



Highlights of [GAO-08-34](#), a report to the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

**Why GAO Did This Study**

Agencies across the federal government are embarking on large-scale organizational transformations to address 21st century challenges. One proposed approach to address systemic federal governance and management challenges involves the creation of a senior-level position—a chief operating officer (COO)/chief management officer (CMO)—in selected federal agencies to help elevate, integrate, and institutionalize responsibility for key management functions and business transformation efforts. GAO was asked to develop criteria and strategies for establishing and implementing COO/CMO positions in federal agencies. To do so, GAO (1) gathered information on the experiences and views of officials at four organizations with COO/CMO-type positions and (2) convened a forum to gather insights from individuals with experience in business transformation.

**What GAO Recommends**

GAO recommends that the Office of Management and Budget (OMB), working with the President’s Management Council composed of senior agency officials, use the identified criteria when assessing the type of COO/CMO positions appropriate for federal agencies and the strategies for implementing these positions. Also, Congress should consider these criteria and strategies as it develops and reviews legislative proposals to create these positions. A senior OMB official said that OMB had no comments on a draft of this report.

To view the full product, including the scope and methodology, click on [GAO-08-34](#). For more information, contact Bernice Steinhardt at (202) 512-6806 or [steinhardt@gao.gov](mailto:steinhardt@gao.gov).

**ORGANIZATIONAL TRANSFORMATION**

**Implementing Chief Operating Officer/Chief Management Officer Positions in Federal Agencies**

**What GAO Found**

A number of criteria can be used to determine the appropriate type of COO/CMO position in a federal agency. These criteria include the history of organizational performance, degree of organizational change needed, nature and complexity of mission, organizational size and structure, and current leadership talent and focus.

Depending on these five criteria, there could be several types of COO/CMO positions, including: (1) the existing deputy position could carry out the integration and business transformation role—this type of COO/CMO might be appropriate in a relatively stable or small organization; (2) a senior-level executive who reports to the deputy, such as a principal under secretary for management, could be designated to integrate key management functions and lead business transformation efforts in the agency—this type of COO/CMO might be appropriate for a larger organization; and (3) a second deputy position could be created to bring strong focus to the integration and business transformation of the agency—this might be the most appropriate type of COO/CMO for a large and complex organization undergoing a significant transformation to reform long-standing management problems.

Because each agency has its own set of characteristics, challenges and opportunities, the implementation of any approach should be determined within the context of the agency’s specific facts and circumstances. Once the type of COO/CMO is selected, six key strategies can be useful in implementing such positions in federal agencies.

<b>Key Strategies for Implementing COO/CMO Positions</b>	
Define the specific roles and responsibilities of the COO/CMO position	Once clearly defined, these specific roles and responsibilities should be communicated throughout the organization.
Ensure that the COO/CMO has a high level of authority and clearly delineated reporting relationships	The organizational level and span of control of the COO/CMO position is crucial in affecting the incumbent’s authority and status within the organization.
Foster good executive-level working relationships for maximum effectiveness	Effective working relationships can help greatly to ensure that the people, processes, and technology are well-aligned in support of the agency’s mission.
Establish integration and transformation structures and processes in addition to the COO/CMO position	These structures and processes could include business transformation offices, senior executive committees, functional councils, and crosscutting teams that are actively involved in strategic planning, budgeting, performance monitoring, information sharing, and decision making.
Promote individual accountability and performance through specific job qualifications and effective performance management	A specific set of job qualification standards could aid in ensuring that the incumbent has the necessary knowledge and experience. A clearly defined, realistic performance agreement would also assist in clarifying expectations and reinforcing accountability.
Provide for continuity of leadership in the COO/CMO position	The administration and Congress could also consider options of other possible mechanisms to help agencies in maintaining leadership continuity for the COO/CMO position, such as term and career appointments, in selected agencies.

Source: GAO analysis.