



# ORGANIZATIONAL TRANSFORMATION

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

Highlights of [GAO-08-322T](#), a testimony 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

As agencies across the federal government embark on large-scale organizational change needed to address 21st century challenges, there is a compelling need for leadership to provide the continuing, focused attention essential to completing these multiyear business-related transformations. At the same time, many agencies are suffering from a range of long-standing management problems that are undermining their ability to accomplish their missions and achieve results. One proposed approach to address these challenges is to have COO/CMO positions in federal agencies.

This statement is mostly drawn from GAO’s report released today ([GAO-08-34](#)) that discusses criteria that can be used to determine the type of COO/CMO that ought to be established in federal agencies and strategies for implementing these positions. To do this, GAO reviewed four organizations with COO/CMO-type positions and convened a forum. GAO also discusses previous GAO work on DOD and DHS.

GAO’s report recommends that the Office of Management and Budget (OMB), working with the President’s Management Council use the identified criteria when assessing the type of COO/CMO positions appropriate for federal agencies and the strategies for implementing these positions. Also, GAO suggests that Congress consider these criteria and strategies as it develops and reviews legislative proposals for these positions.

To view the full product, including the scope and methodology, click on [GAO-08-322T](#). For more information, contact Bernice Steinhardt at (202) 512-6806 or [steinhardtb@gao.gov](mailto:steinhardtb@gao.gov).

### What GAO Found

GAO has long advocated that the Department of Defense (DOD) and the Department of Homeland Security (DHS) could benefit from a full-time and senior-level chief operating officer (COO)/chief management officer (CMO) position, with a term appointment of at least 5 to 7 years, and a performance agreement. In fact, every federal agency can benefit from a senior leader acting as a COO/CMO. While the type of COO/CMO may vary depending on the characteristics of the organization, 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. For example, 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. Or, 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.

GAO identified six key strategies that agencies can follow in implementing COO/CMO positions in federal agencies. However, the implementation of any one approach should be determined within the context of the agency’s specific facts and circumstances.

#### Key Strategies for Implementing COO/CMO Positions

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| 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.  |

Source: GAO analysis.