

**CHANGING THE SYSTEM:
INSTITUTIONAL CHANGE (AND INERTIA) IN THE
U.S. HOUSE OF REPRESENTATIVES**

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Abstract:

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Parliaments or legislatures, central political institutions of a regime, usually are expected to be resistant to change. Long-established mature legislatures are thought especially likely to exhibit institutional conservatism—to resist and be relatively immutable to change. Yet, there is ample evidence that parliaments sometimes do change: at times gradually through incremental steps, sometimes through sweeping reconstitution and transformation of character and purpose.

As a result of the landmark 1994 U.S. congressional elections, the Republican party assumed control of the U.S. House of Representatives for the first time in 40 years. The new House Speaker, Newt Gingrich, came to office with a set of substantive policies to pursue—the well-known Contract with America. He also was determined to assert aggressively the powers of his office of House Speaker, and to revolutionize the internal working of the House of Representatives as an institution—to sweep away the accumulated inefficiencies and cobwebs of 40 years of Democratic majority rule. This paper examines and assesses these changes in the Speaker's political powers and the sweeping reforms of the internal operations—structural, financial, and administrative—of the U.S. House of Representatives as two instances of institutional change in a mature legislature. It concludes by considering explanations for the successful adoption (thus far) of these institutional changes.

Parliaments¹ are institutions particularly central to the political life and processes of a democratic regime. As political entities, they might be expected to reflect the traits of institutional conservatism—to resist and to be relatively immutable to change. Yet there is ample evidence that parliaments do change: sometimes gradually through incremental steps, sometimes through sweeping reconstitution and transformation of character and purpose.²

In this paper, parliamentary change, as one aspect of the broader process of institutional change, will be examined through a consideration of two dramatic changes in the United States House of Representatives directly resulting from the 1994 U.S. electoral 'revolution': a major transformation of the political powers of the Speaker of the House, and sweeping reforms of the internal operations—structural, financial, and administrative—of the House itself. The paper will conclude by considering some explanations for the successful adoption (thus far) of these instances of institutional change.

In a reflection on "Institutional Conservatism" which well defines our orientation, political scientist Arend Lijphart insightful writes:

the growing scholarly literature of democratic constitutional design[, part of] the so-called new institutionalism in political science—the recent rebirth of interest in the institutional aspects of politics—is based on the conviction that institutions do matter, that they are not merely weak and inconsequential superstructures dependent on a 'truly' determinant socioeconomic, cultural, or other non-institutional base.... Legislatures should probably be regarded as the most important institutions in a democracy....³

Parliamentary and Institutional Change

Parliaments, as central political institutions of a regime, could well be expected to be conservatizing forces resisting changes which might unsettle their established role in the political

¹ Although distinctions are sometimes made between the words 'parliament' and 'legislature'—parliament having its basis in the French word 'parler,' to talk, and legislature being derived from the Latin word 'legis' or law (thus legislature: law-maker)—here they will be treated as synonyms.

² This section is adapted from Lawrence D. Longley, "Parliaments as Changing Institutions and as Agents of Regime Change: Evolving Perspectives and a New Research Framework," *The Journal of Legislative Studies*, Vol. 2, No. 2 (Summer 1996), pp. 22-44. An earlier version of this study also appeared as a chapter in Attila Ágh and Gabriella Ilonszki (eds.), *The Second Steps: Parliaments and Organized Interests* (Budapest: Hungarian Centre for Democracy Studies, 1996).

³ Arend Lijphart, "'Cameral Change' and Institutional Conservatism," in Lawrence D. Longley and David M. Olson (eds.), *Two Into One: The Politics and Processes of National Legislative Cameral Change* (Boulder, CO: Westview Press, 1991), p. ix.

system. As an institution such as a parliament 'grows-up' over time, it develops well-articulated internal relationships and structures. It develops, to a degree, an institutional memory which increasingly can mold, influence, and stabilize the behavior of its members.⁴ In short, long-established legislatures are generally thought to be agents of stability and continuity.

Yet there are countless examples of legislatures—even quite mature, well established institutions such as the twentieth-century United States Congress,⁵ the contemporary Swedish Riksdag,⁶ or today's British House of Commons⁷ or Lords⁸—changing and, while doing so, having far-reaching impact on their nation.

There is no inevitability about this relationship between parliaments and change, for there are also countless other instances of parliamentary obstruction to—or at least reluctance to embrace—change. As Gerhard Loewenberg and Samuel C. Patterson expressed it well some years ago in their classic study *Comparing Legislatures*:

There is... nothing about legislatures that makes them into either stabilizing or destabilizing institutions.... Legislatures cannot be dismissed as conservative institutions which are irrelevant to the needs of rapidly developing societies, any more than they can be relied upon to be invariably responsive to social change.⁹

The problem, then, is to try to account for those instances when legislatures do undergo change, and when they, by doing so, enhance change in their larger system. The key questions about parliamentary change are the recurrent ones of any inquiry: How do parliamentary institutions change? Who is involved in such change processes? How do such changes come about? Why did the parliament find itself embracing change at that time and under those circumstances? When is parliamentary change most likely to occur—under what set of forces and conditions? What were the results of the parliamentary and regime changes adopted, and to what degree were these results

⁴ Mary Douglas, *How Institutions Think* (1986), summarized in Samuel C. Patterson and Gary W. Copeland, "Parliaments in the Twenty-first Century," in Gary W. Copeland and Samuel C. Patterson (eds.), *Parliaments in the Modern World: Changing Institutions* (Ann Arbor: The University of Michigan Press, 1994), p. 6.

⁵ Roger H. Davidson, *The Postreform Congress* (New York: St. Martin's Press, 1992); see also case study examples included in Lawrence D. Longley, "Parliaments as Changing Institutions."

⁶ See Björn von Sydow, "Sweden's Road to a Unicameral Parliament," in Lawrence D. Longley and David M. Olson, *Two Into One*.

⁷ See, for example, Philip Norton, "Representation of Interests: The Case of the British House of Commons," in Copeland and Patterson (eds.), *Parliaments in the Modern World*.

⁸ See, for example, Donald Shell, *The House of Lords* (Savage, MD: Rowan and Littlefield, 1988).

⁹ Gerhard Loewenberg and Samuel C. Patterson, *Comparing Legislatures* (Boston: Little, Brown, 1979), pp. 300 and 303.

different from those anticipated?¹⁰

In the following pages, we shall offer two case studies of institutional change in a mature long-established legislative body: the contemporary United States House of Representatives. The first, relatively brief case study, will be of the astonishing enhancement of the powers of the House Speaker following Representative Gingrich's elevation to that historic office at the start of 1995. The second, considerably more detailed case study, will deal with the sweeping changes in almost every aspect of the administration of the U.S. House which have been adopted within the past 18 months. These two examinations of institutional change will also allow for a broader consideration of the conditions for successful change adoption in a parliamentary system.

CASE STUDY ONE: CHANGE IN THE POLITICAL POWER OF THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FOLLOWING THE 1994 ELECTORAL 'REVOLUTION'¹¹

A striking instance of legislative change currently is underway in the House of Representatives. This occurred as a direct result of the astonishing and unexpected success of the Republicans in seizing control of the House in 1995, the most dramatic outcome of the November 1994 congressional elections.¹² This was a development that had not been foreseen even by zealot Republicans, with the noteworthy exception of the architect of that victory, Representative Newt Gingrich. Long dismissed as a gadfly and bull terrier partisan, Representative Gingrich was nevertheless able to convince most of the 1994 Republican congressional candidates to endorse and support publicly a common campaign manifesto—the soon-to-be-famous "Contract With America."

A number of short-term forces came together to enhance Republican prospects in the 1994 election: the recruitment of better candidates as Republican contenders; an astute Republican targeting of open seats (constituencies without an incumbent Representative running); a significant anti-incumbent sentiment leading to losses by some Democratic House incumbents (but no incumbent

¹⁰ Adapted from Lawrence D. Longley and David M. Olson, "The Politics and Processes of National Legislative Cameral Change," p. 9; and David M. Olson and Lawrence D. Longley, "Conclusions: Cameral Change Politics and Processes in Three Nations and Beyond," pp. 203-18; both in Longley and Olson (eds.), *Two Into One*.

¹¹ This case study is adapted from Lawrence D. Longley, "Parliaments as Changing Institutions."

¹² In the 1994 election, the Republican Party also won control of the U.S. Senate, but this was far less momentous than their House victory. Such a possibility had been anticipated by many politicians and analysts; there was recent experience (from 1981-1987) with Republican majority control of the Senate; Majority Leader-to-be Robert Dole was seen as a skilled and experienced builder of bipartisan coalitions; and the Senate long has been less polarized along partisan lines than the House.

Republicans); the largely successful partial nationalization of congressional campaigns engineered by Representative Gingrich; a variety of specific issues, such as crime, welfare, anti-big government, right-to-life, personal security, and taxes, on which Republican contenders were better able than Democrats to position themselves; some degree of anti-Clinton sentiment which was taken out on congressmen and candidates of his party; and, to some extent, a short- or long-term (this is still to become clear) voter shift away from the Democratic and toward the Republican Party.

The election results were indeed dramatic. In order to take control of the House of Representatives, there would have to be Republican gains of at least 40 seats—a shift widely dismissed as improbable or impossible in a legislature which, in recent years, had seen the reelection of as many as 98.5% of its incumbent candidates. Republican gains of about 25 to 30 seats, at the most, were widely predicted (including by the political scientist writer of this paper). The results confounded pundits, scholars, and politicians alike. Instead of gains of 25 or so seats, of even a surprising 35 or so, the Republican Party gained a total of 55 seats, 15 more than needed to take control of the House of Representatives for the first time in 40 years. Representative Gingrich, scourge of Democrats and effective propagandist and strategist of a Republican take-over of the House, became the leader of the new Republican majority and the Speaker of the House.

Speaker Gingrich is in no way a retiring nor modest person. Immediately after the election he announced, in countless interviews, a new Republican-led American Revolution, with his playing, presumably, the lead role as George Washington. The ideological and policy successes in the House of Speaker Gingrich's first 100 days have been widely discussed; less generally focused on has been the equally striking political changes he has wrought within the House.

When he became Speaker, Representative Gingrich resolved to establish a personal and powerful role for himself as Speaker of his House of Representatives. His assertions of powers were astonishing—certainly in dramatic contrast with the traditions of the past 85 years. Speaker Gingrich personally chose the new Republican Chairmen of the standing committees, sometimes honoring seniority, at other times ignoring seniority to name a personal ally or ideological comrade. He pushed new rules through the Republican majority party caucus setting term limits for committee chairs, ensuring that committee chairmen without open-ended security would lack the time to develop as rivals to the Speaker. It also meant that those committee members interested in future committee chairmanships would be more interested in currying the favor of the Speaker than that of a term-limited current committee chairman.

Additionally, the new Speaker exercised unusual discretion in appointing Republican Members to committees. Over the years, House Speakers had had considerable power in this regard, but few if any recent Speakers had felt as free from seniority and other constraints as

Speaker Gingrich in exercising such discretion. And, of course, Speaker Gingrich dominated the legislative policy agenda of the House, at least through 1995.

Together, these institutional changes in the House, greatly enhancing the Speaker's powers at the cost of committee chairmen and even of rank-and-file Republican Members, potentially constitute the greatest augmentation of power for the House leader since the heyday of Speaker Joe Cannon (which ended, of course, in his powers being curbed in 1910). It is entirely possible that the extensive powers asserted by Speaker Gingrich in 1995 and 1996, 85 or more years later, will eventually be limited by his fellow Republicans or will be eroded by time: the new Speaker is a controversial, brash, and at times abrasive personality. While the future is beyond the modest predictive powers of political science,¹³ analysis of what has happened is possible.

How was it possible for the new Speaker to act in such an unprecedented manner? What were the conditions and circumstances which made such unusual exercise of power possible? We would suggest five factors which made these significant power changes, some great and dramatic, possible:

- * a great influx of new Members—110 in 1992 and 87 in 1994—leading to quite a junior House somewhat lacking institutional memory and shared established norms;
- * a new Republican majority determined to redress partisan grievances of the past;
- * new and aggressive leaders in the House, especially in Speaker Gingrich;
- * the personal and ideological loyalties of most new Republican House Members to the Speaker; and
- * the shock and resulting fluidity of institutional response due to the totally unexpected outcome of the 1994 U.S. congressional elections.

Change came to the House of Representatives in 1995 dramatically and in sharp departure from past practice. The net effect of the 1995 reforms, however, was to concentrate power rather than to fragmentize it—the results of House reforms twenty years previous.¹⁴ After the actions of early 1995, the U.S. House of Representatives entered what might be termed a post, postreform period, with the eventual shape of power in this ever changing institution, as of mid-1996, still unclear.

¹³ See one author's confident predictions of the likely outcome of the 1994 congressional elections, admitted to above. Political science, admittedly, is best at predicting what has already happened.

¹⁴ For consideration of the earlier House reforms of the 1970s, see Lawrence D. Longley, "Parliaments as Changing Institutions."

CASE STUDY TWO: APPLYING BUSINESS MANAGEMENT MODELS TO LEGISLATIVE CHANGE

Overview

Starting on December 1, 1994, the U.S. House of Representatives embarked on an effort which brought fundamental change for the first time in 206 years to House administrative operations. Under the joint direction of the House Leadership, the Transition Team, and a newly formed Committee on House Oversight (CHO), major reforms were implemented under the broad title of the "Open House Proposal." In one year, overall operations of the House moved dramatically into a more businesslike framework. A first-ever independent audit of the House helped justify these changes, and identified, in greater detail, the issues that needed to be addressed.

The results of these reforms were substantive and striking decreases in the costs of operating the House (\$800 million a year to \$671 million a year), decreases in administrative operations (\$69 million to \$46 million), and decreases in administrative service personnel (1,069 to 600). Extensive privatization of administrative functions provided additional ongoing savings. The reforms also created, for the first time in the 206 year history of the House, fully documented financial systems, including for procurement, purchases, personal property inventories, and personnel. The ability of the House to plan budgets and accurately to track expenditures was also greatly enhanced.

This dramatic and swift change process caused major changes in the relationships among those who direct and manage the operations of the House. The role of the new Oversight Committee (CHO) to the three major Officers of the House: the Clerk, the Sergeant-at-Arms, and the new Chief Administrative Officer, evolved and modified. In particular, an understanding of the multi-dimensional relationships which evolved between the House Leadership, Members of the House, the Oversight Committee, and the Chief Administrative Officer, is central to any in depth review and analysis of how major change in the institution of the U.S. House occurred.

Business Sector Change Management Models

Formal models of the behavior of industrial era businesses have existed since Frederick W. Taylor developed his system of scientific management at Edison Electric's Hawthorne Plant in the early 1900s.¹⁵ Among Taylor's major contributions was the identification of the "Hawthorne Effect" which documented how workers' output can temporarily improve with any change in the

¹⁵ Frederick W. Taylor, *Scientific Management: Comprising Shop Management, The Principles of Scientific Management, Testimony Before the Special House Committee* (New York: Harper and Brothers, 1947). *Shop Management* was originally written in 1903, *Principles* was written in 1911, and Taylor's House testimony was given in 1912.

work environment, even a negative one. His observations laid the foundation for modern analysis of how behavior is affected by different work environments. His findings also resulted in the first guidelines on how to create change in work environments.

A number of young engineers traveled to the Hawthorne Plant to work with Taylor. In the 1920s and 1930s, the work of three of these young engineers, Dr. Walter A. Shewhart and Dr. Joseph M. Juran at the Bell Laboratories, and Dr. W. Edwards Deming at the Bureau of the Census, greatly expanded upon Taylor's methodology and applications while developing what became known as the "change management" approach. [See Appendix D for a selected listing of the more influential works of this managerial perspective.] The forms of industrial change they analyzed continued Taylor's focus on work processes and the work environment or culture. Their analyses led them examine what made some organizations more successful than others, in terms of productivity and quality of product. They discovered that there was a set of interrelated operating principles which was common among successful organizations. These principles, properly applied, could create a sustainable level of excellence in any organization. [For a codification of these principles, see Appendix A: Juran's Breakthrough Sequence and Appendix B: Deming's 14 Points].

Deming, Shewhart, and Juran further discovered that organizations wishing to achieve a higher level of operational excellence could begin evolving in that direction by changing their style of management and the way workers related to each other and to their work processes. This body of research evolved into what became known as the principles of "quality management." In 1950, Dr. Deming brought this "quality management" approach to Japan during the allied occupation of that country. General Douglas MacArthur looked to the change methodology inherent in "quality management" as a means of rapidly reconstructing the war-ravaged Japanese nation.¹⁶

Japan's embrace of American quality management principles had, in fact, begun far early. In 1912, Yukinori Hoshino, Director of Japan's Kajima Bank of Osaka, translated Taylor's *The Principles of Scientific Management* into Japanese as *The Secret of Saving Lost Motion*. This Japanese guide to scientific management sold 1.5 million copies in the following years. Post World War II Japanese enthusiasm for the subsequent quality management approaches of Deming and Juran led to rapid application throughout that nation's industries after the war's conclusion and as the nation rebuilt its devastated economy and industrial base. In 1951, the Union of Japanese Scientists and Engineers (JUSE) established the Deming Prize to recognize individuals and corporations for excellence. In 1954, Dr. Juran himself arrived in Japan to lead a series of JUSE-sponsored seminars on worker/management relations. This evolved into the use of "quality circles" by many Japanese companies to direct projects, to design products, and to solve and prevent problems

¹⁶ R. G. Greenwood and R. H. Ross, "Early American Influence on Japanese Management Philosophy: The Scientific Management Movement in Japan," in S. M. Lee and G. Schwendiman (eds.), *Management by Japanese Systems* (New York: Praeger, 1982), pp. 43-54.

through "continuous improvement."¹⁷

This comprehensive Japanese application of quality principles was instrumental in its emergence as an economic giant by the 1970s.¹⁸ The Japanese "quality management revolution" is today a standard case study for business schools throughout America. American businesses, finding their own domestic markets under successful assault by cheaper, yet higher quality Japanese products, began to also look at "quality management" based change methodologies which would allow them to meet the Japanese economic threat. Change management concepts developed by Deming and Juran were expanded upon by models developed by Philip Crosby (an executive with ITT), and later by Dr. Michael Hammer (a professor at MIT) and Dr. Stephen R. Covey (the head of training for Marriott). These models all outlined specific steps that need to be taken to:

- * establish goals and objectives for a change,
- * develop commitment from top management or power centers,
- * mobilize and direct resources,
- * successfully implement the change, and
- * institutionalize the change and assure an environment that fosters ongoing improvement.¹⁹

The public sector began to focus upon the benefits of the "quality revolution" in the mid-1980s. During the Reagan Administration, the "Malcolm Baldrige National Quality Award" was established to showcase leading America companies which had successfully applied quality management principles. Subsequently, the Bush Administration established the "Federal Quality Institute" along with the President's "Prototype Awards" to promote and showcase quality management applications within the Executive Branch.

The transition from using quality principles as goals to using quality models for change management began in the 1990s when the pivotal book *Reinventing Government* by David Osborne and Ted Gaebler was published. It outlined specific ways that the public sector could become more efficient and, therefore, more credible in a political era dominated by anti-government politicians. The approach of Osborne and Gaebler paralleled the earlier private sector models for planning, implementing, and sustaining change in large complex organizations. As the Clinton Administration

¹⁷ An excellent overview of the development of quality management in Japan is provided in Michael G. Freeman's article, "Don't Throw Scientific Management Out With the Bathwater," *Quality Management* (April 1996), pp. 61-64.

¹⁸ Kaichiro Nishino, "Why Productivity of Japanese Industry is High," *Management Japan*, Vol. 16 (Spring 1983), pp. 19-25.

¹⁹ For a detailed identification of the precepts of the quality management movement, including the specific advice of Juran, Deming, and Crosby, along with a listing of their major works, see the Appendices of this paper.

began in January 1993, a key component of its Executive Branch management approach was based upon these change models.²⁰ By 1995, government entities at the state, local, and federal levels were using quality management and business change models to design and direct their management reforms. Private sector change management leaders like Michael Hammer, developer of the "re-engineering movement," began to publish articles and essays specifically tailored to public sector applications.²¹

The increasingly common practice of applying business change models to the public sector also began to find advocates in legislative entities. The Maryland and Minnesota state legislatures, for example, started utilizing business models to improve their administrative and information management operations. Some of these legislative applications were showcased at a unique video conferencing U.S. House of Representatives Hearing conducted by Rep. David Dreier (R-CA) on May 31, 1996.

The extension of principles of business quality management approaches first to public sector executive branch entities, and then to legislative branch functions, was driven by a number of key realizations:

- * that change can be a steady state, not something that starts and stops;
- * that while change is inevitable, its direction, speed, and impact can be managed;
- * that change is ultimately driven by "what's in it for me" (WIIFM), meaning that change occurs when the forces for change realize that it is in their own best interest to work for a new way of doing things and to overcome the forces which find their best interests met in the existing system; and
- * that these stages of change are universal and predictable.

Another key reason why quality and business based change models are today increasingly used in U.S. legislative settings, especially the House of Representatives, is that those who planned and led the revolution in the 104th Congress following the 1994 elections were themselves direct proteges of key earlier quality management scholars. The new Speaker Newt Gingrich was a longtime friend and colleague of Dr. Deming, and himself had taught Deming's principles in college classes. The head of the 104th Congress Transition Team, Rep. Jim Nussle (R-IA), was an advocate of the behavioral change model developed by Crosby. The primary implementor of the subsequent House reforms, new Chief Administrative Officer Scot M. Faulkner, previous to his

²⁰ Tom Shoop, "The Reinvention Rage" and "Headlong into Quality," *Government Executive*, Vol. 25, No. 3 (March 1993), pp. 10-21.

²¹ Michael Hammer and Steve A. Stanton, "The Reengineering Revolution," *Government Executive*, Vol. 27, No. 9 (September 1995), pp. 2A-12A—part of that magazine's "Special Reengineering Guide."

House appointment had been a Vice President of Philip Crosby Associates, Crosby's own quality management company. As CAO of the House, Faulkner, in turn, recruited his team of change managers to implement the House administrative reforms from Crosby Associates (two members), from firms which had contracted with Crosby (ten members), and from other Deming-based firms (four members). Mr. Crosby himself advised the implementation team in 1995 and 1996 and, later in 1996, Dr. Val Fiegenbaum, leader of Deming-based change at General Electric, further advised the House effort. In short, the sweeping administrative reforms implemented in the U.S. House of Representatives during the 104th Congress were profoundly inspired and guided by the precepts and insights of Deming, Juran, and Crosby, and by the writings of the quality management movement.

Administrative Reforms of the 104th Congress

The American elections of 1994 brought the Republican Party back into power in the House of Representatives for the first time since the 83rd Congress (1953-54), 40 years earlier. This historic upheaval also brought in 84 freshman (first time) House Members. The change in the membership of the House was historic in other ways. The new House overall was astonishingly junior: 51.2 percent of the Republican Members, and 38.3 Percent of the Democrat Members had served less than three years—the lowest such figures in the twentieth century. Another significant change was that among all House Members, 35 percent had been employed, prior to being elected, in business sector jobs (this excludes the legal profession)—the highest proportion of House members with business backgrounds in this century.²²

At 2:00 a.m. on election night, Representative Newt Gingrich (R-GA) telephoned a number of his closest advisors among the newly elected Republican House majority. His calls set into motion the first House Republican transition team to serve since November 1954. These individuals had, in fact, first met as a strategic planning group starting in February 1994, anticipating what many then conceded was only a long-shot possibility: that the Republicans might control the House after the November elections. The mission of the now formalized Transition Team included beginning the implementation of an extensive list of reforms which had been developed as a result of the House postal and banking scandals of 1990 and 1991,²³ and further refined by Republican House Members during a series of policy planning sessions held in 1993 and 1994. To help develop the strategic plan, first to take over the House of Representatives and then to reform it, Rep. Gingrich drew on

²² All demographic material supplied by the Congressional Research Service.

²³ Frederick H. Pauls, "Congressional Reform: A Synopsis of Concerns and Proposals," Congressional Research Service, March 16, 1992; and Paul S. Rundquist, et al., "House of Representatives' Management: Background and Current Issues," Congressional Research Service, April 17, 1992.

the ideas and advise of his mentor, Dr. Edwards Deming.²⁴

The 104th Congress Transition Team was chaired by Rep. Jim Nussle (R-IA). His team focused on three specific areas in preparing for the new Congress:

1. revising House committee structure, including modifying jurisdictions, renaming committees to better reflect jurisdictions, and downsizing committee staff;
2. revising the formal Rules of the House; and
3. revising the administrative structure of the House.

This third area was to have the most far reaching impact on the 104th Congress.

While changes in the House's committee structure, party caucuses, chamber seniority, and rules had previously occurred in the wake of the entry of large freshman classes after the 1974 and 1990 elections, there had been no major reform of the administration institutions and processes of the House since the Congress first arrived in Washington in 1790. The titles and functions of the administrative offices of the House as of the end of 1994, in fact, could be traced back even further—to the Continental Congresses of 1775 to 1783. A person arriving by means of a time machine in the 1994 House of Representatives from the 1775 Continental Congress would have found the same ledger books, accounting practices, personnel procedures, and records management systems still used in the 103rd Congress. Even the payroll office for Members was still lodged in the Sergeant at Arms office, just like in 1775 in Philadelphia when the holder of that office was the only one with a horse, a gun, and the authority to go to the U.S. Treasury and bring back the gold to pay the Members.

By Thanksgiving Day, only a few weeks after the 1994 election, the 104th Congress Transition Team had completed its plan for a radically different administrative organization for the House. On December 1, 1994 it announced, under the banner of the "Open Congress Initiatives," that three long-established institutions, the House Doorkeeper, the House Administration Committee, and the House Director of Financial and Nonlegislative Services, all were to be abolished. The Clerk of the House, for 205 years the senior officer of the House, was stripped of 80 percent of its functions, leaving that office only limited responsibility for direct floor operations (the supervision of pages and various reading clerks and recorders of debate). The House Sergeant at Arms, the second most senior officer of the House, was redefined as the chief of security.

²⁴ Gingrich's close association with Deming dates back to 1983. Gingrich has written extensively on Deming's impact on American competitiveness, including in his book, *Renewing America*, which was based upon Deming's work. See also Newt Gingrich, "Renewing American Civilization, Pillar Five: Quality as Defined by Deming," *Quality Progress*, Vol. 28, No. 12 (December 1995), pp. 25-33.

Replacing much of the former structure would be one new House officer: a Chief Administrative Officer (CAO), patterned after similar positions in private corporations (sometimes also known as a Chief Operating Officer or COO).

A search began to find a professional with a grounding in private corporate operations, in quality management/change management methods (including the high velocity, fundamental change management approach known as "re-engineering"), and, hopefully, a person who had knowledge or background in Congressional operations. On December 10, the House Transition Team announced the appointment of Scot M. Faulkner as its choice to become the first-ever Chief Administrative Officer of the House of Representatives.

Faulkner met all of the necessary qualifications. He had worked five years as a Legislative Assistant in the House, he had spent two additional years as the Director of Congressional Affairs for a government agency, and he had been Vice President of Philip Crosby Associates. Along with his mentor, Philip Crosby, Faulkner had worked on implementing radical changes in numerous Fortune 500 companies. Upon becoming part of the Transition Team as CAO-designate, Faulkner set to work forming his top management team which would develop more detailed plans for fundamentally reforming House operations. He brought together change managers from Disney, Toyota, United Airlines, CBS News, Bell Atlantic, Blue Cross and Blue Shield, IBM, and Westinghouse, together with other colleagues from Philip Crosby Associates. During the change process Crosby, himself would also act as advisor to the Transition Team.

The change process for the House of Representatives was planned as one involving several steps:

1. eliminate the entire previous House management structure, including the removal of all incumbents (55 in all);
2. restructure the administrative organization, including "flattening" the organization from twelve layers of management to two;
3. commence a radical re-engineering effort which would eliminate and privatize major administrative functions, ultimately reducing the number of administrative employees from 1100 to 600;
4. place all administrative operations within a business framework;
5. implement quality management principles and practices;
6. implement an information technology-based records management system, ultimately making all operations paperless; and
7. develop a work culture which would sustain continuous improvement.

The most radical element of this approach was to begin thinking of the U.S. House of Representatives, one of the most political and tradition-bound institutions in the world, for the first time as a private business. This reconceptualization allowed the planners to consider the 500 major organizational units of the House [435 Member offices plus additional offices of non-voting delegates, some 20 or more (today 19) House committees and additional subcommittees, and various leadership institutions] as 500 "business units," each with its own "Chief Executive Officer" (CEO)—the Member, Committee Chair, etc.—and with its own budget and employees.²⁵ The moment the House began to be viewed as a collection of independent businesses needing distinctive support services, then the business models of large office buildings (like the New York World Trade Center), large conference hotels (like a Ritz-Carlton or major Hyatt Regency²⁶), and even cruise ships and commercial real estate developments like shopping malls, became increasingly relevant.

It is at this point that the new CAO team members explicitly turned to private sector business change models to plan their House reform efforts. While the Crosby change model [see Appendix C: Crosby's 14-Point Program] was the foundation for planning the implementation of the House reforms, the newly constituted CAO team felt that a model embodying a more aggressive and "political" approach might be needed to supplement these efforts. Therefore, on the first day the new CAO team met, on December 14, 1994, the work of Price Pritchett, as reported in his book with Ron Pound, *High-Velocity Culture Change*, was circulated and a sheet of Pritchett's major change management quotes became required reading for all members of the transition effort. Among the Pritchett quotes were:

- * "You will have trouble creating a new culture if you insist on doing it in ways that are consistent with the old one."
- * "You must hit with enough shock effect to immobilize the old culture at least temporarily."
- * "You must seize control of the energy—turn it to your advantage—so it can't be used to fortify and perpetuate the old culture."
- * "Start out fast and keep trying to pick up speed. Leave skid marks."²⁷

²⁵ House CAO Faulkner described this perspective in mid-June 1996: "Think of a Member's office as the Second District of Illinois Inc., where the legislator is the C.E.O. with a two-year contract who can hire 22 people and have \$900,000 to \$1 million a year for office expenses." Quoted in Eric Schmitt, "House Has Gotten Itself in Order: Cost-Saving Management Reform Has Successes, and Critics," *The New York Times*, June 18, 1996, p. A 17; subsequently published as Eric Schmitt, "House Applies Business Practices," *The International Herald Tribune*, June 19, 1996, p. 3.

²⁶ The hotel analogy was underscored by CAO Faulkner who pointed out in mid-June 1996 that the House has "three million visitors a year, with 35 special-event rooms that are used seven to eight times a day for breakfast meetings to cocktail receptions." Quoted in *Ibid.*

²⁷ Price Pritchett and Ron Pound, *High Velocity Culture Change* (Dallas, TX: Pritchett & Associates, Inc., 1993).

The CAO team thus merged the lessons of Crosby and Pritchett to create a dramatic and sweeping change implementation steps unlike any seen in Washington, DC for many decades:

* The first series of votes of the 104th Congress, on its opening day of January 4, 1995, swept away 205 years of how the House traditionally had operated. Through a series of unanimous votes, the chamber laid the foundation for new business-oriented operations, including the formal creation of the office of Chief Administrative Officer (CAO) and the authorization of an independent audit of the operations of the House. The independent and respected accounting firm of Price Waterhouse was eventually selected to perform this audit.

* By January 13, 1995 (9 days later), the implementation of the changes in House business operations had been defined by the CAO team in terms of 75 interrelated projects. Included in the implementation plans was a "Credo and Contract with the Congress," a manifesto which outlined the principles and practices of the proposed new business operations of the House. It further identified the vision and values which would guide every action within the CAO's responsibilities. At the same time, a "Quality Improvement Team" of CAO employees was established to oversee the implementation of a work culture based on integrity, performance measurement, continuous improvement, recognition, and team effort.

* On February 3, 1995, a mini "retreat" of CAO leaders together with representatives of the House Leadership and the Chairmen of the Appropriations Subcommittee on the Legislative Branch and the newly-created Committee on House Oversight, was held to decide the next stages of House administrative reforms. The CAO team had already determined that a number of traditional House administrative functions could be abolished or outsourced. In addition, it had been concluded that the twelve layers of management which had run the old House administrative system could far more efficiency be reduced to two layers.

* During the balance of the 1995 year, the old House service operations were methodically abolished and the new parallel business-based organizations took over. Each operation was either abolished, outsourced (privatized), or fundamentally reshaped to reflect "best practices" within the private sector. Some examples would be instructive:

August 15, 1995: The House Folding Room (originally created back in the 1850s to fold materials for stuffing in envelopes) was abolished.

Net savings: \$2 million a year.

September 23, 1995: A House surplus furniture auction was held, disposing of unused furniture dating back many years and also eliminating substantial warehousing costs.

Net savings: \$235,000 a year, plus a one time profit of \$141,000.

October 4, 1995: The House Barber Shop, House Beauty Salon, and House Shoe Services were privatized.

Net savings: \$173,000 a year.

November 20, 1995: House Postal Operations were partially outsourced.

Net savings: \$296,000 a year.

December 31, 1995: The office of House Printers was abolished.

Net savings: N/A.

February 13, 1996: The remaining portions of House Postal Operations was privatized.

Net savings: \$2 million a year.

By mid-1996, all the original 75 administrative reforms had been fully implemented.²⁸ Among the 75 changes implemented was the ending of the historic practice of daily delivery of buckets of ice to all Representatives' offices, with an anticipated resultant savings of as much as \$500,000 a year.²⁹

At the same time new financial and procurement systems to track every expenditure and document every transaction were installed, in some cases replacing handwritten ledgers which dated in format 220 years earlier—to the Continental Congress. By June 1, 1996, a new fully automated financial system was finally in place. Also, public disclosure of the monthly financial activity of the House, long provided in only limited quantities in an incomprehensible and fragmentary document called the "Clerk's Report," was now widely disseminated as a "Statement of Disbursements" available online to the general public through the Internet. All administrative processes were now documented, and wasteful procedures, forms, and steps were, consequently, more easily eliminated.

The CAO team also conducted the first-ever inventories of House real and personal property. It found thousands of unused items, some still in wrappings from as far back as 1962. Plans for the disposal of obsolete and surplus items and for future proper resource planning were developed and rapidly implemented. The team held the first ever "House Yard Sale" which sold off surplus furnishings and eliminated the cost of a leased warehouse.

The end result of these initiatives within the first 18 months, as noted earlier, was the reduction of the total number of employees of the House of Representatives from 1,063 to under 600, the cutting of the overall House Budget from \$800 million to \$671 million, and a decrease in the House direct administrative budget from \$69 million to \$44 million.

²⁸ Jeff A. Taylor, "The Republican House Cleaning: GOP Has Put Management on Sounder Footing," *Investor's Business Daily*, March 26, 1996, pp. 1-2; Al Singleton, "House of Sale," *Government Executive*, Vol. 28, No. 2 (February 1996), pp. 31-35.

²⁹ Eric Schmitt, "House Has Gotten Itself in Order," and "House Applies Business Practices."

The Counter Revolution

This series of administrative reforms encountered one noteworthy obstacle: a bipartisan group of House Members who for various reasons did not want changes in traditional arrangements to occur and were determined to block them from going into effect. These Members and their staffs attacked every aspect of the reforms, waged letter writing campaigns to the House Leadership, and generally argued in favor of going slow, studying each issue, and trying only limited "pilot projects" prior to considering any fundamental changes in House operations. For a brief period this opposition delayed the reforms and almost brought the swift implementation approach to a halt. Many of these opposing Members had served in the House for more than three terms, and could bring their seniority to bear effectively against those changes they opposed.

The concerns of reform opponents were based upon a number of grounds:

- * The fact that such fundamental restructuring of legislative support operations had never been tried anywhere else.

- * The perception that the House of Representatives was unique and that specific management practices successful elsewhere had no relationship or application to the U.S. House.

- * The concern that the proposed reforms would diminish the role of the individual Member in the operations of the House. This concern was partially based on the 205-year practice of all administrative decisions in the House being driven by political considerations, including questions concerning basic institutional administration. In the past, such minor things as who got their rugs cleaned and how many chairs were allocated to a given office were tied to loyalty to various House leaders or to support for specific legislation. The new system proposed to treat each Member and staff equally as "customers." This would eliminate the favoritism which many more senior Members felt they had earned.

- * The concern that eliminating or privatizing some operations would remove necessary services for constituents and increase costs to the taxpayer. While this reform actually resulted in dramatically reduced costs and eliminated obsolete functions, some Members nevertheless missed the old and familiar ways of doing things.

These formidable obstacles to managerial change were, however, eventually overcome. Among those factors leading to reform success were:

- * The strength of the commitment, on the part of the House Leadership, to seeing the reforms implemented and to giving them time to work. This meant, however, that the Leadership often had to put more faith in the reforms than in the concerns of senior Members from their own

party.

* The existence of overwhelming evidence of how dysfunctional the existing House administrative system was. In particular, the Price Waterhouse audit of traditional House administration practices, issued in July 1995, was so devastatingly critical of prior House operations³⁰ and so well documented in its judgments,³¹ that after its issuance, all substantive opposition to House administrative reform collapsed.

* The speed at which the reforms were implemented and at which tangible benefits were realized. The team of implementors moved faster than any reform group in the last twenty years in the Federal Government. The rapid pace of actual implementation overwhelmed the opposition before they could effectively organize against the reforms. The results related to service improvement and savings were then dramatic and quickly seen, further depriving the opposition of issues and opportunities to bloc change.

* The implementation team's emphasis on being nonpartisan, a goal substantially achieved, which allowed for broad bipartisan acceptance of the reforms.

* The fact that every incumbent House employee was given the opportunity to seek placement in the new House administrative organizations or with its vendors. Eventually 90 percent of the new House structures was comprised of veteran House employees.

* The effort on the part of the implementation team to be as humane as possible to those employees whose positions were dislocated or eliminated by the reforms. The implementors developed a comprehensive outplacement training, counseling, and support operation based upon practices utilized throughout the business sector. This model program won praise from even the opposition, and was instrumental in building a comfort level among all Members of the House that the reforms were being conducted in a professional yet compassionate manner.

The administrative reforms of the 104th Congress are remarkable since the alignment of senior and powerful House Members had been easily ample enough to stop reform efforts in the past. The large freshman class of 1974 played a central role in toppling the seniority system (at least to a degree and for a while),³² but this reform-minded cohort of change advocates never addressed the core administrative functions of the House. In 1990, one of the largest freshman classes in the 20th century limited itself to making only minor and superficial adjustments in House managerial functions (including the less than substantial ending of the free Members-only car wash). The major scandals which erupted in the early 1990s over abuse of the House Bank and the House Post Office

³⁰ One Price Waterhouse official summarized its findings by scathingly labeling the pre-1995 U.S. House of Representatives as "one of the worst-run organizations" the accounting firm had ever evaluated. Eric Schmitt, "House Has Gotten Itself in Order" and "House Applies Business Practices."

³¹ The Price Waterhouse report itemized 226 specific recommendations for change in House administrative practices, thus giving a legitimized agenda for action to House reformers.

³² See Lawrence D. Longley, "Parliaments as Changing Institutions and as Agents of Regime Change," for discussion of this earlier congressional change.

resulted only in the closure of the House Bank, but not in any sweeping rethinking of House administrative operations.

In each instance institutional response was limited to a reaction only to the specific incident or abuse. Other more sweeping plans for administrative reform were ignored. In 1991 and 1992, for example, then-Minority Whip Gingrich and outside consultant Faulkner proposed pilot projects relating quality management to House operations. These proposals were ignored by senior Members from both parties.

The major question which might be posed is that, in light of this ongoing profound reluctance to consider major reform efforts in the House dating back many years, what made the conditions of the 104th Congress different? The dynamics of successful reform in 1995 and 1996, and the method by which a counter revolution was attempted and successfully countered, can be analyzed by using another private sector change management model—one which merges political science concepts with the quality management approaches as applied in the House. It is a model of change politics currently in use by Speaker Gingrich as he plans his hoped-for continuing leadership of the 105th Congress—that which will result from the congressional elections of November 1996.

The Conner Model

Daryl R. Conner, a psychologist who developed his models in the course of his work with Georgia Pacific and Pepsi-Cola, explains change in terms of the alignment of forces similar to the quality management writers. What makes Conner's explanation unique and relevant to this paper, however, is that his concepts are highly compatible with traditional "forces of change" analysis in political science. In fact, it was this compatibility with political science and legislative models which made a major impression on Speaker Gingrich's Strategic Planning Group early in 1995.

The Strategic Planning Group was formed at the outset of the 104th Congress. It explored ways for merging quality management principles with congressional/parliamentary behavior. The group continues to be also the nucleus for the planning of a hoped-for Republican-led 105th Congress. This group, which represents the inner "think tank" around Speaker Gingrich, is composed of House Members who have business backgrounds and scholars of the conservative-oriented Congressional Institute. As the counter revolution attempted to blunt the proposed administrative reforms, the Strategic Planning Group used Conner's work to interpret what was happening. Their analysis was instrumental in the successful efforts of the reform advocates to turn back the counter revolutionary threat and allowed change proponents to develop plans seeking to assure that the reforms of the 104th Congress will be sustainable into the 105th Congress, starting in 1997.

The model that Conner developed is outlined in his book, *Managing at the Speed of Change: How Resilient Managers Succeed and Prosper Where Others Fail*.³³ In his analysis, Conner explains how management's demand for change is not always compatible with an organization's capacity to change. If demand exceeds capacity, then change can destroy an organization. If capacity exceeds demand then opportunities are lost.

Into this change environment there are four key participants:

CHANGE SPONSOR	Individuals or groups who legitimize or sanction the change.
CHANGE AGENT	Individuals or groups who are responsible for implementing the change.
CHANGE TARGET	Individuals or groups who must actually change.
CHANGE ADVOCATE	Individuals or groups who want to achieve a change, but do not possess legitimization power.

The interplay of these four participants determine whether change will happen. According to Conner's research, "80 percent of these relationships are dysfunctional" because the proper people and proper interactions do not exist.

Another dimension to this model is that there are two kinds of CHANGE SPONSORS:

INITIATING	Individuals or groups that set the change in motion.
SUSTAINING	Individuals or groups who assure the continuation of the change.

These concepts can be applied to the various participants in the reforms of the 104th Congress. The interplay of these participants, and the interplay of the Conner concepts, clarify the reasons why events in the change processes happened the way they did and why the reforms ultimately succeeded where earlier efforts had failed.

³³ Daryl R. Conner, *Managing at the Speed of Change: How Resilient Managers Succeed and Prosper Where Others Fail* (New York: Valerate Books, 1995).

Applying Conner's Model to the 104th Congress

As the 104th Congress began, the INITIATING SPONSOR was the Speaker and his transition team. The CAO and his team were the CHANGE AGENTS. The CHANGE ADVOCATES were the critical mass of Freshman and Sophomore (first and second term) House Members who demanded major reforms. The CHANGE TARGET was the entire House, including its 10,000 employees.

What happened initially was that the Speaker, as a way of providing for general authorization and policy guidance over the new Chief Administrative Officer (CAO) structure, created the Committee on House Oversight (CHO). It was anticipated that the CHO, composed of twelve Members (seven Republicans and five Democrats), would act as a "Board of Directors" to the CAO. Reform-minded Members were recruited in the hopes of having them collectively become the SUSTAINING SPONSOR in the House.

It soon became apparent that the SUSTAINING SPONSOR was a far more diverse group than the INITIATING SPONSOR. In fact, several key Republicans, who had eloquently spoken for reform when in opposition in the 103rd Congress prior to the 1994 election, now raised extensive objections to the plans the Transition Team developed. The result was that, by March 1995, a battle over the direction, scope, pace, and methodology of the reforms was raging within the CHO [CHANGE SPONSORS versus CHANGE OPPONENTS] and between the opposition portions of the CHO and the CAO [CHANGE AGENT].³⁴ Eventually, key members of the House Leadership [INITIATING SPONSOR] had to step in and decisively resolve this situation by first fundamentally changing, and then defacto abolishing, the Oversight Committee. In its place, the CAO was directed to work under the direct general guidance of the Speaker's Strategic Planning Group. Therefore, a new SUSTAINING SPONSOR was found and the old one discarded.

Explaining What Happened

On December 1, 1994, the Transition Team [INITIATING SPONSOR] for the 104th Congress announced a series of bold proposals which would fundamentally change the administration of services in the House. Labeled the "Open House Proposal" the declared purposes of the proposals were to:

reduce the number of officials reporting to the Speaker of the House, streamline administrative functions, beef up the office of the independent Inspector General and

³⁴ Juliet Eilperin, "Faulkner's Nine Months of Sound and Fury as CAO," *Roll Call*, September 18, 1995, pp. 1, 20-21; Eric Schmitt, "House Has Gotten Itself in Order" and "House Applies Business Practices."

bring technology capabilities up to date.

Two key aspects of these twelve pages of reforms were the establishment of a standing "Committee on House Oversight" and a new "Chief Administrative Officer for the House."

The mission of the newly established "Committee on House Oversight" (CHO) were stated to be:

to provide greater emphasis on developing broad policy recommendations and alternatives to House rules that govern administrative procedures. It would concentrate its oversight responsibilities on major management issues and limit its involvement in day to day administrative operations. [CHANGE SPONSOR]

The mission of the new House Chief Administrative Officer (CAO) was to be :

Responsible for the non-legislative administrative functions of the House of Representatives. [CHANGE AGENT]

As the 104th Congress began on January 4, 1995, the Transition Team remained in operation to oversee implementation of the Open House Proposals. The key members of the Transition Team met on a weekly basis to discuss specific actions to reform the House and the progress of implementing these reforms. This weekly team meeting included:

- * the Chair of the Transition Team [INITIATING SPONSOR],
- * the Chair of the CHO [SUSTAINING SPONSOR],
- * the CAO [CHANGE AGENT], and
- * a representative of the Speaker [INITIATING/SUSTAINING SPONSOR]..

It had been anticipated that this group, comprised of the various change participants, would be able to remain focused and unified. This group met constantly throughout the first six months of 1995. It performed the key task of keeping the various units which were involved in implementing reform focused on the Transition Team's intent. However, over time, additional attendees from the CHO staff [CHANGE OPPONENTS] were added, and the press of other legislative business began to limit some member involvement.

On February 3, 1995, a master plan comprising 75 specific reform initiatives was presented to the Transition Team. At this meeting, the Chair of the Legislative Branch Appropriations Subcommittee was included for the first time. This expansion was due to the intent of the Transition

Team [INITIATING SPONSOR] that the CHO [SUSTAINING SPONSOR] initially approve the specific reform initiatives with the financial aspects of these reforms being subsequently reviewed and approved as part of the appropriations process.

On February 10, the staff of the CHO approved "in principle" all 75 reforms proposals. A one page memo identifying "priority reform initiatives" was issued by the CHO the following week. During a workshop retreat on February 24 and 25, specific action plans (including individual steps, timetables, lead offices, and resource requirements) required to implement each reform proposal were identified and made final within the CAO. Staff members from the CHO, the Appropriations Subcommittee, and the Speaker's Office were in attendance to help review and offer additional refinements to these detailed plans.

On March 2, the first set of finalized reform action plans were presented to the CHO staff. These plans incorporated both CHO and CAO ideas, along with recommendations from the February workshop. The remainder of the reform plans were presented to the CHO staff on March 10. Later that month the CHO formerly approved the CAO taking action to privatize the House Barber and Beauty Shops.

It is at this point that the first signs of difficulty in the working relationship between the CHO and CAO began to manifest themselves. The CHO staff, which by now was clearly working with the senior Republican Members opposed to the reforms, began requesting extensive detailed information to substantiate the need for each of the 75 reform proposals (plans which they had already approved), including even those which they had designated as priority. It became clear that the CHO staff was not ready to allow any of the 75 reforms to be considered by the members of the Committee until the staff itself was "fully comfortable" with every detail of what was going to happen and why each management change was necessary. Meanwhile, the CAO's own interactions with individual Members of Congress [CHANGE ADVOCATES and SPONSORS], including Members on the Committee on House Oversight, the House Appropriations Subcommittee, and individual House Leaders, suggested a clear interest in maintaining rapid movement to implement each reform.

At the Legislative Branch Subcommittee hearing on April 19, the Chair of the Subcommittee and several other Majority Members clearly expressed their own support [CHANGE SPONSORS] for rapid progress in implementing the reforms. On May 10, nine weeks after the finalized reform plans had been submitted to the CHO, the Committee held a hearing to approve two reforms relating to procurement. However, two weeks later, at the May 23 CHO hearing, only one additional new reform was allowed to be considered. In fact, it was a CHO staff [CHANGE OPPONENTS] generated alternative proposal relating to parking, one with which the CAO had many practical

problems. The CAO, in fact, only learned about the CHO staff-generated alternative a few days before the meeting. CAO officials were not allowed to comment on the CHO parking plan and were barred from attending the CHO member caucus and the CHO staff briefings. At these meetings, CHO staff provided their own critiques and criticisms of the CAO's original parking plan—without CAO personnel present.

On May 25, the Appropriations staff [another group of SUSTAINING SPONSORS], frustrated by CHO inaction [split between CHANGE SPONSORS and CHANGE OPPONENTS], began to write major portions of the 75 reform initiatives into the Fiscal Year 1996 (FY96) Legislative Branch Appropriations. Upon hearing of this action, the CHO held a hearing on June 14 to approve seven reforms and to finalize the CAO organization. This was just two days before Subcommittee mark-up on the Legislative Branch Appropriations which mandated and funded all of the 75 initiatives in FY96 (October 1, 1995-September 30, 1996). In addition, the Appropriations Subcommittee used this opportunity to further strengthen the role of the CAO as CHANGE AGENT by launching the CAO into a series of mandated studies to consider change in the Architect of the Capitol's 200 year old operation.³⁵ This new area of strategic change is developing, as this paper is being prepared, into a separate instance of dramatic administrative change.

The June 1995 action by the Appropriations Subcommittee established itself as the primary SUSTAINING SPONSOR and shifted the change leadership role away from the deeply divided CHO. This decisive action also stirred the House Leadership to become more active and to reassert its role as the INITIATING SPONSOR. In February 1996 the CAO was asked by the Speaker's Office to write a new set of guidelines for how the administrative processes of the House should be guided and reviewed. In a series of Members-only meetings between the Speaker, Reps. Nussle, John Boehner (R-OH, Chair of the Republican Conference), and Bill Thomas (R-CA, Chair of the Oversight Committee) major changes of the way the CAO was to be guided were put into effect.

An immediate result was for House Leadership to begin exploring alternative decision processes to the eighteen month old Committee on House Oversight. By mid-1996, a mixture of key House Members, House Leadership personnel (both staff and Members), and leaders of the Legislative Branch Subcommittee remain as the SUSTAINING SPONSORS of the House administrative reforms. There is also some discussion of moving the Transition Team for the 105th Congress into a more prominent role as both INITIATING SPONSOR for the next round of reforms, while continuing its role as an integral part of the existing SUSTAINING SPONSORS. The CHANGE OPPONENTS, meanwhile, have become disorganized and their opposing activity

³⁵ Under current divisions of power between the House CAO and the Architect of the Capitol, the CAO has the responsibility of making picture frames for the 435 House Members, but the Architect has the responsibility of hanging the pictures once framed. "There are still some zig-zags here," CAO Faulkner recently observed. Quoted in Eric Schmitt, "House Has Gotten Itself in Order."

continues to decline.

The lessons learned from these contentious, but successful administrative reforms of the 104th Congress are:

1. The INITIATING CHANGE SPONSOR must have a clear idea of what needs to be changed.
2. The INITIATING CHANGE SPONSOR must remain actively involved until the major change process is complete.
3. The INITIATING CHANGE SPONSOR must build a solid case for the change.
4. The SUSTAINING CHANGE SPONSOR must have commitment equal to that of the INITIATING SPONSOR.
5. The CHANGE AGENT must have the complete backing of the CHANGE SPONSORS, including direct access.
6. The CHANGE AGENT must be fully capable of the task of chief implementor. The CHANGE AGENT must also be able to withstand strong opposition and remain focused on the changes.
7. The CHANGE AGENT also must
 - * move quickly in implementing the changes,
 - * realize that the focus of the SPONSORS may erode over time,
 - * show substantive and immediate results to validate the SPONSOR's commitment to change,
 - * be bold at the beginning when the commitment and attention of the CHANGE SPONSORS are the strongest, and
 - * make sure that the potential for reversing the change is quickly and completely removed—otherwise the OPPONENTS OF CHANGE will continue to have hope and try to reverse the change.

Applying Change Models to Other Parliamentary Systems

In an earlier study, "Parliaments as Changing Institutions and as Agents of Regime Change: Evolving Perspectives and a New Research Framework," six areas of inquiry were proposed as a guide for future research into parliamentary institutional and regime change:

- the type of parliament—well-established, reconstituted, or newly established as it may be;
- the role of individual members, including their backgrounds, values, and linkages to the larger society;

- the public acceptance and expectations of the parliament;
- the relation of the parliament to political parties and other key political forces in the society;
- the relation of the parliament with the executive; and
- the impact, on the parliament, of experiences from other regimes.³⁶

The revolutionary changes which have occurred in the political powers of the Speaker and in the administrative structures and functions of the U.S. House of Representatives during the 104th Congress (January 1995-present) provide an opportunity to consider these areas of inquiry as a guide for future research into parliamentary institutional change. In the preceding case studies, we have argued that the influx of new House members in recent years was instrumental in the 1995 and 1996 political and administrative changes, along with changes in the career backgrounds of many Members, increasingly often including business experience. The forceful personality of the new Speaker and (especially in the case of administrative reform) other key players likewise was crucial in the adoption of the changes. The public acceptance of institutional change, as graphically reflected in the outcome of the 1994 congressional elections, further enhanced reform administrative efforts as well as the more political changes.

Much of the change initiatives came from within the legislative institution itself, although models from business explicitly inspired the administrative reformers—and, of course the stunning political results of the 1994 congressional elections emboldened both the political and administrative change assertiveness of the new Speaker in 1995. The President was not a significant player in any of these events—deeply wounded by the 1994 elections, his role was completely detached from the transforming events within the House and was much more concerned with rebuilding the political credibility of his presidency in anticipation of the 1996 election.

Finally, there was profound intellectual contagion—the drawing of lessons from experiences in other contexts—especially in the case of House administrative reform. There is overwhelming evidence that the revolution in the internal governance and administration of the U.S. House was consciously driven by private sector business models relating to “change management.” This provides for the possible convergence of business management methodology with political science methodology when describing and analyzing change in parliamentary systems which subscribe to the concept of “reinventing government.” This refinement is especially timely as the U.S. House is becoming a model for change for other legislatures in the United States, and among parliaments around the world. This offers the possibility that the methodology of the House’s reforms might apply to other parliamentary settings.³⁷

³⁶ Lawrence D. Longley, “Parliaments as Changing Institutions.”

³⁷ The House of Representatives has been visited in recent months by delegations of parliamentarians from Bulgaria, Germany, Hungary, Jamaica, Romania, Russia, and South Korea seeking information about the House administrative reforms and the processes of their adoption.

Conclusions and Broad Reflections

In this essay, we have considered the role and dynamics of parliaments as institutions that undergo change within themselves, especially in the case of mature parliamentary institutions. In our examination of two instances of parliamentary change, it was shown that parliaments can change in a wide variety of contexts and conditions—including such well-established legislatures as the United States Congress after nearly 200 years of evolution. There is no 'end of history' in parliamentary change, only the possibility of sometimes startling change from what has gone before.

Danish parliamentary scholar Erik Damgaard recently wrote: "Many things tend to grow over time." Picking up this simple idea, American political scientists Gary W. Copeland and Samuel C. Patterson add:

growth occurs only when the object is nourished, and it continues to grow only when it bears fruit. If either is lacking, the plant or animal will atrophy, decay, or be allowed to die. The same holds for human organizations, in this case parliaments. To survive, they must be constantly fed through their representational linkages, and they must bear the fruit of problem solving for their societies while adding legitimacy to those actions.³⁸

Democratic parliaments are not mere arenas for the playing out of advantage and power on the part of parliamentarians, although often that too. They are also crucially important institutions linking citizens to their larger polity, to their regime. To the extent that they are vibrant entities, adapting and changing in accord with the wishes of those governed, they are also a source of vitality and energy in their nation and facilitators of its constructive adjustment to changing need.

Decisions concerning the distribution of power within a parliament and the administration of its activities both reflect and accelerate changes in the whole web of governmental institutions and political balances in a regime. As we have written elsewhere, "National legislatures, always the premier arena of representation, and in the democratic era also the premier source of governmental power, are at the very center of that wide net of institutions and processes which comprise politics and government."³⁹

³⁸ Copeland and Patterson, "Changing an Institutionalized System," in Copeland and Patterson, *Parliaments in the Modern World*, p. 159.

³⁹ Olson and Longley, "Conclusions: Cameral Change Politics and Processes in Three Countries and Beyond," p. 227.

Appendices

Appendix A—Juran's Breakthrough Sequence

1. **Breakthrough in attitudes.** Managers must first prove that a breakthrough is needed and then create a climate conducive to change. To demonstrate need, data must be collected to show the extent of the problem; the data most convincing to top management are usually cost-of-quality figures. To get the resources required for improvement, expected benefits can be monetized and presented in terms of return on investment.
2. **Identify the vital few projects.** Pareto analysis is used to distinguish the vital few projects from the trivial many and to set priorities based on problem frequency.
3. **Organize for breakthrough in knowledge.** Two organizational entities should be established—a steering group and a diagnostic group. The steering group, composed of people from several departments, defines the program, suggests possible problem causes, gives the authority to experiment, helps overcome resistance to change, and implements the solution. The diagnostic group, composed of quality professionals and sometimes line managers, is responsible for analyzing the problem.
4. **Conduct the analysis.** The diagnostic group studies symptoms, develops hypotheses, and experiments to find the problem's true causes. It also tries to determine whether defects are primarily operator controllable or management controllable. (A defect is operator controllable only if it meets three criteria: operators know what they are supposed to do, have the data to understand what they are actually doing, and are able to regulate their own performance.) Theories can be tested by using past data and current production data and by conducting experiments. With this information, the diagnostic group then proposes solutions to the problems.
5. **Determine how to overcome resistance to change.** The need for change must be established in terms that are important to the key people involved. Logical arguments alone are insufficient. Participation is therefore required in both the technical and social aspects of change.
6. **Institute the change.** Departments that must take corrective action must be convinced to cooperate. Presentations to these departments should include the magnitude of the problem, alternative solutions, the cost of recommended changes, expected benefits, and efforts taken to anticipate the change's impact on employees. Time for reflection may be needed, and adequate training is essential.
7. **Institute controls.** Controls must be set up to monitor the solution, to see that it works, and to keep abreast of unforeseen developments. Formal follow-up is provided by the control sequence used to monitor and correct sporadic problems.

This summary is adapted from J. M. Juran, *Juran on Leadership For Quality* (New York: Free Press, 1989), p. 29; and J. M. Juran, *Managerial Breakthrough* (New York: McGraw-Hill, 1964), pp. 15-17.

Appendix B—Deming's 14 Points

1. Create constancy of purpose for improvement of product and services.

Management must change from a preoccupation with the short run to building for the long run. This requires dedication to innovation in all areas to meet best the needs of customers.

2. Adopt the new philosophy.

Shoddy materials, poor workmanship, defective products, and lax service must become unacceptable.

3. Cease dependence on mass inspection.

Inspection is equivalent to planning for defects; it comes too late and is ineffective and costly. Instead, processes must be improved.

4. End the practice of awarding business on price tag alone.

Price has no meaning without a measure of the quality being purchased. Therefore, the job of purchasing will change only after management establishes new guidelines. Companies must develop long-term relationships and work with fewer suppliers. Purchasing must be given statistical tools to judge the quality of vendors and purchased parts. Both purchasing and vendors must understand specifications, but they must also know how the material is to be used in production and by the final customer.

5. Constantly and forever improve the system of production and service.

Waste must be reduced and quality improved in every activity: procurement, transportation, engineering, methods, maintenance, sales, distribution, accounting, payroll, customer service, and manufacturing. Improvement, however, does not come from studying the defects produced by a process that is in control but from studying the process itself. Most of the responsibility for process improvement rests with management.

6. Institute modern methods of training on the job.

Training must be restructured and centered on clearly defined concepts of acceptable work. Statistical methods must be used for deciding when training has been completed successfully.

7. Institute modern methods of supervising.

Supervisors must be empowered to inform upper management about conditions that need correction; once informed, management must take action. Barriers that prevent hourly workers from doing their jobs with pride must be removed.

8. Drive out fear.

Because of the tremendous economic losses caused by fear on the job, people must not be afraid to ask questions, to report problems, or to express ideas.

9. Break down barriers between departments.

Members of the research, design, procurement, sales, and receiving departments must learn about problems with raw materials and specifications in production and assembly. Each discipline must stop optimizing its own work and instead work together as a team.

for the company as a whole. Multidisciplinary quality-control circles can help improve design, service, quality, and costs.

10. **Eliminate numerical goals for the work force.**
Targets, slogans, pictures, and posters urging people to increase productivity must be eliminated. Most of the necessary changes are out of workers' control, so such exhortations merely cause resentment. Although workers should not be given numerical goals, the company itself must have a goal: never-ending improvement.
11. **Eliminate work standards and numerical quotas.**
Quotas focus on quantity, not quality. Therefore, work standards practically guarantee poor quality and high costs. Work standards that state percentage defective or scrap goals normally reach those targets but never exceed them. Piecework is even worse, for it pays people for building defective units. But if someone's pay is docked for defective units, that is unfair, for the worker did not create the defects.
12. **Remove barriers that hinder the hourly workers.**
Any barrier that hinders pride in work must be removed, including not knowing what good work is, supervisors motivated by quotas, off-gauge parts and material, and no response to reports of out-of-order machines.
13. **Institute a vigorous program of education and training.**
Because quality and productivity improvements change the number of people needed in some areas and the jobs required, people must be continually trained and retrained. All training must include basic statistical techniques.
14. **Create a structure in top management that will push every day on the above 13 points.**

Appendix C—Crosby's 14-Point Program

1. **Management commitment.** Top management must become convinced of the need for quality improvement and must make its commitment clear to the entire company. This should be accompanied by a written quality policy, stating that each person is expected to "perform exactly like the requirement, or cause the requirement to be officially changed to what we and the customers really need."
2. **Quality improvement team.** Management must form a team of department heads (or those who can speak for their departments) to oversee quality improvement. The team's role is to see that needed actions take place in its departments and in the company as a whole.
3. **Quality measurement.** Quality measures that are appropriate to every activity must be established to identify areas needing improvement. In accounting, for example, one measure might be the percentage of late reports; in engineering, the accuracy of drawings; in purchasing, rejections due to incomplete descriptions; and in plant engineering, time lost because of equipment failures.
4. **Cost of quality evaluation.** The controller's office should make an estimate of the costs of quality to identify areas where quality improvements would be profitable.
5. **Quality awareness.** Quality awareness must be raised among employees. They must understand the importance of product conformance and the costs of nonconformance. These messages should be carried by supervisors (after they have been trained) and through such media as films, booklets, and posters.
6. **Corrective action.** Opportunities for correction are generated by Steps 3 and 4, as well as by discussions among employees. These ideas should be brought to the supervisory level and resolved there if possible. They should be pushed up further if that is necessary to get action.
7. **Zero defects planning.** An ad hoc zero defects committee should be formed from members of the quality improvement team. This committee should start planning a zero defects program appropriate to the company and its culture.
8. **Supervisor training.** Early in the process, all levels of management must be trained to implement their part of the quality improvement program.
9. **Zero Defects Day.** A Zero Defects Day should be scheduled to signal to employees that the company has a new performance standard.
10. **Goal setting.** To turn commitments into action, individuals must establish improvement goals for themselves and their group. Supervisors should meet with their people and ask them to set goals that are specific and measurable. Goal lines should be posted in each area and meetings held to discuss progress.
11. **Error cause removal.** Employees should be encouraged to inform management of any problems that prevent them from performing error-free work. Employees need not do anything about these problems themselves; they should simply report them. Reported problems must then be acknowledged by management within 24 hours.

- 12. Recognition.** Public, non-financial appreciation must be given to those who meet their quality goals or perform outstandingly.
- 13. Quality councils.** Quality professionals and team chairpersons should meet regularly to share experiences, problems, and ideas.
- 14. Do it all over again.** To emphasize the never-ending process of quality improvement, the program (Steps 1-13) must be repeated. This renews the commitment of old employees and brings new ones into the process.

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Appendix E—"House Has Gotten Itself in Order,"
New York Times, June 18, 1996

House Has Gotten Itself in Order

Cost-Saving Management Reform Has Successes, and Critics

By ERIC SCHMITT

WASHINGTON, June 17 — Just last year, a Price Waterhouse official called it "one of the worst-run organizations" the giant accounting firm had ever reviewed. Bookkeeping practices dated to the late 1700's and were so sloppy that auditors could not account for millions of dollars.

That organization, the House of Representatives, has since hired a team of financial experts with experience at corporate titans like Toyota, I.B.M. and AT&T to run its daily business like a Fortune 500 company — or as much like one as a conglomeration of 435 individual lawmakers' offices can be.

The idea came from Speaker Newt Gingrich, and the results have been startling. The administrative budget has dropped to \$671 million this year from \$729 million in 1995. The number of House administrative employees has been cut to 600 from 1,063. A new automated accounting system is up and running. Mail delivery and the House barbershop, beauty salon and shoeshine stand have been turned over to private companies, at a projected savings of more than \$1.5 million a year.

And it is not just people on Capitol Hill who have taken notice. Delegations from Bulgaria, Germany, Hungary, Jamaica, South Korea, Romania and Russia have paraded through to glean managerial tips.

"What's impressive is the size of the overhaul that they've managed so quickly," said William B. Parent, the executive director of Innovations in American Government, an awards program of the Ford Foundation and the John F. Kennedy School of Government at Harvard that recently selected the House overhaul as one of contrast to the chamber's spare legislative record.

But the Republican-sponsored streamlining, which goes beyond similar changes the Senate is making, is upsetting the House's 200-year-old culture and traditions, leading some skeptics to warn that the initiatives may be temporary or exaggerated.

"Some of the things they've done are good, like the audit," said Representative Vic Fazio of California, the House's third-ranking Democrat and a member of the House Oversight Committee, which replaced the old

Services have been streamlined and staff cut.

Administration Committee and is supervising many management changes. "But some of the things have been oversold, and the jury is still out on others."

Mr. Fazio questioned the projections of long-term savings. Many employees dismissed in the cuts have been rehired by the new private contractors but at lower wages, prompting fears of eroding morale.

Even some Republicans are divided over what is the best approach. Representative William M. Thomas, the California Republican who heads the oversight committee, is fighting with Mr. Gingrich's choice to carry out most of the management changes, Scot M. Faulkner, who holds the newly created position of chief administrative officer.

Mr. Thomas said in an interview that Mr. Faulkner was doing a "good job," but he quickly added that he would seek to oversee Mr. Faulkner's office more closely.

The battle is about who will preside over Mr. Gingrich's vision of a more efficient House operation — from managing the chamber's restaurants to upgrading its computer system.

Mr. Faulkner, a 42-year-old former official in the Reagan and Bush Administrations, has become a symbol of the rapid changes in the House and a lightning rod for criticism.

"This is changing a work culture," said Mr. Faulkner, who has consulted for companies like Marriott and Prudential, "and that's hard. The

response has ranged from enthusiastic to ambivalent to outright opposition."

Indeed, after Mr. Faulkner lectured 18 workers in the House printing office early this month on the finer points of "total quality management," the corporate gospel he preaches, many employees walked away rolling their eyes at what they dismissed as business school gobble-dygook.

"I don't find any of it useful," said Stan Sechler, an analyst in the printing office and a 20-year employee of the House. "Most people here are bright, competent professionals who know how to figure this stuff out without being told."

Mr. Faulkner said the changes had taken the politics out of professional services that used to be rife with patronage blue-collar jobs. "Which political party you belonged to, how close to the leadership you were, how you voted on bills all seemed to tie into whether you got your chair reupholstered or your bills paid on time," he said.

Mr. Fazio and other Democrats accuse Mr. Faulkner of stocking his executive hierarchy with his own brand of white-collar Republican partisans. For example, Thomas E. Anfinson, a former Toyota executive who is Mr. Faulkner's top finance aide, was the deputy treasurer of the 1984 Reagan-Bush campaign, and Philip G. Kiko, the top purchasing aide, was an associate legal counsel for the National Republican Congressional Committee in the late 1970's.

Mr. Faulkner, a former Peace Corps director in Malawi, said political affiliation had played no role in the hirings.

Mr. Faulkner has Mr. Gingrich's full support, said Tony Blankley, Mr. Gingrich's spokesman, who added, "Scot has provided able leadership in his position."

Mr. Faulkner said he saw himself as part innkeeper and part city manager.

"We're like a Ritz-Carlton or a big Hyatt Regency with lots of conferences and things happening," said Mr. Faulkner, an antiques collector

and historian who has restored his small but elegant office on the first floor of the Capitol to its 19th century splendor, down to the fringed draperies. "We have three million visitors a year, with 35 special-event rooms that are used seven to eight times a day for breakfast meetings to cocktail receptions."

On another level, he said, he caters to the needs of more than 500 individual businesses: House committees and lawmakers' offices. "Think of a member's office as the Second District of Illinois Inc., where the legislator is the C.E.O. with a two-year contract who can hire 22 people and have \$900,000 to \$1 million a year for office expenses," he said.

There are signs, however, that the House Republican leadership may have overreached in trying to apply corporate America to Capitol Hill. For example, Mr. Gingrich directed that all House committee chairmen submit business plans for what they hoped to accomplish this year. Only a few complied.

"Our results to date have been mixed, at best," said Representative Peter Hoekstra, a Michigan Republican who was appointed by senior party members to oversee changes other than the administrative initiatives. "That effort required discipli-

pline, and Washington isn't that disciplined a place."

So for now, the focus remains on addressing the 226 recommendations made last year by Price Waterhouse in its \$3.2 million first-ever audit of the House. The recommendations included improving computer security (the House hired the former head of nuclear information security for Westinghouse) and standardizing the way the House buys supplies like stationery (a new system will begin operating later this year).

"We're restructuring and eliminating redundancies and often wasteful parts of government," said Representative Ron Packard, a California Republican who heads the Legislative Branch Subcommittee of the Appropriations Committee.

Many of the changes reflect the Republican orientation toward smaller, less intrusive government. A handbook that governed details was pared to what kind of television a legislator could buy for the office, cutting it to a 58-page general guide from a three-and-a-half-inch-thick manual.

The House folding room, established in the 1850's to fold material

and stuff it in envelopes, was closed and replaced by a private mail service that charges an average of \$14 per thousand pieces of mail, down from \$480 per thousand.

Daily delivery of buckets of ice to House offices was ended, with an expected saving of up to \$500,000 a year.

Republicans also strengthened the House inspector general's office, created by the previous, Democratic-controlled House, by increasing the number of employees to 18 from 3.

"All this is symbolically important because it is sending a message to the public that the House is attempting to change business as usual," said Richard Shapiro, executive director of the Congressional Management Foundation, a private organization that tries to educate Congress on running its business.

Not that all the inefficiencies have been weeded out. For instance, the chief administrative officer is in charge of making picture frames for all 435 representatives. But hanging them — well, that's the job of the Architect of the Capitol.

"There are still some zig-zags here," Mr. Faulkner said.

Source: Eric Schmitt, "House Has Gotten Itself in Order: Cost-Savings Management Reform has Successes, and Critics," *The New York Times*, June 18, 1996, p. A 17.