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CHANGING THE PERCEPTION:

Using Digital Transformation to Increase Trust in Government Agencies

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Introduction and Background

At its core, the Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government (EO) demonstrates the efforts to provide more efficient and responsive services to constituents. This Executive Order explicitly states the desired outcome of "...designing and delivering services with a focus on the actual experience of the people whom it is meant to serve." Ultimately, the Executive Order necessitates agencies leveraging digital transformation as a tactic to increase confidence in our government institutions.

In the six-month update on the status of the Executive Order, Performance.gov positively reports the progress of developing and implementing customer experience strategies. Understanding that customer experience initiatives are in motion, this paper will further explore meeting customer expectations by leveraging digital transformation. This paper focuses on the underlying factors that influence customer experience and discusses how digital transformation can achieve the goals outlined in the Executive Order.

The Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government is not the first of its kind or the first order pursuing customer experience as a means to increase confidence or goodwill towards government agencies. The 1993 Executive Order 12862 mandated minimum service levels and, more importantly, benchmarking success against customer service standards provided in private industry. The mandate of benchmarking against the private sector is crucial when considering using digital transformation as the mechanism for customer confidence.

The subsequent 2011 Executive Order 13571 reiterated the imperative to establish and execute customer service plans and introduced an expectation of using customer service plans to drive agency efficiency. One of the tactics agencies implemented to satisfy these requirements was the widespread implementation of operational or performance excellence programs, such as Lean Six Sigma, that focused on process efficiency. The underlying assumption is that efficiency would increase customer confidence. Digital transformation has been described as the next iteration of operational or performance excellence programs by integrating emerging technologies into process efficiency, leading to customer confidence.

Lastly, both the 2015 Executive Order 13707 and 2021 Executive Order 13985 focused on ensuring equitable access to the appropriate resources by agency usage of behavioral science research and concepts to deserve concerns about bias or systemic inequality. However, these orders pose a challenge for agencies because of the lack of accessibility to effective empirical studies to gauge strategic decisions (EO 13707) and the more significant implications of digital accessibility for marginalized communities. In addition, customer experience solutions to address the systemic bias that relies on digital activities are inherently disadvantaged by virtue of the populations they serve.

These orders serve as the basis for an inescapable recognition that our government agencies will continually be tasked with improving the confidence in the decision-making and administration of

national resources. Therefore, agency leaders should not consider digital transformation a singular initiative but rather an ongoing examination of opportunities.

OMB Circular No. A-11 defines Federal customers as "...individuals, businesses, and organizations that interact with a Federal Government agency or program, directly or via a Federal contractor or even a Federally funded program."¹ The definition is further expanded also to include public servants and Federal employees. This broad definition of customer poses challenges for customer experience initiatives as each customer type will have expectations of their experience. These challenges also include customers with overlapping roles, such as an individual who is also a Federal employee or works for an organization that is a Federal customer. Understanding the definition of customer in this context will aid leaders in assessing the current state and digital transformation opportunities.

While the broad definition of a customer may prove challenging for agencies to prioritize projects, the 6-month progress on agency actions to improve customer experience report indicates the agency's initial inclination to prioritize the individual's customer experience (compared with employees or contractors). In addition to the agency directives, there are five Government-wide life experience projects the agencies are cross-functionally collaborating on. The life experiences that the Government prioritized the customer experience initiatives are:

1. Having a child and early childhood for low-income families
2. Navigating the transition to civilian life
3. Approaching retirement
4. Facing a financial shock
5. Recovering from a disaster

The motivation to develop and scale digital solutions is driven by the need to carry out the various services and programs available to support Government customers. In the private sector, implementing digital transformation solutions developed a pattern of success where organizations found themselves positioned to scale existing services and provide expanded programs.²

Factors Influencing Customer Experience

Regardless of the life experience, agency, or customer type, customer experience factors are universal. Generally, customer experience evaluation starts with a "moment of meaning," focusing on a single moment or service of the customer's experience.³ The reason for this approach is to direct efforts toward the same objectives. Given the prioritization of five customer service initiatives, agency leaders will be tasked with clarity in their initiative outcomes. The risk of reinterpreting the moment of meaning

¹ OMB, "Section 280—Managing Customer Experience and Improving Service Delivery," 2021.

² Andre Ariesmansyah et al., "Creativity to Innovation : What Lesson Learned from Digital Transformation in Financial Accountability in Government Practices," *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences* 4, no. 4 (2019): 14061–72.

³ Federico Artusi and Emilio Bellini, "Design and the Customer Experience: The Challenge of Embodying New Meaning in a New Service," *Creativity and Innovation Management* 29, no. S1 (2020): 152–61, <https://doi.org/10.1111/caim.12364>.

may create different meanings for the same service. Differing individual interpretations of the meaning of the interaction is one of the reasons for the lack of trust in a process (e.g., concerns about equality).

A Government agency that is notorious for lack of customer service or reinterpreted moments of meaning is the Internal Revenue Service (IRS). Anecdotally, the IRS is the least trusted agency with the highest risk of differing interpretations and an excellent candidate for using digital transformation to improve customer perceptions. While the eFiling initiative is an excellent example of a digital transformation that increased customer self-efficacy and trust in the processes, the IRS moments of meaning tend to be localized around information availability or the perception that information is not readily available. The perceived lack of information availability and transparency, or the delay in accessing the appropriate information when the customer needs the information, is a determinant of a customer's trust and confidence in the agency.

Trust and Confidence

While it seems like an exercise in circular logic, the first consideration for customer experience is the customer's trust and confidence in the organization they are interacting with. This challenges the agencies using customer experience to increase customer trust and confidence. An underlying justification for citizen trust in Government is that citizens (all customer types) expect agencies and public servants to manage public resources efficiently and equitably.⁴ Executive Order 13985 seeks to address the concerns about fairness in resource allocation by compelling agencies to identify and address systemic inequality in service delivery. Stepping back from the investigation of systemic bias, using behavioral science (EO 13707) to curate a customer experience will support all agencies in identifying the public perception of the agency services.⁵ Understanding public perception gives agency leaders a specific roadmap of customer experiences (or moments of meaning) where improvement will have a high perception ROI.

Transparency and accountability

The general approach towards Government accountability is to "...declare institutional aims, plans, strategic objectives, and actions...."⁶ However, historically this messaging does not foster the sense of transparency or accountability needed to develop trust and improve the customer's

⁴ Mohamed Mahmood, "Enhancing Citizens' Trust and Confidence in Government through Digital Transformation," *International Journal of Electronic Government Research* 12, no. 1 (2016): 99–110, <https://doi.org/10.4018/IJEGR.2016010105>.

⁵ Artusi and Bellini, "Design and the Customer Experience: The Challenge of Embodying New Meaning in a New Service."

⁶ Yiwei Gong, Jun Yang, and Xiaojie Shi, "Towards a Comprehensive Understanding of Digital Transformation in Government: Analysis of Flexibility and Enterprise Architecture," *Government Information Quarterly* 37, no. 3 (2020), <https://doi.org/10.1016/j.giq.2020.101487>.

experience. Therefore, a practical tool and a central tenet of customer experience initiatives are to increase customer perceptions of transparency and accountability by crafting messaging that reflects the customer and user needs and how the updated design speaks to these needs.⁷ Furthermore, once these messages are crafted, the information must be readily available in a format that is easily accessible to the target audience. An example of a digital transformation tool that increases information availability is the implementation of intelligent AI search functionality that optimizes content search functions by leveraging natural language processing to provide the most relevant messaging and information.

Much like a project manager is responsible for balancing stakeholder expectations and uncertainties, Customer Experience Officers are tasked with managing expectations from the agency customers. Focusing too much on one service or demographic could negatively affect other agency activities. Unbalanced communications about how the digital transformation meets the customer's needs may erode confidence in the other services or within the excluded demographics.⁸

Digital transformation can improve customer experience and confidence by providing customers with tools for self-efficacy (e.g., self-service). In addition, designing systems for customer self-efficacy is an instrument to evolve into providing customer transparency. Without transparency, citizen observers of agency practices and initiatives may struggle with recognizing whether the approach adopted by an agency has real potential for impact.⁹ An example of a commonly used tool for self-efficacy is a chatbot. Chatbots are easily recognizable and user-friendly because of their wide adoption in the private sector. Coupled with intelligent AI search functionality, chatbots can increase a customer's sense of self-efficacy and increase the perception of information transparency. The Department of Veterans Affairs successfully implemented a chatbot to provide instant responses guiding users to appropriate information. =

Providing the customer with self-efficacy options is popular for digital transformation initiatives because these solutions provide a dual purpose demonstrating organizational understanding of customer needs and automating vital processes (therefore, maximizing employee capacity for non-automated functions).¹⁰

Expectations around digital transformation

⁷ Euiyoung Kim, Sara L. Beckman, and Alice Agogino, "Design Roadmapping in an Uncertain World: Implementing a Customer-Experience-Focused Strategy," *California Management Review* 61, no. 1 (2018): 43–70, <https://doi.org/10.1177/0008125618796489>.

⁸ Kristin Helene J. Hafseid, Bassam Hussein, and Antoine B. Rauzy, "An Attempt to Understand Complexity in a Government Digital Transformation Project," *International Journal of Information Systems and Project Management* 9, no. 3 (2021): 70–91, <https://doi.org/10.12821/ijispm090304>.

⁹ Katherine Benjamin and Henry WW Potts, "Digital Transformation in Government: Lessons for Digital Health?," *Digital Health* 4 (2018): 205520761875916, <https://doi.org/10.1177/2055207618759168>.

¹⁰ Artusi and Bellini, "Design and the Customer Experience: The Challenge of Embodying New Meaning in a New Service."

Most digitalization efforts focus on transitional rather than transformational.¹¹ That is, transitioning analog systems to digital services without rethinking the services or processes. Given that this has been the approach to digitalization in both the public and private sectors, customers are attuned to a multi-phase approach with the expectation that once these initiatives are implemented, there will be a clear improvement in experience.¹² For example, www.usa.gov started as a transitional project that improved customer experience by providing an encompassing, self-efficacy site for them to navigate vital functions such as motor vehicle services.

While there is worldwide interest in digital transformation, government customers have a lukewarm response to digital transformation initiatives because previous initiatives have fallen short compared with the potential.¹³ However, regardless of the lack of confidence in digital transformation execution, customers and Government leaders recognize the impact digital transformation can have on operations. For this reason, leaders continue to be motivated to use digital transformation to improve customer confidence.

A significant consideration for government leaders is the comparison of government activities and private industry efforts. While the internet facilitates enhancements to all facets of operations and digital transformation, the increased accessibility of Government services is a direct contributor to customer satisfaction; any initiative that allows customers to interact with the agencies virtually rather than relying on in-person or physical interactions (e.g., mailing in documents for a passport renewal).¹⁴ Private sector organizations that lacked customer focus saw their improvement efforts undermined; organizations that created feedback loops with their customers saw a marked increase in customer trust when introducing new features or functions.¹⁵ Leveraging innovations prevalent in private organizations, such as intelligent search or NLP chatbots, may be quick wins for agencies implementing digital transformation because users have already been exposed to these technologies from their non-government digital experiences.

Another way that digital transformation can increase customer trust and confidence is the personalization of the experience.¹⁶ Personalization may be achieved using algorithm technology or intelligent public services leveraging big data.¹⁷ Leveraging these solutions can mitigate the depersonalizing feelings of a "one-size-fits-all" solution.¹⁸ Ultimately, customers compare their

¹¹ Gong, Yang, and Shi, "Towards a Comprehensive Understanding of Digital Transformation in Government: Analysis of Flexibility and Enterprise Architecture."

¹² Gong, Yang, and Shi.

¹³ Mahmood, "Enhancing Citizens' Trust and Confidence in Government through Digital Transformation."

¹⁴ Mahmood.

¹⁵ Kim, Beckman, and Agogino, "Design Roadmapping in an Uncertain World: Implementing a Customer-Experience-Focused Strategy."

¹⁶ Ariesmansyah et al., "Creativity to Innovation : What Lesson Learned from Digital Transformation in Financial Accountability in Government Practices."

¹⁷ Ariesmansyah et al.

¹⁸ Artusi and Bellini, "Design and the Customer Experience: The Challenge of Embodying New Meaning in a New Service."

government experiences with their private industry experiences through a lens of service quality and innovation.

Implementing digital transformation in government agencies

Role of CXO

In her 2017 TEDx Talk, former Colorado Lieutenant Governor, Donna Lynne, discussed the Colorado state customer experience initiatives; in this talk, she explained that the most impactful way to improve customer satisfaction with local Government was the communication that customer service, ergo customer experience, was a top priority for all state agencies.¹⁹ Another way agencies can convey the importance of customer experience is by appointing a Chief Experience Officer (CXO) rather than having collective responsibility for customer experience activities.

Customer experience is only part of the experience spectrum; CXOs should be mindful not to overlook other stakeholders (such as employees, partner agencies, vendors, or contractors) when championing their organization's digital transformation efforts.²⁰ This relates directly to the OMB customer definition and the understanding that the Government has multiple customer types.²¹ Ideally, CXOs should have insight into external and internal communications, IT initiatives, human resources, and agency positioning. These insights support the CXO in leading customer confidence and experience initiatives (for example, digital transformation) by providing a holistic view of the customer perception of the agency.²²

Assessing the current state and identifying opportunities

Assessing the organization's current state and opportunities for digital transformation requires leaders to address the main barriers to implementing digital transformation initiatives. These barriers are:

- Collaboration and cooperation, including inter- and intra-agency communications and cultural differences
- Stakeholder management, both identification and volume of interested parties
- Governance challenges, such as lack of consistency of strategy or changing priorities
- Management challenges, including project management and organization or team maturity

¹⁹ Donna Lynne, "TEDx: Bringing the Best Out of Government By Bringing the Best Into Government," 2017.

²⁰ Denise Lee Yohn, "Why Every Company Needs a Chief Experience Officer," *Harvard Business Review*, 2019, <https://hbr.org/2019/06/why-every-company-needs-a-chief-experience-officer>.

²¹ OMB, "Section 280—Managing Customer Experience and Improving Service Delivery."

²² Denise Lee Yohn, "Why Every Company Needs a Chief Experience Officer."

- Financing, uncertainty about funding sources or "who pays for what."
- Political constraints, managing conflicting interests or outcomes
- Structural challenges, such as organizational structure differences across agencies

While these barriers apply to all agency initiatives, digital transformation adds a layer of uncertainty by adopting new technology. The reporting requirement in the Executive Order on Transforming Federal Customer Experience Section 6 addresses concerns about effectiveness, accountability, and transparency by establishing the 180-day reporting cadence. Regular reports demonstrate progress and overcoming these barriers to Government stakeholders but are not adjusted for customers. Customer experience leaders should also prioritize customer communication to allow for customer engagement and reflect the agency's understanding of the customer's needs.²³

There are three digital transformation initiatives: organizational, technological, and innovation.²⁴ While these three initiative types can be implemented in isolation, taking a systems approach, the significant overlap and interrelationships between initiatives will lead to a more successful and impactful implementation. Therefore, the first step to identifying digital transformation opportunities is recognition and documentation of complexity.²⁵ This complexity can manifest as:

- inefficient processes,
- delayed project completion,
- overly manual or analog processes,
- customer complaints.²⁶

Once these areas of complexity have been identified, gathering stakeholder feedback is the next step to identifying opportunities. Stakeholder feedback encompasses conversations such as budget considerations, inter- and intra-agencies collaboration, desired customer outcomes, and which customer experience initiatives the agency can affect.²⁷ Once this data collection is complete, agency leaders will have the foundation to identify opportunities for digital transformation. To develop their opportunities roadmap, leaders should develop themes from the stakeholder insights to create a matrix highlighting the areas of complexity, and thus should be evaluated for digital transformation initiatives.²⁸

²³ Kim, Beckman, and Agogino, "Design Roadmapping in an Uncertain World: Implementing a Customer-Experience-Focused Strategy."

²⁴ Hafsel, Hussein, and Rauzy, "An Attempt to Understand Complexity in a Government Digital Transformation Project."

²⁵ Hafsel, Hussein, and Rauzy.

²⁶ Hafsel, Hussein, and Rauzy.

²⁷ Hafsel, Hussein, and Rauzy.

²⁸ Kim, Beckman, and Agogino, "Design Roadmapping in an Uncertain World: Implementing a Customer-Experience-Focused Strategy."

Current agency initiatives

The Executive Order on Transforming Federal Customer Service and Service Delivery to Rebuild Trust in Government provides priority opportunities for the High Impact Service Providers (HISPs) referenced in the order. Of these mandates, leaders may use several notable, in-progress initiatives as a point of reference when exploring opportunities for digital transformation and customer service improvement.

Centers for Medicare & Medicaid Services

The Digital Service at CMS aims to improve how people interact with CMS and their healthcare benefits using technology. This mission encompasses and surpasses the five life experiences the Executive Order prioritized for agencies to address. Using this mission as guidance to identify key stakeholders, CMS launched an initiative to update and streamline www.medicare.gov, allowing for ease of use and access to additional resources for beneficiaries.

Department of Veterans Affairs

The VA Office of Information Technology began a digital transformation in response to the COVID-19 pandemic by accelerating its eight-year deployment vision to provide telehealth-based care. The VA OIT role models the recommendations in this paper by gathering extensive feedback on Veteran-facing products that focus on providing self-service access to benefits. These products include developing a mobile app for Veterans and launching a chatbot that provides real-time answers to questions and directs Veterans to appropriate services. Both initiatives provide transparency to VA customers by making general and personalized data immediately available.

Conclusions

Customer experience sits at the intersection between managing organizational and customer expectations and innovative solutions. Digital transformation and the process of developing digital transformation initiatives is an effective tool to foster dialogue between Government stakeholders to provide world-class services to their constituents. While numerous uncertainties are associated with implementing any new initiative, but certainly more so with new technologies, developing systems and processes that support customer understanding and efficacy will increase customer confidence when engaging with Government agencies.

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