aspect encountered by IOG/MC staff was the organizational culture of “working harder rather than smarter.” This mindset crowded out the longer-term thinking needed to effectively redesign work processes and consider broader strategic issues. It also contributed to a significant overuse of overtime, which hurt the agency fiscally by diverting funds needed for new information technology and physical plant, and contributed to the all-pervasive sense of burnout many employees experienced.

2.2. Human Resource Issues

Contract and leasing specialists are arguably the human resources “fulcrum” within the PRH. Their detailed work requires extensive knowledge of federal housing regulations and program requirements, sophisticated proprietary software, as well as “people skills” for coping with a frequently hostile, less-educated clientele. In Miami-Dade County they must additionally deal with clients who frequently come from countries in which government is viewed with considerable suspicion, if not fear. Further, specialists who are not bilingual (generally English and Spanish, but increasingly Creole as well) often request assistance from those who are, which contributes to the sense of “burn-out” based on the uneven work requirements of staff. Simply put, this is a job that is demanding on both technical and interpersonal dimensions.

Our comparison of salary and education requirements with high-performing agencies, particularly in Chicago, Atlanta, and Portland, confirmed what we hypothesized early on: Miami-Dade’s educational and experiential requirements were lower than their counterparts, which was used to partially justify the lower salaries.

Table 1

Contract and Leasing Specialists

Minimum Education and Salary Requirements in 2000 *

PUBLIC HOUSING ADMIN.	MINIMUM EDUCATION AND EXPERIENCE	COST-OF-LIVING ADJUSTED SALARY RANGE (LB) (UB)	
MDHA	High School Diploma. Two years clerical or public contact experience to include one year in a subsidy housing program.	\$20,412	\$32,526
CHICAGO	High school diploma plus one to two years of college. One year in Section 8 or similar housing program. Quadel certification in Section 8 Certificate and Voucher Proficiency.	\$25,549	\$34,491
ATLANTA	Bachelors Degree in Social Services. Two years progressively responsible experience in a public or similar agency.	\$25,841	\$43,001
PORTLAND **	Agency did not provide this information.	\$25,577	\$37,142
MACON†	High School Diploma, college level training in sociology or psychology preferred. Two to three years of experience in public contact/case management work, preferably dealing with low-income families.	\$21,267	\$26,683

PUBLIC HOUSING ADMIN.	MINIMUM EDUCATION AND EXPERIENCE	COST-OF-LIVING ADJUSTED SALARY RANGE (LB) (UB)	
		SAN FRANCISCO ††	High School Diploma or GED. Three years of responsible clerical experience.
ALAMEDA	One year experience in Housing Operations class or two years in Eligibility Technician class. Bachelors Degree or Associate Degree may be substituted for varying years of experience in housing eligibility.	Agency did not provide this information.	

Source: Frank and Strube (2001), p.27, 41-43, Appendix.

* Based on this information, the MDHA has revised its education, experience, and salary in consideration of job description in terms of national trends. For example, they have begun to use the Associates Degree (AA) when they determine compensation level.

** The Portland agency requires include two levels of staff that are equivalent to MDHA Specialist job descriptions: Intake Specialist (the lower bound of the salary range) and Housing and Community Specialist (the upper bound of the salary range).

† The Macon agency includes three levels of specialists to do the same work required of MDHA Contract and Leasing Specialists: Admissions Specialist, Section 8 Occupancy Specialist, and Section 8 Recertification Specialist.

†† The job description for the San Francisco Eligibility Clerk is slightly less demanding than that of MDHA.

Given the relatively demanding nature of the work, it is not surprising that high-performing agencies require higher levels of education and significant housing experience, which necessitate appropriate salary ranges. Until recently, MDHA failed to recognize this problem, and as a result, has had difficulty recruiting for the position. More importantly, current employees must perform professional

duties for which they have insufficient training, experience, and outlook. This, in our judgment, has contributed to the high error rates in data reported to HUD, and resulted in the incorrect reimbursements paid to landlords, both in terms of non-payment and over payment. In essence, the agency has underspent “upfront” on critical human resources, but paid dearly in terms of lost productivity, millions of dollars in overpayments to landlords, and landlord aggravation due to late payments.

Another human resources issue with which the agency came to grips is the appropriate level of staffing. Based on preliminary interviews and observations, the IOG/MC’s first assessment was that the MDHA was under-staffed (Frank and Strube, 2001); investigation and subsequent benchmarking with high performing agencies in Tampa, Allegheny County, and Oklahoma City suggested the opposite (G. Cousar, personal communications, June 3, 2003). These seemingly contradictory findings can be explained by the operational paradigm: Using a traditional paper-based system, MDHA was indeed understaffed; in an efficient “paperless,” or more automated environment, the agency was considerably overstaffed. Staffing comparisons with high performing agencies suggested that MDHA could reduce its employee headcount and free up funding for higher salaries commensurate with enhanced educational/experiential requirements, operational improvements in the physical plant and information technology.

A final human resources issue reflecting the agency’s organizational culture was an apparent willingness to overlook unsatisfactory performance in individual performance appraisals. As Ammons and Condrey (1991) note, this nonfeasance constitutes violation of what they term a “warranty condition” (p. 260) of sound human resource policy. Our analysis of a sample of appraisals

(Contract and Leasing Specialists or their first-line supervisors) of 38 performance appraisals including 392 rated factors undertaken from November 2, 1997 to September 23, 2002 revealed only one “needs improvement” and no “unsatisfactory” ratings. This distribution occurred despite abundant empirical evidence from HUD that the agency was both under-productive and error-prone.

How could this happen? One cause is professional indifference on the part of supervisors, who might be too overwhelmed or burned-out to concern themselves with disciplining or separating persistently poor performers. Another, revealed informally to FIU researchers, was the fear that disciplinary actions resulting from sub-par performance might simply leave positions unfilled (i.e., it was better to have an under-performer on hand than to have no performer at all). The most important issue from both an applied and academic perspective, however, was the fact that many supervisors, including the agency’s top administrators, were leery of disciplinary actions due to the absence of clear-cut, generally accepted productivity measures (R. Perez, personal communication, March 20, 2003). Simply put, disciplining or separating employees under civil service protection and strong union support would be difficult without appropriate documentation of performance reflecting defensible work standards. In the case of the MDHA, providing such documentation on individual workers would be difficult if not impossible, given the agency’s lack of automation, inadequate MIS, and nearly untraceable financial management.

2.3. Translating “Macro” Productivity Measures to Individual Level Performance Appraisals: A Tough Row to Hoe

A commonly accepted tenet of the New Public Management and “Reengineering” is that public organizations should align strategic objectives with operational goals, which should in turn be aligned with individual goals reflected in ongoing performance appraisals (Osborne and Gaebler, 1993; Osborne and Plastrik, 2000; Behn, 2002; Behn, 2003; Frank and D’Souza, 2004). If organizations and their leaders are to be held accountable for performance, it stands to reason that employees’ performance appraisals should be tied to the larger organizational ends to which they are contributing. This implies performance appraisal instruments that are crafted to reflect measurable objectives with associated levels of productivity, as well as clear definitions of substandard, standard, and above-average performance (Ammons, 1999; Ammons, 2002). Notwithstanding the impeccable logic of this reasoning, the fact remains that alignment of organizational goals with individual performance appraisals remains the exception rather than the rule in much of the public sector (Andrews, 2002; National Commission on the Public Service, 2003).

The authors’ experience with MDHA presents an interesting case of how difficult it can be to reduce organizational or “macro” level objectives to individual indicators that can be incorporated into annual performance appraisals. In the case of MDHA, this disconnect was the result of several factors. First was the aforementioned organizational culture, with its diminished concern for individual accountability. Other critical determinants included information systems and union rules.

Accountability in Section 8 PRH Programs is anchored by a 14-category, Section 8 Management Assessment Program (SEMAP) scoring system, which HUD implemented on October 13, 1998.³ Distilled to their essence, these indicators obligate Public Housing Authorities (PHAs) to process their available quota of vouchers 1) in an expeditious manner, 2) with appropriate concern for client eligibility, 3) accounting for utility payments, rent fairness (i.e., neither over- nor under-market rent for a unit of similar size, neighborhood, and amenities), and housing quality (per local code and HUD's regulations), 4) considering client eligibility for other federal aid programs leading to self-sufficiency, and 5) with due concern for potential deconcentration of low-income residents out of poverty concentrated urban cores. PHA's are rated from 0 to 100; agencies pass with a score of 80 or above. HUD monitors performance on these indicators through occasional site visits, but primarily via uploading periodic computer files to Washington, subsequently processed to assess the quality and accuracy of the data. Once verified, these data are used to arrive at a SEMAP score.

Translating these organization-wide "snapshots" of performance to the individual level has been difficult. The client information system utilized by the MDHA, known as the ECS-CCS, has extensive reporting capability from HUD's vantage. Efforts to connect file processing to individual Contract and Leasing Specialists or Inspectors, however, have been virtually impossible (W. Medina, personal communication September 11, 2003). Adding fields that would allow identification of individual file

³ The U.S. Department of Housing and Urban Development implemented the Section 8 Management Assessment Program (SEMAP) to address long-standing management issues within local Public Housing Agencies. Implementation of SEMAP went into effect on October 13, 1998. See www.hud.gov/local/sea/seapsmap.html for details.

processors have made the ECS-CCS unstable, or have effectively stalled upload efforts to Washington. In essence, maintaining system-wide productivity reporting has come at the expense of capacity for enhancing individual-level productivity.

In addition, because the ECS-CCS and the MDHA accounting systems do not “talk” with one another, the agency’s ability to control quality on key SEMAP indicators related to rent reasonableness and client income is severely curtailed. One of the IOG/MC’s initial concerns regarding the development of individual-level performance measures was that the agency might be tempted to focus on “raw” productivity without due concern for error-free or “adjusted” productivity (Frank and Strube, 2001). In other words, individuals who worked cases faster than others might also make more errors, but this important aspect could not be adequately conveyed via any potential modification to the ECS-CCS reports. From both the HUD and MDHA perspectives, these reports could be misleading, and even deleterious to SEMAP scoring.

Notwithstanding systems problems, another roadblock to more meaningful performance appraisal tools is the existence of certain restrictive union rules. Miami-Dade’s collective bargaining agreements preclude the incorporation of performance measures tied directly to agency-specific workload measures (M. Clodfelter, personal communication, June 3, 2003). County agencies (including MDHA) are instead wedded to a generic instrument that only marginally touches on the knowledge, skills, and attributes needed for success on the job, with virtually no tie-in whatsoever with SEMAP-related productivity. This performance appraisal instrument therefore serves as a disincentive to overcome the lack of empirical workload measures currently experienced at MDHA.

The absence of individual-level performance data and the aforementioned performance appraisal instruments remain a double-barreled stumbling block to senior management's resolve in backing their mid-level management's rare efforts at disciplinary action of perceived under-performers (R. Perez, personal communication, June 3, 2003). Clearly, there is an interaction effect between MDHA's inability to provide systematic productivity information on its workforce, and Miami-Dade County's restrictive collective bargaining agreements. The end result is difficulty in differentiating the agency's better and worse employees, and taking appropriate actions to reward the former and improve or discipline the latter.

2.4. Workflow Redesign: Reducing Touch-Points and Making Better Use of Client Time

Analysis of workflow is a simple but frequently overlooked productivity enhancing exercise (Morley, 1988; Ammons, 2002). Many agencies fail to examine work processes because of their deeply ingrained nature. Supervisors and subordinates alike undertake their daily tasks with little conscious reflection on how they can be more quickly or simply conducted, to reduce touch-points and possibility for error.

The IOG/MC's assessment of work process during the fall of 2001 revealed a host of paper flow issues at MDHA. Many were relatively obvious to the researchers; MDHA management had uncovered others during a 1998 effort at workflow analysis, but ignored or overlooked them due to the aforementioned organizational culture and climate.

Perhaps the most glaring workflow issue was loss of control over the over 13,000 client files. An initial desk audit revealed an average of 65 client files at each contract and leasing specialist's workplace; that these records were

not primarily kept at the touch of a computer button through automated forms but were retrieved as paper files is an important aspect of this analysis. Given the thick, book-like nature of the files, this left little space in or near the desks, and frequently meant that clients were facing a stack of files, rather than the specialist. Even when clients had appointments and files were supposed to be provided to the specialist at the beginning of the day, file retrieval was almost 15 minutes on average. This was to be expected given the fact that many files were never returned to the central file room, which itself was disorganized. By all accounts, the central file room poorly supervised signing out and monitoring files. The FIU research team conservatively estimated that each of the 40 Contract and Leasing Specialists lost 40 to 60 minutes a days retrieving files alone.

File retrieval was not the only paperwork flow issue. We observed that many specialists pulled blank forms from their desks on an as-needed basis rather than having clerical staff photocopy them in packets and placing them in pending files. The fact that so many forms had to be copied in the first place was the result of an information technology decision: Microsoft Word was removed from Specialists' desktop computers when the ECS-CCS client information system was installed in the mid-1990s. This meant that they had to record a great deal of client information repetitively, rather than enter it via an electronic template or relational database that would replicate the information throughout the necessary documents.

The chaotic flow of paper was compounded by an equally chaotic flow of clients. Client appointments were made by a centralized reminder system, but these were not tied to a desktop calendar resulting in uneven client flow with peak

times and down times rather than a steady flow throughout the workday.

The IOG/MC team also noted that client time in the waiting room was not utilized to best advantage. Forms that required updates of address or family information could be done during the wait, but intake staff were not encouraged or allowed to distribute these forms. We also observed that clients who failed to bring appropriate paperwork were not intercepted and told to return when necessary forms were available. Conversely, only a few specialists encouraged clients to bring missing documentation to the front desk to be processed, and instead required clients to make new appointments. Mailing in missing documents was discouraged because it was believed that clients had little faith in the United States Postal Service, a residue of many clients' prior experience with the postal services in their native countries. The end result was overly long appointments, wasted time, and angry clients and specialists.

Yet another workflow issue that needed to be addressed was agency tolerance of multiple family members and friends into both the waiting areas and into the specialist work area. It was not unusual for MDHA clients to require an English-speaking relative or friend for appointments, but we found that many clients brought several friends or relatives with them. This frequently gave the appointments a social rather than business-like nature, adding to the time needed for transactions. It also made an already cramped agency workspace more crowded and noisy. Several senior managers and many specialists were aware of the problems the plethora of friends and family imposed on appointment conduct, but deference to Hispanic cultural sensitivities (i.e., the need for face-to-face contact to establish agency credibility in the eyes of family matriarchs, patriarchs, and

significant others) precluded action that would prevent this bottleneck.

2.5. The Physical Plant: An Important Factor in the Productivity Equation

An important element in productivity, the physical setting is often overlooked when evaluating productivity (Carnevale, 1992); however, physical layout can either enhance or impede productivity with a direct impact on workflow. At the individual level, improper ergonomics in an era of widespread computer terminal usage can lead to lost productivity as a result of physical discomfort and disability. At the “community” level, the physical condition of the worksite sends critical signals about status relations within the workforce, often separating management from the rank-and-file both spatially and interpersonally, and conveys an attitude towards the clients. A dirty, poorly lit and badly arranged workplace with decrepit furniture sends negative signals to workers and clients alike regarding their value and dignity leading to heightened anxiety and anger, thereby diminishing productivity (Carnevale & Rios, 1995; Osborne and Plastrik, 2000).

The IOG/MC’s initial read of the physical plant at the Coral Gables Section 8 PRH offices revealed serious deficiencies in terms of office layout and other physical plant spatial issues. Parking was at a premium for both clients and staff. The furniture was old and worn. Lavatories were dirty, as were the carpets and common areas. Space was insufficient to establish pending files for each team of specialists, which aggravated the aforementioned filing problem by adding significantly to search and retrieval time. Limited space also led to the frequent split of Contract and Leasing Specialists from their respective team Supervisors, adding

to the time needed for file completion and impeding quality assurance efforts.

Perhaps the greatest challenge to enhancing productivity was the separate and distant physical locations of central administrative offices, the two PRH offices, the Applicant Leasing Center (ALC) and other departments. From the productivity perspective, it has fostered a sense of “fiefdom” and isolation among mid-level managers, particularly at the Section 8 PRH offices. In addition, it reduced the ability of senior management to lead and listen by walking the halls and hampered their efforts to coordinate and effect change, reinforcing the climate issues noted earlier. Exacerbating the situation, Miami’s heavy traffic often delayed critical face-to-face meetings among staff of various management levels and locations.

In sum, MDHA’s physical plant was an understated but critical element in the agency’s disappointments with previous attempts to make productivity gains. Enhancing the physical plant would be an important component of any turnaround effort.

2.6. The Biggest Stumbling Block to Enhanced Productivity: Making the ECS-CCS Computer System Work as Intended

The backbone of MDHA’s information technology is the ECS-CCS System, a proprietary program developed by Emphasys Computer Solutions. As designed, the ECS-CCS should provide appropriate reports to HUD as an external customer, while it serves as a comprehensive accounting and management tool for MDHA. For example, the ECS-CCS can assist housing agencies establish rent reasonableness, critical for both the voucher issuance and SEMAP compliance. It is also designed to provide, among other things, unified scheduling of appointments as well as

“ticklers” to remind Contract and Leasing Specialists of outstanding documents needed to complete files prior to issuing a voucher. MDHA did not utilize either of these functions.

While several high performing agencies successfully utilize ECS-CCS, MDHA’s deployment has been plagued with problems since its introduction in 1998. As noted earlier, the system cannot generate individual employee workload records. The rent reasonableness module is not utilized at all (T. Altinbas, personal communications, July 16, 2003). The program cannot be used to track progress of applicant files because so-called “locator codes” have been repeatedly changed, modified, or deleted in haphazard efforts to make the system operate more effectively. In many housing agencies the ECS-CCS system is used to schedule housing inspections; in MDHA there has been difficulty using this module. Further, the system is effectively off line for many MDHA staff three times a month when checks are issued to landlords. Lastly, the system’s closed nature precludes staff in one department from entering or viewing information on screens available to other departments; the finance and operation staff, the applicant leasing staff, and the contract and leasing staff are limited to their own domains such that problems are not easily resolved by any given staff member. On its face, the information technology system is barely adequate; in many regards, it is dysfunctional. Many basic management reports that should be easily generated through automation are instead produced via cumbersome manual analysis, if produced at all.

The etiology of these dysfunctional circumstances has several components. The first is technical—as the vendor provides more upgrades, the system becomes more unstable and temperamental, requiring increased time and effort to support its basic operations. Other important determinants

of this system's underperformance are related to lack of training, high turnover, and organizational culture.

At all levels, staff and management agree that the ECS-CCS system is not a particularly intuitive or easy program to learn. Our interviews and observations of MDHA staff confirm this assessment. More importantly, the contentious relationship between the rank-and-file staff and the IT department with regard to training is detrimental to effective use of the system's capacity. Street-level staff complaints of inadequate training are met with information technology management rebuttal that training for incoming staff has been more than adequate; the "real" dilemma has been high turnover among Section 8 employees, with a publicly unstated though evident and deeply held belief (revealed in interviews) that many of the agency's new hires are intellectually incapable of handling ECS-CCS in the first place. As noted earlier, the low educational requirement and commensurate salary range hurt the agency's ability to recruit staff with adequate skills or previous experience with any computer software (Frank and Strube, 2001). In many respects, both opinions are valid, but the animosity with which each department views the other is highly detrimental to any possible solution.

In fact, regardless of the technical or human resources issues facing MDHA's computerization, we contend that the agency's biggest impediments in this sphere are related to organizational culture. In their empirical study of 17 midsize to large public and private organizations, Harper and Utley (2001) concluded that organizational culture was a primary driver of successful information technology implementation. Organizations that scored high on autonomy, trust, team-oriented work, flexibility, and free information sharing had higher probabilities of successful implementation than those in which rule orientation, compliance, carefulness, preciseness, and predictability

predominated (p. 14). With this framework in mind, our experience suggests that MDHA's problems with IT implementation could be debilitating.

3. Concrete Steps to Improving Practice: A De Facto Receivership

During the late spring and early summer of 2003, FIU and MDHA formalized a recovery plan to stop the downward trend in SEMAP scores and begin the rebuilding of the agency. MDHA's Executive Director Rene Rodriguez designated the long-time Director of Public Housing Operations Rudy Perez to supervise the recovery plans. Ms. Marliza Lamela, whose background was in auditing and operations, would supervise and coordinate the plan's implementation. Ms. Gloria Cousar, a former Assistant Secretary of HUD who developed its division for assisting troubled public housing agencies, was brought in as a consultant to enhance the skill base needed for organizational redesign. In February 2005, the Section 8 Performance Team (SPT Team) was established comprised of senior MDHA administrators outside of Section 8 and a member of the FIU research team (A. Brewster, personal communication, February 4, 2005).

Section 8 PRH was put into this de facto receivership as a means of jump-starting its recovery. The receivership model is consistent with a "New Public Management" approach to revamping troubled organizations' operations (Osborne and Plastrik, 2000). While the SPT members did not assume day-to-day operational leadership of Section 8, they were given considerable leeway in major management decisions including information technology acquisition, staffing levels, and training. Most importantly, their appointments, held at a public meeting of all Section 8 employees on February 4, 2005, was an important symbol

that the status quo at the Agency was unacceptable, and that sweeping changes were needed if it was to remain viable.

In broad relief, the plan conceived by the recovery teams working from 2003 to 2005 contained a number of components that addressed the many issues Section 8 faced in re-establishing a sound operational base.

- 1. Significant Upgrades to the Physical Plant—Plan for a Co-Located Facility in the Works:** Over the past two fiscal years, MDHA has spent to upgrade the architecture and amenities at the Coral Gables PRH building. The once dirty and cramped Section 8 offices have been refurbished, repainted, and expanded, creating a much more pleasant, professional environment. The filing rooms have been restructured to allow for easier access and shorter retrieval time. These upgrades, however, are a temporary fix. In the spring of 2006, MDHA broke ground on a \$25 million facility located in central Miami-Dade County, adjacent to a major public transportation hub; additional funding has been required due to various site problems, as of this writing, approval was expected in summer (J. Topinka, personal communication, March 28, 2006). This building will house all branches of Miami-Dade Housing Agency, greatly enhancing its ability to coordinate change in a strategic, unified manner (J. Topinka, personal communication, September 26, 2003).
- 2. Training has been upgraded—Certification in Section 8 Program will be mandated for Satisfactory Performance Appraisal Ratings:** The agency has made a significant commitment to upgrading training in all facets of its operations. Further, where it is offered by HUD or related

bodies, the agency now requires all personnel to receive certification in their respective job responsibilities in order to receive or maintain satisfactory performance appraisals. This policy will be implemented in phases over the next several years.

3. **Through Attrition and Elimination of Temporary Positions, MDHA Section 8 Will be Reduced in Headcount from Approximately 140 to 120 Positions:** These cutbacks reflect HUD's own reduction in Section 8 management fees rebated to local housing agencies, and indicate a conscious decision on the part of the agency to minimize temporary and overtime labor costs. This in turn will obligate Section 8 managers to deal with the agency's longstanding work process, automation, and performance appraisal issues. This reduction in force is a clear signal to management and rank-and-file that "working smarter rather than harder" will be a necessary modus operandi. It also reflects the need for Section 8 operations to provide some degree of subsidy to the rest of MDHA, which does not have similar fee-generating opportunities. As of 2005, MDHA eliminated the use of temporary (primarily clerical) workers, in part to reduce overhead due to federal cuts and in part to encourage current employees to rely more heavily on automated systems.
4. **Section 8 Has Established a Quality Assurance Section to Monitor Operations:** An integral part of the agency's recovery plan is the establishment of a quality assurance team that will initially review 100% of files being input into the agency's accounting systems prior to HUD uploading. This team is tasked with making corrections to the

systemic processes that contribute to the agency's high error rate. It will also provide feedback to individual intake and contract and leasing specialists regarding persistent patterns of individual errors, while providing instruction on how to reduce them in the future.

5. **The Agency will Exhibit Heightened Concern for Customer Satisfaction:** A series of tenant and landlord surveys undertaken during the summers of 2003 and 2004 have led to a number of agency changes in the customer service realm. MDHA has established landlord-only windows to handle issues directly related to those aspects of leasing and inspections. The agency has also begun to use educational films in the waiting areas, with the expectation that clients with a better understanding of their responsibilities under the Section 8 program will be better prepared for their interactions with MDHA staff, shortening both face-to-face meeting time and waiting time. FIU will provide a series of periodic surveys of both landlords and tenants to pinpoint areas of concern. Feedback to the agency will be utilized in decision making regarding ongoing work processes. In addition, MDHA has installed a \$100,000 voice mail system that will provide landlords with critical account information without having to speak with MDHA personnel.
6. **IT Upgrades are in the Offing:** MDHA signed a contract to upgrade the ECS-CCS in early 2006. Due to various internal changes and the potential workflow disruptions that could occur, as of this writing they intend to use the next several months to clean the data to prepare for a fall migration and facilitate the conversion of the systems (J. Topinka, personal communication, March 28, 2006). It is

clear the ECS-CCS needs to be scrapped or gutted. MDHA staff are hopeful that HUD will see MDHA's effort as a test case for best practice in large public housing agency computer technology. There are few vendors with "off-the-shelf" systems for Section 8 programs with over 10,000 units. MDHA hopes to be an incubator for the development of systems for large agencies.

The upshot of these actions is that SEMAP scores have risen from seriously deficient (39 and 65 in 2002 and 2003 respectively) to marginal in 2004 (76), to a marginal pass in 2005 (85). Customer service has improved dramatically, and employees believe that through their collective hard work, a "new-and-improved" Section 8 Agency can not only continue to improve in respect to HUD's SEMAP, but become "an exemplary public service that will attract and retain some of the best employees in the County" (Brewster, 2005: 3).

4. Lessons for Practice

The use of case study research can benefit practice if the work is tied to a broader theoretical framework. In concluding this work, we link our experiences with the MDHA to a broader productivity literature that has emerged over the past two decades. What follows is far from encyclopedic. Nonetheless the authors believe that MDHA's recent experience parallels the struggles that many public organizations face in effecting fundamental changes in the way they think and operate.

- 1. Crisis is a Reengineering Effort's Best Friend:**
As Osborne and Plastrik (2000) write, "A crisis creates the equivalent of a bottom line for government" (p. 65). Impending funding cuts from HUD due to agency miscues coupled with HUD's

changes in reimbursements were double-barreled catalysts for agency change. While MDHA had indicators for the past half decade that it needed to revamp its Section 8 operations, it was only in the 18 months while potential funding was at stake that the agency and its leadership came to grips with its system-wide problems and effected a de facto receivership of Section 8 operations.

2. **Best Practice Research has Enormous Value and Needn't Require Expensive, Time-Consuming Partnering Efforts:** The IOG/MC and MDHA have learned a great deal about high performing housing agencies. Rather than utilizing the classically-defined, time-consuming and expensive formal process with pre-determined partners and processes (Keehley, Medlin, MacBride, and Longmire, 1997), the FIU team has undertaken benchmarking "on the cheap" via conference calls, web surfing, mail inquiries, and e-mailing. This benchmarking research has been particularly useful in confirming our operational hypotheses in the areas of information technology and work process, particularly the benefits of paperless systems. On a conceptual level, simply hearing what other agencies have achieved has been an epiphany for many of MDHA's staff.
3. **Downsizing with a Better-Trained, Technologically-Literate Workforce is a Likely Pillar of Serious Productivity Enhancement:** In Jacob Ukeles' (1982) assessment of New York's precipitous decline in employment after its near-bankruptcy in 1975, the only way the city could do more with less after a reduction in force of nearly 100,000 employees was to utilize greater automation and a smaller, more technologically

savvy workforce. What Ukeles wrote of New York City in 1982 is true at the MDHA today: the agency's "survivors" will have to incorporate laborsaving technology into their daily routines in order to function. As was the case in New York, there is a high probability that this will be done with significant organizational improvement. To this end, MDHA has decided to require all new hires to have earned an Associates Degree upon their application to the agency, and to require that all current workers acquire their Associates Degree within two years. In addition, the formalized cooperative relationship with the Career Services department at FIU established in March of 2006 will lead to a well-trained future workforce.

4. **Performance Criteria need to be embedded in Individual Performance Appraisal.** The adoption of a quality assurance unit and feedback to employees regarding their respective productivity and error patterns has allowed for concrete performance appraisal. Individual employees can now see how they "stack up" relative to peers in their teams and throughout Section 8. Supervisors have a better understanding of what acceptable norms of productivity are on an ongoing basis, allowing for more transparent and accurate employee rewards and sanctions.
5. **Reengineering for a More Productive Workplace is a Draining, Time-Consuming Effort:** As William Earle Klay noted: "Performance improvement does not come easy. Well-meaning efforts of governments can often cause good managers—talented ones who want to deliver value to taxpayers—to become confused, frustrated, and even penalized (2003: 232)." It has thus far taken

nearly six years and the implementation of an administrative receivership to undertake the above-mentioned improvements. In short, reengineering a large organization is not for the faint-of-heart or those with short time-horizons.

6. **Leadership May have to Admit to “Systems Failure” Before the System can be Repaired:** At least two years (2001-2003) passed before MDHA’s leadership recognized that Section 8’s deficiencies could not be redressed in a piecemeal manner, and that systemic change was needed. This was a painful recognition. But as Sharon Caudle (1994) noted, would-be organizational re-engineers must ask: “Is there enough ‘pain’ in current operations to motivate people to try something new?” (p. 152). MDHA’s leadership made the courageous but painful assessment that band-aid approaches would no longer assure the organization’s long-term viability or ability to earn passing SEMAP scores.
7. **Enhanced Productivity is a Systems Problem:** The analytic framework established by Morley (1988) and Swanson (1996) provides an excellent prism for understanding the many threads needed for weaving a more productive organization. In the case of MDHA, for example, conducting fair and thorough performance appraisals would be difficult without establishing minimal standards of productivity. Neither of these functions could be undertaken without serious computer system overhaul. Fundamental work processes needed to be revamped. And most importantly, unless MDHA’s senior leadership sent clear signals to Section 8 management and staff that the bickering, excuses, and lack of productivity accepted in the organizational culture would no longer be tolerated,

it is unclear that change would have occurred in the first place. Coping with this interconnection was perhaps our most important—and daunting—lesson from this experience.

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