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GOVERNORS AS CEOS:

A Blueprint for Merit-Based Governance in the States

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Authored by:

Tanner H. Jones
Policy Analyst
Cicero Institute

Michael Brickman
Education Policy Director & Senior Fellow
Cicero Institute

Introduction

In state governments across the United States, governors function as the chief executives of sprawling bureaucracies—in effect, the CEOs of their states. Elected by and accountable to the entire voting public of their state, a governor enters office with a popular mandate to implement policies and deliver results. In theory, this democratic legitimacy should empower governors to direct state agencies and manage resources efficiently, much like a private-sector CEO drives a company's performance. In practice, however, a gap often exists between the governor's mandate and the bureaucracy's actions.

Career civil servants, protected by merit system rules and insulated from politics, wield significant control over day-to-day governance, sometimes diluting or even defying the elected executive's agenda. Only a tiny fraction of government employees are political appointees. At the federal level, political appointees constitute less than 0.2 percent of the workforce,[1] so the vast majority of those implementing policy are unelected staff whose tenure does not depend on voter approval. This reality creates tension between popular mandate and bureaucratic control: voters may hold the governor accountable for government performance, but the governor, in turn, may find it difficult to hold the bureaucracy accountable. Scholars and watchdogs have documented instances of career officials "slow-walk[ing]" directives, withholding information, or otherwise undermining initiatives they dislike.[2] Such bureaucratic resistance—sometimes dubbed the "deep state" phenomenon—underscores a deficit in democratic accountability. In other cases, resistance comes in the form of overly bureaucratic systems or ineffective staff. The question of whether ineffectiveness may be due to malice or incompetence is frequently top of mind for those looking to reform government from within. In either case, when civil service rules make it arduous to discipline or remove employees, unelected staff can effectively veto or sabotage policies set by elected leadership, undermining the very principle that the people's chosen representatives steer the government.

The challenges of bureaucratic entrenchment are compounded by opaque performance and procedural complexity. Many state agencies operate with little visibility into their outcomes, and complex rules often prioritize process over results. Lackluster performance metrics and public reporting can hide underperformance; similarly, convoluted grievance and appeal procedures can shield ineffective employees from consequences. The result is a gap between voter accountability and administrative reality: a governor may be blamed for failings (slow services, wasteful spending, regulatory overreach) that persist because the bureaucracy is neither fully visible to the public nor easily directed by its executive leadership. To bridge this gap, we argue that governors must assert more CEO-like control — setting goals, rewarding success, and removing obstacles — thereby aligning the bureaucracy's incentives with the public interest.

This paper proposes a comprehensive, merit-based reform agenda to reshape state government in line with private-sector performance principles. Our core thesis is that states should orient incentives toward merit at every level of government service while nurturing an administrative culture of intellectual humility and restraint. In practice, this means empowering governors and agency leaders to reward high performers and remove poor performers, instituting rigorous performance management and accountability systems, and recruiting top talent with competitive merit-based processes and exams. An emphasis on *intellectual humility and restraint* further implies that civil servants adopt a service-oriented mindset—recognizing the limits of their knowledge and authority, avoiding bureaucratic overreach, and faithfully executing policy choices made by elected officials rather than advancing personal or ideological agendas.

Our analysis is organized as follows:

Part I, "Remove Poor Performers," examines how to streamline disciplinary processes and remove obstacles that allow persistent underperformers to remain in government positions. It explores reforms to civil service rules, appeals procedures, and organizational structures that currently impede accountability.

Part II, "Incentivize and Reward High Performance," discusses establishing measurable goals, implementing robust performance evaluations, and creating reward systems that encourage excellence rather than mere longevity.

Part III, "Seek Out and Staff with Top Talent," addresses improvements in hiring and promotion, advocating for rigorous selection methods (such as competitive examinations) and strategies to attract the best candidates into public service.

Finally, the Conclusion outlines an implementation strategy for these reforms and candidly assesses potential challenges—legal, political, and practical—that our proposed overhaul of state government would likely encounter. Throughout, our paper draws on case studies of states that have attempted similar reforms, analyzing successes and setbacks, and grounds recommendations in empirical evidence and best practices from both the public and private sectors.

Making governors "state CEOs" demands fundamental changes to civil service systems to ensure that those who govern can actually manage. By removing poor performers, rewarding excellence, and recruiting top talent while fostering a humble, service-focused bureaucratic culture, state governments can better translate electoral mandates into effective administration. The discussion below provides a roadmap for such merit-based reform, with detailed steps and real-world examples to inform policymakers and stakeholders interested in revitalizing their state's public sector.

I. Remove Perennial Poor Performers

A critical first step to reforming state government is addressing the issue of entrenched poor performers. In many states, terminating or demoting an underperforming employee is a protracted, onerous process governed by civil service rules that heavily favor the employee. Indeed, even the poorest performers can often run out the clock on a governor. What might be a straightforward personnel decision in the private sector can, in a government context, involve months (or even years) of documentation, hearings, and appeals.

This not only saps managerial time and morale but also sends a damaging signal to other employees—namely, that abysmal performance will be tolerated. Surveys indicate that a large share of public employees recognize unaddressed poor performance in their ranks. For example, federal data (often reflective of state situations) show that over half of federal employees say their work unit has poor performers who stay on the job without improving.[3] When the removal process is excessively difficult, supervisors may give up on attempting to discipline problem employees, leading to a culture of complacency. In response, states must streamline removal processes, declassify (i.e., convert to at-will) as many positions as feasible—particularly in middle management, and pursue legislative or structural changes that remove systemic barriers to accountability.

1. **Streamline Removal Processes**

    A. **Reforming appeals and civil service review systems.**

Most states have civil service commissions or personnel boards (analogous to the federal Merit Systems Protection Board) that hear employee appeals of disciplinary actions. While intended as a safeguard against patronage or arbitrary firing, these bodies often impose such a high burden of proof and lengthy procedures that managers are loath to initiate removals except in the most egregious cases. Federal studies illustrate the problem in stark terms: the Government Accountability Office (GAO) found that the internal process to remove a poor performer typically takes six months to a year—or longer—even before external appeals.[4] At multiple stages, an employee can appeal or contest the action (to a civil service board, an arbitrator if a union is involved, or even the courts), each step adding delay. Consequently, only about a quarter of supervisors are confident they could successfully remove a poor performer who meets the formal criteria for firing.[5] In one survey, *92 percent* of federal managers with problem employees did not even attempt to fire or demote them; of those few who tried, 78 percent said their efforts had no effect.[6] These statistics, while federal, mirror the experiences of many state governments. Put simply, the deck is stacked so heavily against removals that many supervisors conclude it is simply not worth the effort to attempt terminations.

To address this problem, states should start by extending the use of probationary periods, which allow newly hired staff to be dismissed for any reason early in their tenure. Such policies should be implemented for all new staff, likely without exception. Later in this paper, we will discuss steps states can take to improve the quality of candidates hired. However, no system is perfect, and many issues can be resolved once it becomes clear that a candidate may not be a good fit. States should then take steps to reform their equivalent of the Merit Systems Protection Board to expedite and simplify the appeals process. One strategy is to limit what issues are appealable and what evidence is required. Kentucky offers a telling example. Under its old law, *any* adverse action was appealable as a "penalization," an overly broad term that was not clearly defined. This allowed employees to drag even minor grievances or management actions before the state personnel board. A 2022 review noted that the broad definition of "penalization" overburdened the Personnel Board with appeals—including trivial grievances—causing delays in hearings for serious cases like suspensions or dismissals. Employees were given false hope by appealing minor issues, often spending thousands on attorneys, only to have their cases ultimately dismissed. In response, Kentucky moved to clarify and narrow the definition of "penalization," instead providing a distinct list of disciplinary actions that employees may appeal to the Board.[7] This kind of statutory clarification ensures that the appeals system is used for genuinely significant issues (e.g., terminations, demotions, serious suspensions, or discrimination claims) and not clogged with minor disputes better handled through internal grievance procedures.

B. Expediting timelines and using technology.

States can also impose stricter timelines on each stage of the removal process. For instance, an initial administrative hearing (before an Administrative Law Judge or board) should occur within, say, 30 days of an appeal filing, and a final board decision should be rendered within a fixed period thereafter. Some states have already introduced faster processes. Tennessee's civil service reform in 2012 (the TEAM Act) created a streamlined appeals process for employees in the protected "preferred service," ensuring that wrongful termination claims are resolved more quickly. Under the TEAM Act, an employee disputing a disciplinary action goes through an internal agency review and then a prompt hearing with the civil service commission's staff, greatly reducing the layers of appeal. Early data suggested this reform reduced the backlog of complaints and provided closure faster.[8]

Technology can further streamline removals. Modern case-management software can help HR departments and legal staff track disciplinary cases, deadlines, and required documentation, reducing inadvertent delays. Digital document management ensures that all evidence (performance reviews, counseling memos, and misconduct reports) is in one file accessible to decision-makers, expediting case preparation. Some jurisdictions have experimented with automated workflow systems that guide managers step-by-step through the removal process to ensure all procedural boxes are checked swiftly. For example, a state might implement an online platform in which a supervisor initiating a termination fills out standardized forms, uploads supporting documents, and triggers automatic notifications to the HR and legal units for review. Such a system could flag if any required step (such as a prior written warning or a performance improvement plan) is missing, thus preventing technical reversals on appeal. Furthermore, the use of teleconferencing for appeal hearings (as opposed to in-person only requirements) can speed up proceedings and cut travel or logistical wait times, especially for statewide agencies with far-flung offices.

Another technology-based tool is leveraging data analytics to identify chronic poor performance early. By tracking key performance indicators for individual employees (e.g., case closure rates, error rates, and customer service feedback), agencies can pinpoint those consistently lagging. This data can prompt timely interventions such as additional training or coaching at first, but if there is no improvement, it would provide an objective basis for removal. When such metrics are integrated into performance appraisal systems, they create a quantitative trail that can bolster the justification for termination, making it harder for an appeal board to overturn. In essence, data can replace subjective "paper trails" with more concrete evidence. For example, suppose an employee processes 40 percent fewer transactions than the team average for two years running despite remedial efforts. In that case, a data-driven performance management system will clearly reflect that pattern, supporting a cause for removal that is difficult to dispute.

C. Overcoming cultural hesitancy.

Streamlining processes is not just about rules but also about culture. Public-sector managers often internalize a fear of firing. Training and leadership from the top can encourage a shift in mindset. Governors and agency heads should communicate that addressing poor performance is not only allowed but expected. When a few terminations of egregious poor performers are successfully executed under a reformed system, it sends a message that the organization is serious about accountability.

The goal is to make the process fair but fast: employees should still have due process and a chance to contest unjust actions, but the system should resolve those disputes in weeks or months, not years. When poor performers can be efficiently removed, the entire workforce gets a clear signal that accountability is real—and the space cleared can be filled by someone more capable and productive to the benefit of the public interest.

2. Declassify Middle Management

While streamlining the removal of individual bad actors is crucial, an even more sweeping reform is to reduce the sheer number of positions that enjoy lifetime civil-service protections. In particular, middle management levels in state agencies should be "declassified," meaning converted from the traditional *classified* (tenure-protected) civil service into *unclassified* or at-will status. High-level political appointees (agency heads, deputies) are generally already at-will in most states, and entry-level or technical staff may need protection to avoid political patronage hiring. However, the layer of bureau chiefs, division managers, and supervisors—those who translate leadership directives into operational practice—often remain in the classified service in many states, which can undermine a governor's ability to reform agency culture.

If poorly suited or resistant to new directions, these mid-level managers can become entrenched bottlenecks who are difficult to remove due to civil service rules. Converting more of these positions to at-will status would give executives the flexibility to realign personnel swiftly in response to performance issues or changing priorities.

Some states have pursued this approach with notable success. Georgia's landmark civil service reform in 1996 made all new hires at-will employees (unclassified), effectively phasing out the old, protected workforce over time. As a result, by 2012, more than 88 percent of Georgia's state workforce was at will, radically increasing managerial flexibility. Similarly, Indiana's 2011 reforms reduced the number of classified employees in the executive branch and shifted toward performance-based HR management.[9]

Perhaps the most instructive case is Arizona's 2012 personnel reform. Governor Jan Brewer championed a law that gradually transitions Arizona from a traditional merit system to an at-will system akin to the private sector. Under this law, all new hires, as well as any employee who accepts a promotion or pay raise, are converted to at-will status.[10] The law also immediately removed civil service protections from certain groups of current employees (such as supervisors, attorneys, and IT workers) who were deemed critical or already had less need for protection.[11] Brewer bluntly argued that the old system served to benefit the least productive employees while failing to reward and incentivize the best.[12] By giving employees an incentive (a one-time 3.75 percent bonus and the prospect of future raises) to relinquish their protections voluntarily, Arizona expected to have 82 percent of its workforce at will within four years, up from only 26 percent prior to the reform.[13] This dramatic shift indicates a viable path to declassify middle management: use natural turnover and *opt-in incentives* to expand the at-will cadre rather than trying to summarily strip protections from all existing staff (which would be legally and politically fraught).

Based on these examples, states can undertake several measures:

- Incentivize voluntary conversion to at-will. Rather than forcibly removing civil service status (which can trigger lawsuits and union outcry), offer carrots for employees to give it up. Arizona's approach of tying *any* promotion or pay increase to a conversion is one model. Another approach is offering early retirement packages or buyouts targeted at managerial ranks, then refilling those positions at will. For instance, a state could announce that employees over a certain age/years of service in management roles may take an early retirement with a generous pension calculation or lump sum; once they leave, their position is reclassified as unclassified. Those who choose not to retire receive no special harm, but over a couple of years, many may opt out, shrinking the ranks of protected managers.

- **Strategic severance offers.** In cases of persistently underperforming managers who are protected and won't leave, states might consider offering severance deals to expedite their exit. While severance pay is more common in the private sector, the government could use it in limited cases as a tool to negotiate voluntary separation in lieu of protracted appeals. A mid-level manager who realizes they are on the chopping block might accept, say, six months' pay and benefits to resign, saving the state the headache of a two-year appeals battle and perhaps ultimately a similar cost in back pay if the termination gets overturned. Crafting a standardized separation agreement template (with appropriate releases of claims) can make this approach efficient and routine when needed.
- **Moratoria on new classified hires in management.** Governors can often control, via executive policy or budget directives, how positions are designated when filled. By instituting a rule that *any* vacancy at the supervisory level or above will be filled as an unclassified (at-will) position, states can gradually "bleed out" the classified service. This doesn't fire anyone, but over time, as retirements or departures occur, those slots shift to the new system. Florida took steps in this direction under Governor Jeb Bush's "Service First" initiative in the early 2000s, converting thousands of management jobs to at-will and requiring that new hires into those roles not carry tenure protections.[14] Even without sweeping legislative change, a determined governor can direct agencies to classify positions in a way that maximizes managerial flexibility. Often, state law grants the executive branch some leeway in defining which positions are exempt from the merit system (commonly phrased as "policymaking or confidential" positions). By stretching those definitions to include broader categories of managers, states can bring more people into the exempt fold. For example, redefining "policy-influencing" positions to encompass not just top agency deputies but also regional managers or program directors allows those roles to be made at will.
- **Early retirement and turnover management.** As noted, offering an attractive early retirement window for long-tenured employees (who might be resistant to new performance demands) can refresh the ranks. This must be used carefully—an unselective early retirement incentive can inadvertently

encourage some high performers to leave along with the low performers and can create pension liabilities. The key is to target it where you want to reduce headcount or change culture. Some states tie early-retirement offers to particular agencies or job classes that need downsizing or reform. Others pair them with hiring restrictions (e.g., "Take this package now, because next year we intend to RIF positions in this division."). The departing employees can be celebrated for their service while the agency moves forward with fewer barriers to change in its management layer.

It's important to note that declassification is not intended to politicize the bureaucracy or purge employees arbitrarily. Instead, it is to ensure that those in crucial decision-making and supervisory roles serve at the pleasure of the executive and are accountable for results. Private-sector experience shows that having a layer of at-will management is key to agility—a company division chief who fails to meet performance targets can be replaced relatively quickly by someone who might do better, and this fosters a healthy pressure to perform. Similarly, if a new corporate strategy is adopted, the CEO can install managers who buy into it rather than being stuck with holdovers who prefer the old ways.

In government, these dynamics often don't exist due to the civil service protections. Thus, aligning public management structures more with the private sector can enable reforms to take hold. Indiana's reforms, for example, codified performance-based standards for every employee and weakened seniority rules, which made personnel decisions more flexible and focused on ability rather than just tenure. After implementing these changes, Indiana reported that the transition from a merit system was "uneventful; this suggests that fears of chaos or patronage may be overblown if the reform is managed professionally—indeed, many employees appreciated a more straightforward performance framework and the opportunity to be rewarded for merit.

That said, states must handle the declassification process with transparency and fairness. Clear criteria should be set for which positions are converted and why. Communication with employees is vital—explaining that the goal is to reward excellence and remove roadblocks, not penalize loyal, hardworking staff. Some employees may voluntarily opt into at-will status if they see it accompanied by the possibility of performance bonuses or faster promotions. In contrast, under the old system, their advancement might be slower due to rigid pay grades and seniority. In Georgia's case, after the 1996 reform, there was evidence that employee-supervisor communications improved, and more raises were awarded in the following two years, indicating a more dynamic environment.[15] Moreover, an early study found "no serious problems with regard to overall job satisfaction" among Georgia state employees post-reform.[16] In other words, mass at-will status did not trigger the collapse of morale that some had feared.

"Declassifying" middle management—moving from a static tenure-protected management corps to a flexible, accountable one—is a cornerstone of making state government operate with the nimbleness of the private sector. By leveraging voluntary incentives, natural attrition, and smart reclassification strategies, states can substantially increase the share of managers who serve at will. This, in turn, gives governors and agency directors the ability to reorganize teams, replace underperforming supervisors, and inject fresh leadership without being shackled by civil service antiquity.

3. Legislative and Structural Reform

Removing bureaucratic deadwood also requires reforms at the broader structural level. Many impediments to efficient management are baked into statutes, regulations, or organizational charts that no amount of individual effort can overcome. Therefore, a comprehensive approach to making governors effective CEOs includes updating laws, consolidating agencies, and leveraging technology to eliminate entire categories of low-value work or redundant oversight. This section discusses several such structural reforms: clarifying vague laws that invite excessive appeals or litigation, merging or restructuring agencies to streamline missions, and substituting technology for labor where appropriate.

A. Clarifying ambiguous or outdated statutes.

We've already seen the example of Kentucky's overly broad "penalization" definition and the legislative fix to narrow it. Kentucky's experience is not unique. Many state personnel codes were written decades ago and contain provisions that are either obsolete or so open-ended that they spur extensive legal wrangling. One common issue is defining "cause" for discipline. Terms like "inefficiency" or "misconduct" may be left undefined in law, leading employees to challenge whether a given performance issue meets the threshold of "cause." States should review their civil service statutes clearly to enumerate legitimate grounds for discipline and/or removal—e.g., sustained inadequate performance, violation of policy or law, insubordination, conduct unbecoming, etc. Having a list (while allowing flexibility for "or other equivalent serious circumstances") can preempt arguments that someone was not terminated with cause.

Additionally, streamlining procedural requirements in law is crucial. For example, if a statute requires a 30-day notice before any disciplinary action or mandates a three-step progressive discipline even for obvious misconduct, it can be amended to allow more managerial judgment. Modern legislation can retain due process—notice and an opportunity to respond—while eliminating overly prescriptive steps.

Tennessee undertook comprehensive statutory overhauls as part of its reforms in 2012. Tennessee's TEAM Act not only changed classifications but also rewrote the rules for hiring, evaluation, and layoffs to reflect merit and performance priorities. It made job performance the primary factor in layoffs (rather than strictly seniority) and ended the practice of "bumping" (wherein a more senior employee could displace a junior one in a layoff).[17] This legislative change addressed a structural issue—previously, efforts to downsize or reorganize departments could be thwarted by bumping cascades, which often resulted in talented newer employees being ousted while longer-tenured but less effective ones were retained. By eliminating bumping rights and basing layoff decisions on merit, Tennessee aligned its statutes with a performance-driven ethos. Other states can similarly adjust layoff and recall laws to prioritize keeping the best performers, not just the longest-serving.

B. Restructure and merge redundant agencies.

A governor-CEO should look at their state's organizational chart the way a corporate turnaround artist looks at a conglomerate: identify redundancies, silos, and layers of management that can be trimmed or consolidated for efficiency. Many state governments still carry a legacy of departmental fragmentation—separate agencies created in earlier eras that now overlap in function. Consolidating agencies can both save costs (by reducing duplicate administrative staff and overhead) and improve coordination (by unifying related programs under one leadership). A pertinent example is Governor Spencer Cox's merger of Utah's Department of Health and Department of Human Services in 2022. These two large agencies were combined into a single Department of Health and Human Services, creating the state's largest agency with over 5,600 employees and a $5.5 billion budget. Cox proposed the merger believing one agency could provide services more efficiently than two separate ones and, in doing so, reduced bureaucratic redundancies[18]

Another case is California's merger of its personnel agencies in 2012. California historically had two central HR agencies—the State Personnel Board (handling civil service exams/appeals) and the Department of Personnel Administration (handling labor relations and personnel policy). This bifurcation led to a bureaucratic tangle; departments sometimes had to get approvals from both for related issues. Governor Jerry Brown put forward a plan to consolidate SPB and DPA into a single Department of Human Resources (CalHR) to eliminate redundancy. Brown noted that "study after study" had recommended this and that the old setup was "disjointed" and made it difficult to recruit, hire, and discipline employees effectively. The merger was estimated to reduce personnel agency positions by 15-20 percent and save up to $5.8 million per year while also streamlining services (one-stop shop for departments on HR matters).[19]

From these examples, the lesson is that agency structure should regularly be revisited with an eye to consolidation and clarity of mission. If two or more agencies serve a similar client base or policy goal, merging them can often reduce middle-management headcount and create a single point of accountability (one agency head instead of several). Even within agencies, combining divisions or eliminating layers of supervision can remove poor performers indirectly (through position abolishment) and speed decision-making. That said, restructuring must be done thoughtfully: sometimes, merging agencies can create an unwieldy behemoth or introduce new inefficiencies if not managed well. And the process of merging agencies is not without direct and opportunity costs. Simply reducing the number of agencies may bring benefits in terms of lower headcount in the ranks of senior leadership. Still, it may not actually result in significant savings beyond that. States must consider whether combining agencies is worth the time and effort or whether other initiatives that take a more holistic look at the services provided might result in greater efficiencies. Thus, it requires strong change management and leadership focus—much like a corporate merger. When successful, however, it aligns with the CEO model of governance: fewer silos, clearer lines of authority, and elimination of duplicative roles.

C. Implement technology alternatives to manual processes.

In the modern era, one of the easiest ways to reduce reliance on marginal performers—and indeed on labor generally — is to digitize services and automate processes. Every time a citizen can interact with the government through an intuitive online system instead of via paper forms or in-person visits, the state potentially saves staff time and resources. Digital self-service not only reduces cost but also improves citizen experience and frees up staff to focus on complex cases rather than routine processing.

Automation of internal workflows is equally important. Robotic process automation (RPA) and AI tools can now handle repetitive tasks such as data entry, invoice processing, or document routing, which were traditionally done by clerical staff. Specific examples abound: chatbots on government websites can answer common citizen questions 24/7, reducing calls to helplines. Another domain is document processing—states have mountains of paper in archives; automating scanning and OCR (optical character recognition) can turn this into searchable data, cutting down staff time spent retrieving or filing records. In areas like tax administration or eligibility determination for benefits, algorithms can flag discrepancies or simple approvals, reserving human attention for the nuanced cases. The bottom line is that technology can shoulder a significant amount of work that used to require human labor. Doing so reduces the overall staffing requirement and particularly the number of roles that are prone to low productivity or that don't add high value. It's a form of "restructuring" the work itself; rather than reorganizing boxes on the org chart, you remove some boxes entirely by digitizing their function.

For governors pushing merit-based reform, emphasizing technology also speaks to intellectual humility: acknowledging that the old ways of doing things (forms in triplicate, multiple approval signatures, etc.) might not be the best and that the bureaucracy should not cling to them. Instead, by adopting private-sector innovations and streamlining citizen interaction, the bureaucracy essentially *restrains itself* from over-complicating life for the public. Citizens benefit from faster, easier services (no more waiting in long lines for a simple transaction), and the government benefits by being able to do more with fewer employees—effectively allowing the removal (or non-replacement) of poor performers without harming service delivery because a well-designed software system can take over their work. States should ensure that state law always allows reductions in force when efficiencies are achieved without the application of bureaucratic layoff procedures. If such policies are on the books, their use should be prioritized.

By rethinking entire processes—potentially eliminating outdated forms, redundant steps, or even whole agency functions—governments can emulate private-sector efficiencies while transforming how they approach service delivery and accountability. Integrating AI, open data sets, and automated workflows does more than streamline tasks; it fundamentally redefines the relationship between the state and its citizens. This shift sets the stage for deeper, merit-based reforms that value performance, innovation, and continuous improvement over rigid compliance.

Structural reforms—legal, organizational, and technological—form the macro-level strategy to support the micro-level efforts of firing or disciplining individuals. If the laws set clear expectations and swift processes, if agencies are right-sized and streamlined, and if technology trims the fat of routine tasks, then the entire system becomes more performance-oriented. These reforms make it easier to identify poor performers (through clearer metrics and less hiding space), easier to act on that identification, and in many cases, reduce the number of staff among whom poor performers could lurk. A leaner, modernized state government is one where a governor can truly act as a CEO: deploying resources where they are most effective, holding subordinates accountable, and continuously improving operations. With the "removal of poor performers"—both individuals and structural inefficiencies—the stage is set for the next part of the formula: positively incentivizing excellence among those who remain and join the system.

II. Incentivize and Reward High Performance

Eliminating underperformance is only one side of the performance-management coin. The flip side is creating strong positive incentives for government employees to excel. A cornerstone of private-sector management is the alignment of employee goals with organizational goals, often through performance-based rewards (e.g., bonuses, promotions, public recognition) and a results-driven culture. In traditional civil service systems, however, the incentive structure has been relatively flat: pay increases are typically based on seniority or across-the-board adjustments, promotions often follow time-in-grade, and the concept of "rewarding high performers" is muted by rules emphasizing equal treatment and fear of favoritism. If governors are to act like effective CEOs, they must reshape this dynamic by setting clear, measurable goals, implementing rigorous performance management practices, and tying rewards (and resources) to results. Part II explores how to do this in a government context, again drawing on real examples where possible.

1. Measurable Goal Setting

The first step in driving high performance is to clarify what "performance" means—i.e., set concrete goals and metrics for what agencies and employees should accomplish. In the corporate world, a CEO will set targets (e.g., sales growth, customer satisfaction scores, cost reduction, etc.) and cascade those down through the organization. The public sector analog is establishing clear goals for government programs: for example, reducing average permit approval time from 60 days to 30 days, measurably reducing instances of restrictive language ("must," "prohibited," "shall not," etc.) in the regulatory code, cutting the backlog of unresolved taxpayer inquiries by half, or saving a certain amount of budget through efficiency measures. These goals provide direction and enable accountability: government leaders cannot reward or hold accountable performance in the abstract—they require something measurable to compare against.

A. Governor-led goal setting.

1. Measurable Goal-Setting

In the past 20 to 30 years, several governors have championed data-driven initiatives to set clear statewide goals, rigorously measure performance, and deliver tangible results. Like their counterparts' GMAP in Washington and StateStat in Maryland, these governor-led programs emphasize transparency, accountability, and measurable success. Below are well-documented examples of GOP governors who set ambitious objectives and achieved concrete outcomes in economic growth, education, infrastructure, public safety, and government efficiency.

A. Indiana—Mitch Daniels' Data-Driven Turnaround (2005–2013)

As Governor of Indiana, Mitch Daniels applied business-style performance management to state government. He established an Office of Management and Budget and a special team to set specific goals for every agency, monitor progress, and link budgets to outcomes.[20] Daniels insisted that "what gets measured gets done," instituting regular performance reports and a public Results Indiana website for citizens to track outcomes.[21] This relentless focus on metrics and accountability led to a remarkable turnaround in Indiana's finances and services.

Fiscal Discipline & Economic Growth: Indiana went from a $700 million deficit to a $1 billion surplus within six years, achieving its first balanced budget in nearly a decade. The state earned a AAA bond rating and was ranked number one in the Midwest for business climate.[22] Daniels made raising household income the top goal for every department—even regulators had to expedite permits to spur jobs—aligning all agencies toward improving Hoosiers' prosperity.[23] By 2012, Indiana enjoyed budget surpluses every year from 2006–2012 and strong job growth, validating his data-driven approach.[24]

Infrastructure Improvements: Through the Major Moves program, Daniels leveraged an innovative 75-year toll road lease to fund a $2.6 billion transportation plan without raising taxes.[25] Over 10 years, Indiana built 87 new roadways, 480 new miles of highway, and upgraded or replaced 1,400 bridges—improving about 25 percent of all bridges statewide.[26] These projects were delivered on time and within budget, demonstrating how clear goals and funding tied to results can transform infrastructure.

Government Efficiency: Daniels also introduced performance-based pay for state employees and streamlined operations. Each agency had to justify budgets with results, eliminating programs that didn't prove effective. This accountability culture improved services while containing costs. By focusing on outcomes and publicly tracking progress, Governor Daniels fostered a new culture of transparency and results in Indiana's government.[27]

B. Florida—Jeb Bush's Data-Driven Education and Public Safety Reforms (1999–2007)

Florida Governor Jeb Bush set bold, measurable objectives in education and public safety, using transparent data to drive improvement. His A+ Education Plan introduced an A–F school grading system that gave parents clear, public report cards on each school's performance.[28] Schools meeting targets earned rewards, while those falling short faced intervention, creating a high accountability model. Key outcomes from Bush's goal-focused governance include:

Education Achievement: Florida became a national model in K-12 education improvement. By prioritizing literacy and accountability, the state saw dramatic gains in student outcomes, especially among historically underserved groups. From the late 1990s to 2017, Florida's fourth-grade reading scores for Black students jumped 26 points—equivalent to two grade levels of progress. Hispanic and low-income students also made major strides, and eighth-grade math scores rose significantly.[29] Governor Bush noted that Florida's high school graduation rates hit all-time highs, and NAEP scores reached record levels by the mid-2000s. He attributed this success to setting high standards and continually "raising the bar," coupled with transparent grading and school choice to spur competition.[30] Florida is now one of the few states that has substantially narrowed the achievement gap between white and non-white students while lifting overall performance—a direct result of its outcomes-driven reform agenda.

Public Safety: Governor Bush also set clear goals to reduce crime, backing data-informed policies like the "10-20-Life" law to deter gun violence. Under his leadership, Florida's crime rate fell for years to reach a 30-year low. By 2005, the state's crime rate was the lowest recorded since the early 1970s. Bush regularly publicized crime statistics, and when Florida achieved a 34-year low in crime in 2004, he held a press conference flanked by law enforcement to stress accountability for results.[31] This transparent focus on crime data helped sustain a long-term decline in violence and improved public safety for Floridians.

C. Michigan—Rick Snyder's Statewide Dashboard and "Reinventing" Michigan (2011–2018)

Michigan Governor Rick Snyder, a former businessman, introduced the Michigan Dashboard—a public online scorecard of 21 key metrics spanning the economy, education, health, infrastructure, public safety, and quality of life.[32] This dashboard tracked progress toward Snyder's goal of "reinventing Michigan" after a decade of decline, and it exemplified transparency and accountability in governance. Through a data-driven focus, Snyder's administration achieved measurable successes.

Economic Comeback: Snyder set clear job creation and unemployment targets as part of Michigan's turnaround and added more than 560,000 private-sector jobs during his tenure (2011-2019). Unemployment plunged from 11.3 percent when he took office to 3.9 percent—the lowest in 18 years. Snyder touted this drop of 7.4 percentage points in joblessness as proof that Michigan's economy was back on track. Business climate rankings improved, incomes rose, and young people were no longer forced to leave the state for work.[33] By openly measuring outcomes like jobs, income, and population growth, Snyder kept agencies focused on results that mattered to citizens.

Michigan Dashboard & Accountability: The Michigan Dashboard website publicly displayed the state's performance in each priority area, using simple visuals (such as green/yellow/red indicators) to show trends.[34] Snyder explained that the dashboard's purpose was "to hold public officials accountable" with accurate data. "Accountability, transparency, openness is all good stuff... It gives you a way to celebrate success. It's basic management," he argued.[35] By making these metrics highly visible, Snyder fostered a culture in which state departments had to improve—or explain shortfalls continuously. This data-centric management helped Michigan eliminate its structural deficit, invest in infrastructure, and spur growth after years of recession.

Cross-Sector Outcomes: Snyder's goal setting extended to education (e.g., increasing college readiness and third-grade reading proficiency, which were tracked on the dashboard), infrastructure (reducing structurally deficient bridges), health (improving infant mortality), and public safety (crime rates, emergency response times).[36] In each area, setting measurable objectives and updating the public on progress built trust. Michigan's use of a comprehensive dashboard became a model of transparent governance, proving that Republican-led states can embrace open data and performance management as effectively as any initiative elsewhere.

D. Utah—Gary Herbert's SUCCESS Framework for Efficiency (2013–2017)

Utah Governor Gary Herbert launched an ambitious performance initiative known as the SUCCESS Framework to drive improvements in state government efficiency and services. In 2013, Herbert challenged every state agency to achieve a 25 percent improvement in performance by 2017, defining performance as a mix of quality, cost-effectiveness, and throughput (productivity).[37] This goal was bold and measurable—a concrete target against which to gauge progress. Utah's agencies responded with widespread innovations, and many exceeded the target, yielding tangible results.

Efficiency Gains: With strong leadership backing, Utah's agencies focused on streamlining processes, cutting red tape, and improving customer service. After four years, several departments blew past the 25 percent improvement goal. For example, the Department of Public Safety achieved a 41 percent increase in efficiency by 2017.[38] Similarly, other agencies used the SUCCESS Framework's data tools to shorten wait times, reduce costs, and boost output. By setting a clear quantitative goal (25 percent better performance) and tracking it relentlessly, Governor Herbert created a culture of continuous improvement. Front-line employees were empowered to suggest process changes and measured on results—a shift that saved time and money across the board.

Measured Outcomes: Utah's emphasis on metrics produced concrete improvements in services. The state cut average wait times at the DMV, processed business permits faster, and reduced backlogs in areas like Medicaid applications. While specific metrics varied by agency, the unified 25 percent target provided a common purpose. The governor's office regularly published progress reports so the public could see which departments were hitting their marks. This transparency and accountability ensured that the efficiency gains were not just on paper. By 2017, Utah was recognized as one of the best-managed states, with nation-leading customer satisfaction in many services—a direct payoff from Herbert's goal-driven management.[39]

E. Arizona—Doug Ducey's Lean Transformation and Service Improvements (2015–2023)

Arizona Governor Doug Ducey implemented a statewide Lean management system, known as the Arizona Management System (AMS), to increase efficiency and improve services through data-driven goal setting. By treating state agencies as "one enterprise" and using private-sector process improvement techniques, Ducey's administration delivered notable, quantifiable outcomes.

Streamlined Services: Under AMS, every agency tracked performance on dashboards and was encouraged to run "kaizen" improvement projects. This resulted in faster and better services for citizens. For instance, the Arizona Health Care Cost Containment System (Medicaid agency) slashed the processing time for complex claims from 62 days to just seven days—a 55-day reduction after a few months of focused process changes.[40] At the Motor Vehicle Division, a push to cut wait times yielded huge gains. Average wait dropped from 54 minutes to 25 minutes, saving Arizona drivers an estimated 1.3 million hours in MVD lines in a single year.[41] Such improvements were tracked in real time and publicly celebrated, underscoring a commitment to measurable success.

Cost Savings and Quality: The Lean initiative also produced financial benefits. By eliminating waste and simplifying steps, agencies saved money for both the government and the public. Arizona's environmental and labor departments, for example, reduced fees and compliance costs, saving customers $6.3 million while maintaining service quality.[42] The Department of Veterans' Services cut in half the time to complete patient assessments, meaning veterans received care faster.[43] Each of these metrics was reported as part of Governor Ducey's "Good Government" accountability measures, with regular updates to demonstrate progress.

Enterprise Accountability: A key to Arizona's success was transparent performance dashboards (through the My Agency Scorecard app) that allowed the Governor's Office and the public to monitor each department's key goals.[44] Agency directors met to review metrics, share improvements, and ensure the whole government was moving toward Governor Ducey's priorities of improved education outcomes, community safety, and fiscal responsibility.[45] This enterprise-wide view broke down silos and kept everyone accountable. The result was a more responsive, user-focused government—accomplished by a Republican-led commitment to data and results. Arizona's lean transformation garnered national attention as a blueprint for other states, proving that transparency and continuous improvement can thrive under competent leadership.

F. Wisconsin—Scott Walker's Union Reforms (2011–2019)

In addition to civil service protections, many state and local employees are also unionized, which presents state leaders with an additional set of hurdles to overcome in order to achieve efficiency. Unlike private sector unions, public unions cannot claim to serve as a check against the profit motive of management. Instead, they generally negotiate against the interests of taxpayers, often with the support of the elected officials they back with campaign contributions. Unions are able to make these campaign contributions mainly through the use of per-person dues assessments from their members. The more people the government employs, the more dues are paid, and the more the union can contribute via campaign contributions. This dynamic results in a situation in which many of the key players, from frontline workers to state executives, have every incentive to minimize government efficiency and maximize government employment at taxpayer expense. Governor Scott Walker's union reforms short-circuited this corrupt cycle and, after massive union pushback and a recall campaign, ended up saving state and local taxpayers tens of billions of dollars.[46] Such policies are a prerequisite to reform in many states, but even in Wisconsin, efforts to reverse them continue.

From Indiana's fiscal turnaround to Florida's education gains, and from Michigan's comeback metrics to Utah and Arizona's efficiency drives, and Wisconsin's bold union reforms, governors have led some of the most successful goal-oriented management initiatives in recent decades. Common threads include an insistence on measurable objectives, regular public reporting of progress, and a culture of accountability for results. These leaders demonstrated that setting clear goals—whether cutting crime, improving test scores, or accelerating service delivery—and tracking them openly can yield dramatic improvements in government performance. Their successes underscore that transparency and data-driven management are nonpartisan tools that, when embraced by committed leadership, deliver tangible outcomes and better serve the public.

2. Performance-Based Management

With goals in place, the state must implement a performance management system that evaluates how well employees and units meet those goals—and does so in a way that meaningfully differentiates performance levels. In many government agencies today, the performance evaluation process, if it exists at all, is perfunctory. It is common to see situations where virtually every employee is rated "Meets Expectations" or higher, and truly bad performance is not documented (often as a path of least resistance). For example, a shocking illustration came from the federal Department of Veterans Affairs: in the year before the 2014 VA hospital wait-time scandal (where veterans died awaiting appointments due to mismanagement), all 470 senior VA managers received performance ratings of "fully successful" or better, and 78 percent were rated outstanding or exceeds fully successful—qualifying them for bonuses.[47] In other words, even when veterans were literally dying from negligence, the internal evaluations painted a picture that everyone was doing great. This is an extreme case, but it underscores a general problem: without rigor and honesty in evaluations, a performance "system" is hollow—it neither identifies poor performers for improvement/removal nor spotlights top performers for recognition.

To create a merit-based culture, evaluations must be taken seriously and designed to distinguish different levels of contribution. Several elements are key: regular review frequency (including probationary periods), use of quantitative metrics that cannot be gamed and predefined criteria, and normalization of ratings to prevent inflation. Such metrics should, whenever possible, be derived from external, valid, and reliable sources such as objective measures of success, customer surveys, and other criteria that are less likely to be watered down or affected by grade inflation years after implementation.

A. Annual evaluations using a normal distribution model (forced ranking).

One controversial but effective tool to ensure differentiation is a forced distribution of performance ratings—colloquially known as "rank and yank" when used aggressively. The idea, popularized by former GE CEO Jack Welch, is to rate employees relative to one another rather than against an absolute scale where everyone could conceivably be "above average." Welch famously mandated that GE identify and remove the bottom 10 percent of its workforce every year.[48] In practice, a forced distribution might mean, for example, only 20 percent of employees can receive the highest rating, the middle bulk (say 60%) get a solid/satisfactory rating, and a certain percentage (perhaps 10 percent) must be identified as needing improvement or unsatisfactory. The purpose is to combat the Lake Wobegon effect (where all employees are rated above average) and compel managers to make tough distinctions. If implemented, this ensures that rewards can be focused on the truly best performers and that underperformers are explicitly called out.

Forced ranking is not without downsides—it can breed competition over collaboration and hurt morale if people feel arbitrarily pigeonholed. Indeed, some companies that adopted it later scaled back due to internal pushback and even lawsuits for alleged age discrimination or similar claims. That said, governments can implement softer forms of normalization. For example, require that any department that wants to rate more than, say, 50 percent of its staff as "excellent" needs to justify that to a central HR review, or limit the percentage that can get the top rating unless the agency head approves an exception. Another approach is calibration meetings—bring together all the managers in an agency to compare their proposed ratings for their teams and challenge each other: "Are you sure all 10 of your people are excellent? Maybe in your group, only two truly stand out, and the others are good/competent." This peer discussion can help align standards and avoid everyone giving their team the benefit of the doubt.

The goal of normalizing is not to arbitrarily find a "bottom 10 percent" if they don't exist—it is to ensure *honesty*. In a large workforce, it is statistically unlikely that zero percent or one percent are underperforming if standards are appropriately high. Thus, pushing managers to identify the lowest performers (even if it's the bottom five percent or similar) means those individuals can get attention (help or discipline). Without this, it's too easy for a supervisor to rate a poor employee as "satisfactory" to avoid conflict, effectively hiding the problem. Under a forced distribution, that supervisor might be compelled to mark that employee as one of the lower tier, triggering improvement measures.

B. Quarterly or frequent reviews, especially for new hires and probationary employees.

Almost all states have a probationary period for new employees (commonly six months or one year), during which it is somewhat easier to terminate if the person is not working out. However, many agencies squander this opportunity by not rigorously assessing the new hire until the period is nearly over. At this point, either they let the probation lapse by inertia (thus granting permanent status to someone who may not deserve it), or they scramble to address issues at the last minute. A best practice is to conduct formal check-ins at least quarterly for all new employees and any employee on a performance improvement plan. These need not be lengthy, but they should document progress on specific tasks and any areas of concern while there's time to correct them. For example, if a new employee is three months in and struggling with a particular software system or showing tardiness, documented counseling at that point—along with support to improve—gives a clear signal. If, after six months, the issues persist, the agency should strongly consider terminating during probation, which typically can be done with minimal bureaucracy. By contrast, if no feedback is given until month 11 of a 12-month probation, the employee might be caught off guard, and the agency may feel it's "too late" to start documentation, leading them to keep a marginal employee forever after.

Some state reforms have directly addressed this. The Indiana reform instituted more frequent evaluations and an improved complaint process. Indiana now requires that every employee have a "performance plan" and an objective evaluation, which implies ongoing feedback.[49] Similarly, Tennessee's TEAM Act requires that new hires (now "preferred service" employees) be evaluated and that any significant performance issues during probation are grounds for dismissal without the full appeals process.[50] This makes managers more willing to cut losses early. Having a policy of "up or out" during probation—either confirm the person is good and keep them, or else separate them—sets a tone that the state will not carry passengers. Importantly, managers should be aware that they can acquire a replacement easily; otherwise, many managers will hold onto an underperformer for fear that they will be unable to hire someone better.

C. Key performance metrics for individuals.

Section II.1 of this paper addressed agency-level metrics like timeliness, reducing burdens, budget compliance, etc. Those should translate into metrics for managers and staff. For instance, "timely resolution" could be measured for an individual case worker as the percentage of their cases closed within the standard time frame. "Reducing bureaucratic burdens" might be harder to pin on one person but could be reflected in things like simplifying forms or cutting approval steps—if a certain manager leads a project to simplify an application process, that should be noted as a positive performance outcome. "Budget reduction" can be incorporated by evaluating managers on cost savings achieved or their success in staying under budget while meeting goals. "Audit compliance" can be measured by whether the manager's unit had any significant audit findings or, conversely, whether they promptly implemented audit recommendations. Tying these concrete metrics to evaluations ensures that employees focus not just on doing tasks but on outcomes that matter to the public and the organization.

Many states already collect a lot of performance data, but it often isn't looped back into HR evaluations. For a merit-driven system, it should be. For example, if the state auditor publishes a report showing Department X Region Three had zero compliance issues this year, whereas Region Five had multiple repeat violations, the managers of those regions should see that reflected in their appraisals (Region Three's manager was commendable, Region Five's manager needs improvement). If a DMV branch handles 20 percent more transactions than a branch of a similar size, that branch manager likely did something right—maybe better staff scheduling or setting up express lines—and should be lauded and rewarded, whereas the lagging branch manager should be tasked with learning and catching up.

D. Codifying performance standards and tracking them.

It's vital that performance expectations be documented and shared with employees at the start of the evaluation period. A number-driven system can use a dashboard approach; both managers and employees can have access to performance dashboards that update on key indicators (like a personal scorecard). This way, evaluation isn't a mysterious annual event; it's an ongoing understanding. Many private companies have moved to continuous performance management (frequent check-ins and real-time metrics)—the government can adopt some of these techniques to avoid surprises and allow course corrections during the year.

When performance management is done rigorously, it pays dividends. Employees know where they stand, high performers feel seen and valued, and low performers feel pressure to improve or leave. The results from Indiana a year or two after their reforms were telling—the State Personnel Director noted that, after moving away from across-the-board raises to performance pay, "agency performance is up in almost every category, including customer service and teamwork."[51]

Performance-based management transforms the civil service from a tenure-based culture to a performance culture. It requires frank evaluations, willingness to rank and differentiate employees, and linking those evaluations to tangible HR actions (rewards or removals). By doing so, it creates internal pressure to perform akin to what market competition does for private companies. One major reason supervisors don't tackle poor performance is the cumbersome removal process—which Part I addressed—but another is a lack of meaningful evaluation structure. By fixing both, we create a self-reinforcing system—good performance is recognized, and poor performance is addressed continually. This not only improves outcomes for the public (as services get better and more efficient) but also boosts morale for high-performing employees, who no longer have to carry disengaged colleagues with no recognition. When "merit" truly determines outcomes like raises, promotions, and job security, employees have a powerful incentive to bring their A-game to work every day.

3. Reward Structure

The final piece of the high-performance puzzle is aligning the reward structure with performance. In traditional government HR, rewards (especially financial rewards) are mainly tied to longevity or credentials. Pay scales often grant step increases annually or biannually, regardless of actual performance, until a max-out. Promotions can be heavily tenure-driven. And bonuses, if they exist, are minimal or given to everyone uniformly (sometimes derisively called a "13th check" when everyone gets the same amount as a year-end bonus). To cultivate a culture of excellence, states must re-engineer how they reward employees—shifting from entitlement-based rewards to performance-based rewards. This includes salary increases, one-time bonuses, non-monetary recognition, and even agency-funding considerations.

A. Performance-based pay instead of tenure-based raises.

This is arguably the most important change: merit pay. Both Georgia and Indiana provide templates. Georgia eliminated automatic annual pay raises and replaced them with a performance pay system in the late 1990s. That meant state employees were no longer guaranteed a cost-of-living adjustment or step increase. Instead, their raises depended on how well they did on evaluations (and the agency's budget for raises was allocated accordingly). Indiana similarly "implemented a performance pay system that eliminated across-the-board pay increases." Prior to that, it was common for state employees to all get, for example, a two percent raise each year as approved by the legislature, regardless of individual performance. Indiana moved to a model where perhaps only those rated as exceeding expectations got the full two percent or more, while an average performer might get one percent and a poor performer zero percent.[52]

The outcome of such systems is twofold: high performers feel tangibly rewarded (money talks), and low performers realize they will not keep up in pay if they don't improve. It also has budgetary logic—scarce payroll dollars are spent where they yield the most (on keeping your stars happy and on board). Critically, to make this work, the evaluation system must have integrity (hence Section II.2). If everyone is still rated the same, performance pay collapses into de facto across-the-board raises again. But with normalization, one can allocate raises differentially. A word of caution: legislatures often like to set state worker pay increases and might resist variable raises. One strategy is to request that instead of a flat raise pool, the legislature gives agencies a pool of, for example, three percent of payroll for merit increases, with the understanding not everyone will get three percent. Some union contracts or laws might mandate uniform raises; those would need to be renegotiated or amended for merit pay to take hold.

B. Restructured bonus pools.

In addition to base pay raises, one-time bonuses are a flexible tool to reward performance. Bonuses do not add to the ongoing salary base (helpful for budget control) but give immediate positive reinforcement. A state could establish an annual bonus fund such that top performers (maybe the top 10-20 percent of employees or anyone who accomplishes particularly outstanding feats) receive a lump-sum bonus. For example, Texas, in some years, has given one-time merit bonuses to a subset of employees who were rated the highest.[53] These need to be meaningful—a few hundred dollars might be nice, but something like $1,000 or more has a real impact and sends a message.

Arizona's reform explicitly allowed agency directors to "reward star employees with bonuses and pay increases without legislative approval."[54] This freed managers to use their discretion (within allotted budgets) to recognize exceptional work immediately. That kind of flexibility is crucial. It means if a team worked overtime and pulled off a big success (for example, launching a new IT system on time), the director can give each member a $2,000 bonus as a thank-you, whereas before they might only get a handshake. Notably, Brewer's administration expected that with the new at-will status and performance emphasis, they could use bonuses to keep talent—a private-sector tactic transplanted into government.

Inter-agency sharing of best practices on bonuses can help, too. Agencies that find creative ways to fund bonuses (e.g., using a portion of salary savings from vacancies) could serve as models. The key is to institutionalize bonuses as a regular part of compensation for those who excel, rather than a rarity. Even something like a "Governor's Excellence Award" with a cash prize for the top state employee or team of the year can spur friendly competition.

C. Performance-based appropriations.

Going beyond individual incentives, states can consider linking agency budgets to performance outcomes. This is more experimental, but the concept is that an agency that demonstrably meets or exceeds its goals could be rewarded with greater funding or flexibility, whereas chronic underperformance might result in budget consequences. This aligns agency leadership's interests (which often revolve around budget) with results. For example, a legislature could enact that if the Department of Corrections reduces recidivism by X percent and saves money by closing an unused prison unit, it can keep a portion of the savings for staff bonuses or program reinvestment (rather than simply losing it in next year's budget). Such gainsharing can motivate agencies to strive for efficiency and effectiveness because they know success won't just result in their budget being cut as "punishment" for saving money—instead, they share in the success.

Some states have implemented forms of performance-based budgeting, where agencies must present performance measures alongside budget requests, and funding is tied to specific targets. For instance, in the late 1990s, the state of Florida piloted a performance-based program budgeting (PB^2) initiative under Gov. Lawton Chiles and Lt. Gov. Buddy MacKay, where each program had performance measures and incentive rewards for meeting them.[55]

Other policies could be explored, too, such as awarding cash bounties to citizens and government workers who identified waste that went on to be successfully eliminated in a way that generated actual savings for taxpayers. At the federal level, for example, some agencies provide awards to employees of up to "$10,000 or an amount equal to one percent of the agency's cost savings, whichever is smaller."[56] Policies should be carefully crafted, however, to avoid scamming such systems with claims that are not genuine waste or waste that the claimants somehow had a hand in creating.

D. Inter-agency competition and benchmarking.

Friendly competition can be a powerful motivator in the public sector, as long as it's harnessed constructively. By benchmarking agencies or regions against each other, a governor can create a race to the top. For example, publishing a quarterly report comparing all 23 DMVs on metrics like wait times and transaction accuracy could motivate the managers of the lower-performing offices to adopt practices of the higher performers. An annual "Governor's Cup" or similar recognition for the best-performing region or office in certain categories. Recognition, even without money, can boost pride and effort—people naturally like to win and not be seen as lagging behind their peers.

One could also incent inter-agency challenges. For example, one could announce that whichever department achieves the highest employee engagement score in the next survey or comes up with the best cost-saving idea will get a reward (maybe extra funds for an office celebration or equipment upgrade).

E. Tangible and intangible rewards.

Apart from pay and budgets, the culture of recognition should be strengthened. Public employees often value acknowledgment of their service. Governors and leaders should highlight success stories publicly—in newsletters, press releases, and events. A state "Employee of the Month" program might sound cliché, but when paired with real achievements, it provides role models for others. Certificates, small perks (like preferred parking, extra leave days for top performers, etc.), and opportunities (like sending a high performer to a special training or conference) are all part of a comprehensive reward toolkit.

Crucially, the reward structure must replace the implicit rewards of the old system. In the old system, the "reward" for staying around was job security and incremental raises for sticking it out. Suppose we are asking employees to give up some of that (with at-will status and no guaranteed raises). In that case, we must substitute something compelling: the ability to earn more faster through merit, the satisfaction of recognition, and the opportunity to take on greater responsibility. For those who are talented and driven, this is a welcome trade—they no longer have to wait for the person above them to retire to move up or for a blanket raise from the legislature to get a pay bump. They can distinguish themselves and be rewarded now. For those who preferred to coast under the old system, it's admittedly a loss—but that is by design; the system should not cater to coasting.

An often-raised concern is that merit pay in government can be demoralizing if funds are tight—what if everyone does well, but there's only money to reward a few? The answer is that, first, even symbolic differentiation is better than nothing for motivation, and second, over time, a merit system allows you to better justify raising compensation overall because you can show taxpayers it's tied to performance. Many studies show that higher private salaries sometimes lure away high performers in government; a robust merit reward system can help retain them by offering them growth and rewards internally.

Realigning rewards is about sending an unambiguous message: it pays to perform. The employee who goes the extra mile, who innovates, and who serves the public exceptionally well will see their career advance faster, and their pocketbook will benefit more than the one who just punches the clock. The agency that delivers results will be entrusted with greater responsibility and possibly resources than the one that lags. Over time, this approach changes the DNA of the public workforce—making it more entrepreneurial, motivated, and customer-oriented. The best workers are energized because they feel seen and can rise, and the worst either improve or gradually leave (since their stagnation yields no reward). When combined with the accountability measures from Part I, the state apparatus becomes a *meritocracy*, which is precisely what the civil service was supposed to be about in the first place (the difference now is merit is defined not just as neutral hiring but as ongoing excellence in service).

III. Seek Out and Staff with Top Talent

Thus far, we have focused on managing and reshaping the existing workforce—removing low performers and better motivating the rest. Equally important, however, is the pipeline of new talent entering state government and the advancement of that talent into leadership roles. A governor as CEO must ensure that the right people—with the right skills and temperament—are brought into public service and promoted based on merit. This was indeed the original ethos of civil service reform in the late 19th and early 20th centuries: to replace the patronage system with a merit-based system of hiring and promotion. Over time, however, many states' hiring practices have either drifted back toward informality (sometimes allowing discretion that can invite favoritism) or become so cumbersome that they deter top candidates. Moreover, the nature of the skills needed in government is evolving (think cybersecurity, data analysis, etc.), and the public sector must compete with the private sector for expertise. Part III discusses how to revitalize merit-based hiring and promotion through rigorous, role-specific examinations and assessments, building a high-performance culture that benchmarks itself against the best, and strategic implementation to avoid capture or bias in these processes.

1. Role-Specific Examination System

One of the hallmarks of classic civil service was the entrance examination—a neutral test of aptitude or knowledge to rank candidates for hiring. Many states, however, have moved away from written exams in recent years, citing the need for flexibility or the irrelevance of some old tests. The pendulum swung towards decentralization—agencies post jobs, candidates apply with resumes, and hiring managers have more discretion to choose among qualified applicants (as long as basic qualifications are met). While this can speed up hiring and tailor selection to specific needs, it also risks undermining the merit principle if not carefully managed. Without standardized exams or rating criteria, biases (conscious or unconscious) and "who you know" connections can creep back in. A well-designed examination and screening system, updated for modern needs, is crucial to identifying top talent in a fair, objective way.

The reform agenda here calls for rigorous, role-specific exams and assessments for both entry and promotion, developed and administered in partnership with professional testing experts. This doesn't necessarily mean a return to the old General Aptitude Test Battery or one-size-fits-all written tests—rather, it means deploying the right kind of test for the role.

Agencies should start by defining the set of competencies for each job. The number of competencies will vary by job, but anywhere from 6-12 competencies is common practice. Essentially, they must then affirmatively signal for several methods of proving each competency, and it is helpful to provide at least two options per competency in order to avoid regulatory capture or risk a single point of failure. These methods could include tests, traditional higher education coursework, short-term training, military or employer credentials, or even structured interviews. Applicants should also have the option to describe skills that may be self-taught or based on prior work experience that may not be well-documented. More optionality is better than less as long as each pathway sets a rigorous and fair standard. An objective test likely is not possible for each competency, but at least one test is recommended for each job.

Assessments should also be applied in different ways for different types of competencies:

1. **Technical skills -** Tests for job-specific subject matter knowledge and other proficiency

2. **Functional skills -** Tests and sample work to assess for computer, written communication, management, and other broadly applicable skills
3. **General aptitude/Personality Fit -** Where political will exists, screen candidates based on general aptitude/intelligence using third-party tests (e.g., Wonderlic) in order to narrow the candidate pool and make the remaining number of candidates manageable. Employers could also use personality assessments and free responses related to each competency (in lieu of a traditional cover letter) to narrow the pool.

Assessments will vary by job type as well. For example:

- For an entry-level accountant position, the exam might be a combination of a technical accounting test and a situational judgment test to gauge ethical decision-making.
- For an IT network administrator, it might be a hands-on simulation or a problem-solving test related to network security.
- For a prospective middle manager, it could be an assessment center where candidates participate in role-play exercises and in-basket exercises (simulating a day's emails/tasks) and are scored on leadership and problem-solving.

The key is that the exams are merit-based (only job-related factors) and predictive of performance, not arbitrary trivia or outdated knowledge. Partnering with sophisticated exam developers can ensure the tests are high quality. Some companies and organizations specialize in occupational testing (like SHL and Pearson), as well as non-profits like the International Public Management Association for HR (IPMA-HR) that offer validated public safety and clerical exams. States should leverage that expertise rather than crafting tests in-house without psychometric support, which is likely to prove costlier and less effective.

An exam-based system has multiple advantages for a merit focus: it standardizes evaluation across a broad pool, it is blind to personal connections, and it produces a *rank-order list* that makes selection decisions easier to defend. For instance, if 200 people apply for 10 positions and go through testing, and you hire the top 10 scorers, it's hard to accuse the process of favoritism. It also encourages candidates to come prepared and demonstrate their abilities, which can raise the overall caliber of hires. However, assessments, mainly those measuring general aptitude, are best used as screeners, and human judgment should still play a role in determining who to hire. These assessments are beneficial as a replacement for college degree requirements. The Cicero Institute has worked to enact such policies, and currently, the federal government and 26 states have eliminated college degree requirements. The risk, however, is that removing degree requirements without transitioning to skills-based hiring will result in more underqualified applicants. Better, more objective screening tools can help hiring managers and HR staff consider a wider variety of candidates while more quickly and effectively narrowing down the pool to those who are most likely to succeed.

However, to modernize the concept, we must ensure exams are role-specific and not cookie-cutter. Gone are the days of a generic "civil service exam" that purportedly qualified one for any office job. Instead, we might have a suite of examinations: one for HR specialists, another for project managers, another for data analysts, etc. This aligns with private sector practices where hiring often involves job-specific tests (like coding tests for programmers, case interviews for consultants, etc.).

Promotion screening requirements should mirror entry requirements. Instead of promotions based purely on seniority or a supervisor's subjective recommendation, require that internal candidates pass a test or assessment center relevant to the higher position. This ensures that those moving up have demonstrated the necessary competencies. It also opens opportunities to all who are capable, not just those in the good graces of a particular boss. For example, if there's an opening for a regional manager, all interested, qualified employees might undergo a leadership assessment, and those who score above a specified threshold become eligible, with the job going to the best among them. This transparent process can increase morale among ambitious employees—they know what it takes to advance, and it's not just time served or office politics but measurable performance and ability.

One successful example is the uniform bar exam for lawyers or the CPA exam for accountants—standardized, rigorous tests that ensure a baseline of knowledge before one can practice. While not all government jobs need something as intensive, the concept of a merit filter is similar. Some states have introduced new exams for modern roles; for instance, a state might create a cybersecurity analyst exam as that workforce needs to grow. Collaborating with universities or professional societies can also help create good criteria (e.g., an engineering association might help design tests for civil engineers in government).

Digital and on-demand testing is another improvement to consider. Historically, civil service exams were infrequent, leading to a backlog of candidates. Now, with computer-based testing, states can allow candidates to take exams at testing centers (like how one takes a GMAT or a certification exam) on multiple dates and then merge them into continuous eligibility lists. This improves the candidate experience and keeps the talent pipeline flowing.

Finally, an exam system also signals *prestige* and *professionalism*. Think of the Foreign Service Officer Test (FSOT) for the U.S. State Department—it's difficult and competitive; passing it is an achievement. State governments could generate similar esteem for their hiring. Being a "certified state management analyst" after passing a tough exam could actually attract ambitious graduates who see it as a worthy challenge and a resume booster, rather than joining the state being seen as a backup plan. While the U.S. state context is different, we can borrow the ethos that government service should attract top talent through a competitive, meritocratic process that confers honor to those who succeed.

2. High-Performance Culture

Recruiting top talent is one thing; retaining and developing that talent is another. A high-performance culture within state agencies will help ensure that the bright people you hire (or who are already on staff) stay engaged, continue to grow, and drive results. What do we mean by high-performance culture? It's a culture where excellence is expected and reinforced, where employees take pride in meeting high standards, compare themselves against the best (not the average), and are constantly learning and improving. It's also a culture where poor practices are not tolerated—where employees themselves value their reputation for quality and will call out or correct inefficiencies and errors rather than shrugging or saying, "That's how we've always done it."

Several strategies can cultivate such a culture:

A. Benchmarking performance against other states and jurisdictions.

A high-performance culture doesn't just look inward; it looks outward to gauge success. States should regularly compare their performance metrics with those of peer states or national bests. For instance, if State A processes business permit applications in an average of 10 days and State B takes 30 days, State B should ask, "why can't we be like A?" Emulating successful approaches from elsewhere is a clever shortcut to improvement—it's the "steal shamelessly" mantra of organizational improvement. There are several mechanisms to facilitate this, such as participating in interstate benchmarking studies (organizations like NASCIO for state CIOs or APWA for public works often gather comparative data), or even friendly competitions (like which can be the first state to put a certain service fully on blockchain). When employees see that their goal is not just to be better than last year, but to be number one among the states in some area, it instills pride and ambition.

B. Emulate private-sector best practices in operations.

Bringing in top talent also means being open to how that talent might change the culture. If you hire someone from Google or Amazon into your state IT office, let them inject some of the high-performance practices of those companies (like agile project management or data-driven decision-making). Encourage cross-pollination; send state managers to brief programs at business schools or executive training where they're exposed to high-performing company case studies. Some states have done Lean Six Sigma training for staff to adopt efficiency techniques used in manufacturing and services.

C. Compare internal units against each other constructively.

We mentioned inter-agency competition earlier as a reward tool, but it's also a cultural tool. When every unit knows its metrics are on a dashboard that leadership and peers can see, there's pressure to perform. Employees naturally do not want their unit to be the one with the red flag on the report. For example, if you publish quarterly stats and eight of 10 regions hit the target and two fall short, those two will feel the heat (and hopefully ask the others, "How did you do it?"—thereby spreading best practices). Over time, this normalizes the idea that performance is transparent and everyone is expected to pull their weight. It's no longer acceptable for an office to say, "We're slower because our region is different," if another region with similar conditions is doing better. Instead, the conversation shifts to "What can we learn from them?"

D. Celebrate intellectual humility and restraint.

This phrase from our thesis—an *administrative culture of intellectual humility and restraint*—merits elaboration in practical terms. Intellectual humility in a bureaucracy means being evidence-driven and open to new information. It means not assuming, "I'm the expert in this agency, I know everything," but rather constantly evaluating whether there's a better way or whether an outsider's perspective might be right. For example, a permit regulator with humility listens to a business owner who suggests the process is overly complex, rather than dismissing the complaint. Restraint means exercising power carefully—e.g., regulators not imposing unnecessary burdens just because they can or agencies not expanding their mission beyond what voters through the legislature intended. To instill this, leaders can highlight stories where an employee questioned a long-held assumption and discovered a simpler approach—and then commend that employee for their willingness to challenge orthodoxy. Likewise, if an agency streamlines a regulation to reduce burden without undermining its purpose, that should be celebrated as a win (not as a loss of authority).

One concrete approach is training and dialogue on mission and customer service. Many high-performing organizations reinforce why they exist and who they serve. In government, that's the public. Creating a culture where every employee, from clerk to director, sees citizens (or other agencies they serve) as customers to be assisted, not nuisances or ignorant outsiders, is crucial. Some states incorporate customer service metrics and training—like "Courteous treatment and helpfulness" as part of performance criteria. When combined with humility, this translates to staff taking feedback seriously and not being defensive when problems are pointed out.

E. Compare to the best, not the average.

This is a mantra for high performance. A state agency might historically compare itself to its past ("we improved five percent over last year"). A high-performance culture instead asks, "Who's the best in the nation at this, and where are we relative to them?" It's like an athlete not just beating their personal best but aiming for the world record. If Texas' DMV makes breakthroughs in wait-time reduction, other states should visit to learn, implement similar changes effectively, and raise their sights from their old baseline to Texas' level. If one state can do it, others can, too. This mindset pushes continuous improvement.

All these points come down to creating an environment where talent thrives and mediocrity withers. Once hired, top talent will stay if they feel challenged, appreciated, and surrounded by a culture of excellence. If they encounter a stodgy, change-resistant environment, they'll leave (and you lose the recruitment gains). So, building a high-performance culture is an inseparable companion to hiring well and managing performance.

3. Strategic Implementation

Implementing the above hiring and culture reforms requires a careful strategy to avoid pitfalls. Vested interests and systemic challenges can thwart even the best ideas. This section addresses how to strategically implement talent-focused reforms while mitigating the risks of ideological or union capture, ensuring rigor, and dealing with broader labor market realities.

A. Screen partners for ideological or union capture.

When partnering with exam developers or other consultants, the state must ensure these partners are aligned with the meritocratic goals and not unduly influenced by political ideologies or public employee unions that might dilute reform. For example, suppose a test developer is contracted to create civil service exams. In that case, one must ensure their process isn't swayed by an interest group trying to make the exam easier (to increase pass rates for their members) or inject questions that reflect an ideological bias. This means having a clear contract and oversight—a neutral panel of experts should review the content to ensure its job relevance and fairness. Union input can be valuable in identifying practical job requirements. Still, the final authority on what to test should rest with the employer (state) and professional test designers, not negotiable to the point of undermining validity. An example might be a union pushing to include heavy weight on seniority or training courses in the exam scoring, which could water down merit—the state should politely but firmly stick to testing a candidate's actual ability to do the job.

On the ideological side, one could imagine a scenario where someone wants to use hiring tests to screen for certain beliefs or attitudes (which could violate equal opportunity and open a can of worms). Strategic implementation requires keeping the focus on *competence and performance factors*, steering clear of anything that smacks of political litmus tests or favoritism.

B. Ensure exam rigor and sophistication.

This is partly addressed by choosing the right exam developers. It's about the process—pilot the exams and analyze results to determine whether they correlate with known good performers or at least with relevant qualifications. If an exam is too easy (i.e., most candidates score very high), it fails to distinguish the best; if it's too hard in irrelevant ways (e.g., tests obscure knowledge not actually needed for the job), it may screen out potentially good, diverse candidates unjustly. Therefore, implement continuous improvement for exams. After each administration, review item statistics (modern testing can provide data on which questions most candidates got right or wrong) and refine. Also, avoid relying solely on multiple-choice tests if a job's competence is better shown in other formats. Instead, incorporate writing samples, practical exercises, or structured interviews as part of the exam process for a holistic assessment.

When requiring certifications or training for advancement, ensure those programs are high-quality. For instance, require managers to go through a certified public manager program and select a proven curriculum (like those offered by universities or the National Certified Public Manager Consortium) that actually imparts valuable skills.

C. Address structural labor market challenges.

No matter how good your hiring and culture reforms are, you must contend with the reality of the labor market. In a strong economy with low unemployment, the government can struggle to attract top talent, especially for specialized or highly paid fields, because it often cannot match private-sector salaries. Conversely, in downturns, the government might have an easier time hiring, but budgets to hire may be constrained. Moreover, public-sector hiring can be slow, which causes many candidates to drop out for other offers.

States should also streamline hiring timelines to strategically implement talent acquisition reforms. If you identify a great candidate through your exam, you need to onboard them quickly before they get impatient. That might mean waiving certain bureaucratic steps, using provisional offers pending background checks, or other similar measures.

Another strategy is targeted compensation adjustments for shortage categories. Merit reform doesn't mean everyone is paid the same—in fact, it encourages paying people what their performance and the market justify. If data analysts are in short supply, perhaps the state creates special, higher pay grades or hiring bonuses for them to lure the best talent.

D. Public-private talent exchange and recruitment branding.

Strategically, states might form partnerships with universities, tech bootcamps, or professional associations to feed talent pipelines. For instance, establishing a State Government Fellows program for top MBA or MPA graduates that rotates them through agencies for two years (with a competitive salary) could attract bright minds who then choose to stay in public service. A mid-career fellowship inviting private sector experts to do a stint in government on special projects (perhaps at a salary supplement sponsored by philanthropy) could also bring in fresh perspective and expertise.

To seek and staff with top talent, the state must overhaul how it evaluates candidates (with rigorous exams), how it promotes from within (ensuring only the competent rise), and how it fosters an environment that talented people want to be part of (high-performance culture). Implementing these changes requires savvy navigation of political, legal, and labor realities. But done right, it will populate the state workforce with capable, motivated individuals at all levels—which is the ultimate foundation for a government that performs like a well-run enterprise.

When the hiring process consistently brings in "A players," and the culture pushes everyone to keep learning and improving, the governor's job as CEO becomes much easier; you have the human resources to carry out any initiative effectively. The next and final section will discuss how to implement these reforms in practice, considering the challenges that might be faced and how to overcome them.

Conclusion

Transforming state government through merit-based reforms—making governors true "State CEOs" of high-performing organizations—is an ambitious but attainable goal. The steps outlined (removing poor performers, rewarding high performers, recruiting top talent) constitute a comprehensive change program. However, even the soundest reforms can flounder without a smart implementation strategy and an awareness of potential pitfalls. In conclusion, we tie together the recommendations with an implementation roadmap and then discuss anticipated challenges and how to navigate them.

1. Implementation Strategy

Implementing these reforms will require phased planning, legal acumen, coalition-building, and a strong communications effort. Here is a strategic approach:

A. Pilot Programs and Proof of Concept.

It may be wise not to roll out everything everywhere, all at once. Choose a few agencies (perhaps volunteer agencies led by reform-minded directors) to pilot key reforms. For example, pilot the expedited removal process in one department to work out kinks or introduce the new performance evaluation model in a couple of agencies before scaling up. Early successes can build momentum and provide concrete examples to skeptics. Suppose the Department of Revenue pilots forced-distribution performance ratings and as a result, in a year they remove five percent of low performers and see a 10 percent increase in outputs—those stats can help convince other departments and legislators of the value. Likewise, piloting a new hiring exam for a high-need job classification and showing that the new hires performed better or faster than those hired under the old system would be powerful.

B. Legal/Constitutional barriers.

Before implementation, a thorough legal review is needed. Some states have constitutional provisions regarding civil service (often to ensure merit-based hiring and protect against patronage). For instance, Article V, Section six of New York's Constitution mandates that hiring and promotions be made "according to merit and fitness … as far as practicable, by examination."[57] A reform that eliminated exams in NY would violate that, whereas our reforms to actually strengthen exams align well with it. Conversely, some state constitutions or laws enshrine certain job protections or appeal rights, which might need amendment to allow, something like broad at-will conversion. The implementation team (likely involving the Attorney General's office or a dedicated legal task force) should identify which changes can be done via executive order or administrative rule, which require legislative action, and which might even need a constitutional amendment or referendum. If a constitutional change is necessary, that's a longer lead item which means mobilizing political capital and public support to pass an amendment. Notably, Colorado voters did approve changes that reduced layoff seniority protections and allowed slightly more flexibility in hiring, showing that the public can support such tweaks if explained properly.[58]

C. Legislative champions and alignment.

It's crucial to have legislative buy-in, especially if statutory changes are required. Identify lawmakers (ideally a bipartisan group) who are passionate about government efficiency or accountability to sponsor reform bills. Draw on examples from other states to draft legislation—for instance, model a state's civil service reform bill on Tennessee's TEAM Act or Arizona's law with adjustments.[59] Emphasize to legislators how the reforms will improve services for constituents and potentially save taxpayer money. Also, reassure them that this is not about politicizing hiring (since, ironically, the reforms might be attacked as giving the governor too much power). The message is "modernizing and restoring true merit", not "letting the governor hire cronies"—backing that argument with data and provisions that safeguard against patronage (like maintaining competitive exams, oversight bodies for appeals albeit streamlined, etc.).

D. Engage stakeholders—carefully.

There are stakeholders whose input can improve reform design, even if they might not fully endorse it. For example, consulting with state employee unions early about the goals (not to seek permission, but to identify concerns) could lead to tweaks that make implementation smoother. Perhaps unions would appreciate an improved training program or opportunities for current employees to upskill in lieu of exams for promotion, and such compromises could be part of a deal. Or, if layoffs are a fear, maybe an agreement to handle them mostly through attrition/early retirement, as we suggested, can mollify opposition. The key is to find elements that align with employee interests: good employees generally dislike working with poor performers (it makes their jobs harder), so a system that fairly removes slackers and rewards good work can actually appeal to many union members, even if union leadership is reflexively opposed. Emphasize how reforms will make workplaces better and more respectful of merit, which is what most employees want too (no one likes seeing an incompetent co-worker go unpunished or a sycophant promoted over a diligent worker).

E. Robust communication and training.

A major piece of implementation is educating the workforce and the wider public about the merits of the changes. Develop a communications strategy with clear, simple messages: "*We're cutting red tape in government itself*," "*We're ending the current system where it's nearly impossible to fire the worst employee.*" "*We're making sure your tax dollars go to public servants who earn them.*" Use examples and case studies as discussed—e.g., highlight a case of a state employee who committed egregious misconduct yet dragged through appeals for two years—then explain how the reform would prevent that. Also, share success stories like Indiana's or Georgia's improvements. The communications plan should include op-eds, press releases, town halls, and maybe a dedicated website tracking the reform's progress (transparency in the reform process itself).

Internally, train managers and HR professionals in the new procedures. If, overnight, you change the evaluation form and require stricter ratings, managers need to be taught how to do so objectively and how to handle tough conversations with employees. If new hiring exams are introduced, HR staff need training on how to administer them and how to interpret results. Basically, change management principles apply—listen to employee concerns, provide support to adapt, and celebrate early wins to build morale around the change.

F. Monitoring and adjustment.

Treat the reform implementation itself in a performance management framework: set goals (e.g., in Year one, reduce average time to terminate a poor performer from X to Y; in Year two, achieve Z percent of performance evaluations differentiating top/bottom performers; etc.), measure them, and report on them. Have a small team or task force dedicated to tracking the implementation and resolving issues quickly (like a rapid response team for unintended consequences or complaints). Consider creating an oversight committee including some external advisors (e.g., respected public administration academics or business leaders) who can periodically review how reforms are going and lend credibility that it's on the right track or suggest mid-course corrections.

By stress-testing ideas legally, starting with pilots, building a coalition, and communicating strongly, a governor can launch these reforms in a methodical way.

2. Anticipated Challenges

No significant reform comes without challenges, and this one has plenty—legal barriers, structural labor issues, political opposition, and potential unintended effects. It's crucial to anticipate them and plan responses:

A. **Legal barriers (constitutional, statutory, contractual).**

We already discussed constitutional aspects. Statutorily, even after reform laws pass, there may be lawsuits claiming violations of rights or laws. For example, if employees are fired faster, they might sue, claiming due process violations. However, courts have generally upheld firings if the law clearly defines a process (even an expedited one) as long as due process (notice and opportunity) exists. Removing "for cause" protections from existing employees may raise constitutional due process issues because those employees have a property interest in their jobs under the old system. Thus, reforms often grandfather current employees out of the system and apply at will to new ones or to those who opt-in (like Arizona did).[60] That means a full cultural change can take some years until the workforce largely turns over or opts in. If immediate removal of protections is attempted, be prepared to litigate whether the state can change the terms of employment for current workers—courts might say it's an impairment of contract or property without due process. One mitigation is offering consideration like a bonus or raise for current workers to sign an at-will agreement (contractually giving up their tenure right in exchange for something of value).

Union contracts are a major barrier in some states, especially those with collective bargaining covering discipline or layoffs. Wisconsin's Act 10 (2011) drastically limited collective bargaining for most public employees, which gave the state more freedom to adjust personnel policies.[61] Not every state will go that route, but if union contracts conflict with reforms (e.g., a contract requires layoffs strictly by seniority, which clashes with performance-based layoffs), the state must wait for contract expiration and negotiate changes or, if legally possible, legislate override of those provisions. Expect unions to fight vigorously any perceived erosion of their members' protections. This can lead to strikes or political campaigns against reform proponents. One strategy is to separate collective bargaining for wages (which unions care deeply about) from civil service rules (which ideally are set by statute). Some states already exclude discipline and hiring from bargaining subjects.

B. Political backlash and "bureaucracy strike back."

Public employee unions, as noted, will likely mount a political response: protests, lobbying sympathetic legislators (often Democrats, though not exclusively), and public messaging that these reforms will lead to cronyism or are "anti-worker." To counter this, communication must highlight benefiting good workers and the public. Politically, opponents might portray the reform as a power grab or as disrespecting public servants. It's important to involve or get statements from respected figures (like maybe a retired Democratic governor or a career official respected by both sides) saying "the civil service system needs these updates to serve the people better." Keep the reform non-partisan in tone, focusing on effectiveness rather than ideology. If the debate turns into a partisan battle, it's harder to sustain because the next administration of a different party might undo things. Ideally, get buy-in across the aisle by showing how it benefits any executive in charge, regardless of party.

C. Political durability

Another challenge is the question of whether these reforms last beyond the current governor. If it's done via executive orders, a successor could undo them. So as much as possible, these reforms—especially the key pieces—should be enshrined in statutes or even constitutional amendments, making them harder to reverse. Also try to build public buy-in such that reversing would be unpopular. For example, if the public hears that the change has made it so state employees are now being fired for egregious misconduct within weeks rather than years, they are unlikely to want to go back. That's why it is important to highlight successes. It creates a constituency for the new system—not just the public, but also the good employees inside who enjoy a more dynamic, fair environment and might resist going backward.

Despite these challenges, the case for merit-based state government is strong. These reforms can narrow the accountability gap—where voters think the governor is in charge but, in reality, a faceless bureaucracy might be undermining the public will and interest. A system that rewards merit and demands accountability can better fulfill the promises made to citizens. It can also renew respect for public service by demonstrating that the government can be as results-oriented as the best-run companies.

Recall our thesis: *orient incentives by merit and nurture a culture of humility and restraint.* By implementing the strategies in this paper, state governments will orient every incentive— hiring, pay, promotions, and retention—towards merit. They will also foster humility in bureaucrats, reminding them they serve the public and must earn their trust through performance. Restraint will manifest in a leaner, more efficient government that does not presume more authority or resources than it needs to accomplish its goals.

"Making Governors State CEOs" is not about importing corporate greed or ruthlessness into government; it's about importing accountability, efficiency, and adaptability—virtues that any successful organization, public or private, must have. The reforms outlined, backed by case studies from states like Georgia, Indiana, Arizona, Tennessee, Wisconsin, and others, show a viable path forward. With careful implementation and a readiness to face challenges head-on, a state can transform its government into a high-performance enterprise that delivers on the promise of good governance—doing the most good for the public with the resources entrusted to it, through the dedication of capable and motivated public servants. This is a vision of government that taxpayers deserve and that many hardworking public employees will embrace—a government that truly runs on merit.

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