INSIGHT ARTICLE NO. 4 · MODERNIZATION

The Future of Workforce Modernization

Modernization keeps failing because it is treated as an IT project rather than an institutional redesign. The taxpayer has bought new software running old bureaucracy, repeatedly, and naming why is the precondition for not buying it again.

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The law that organizes most federal careers was signed by Harry Truman. The Classification Act of 1949 built the General Schedule, fifteen grades into which the government's white-collar work would be sorted, priced, and promoted.[1] It was a rational design for its object: a mid-century clerical workforce performing standardized tasks in fixed careers. Seventy-seven years later, the object is gone and the design remains. The government now hires data scientists, cybersecurity specialists, and AI engineers into a grade lattice built for the typing pool, and it wonders, at 101 days per hire, why they are hard to get and harder to keep.[2]

This article makes one argument. Workforce modernization keeps failing because it is treated as an information technology project when it is actually an institutional redesign, and software cannot redesign an institution. Until the incentives, structures, and rules of 1949 are on the table, every "modernization" is a new interface on an old machine, purchased at full price.

The graveyard, briefly surveyed

The federal government has been formally modernizing for as long as most of its employees have been alive. The Clinger-Cohen Act of 1996 gave agencies modern IT acquisition authority and chief information officers precisely because the previous generation of technology programs had failed expensively.[3] The generation after Clinger-Cohen failed too, at such scale that the Government Accountability Office added federal IT acquisitions to its High-Risk List, where it documented billions spent on systems that were abandoned, delivered late, or delivered without the promised function.[4] One exhibit stands for the genre. The government's retirement paperwork is still processed substantially by hand, by employees working through paper files stored in a converted limestone mine in Boyers, Pennsylvania, an operation journalists first exposed to public astonishment more than a decade ago and which successive modernization attempts, several canceled after significant expenditure, have never replaced.[5] The mine is not a technology failure. Scanners exist. The mine is what it looks like when process, rules, and incentives are left intact and the modernization budget is spent decorating them.

The common diagnosis

Hold the failures to the light and the same fracture runs through each: the system changed, and nothing around it did. The workflow the software automated remained the workflow a 1949 institution had accreted, so the automation delivered the old process at electronic speed. The classification system continued pricing modern skills at clerical logic, so the specialists who could have fixed the system could not be hired to fix it. The organizational layers that slowed every decision remained in place to slow the modernization itself, and the incentive structure, in which no official is rewarded for simplifying and several are endangered by it, quietly ensured that every stakeholder's exceptions survived into the requirements document. The taxpayer has paid for modernization repeatedly and received new software running old bureaucracy. Modernizing the software of an unreformed institution is repaving a road that goes to the wrong place.

> *New software running old bureaucracy is the most expensive product the government buys.*

What genuine modernization targets

A modernization worth the word would aim at the institution, in three places. The classification architecture first: the General Schedule's grade lattice, designed for standardized mid-century work, should give way to occupational frameworks that can price scarce technical skills at market reality and define careers by demonstrated capability rather than grade arithmetic.[1] The hiring timeline second: the 101-day average is a process artifact, a queue of sequential approvals each rational in isolation, and the current 80-day government-wide target is the correct kind of goal precisely because it forces the process redesign the software never did.[2] Organizational layers third: every tier between a decision and its consequence adds delay, dilutes accountability, and manufactures the coordination work that then justifies the tier. Delayering is the modernization no vendor sells, because there is no license fee on subtraction.

The Hoover standard

There is an American model for doing this seriously, and it is a conservative one. Twice at mid-century, Congress chartered commissions under former President Herbert Hoover to reorganize the executive branch, and the commissions proceeded structurally: they mapped functions, proposed consolidations and clear lines of accountability, and delivered recommendations that a Democratic Congress and administration substantially adopted from a Republican elder statesman.[6] The Hoover Commissions treated reorganization as the serious, cross-partisan work of making the machinery answer to its purpose. That is reform as restoration of function, the conservative mode: not novelty for its own sake, but the recovery of an institution's ability to do what it exists to do. Fiscal stewardship supplies the urgency, because every failed modernization is money the citizen surrendered for nothing, and the citizen was never asked whether he preferred the mine.

The objection worth answering

The strongest objection to institutional redesign is that it is precisely what cannot be done. IT projects, whatever their failure rate, are at least executable: contracts can be signed, systems can ship. Rewriting classification law, compressing hiring, and removing organizational layers requires legislation, survives union negotiation, and threatens every incumbent interest at once; the reason modernizers reach for software is that software is the only lever not welded down. Better a modest improvement that ships than a structural one that dies in committee. The objection accurately describes the difficulty and draws the wrong lesson from it. Difficulty is not a verdict; it is a price, and the alternative purchase has now been made repeatedly, at billions per failure, with the structural problem intact at the end of each.[4] The Hoover Commissions faced the same welded levers and moved them, because a chartered, cross-partisan, structurally ambitious process can assemble the coalition that no single agency's IT program ever could. And the recent hiring reforms demonstrate the same point at smaller scale: the 80-day target attacks process and rule, not software, and it was achievable by executive action.[2] The hard version has a track record. The easy version has a graveyard.

The precondition

Nothing here counsels against technology; this institute's companion work argues for deliberate, aggressive adoption of it. The claim is about sequence. Software amplifies the institution it enters, so the institution must be worth amplifying. The next time a modernization is proposed, the taxpayer's question is already written: what rule, what layer, what incentive does this change? If the answer is none, the product on offer is new software running old bureaucracy, and that is the most expensive product the government buys.

NOTES

1. Classification Act of 1949, ch. 782, 63 Stat. 954 (establishing the General Schedule).
2. U.S. Office of Personnel Management, Merit Hiring Plan (May 29, 2025), reporting fiscal year 2024 average time-to-hire of 101 days and establishing the government-wide 80-day target.
3. Clinger-Cohen Act of 1996, Pub. L. No. 104-106, div. E, 110 Stat. 679.
4. U.S. Government Accountability Office, High-Risk Series: improving the management of IT acquisitions and operations (designated 2015); strategic human capital management (designated 2001).
5. The Washington Post, "Sinkhole of Bureaucracy" (Mar. 2014), documenting OPM's paper-based retirement processing operation in Boyers, Pennsylvania; subsequent OPM retirement-system modernization efforts and cancellations are documented in GAO reporting.
6. Commission on Organization of the Executive Branch of the Government, Reports (First Hoover Commission, 1949; Second Hoover Commission, 1955).

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