Institute for the Study of Public Policy Implementation
Leadership Forum

Summary of Proceedings
November 2, 2004
Leaders can implement change in the workplace by following the example of others who are successfully changing, such as the Appeals Office of the Internal Revenue Service. The leaders of the Appeals Office shared their insights on how to create successful change at an Institute for the Study of Public Policy Implementation Leadership Forum meeting held on Tuesday, November 2.

“I believe effective implementation of public policy is at the heart of being an effective manager,” said ISPPI Director Robert M. Tobias. “There are processes that individuals and organizations have used to help themselves and their colleagues implement change successfully. The IRS Appeals Office is one such organization.”

“In 1998, Congress changed the job of the Appeals Office,” said David Robison, chief, Appeals. “The organization quickly learned that the old way of doing business wasn’t working. Work was backing up and appeals were taking too long to resolve. We had to do something.”

Robison, along with Karen Ammons, deputy chief, Appeals and Tony Ciotola of Signature Resources detailed the challenges facing the Appeals office when Robison came on board in June 2002 and what the office has achieved since that time, which includes increases in employee and customer satisfaction.

In describing the process they’ve used to create this success, the trio focused on three key areas: using ideas from the experts within the business, engaging leaders at all levels of the organization in the effort, and placing the effort in the hands of key leaders.
PROCEEDINGS

Introduction and Discussion by ISPPI Director Robert M. Tobias

“What processes does your agency currently use to implement a major policy change? Has the process been successful? Why or why not”

Introduction:
Institute for the Study of Public Policy Implement (ISPPI) Director Robert M. Tobias opened the meeting with a brief overview of the mission and goals of ISPPI, followed by a discussion of the process many agencies use to implement change.

Participants noted several different approaches to change, including directives from senior leadership and having senior leaders define the change and involve employees in deciding how the changes should be made.

Participants agreed that in their agencies most change efforts have not been successful, takes a long time, and success depends on the degree to which employees buy in not only to the need for change but to the new ways of working.
Presentation by David Robison, chief, Appeals; Karen Ammons, deputy chief, Appeals; and Tony Ciotola, Signature Resources

When Congress reinvented the Internal Revenue Service in 1998, it looked at the success of the Appeals Office (the office to which taxpayers could appeal decisions made by the tax offices within the IRS) and decided to add other areas of dispute resolution to its workload. As a result, the office went from one concentrated almost solely on examining cases to an office where more than 50 percent of the work would now be in other areas.

As the office took on its new duties, it continued to approach the new work using the same processes it had successfully used for 77 years. Unfortunately, those processes were ill suited to the new work and quickly problems began to appear. Work backed up. Employees became frustrated, taxpayers became angry, and the media was focusing on the problems.

In June 2002, David Robison was named as chief of Appeals. His charge from the IRS commissioner was “to fix” what was broken. Robison spent his first 90 days traveling around to different Appeals offices and listening to employees frustrations. Often during these meetings, items were brought to his attention that could quickly be changed or fixed and he saw to it that those items were fixed right away.

As a result of these meetings, Robison put together a team consisting of three senior managers, three first-line supervisors, and three union employees and charged them with determining how the organization should look. In the meantime, Robison was looking at the organization’s problems and building his executive team. In November 2002, he brought Karen Ammons on board as deputy chief. In February 2003, taking the results of the employee working group, the new organization model for Appeals was announced.

In August of 2003, Appeals held a meeting in Philadelphia with a group of hand-picked managers who were divided into three groups. Each group was charged with looking at a business process and coming up with new ways to do the work that would result in a 40 percent improvement. This stretch goal was given so that the groups would be motivated to look at radically new ways of working. The work of those groups was presented at the end of the meeting. In addition, the group as a whole looked at what had transpired during their time together and developed “lessons learned” from the experience.

The following month, September 2003, teams were formed that would take the ideas for approaching the three business processes and implement them. By March 2004, continuing professional education courses had been developed around the new ways of working. Courses were held in June and with the information introduced in the courses, employees at the local level planned how they would handle the work. These plans were completed in July, with union bargaining taking place in September. The plans were fully implemented in October.

As Appeals has moved through this process, even before full implementation, success could be seen. Cycle time was reduced slightly, as did hours per case (the number of hours an employee worked on a case) and the number of cases closed. In addition, there was an increase in employee and customer satisfaction.

As the effort moves forward, Robison and his leadership team is committed to putting into place a system that will allow the organization to deal with change. This process involves continuous looking at the work they are asked to do and examining how it could be done better.
The team admitted that with so much wrong with the organization, they could not focus on fixing everything at once. One key to success they noted was to narrow the focus in order to get a good handle on the problem statement. Another key was to include in working groups those who don’t traditionally work in that area in order to add fresh eyes.

But, the key to making the change process successful begins with building credibility and trust, which Robison did by listening to employees and using their ideas. To ensure the success of change efforts, Robison and his team advise that you use your employees ideas, engage leaders at all levels of the organization, and put the effort in the hands of key leaders.
Wrap—Up

Following the presentations, the Leadership Forum participants discussed what elements of the process presented can they use in their agencies to aid transformational efforts? Among the elements discussed were the need to be vigilant, to constantly ask what is happening in your organization; another was to quickly fix those things that can easily be changed; and to be sure to prioritize what needs to be done and assign accountability.