

Report on Deliberating Organizational Change and Effectiveness

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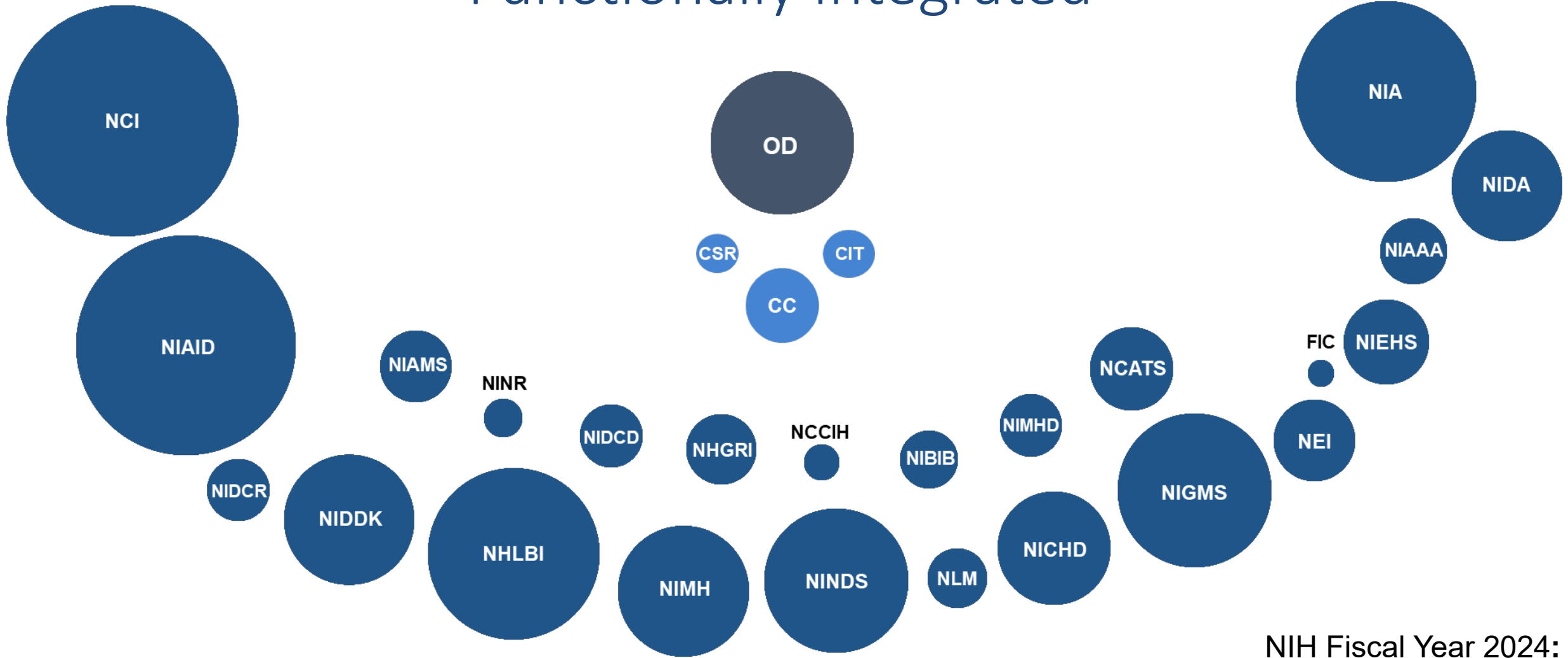
Introductory Remarks

- One of the major reports of the original SMRB was an analysis of organizational change which I will now review
- Many, and perhaps all, of the principles described in this report may prove useful to guide this committee's work
- However, we are not bound by this report – it is presented to provide background
- The committee may choose to accept, modify, or ignore, any or all this effort

Organizational Report Background

- **History:** Established in 1887, NIH is largest publicly funded research agency in the world, exceedingly intricate organizational structure:
 - 27 Institutes and Centers; numerous committees, working groups and task forces
- **Background:** Stakeholders interest in whether the NIH's overall organization facilitates the optimal fulfillment of its mission, considering:
 - expansion in the number of NIH institutes and centers
 - discoveries in the life (and related) sciences increasingly depend on collaborative efforts and engage scientists across multiple disciplines
 - advances in one field often have a profound impact on new discoveries in seemingly unrelated fields
 - a strict disease focus in organizational units may not fully catalyze scientific discoveries leading to successful new treatments

NIH: Legally Decentralized but Functionally Integrated



Integrated Policies and Infrastructure

NIH Fiscal Year 2024:
~\$47.4 Billion

Organizational Report Background

- National Research Council 2003 study, Enhancing the Vitality of the National Institutes of Health: Organizational Change to Meet New Challenges, observed that:
 - *NIH's existing structure is the result of a set of complex evolving social and political negotiations among a variety of constituencies including the Congress, the administration, the scientific community, the health advocacy community, and others interested in research, research training, and public policy related to health.*
 - *From any particular point of view or for any particular set of interests, the current situation is not only imperfect, but is certainly not one that either the Congress or the scientific community would designate ab initio. Rather it has evolved as a very useful and largely productive outcome of a series of political and social negotiations that took place over time. The outcome is typical of the design of important social organizations in a pluralistic democracy.*

Proposed Framework: Principles, Process, and Underpinning Attributes

- **Guiding Principles:**
 - Strengthen ability of NIH to carry out mission
 - Provide environment for collaboration, coordination and interaction
 - Bring together synergies
 - Enhance public understanding, confidence, and support
 - Increase operational efficiency
- **Steps and Considerations**
 - Step 1: Assess the need for change
 - Step 2: Evaluate options for change
 - Step 3: implement and evaluate the change
- **Underpinning Attributes**
 - Transparency, Communication and Accountability

Working Definition of Organizational Change

- Organizational change is any modification of an organization's existing structure or of its ways of arranging and coordinating its component parts in order to achieve its mission
- May be driven by internal and/or external forces
- Structural organizational change entails the creation of new organizational components and/or the merger or elimination of NIH's 27 ICs
- Functional organizational change consists in the design and implementation of new mechanisms for coordinating the work of existing components:
 - Committees, task forces, or consortia that bring together structural components around shared foci, activities, and goals

General Aspects of Organizational Change

- Change in governmental entities is complicated by highly diffused authority, the lack of well defined and universally agreed upon metrics for performance, and pressure from a diverse group of powerful stakeholders and constituencies
- In business sector, clear metrics (sales, profits, return on investment, market share, and total shareholder return) can inform discussions – these are less clear for academic and government organizations
- Major change is most readily implemented in the face of a crisis that threatens the well-being and existence of the organization
- Change requires investments in time and political capital, sufficient resources for implementation, and strong support and attention of organizational leaders

FUNDAMENTAL PREMISE AND GUIDING PRINCIPLES

Any organizational change at NIH must seek to improve the agency's ability to fulfill its mission

- NIH Mission: pursuit of fundamental knowledge about the nature and behavior of living systems and the application of that knowledge to extend healthy life and reduce the burdens of illness and disability
- Change should:
 - Foster fundamental discoveries, innovative research strategies, and their applications to advance the nation's capacity to protect and improve health
 - Develop, maintain, and renew scientific human and physical resources to assure the Nation's capability to prevent disease
 - Expand the knowledge base in medical and associated sciences to enhance the Nation's economic well being and ensure high return on the public investment in research
 - Exemplify and promote the highest level of scientific integrity, public accountability, and social responsibility in the conduct of science

Guiding Principles for Organizational Change

1. Organizational change should strengthen the ability of the NIH to carry out its mission in advancing science to improve public health

- The NIH must have the capacity to adapt, structurally and functionally, to highly dynamic scientific discovery and translation processes, in order to meet unforeseen challenges and capitalize on emergent opportunities

Guiding Principles for Organizational Change

2. Organizational change should provide an environment that will enable more effective collaboration, coordination, and interaction across all disciplines to advance the pace of scientific discovery and improve health

- To fulfill its role as steward of medical and behavioral research for the Nation, NIH must create and foster an environment that catalyzes and sustains collaboration among disciplines.

Guiding Principles for Organizational Change

3. Organizational change should bring together units in which there are synergies of the scientific and/or clinical foundations for discovery and translation.

- NIH must have the capacity to organize and direct—and if need be, reorganize and redirect—its component parts in ways that support and enable the pursuit of promising trajectories of discovery and translation

Guiding Principles for Organizational Change

4. Organizational change should enhance public understanding of, confidence in, and support for science and the NIH

- NIH is duty-bound to exemplify the highest standards of integrity, accountability, and responsibility as a steward of medical and behavioral research for the nation
 - The processes of considering, deciding, and implementing change should be transparent and conducive to public input and scrutiny
 - Any changes should enhance public understanding of, confidence in, and support for science and the NIH

Guiding Principles for Organizational Change

5. Organizational change should increase operational efficiency and ensure a high return on public investment in biomedical research

- NIH research should enhance economic well-being, maximize the return on the public's investment, and promote scientific integrity, public accountability, and social responsibility
- Because opportunities for scientific advancements will likely always exceed the resources available for their discovery, organizational structures should foster the optimal use of resources

PROCESS STEPS

1. Assessing the need for change

- Clarify the nature of the alleged need and about the evidence required for establishing such a need
- Is there a health problem or an important area of scientific inquiry that is being neglected or inadequately addressed because of limitations imposed by the current organization?
- Is there a need and a way to improve the agency's ability to fulfill its mission?

1. Assessing the need for change

- **Fostering innovation and scientific advancement:** When scientific discoveries disrupt the landscape of existing knowledge, NIH should be responsive, and lead progress by taking advantage of opportunities, innovation and advancement
- **Protecting and improving public health:** NIH may need to adapt its organization to contribute to effective solutions to emergent problems in public health
- **Stewarding human and physical resources to prevent disease:** Biomedical research and public health are large-scale enterprises dependent upon the successful marshalling of complex—and usually expensive—human and physical resources. Changes in the supply and demand of these resources, may necessitate a review of the agency's organizational structure
- **Promoting scientific integrity, public accountability, and social responsibility:** The challenges of conflict of interest, scientific integrity, ethical conduct of research, and many other issues may require organizational changes within the agency

2. Evaluating the options for change

- If a sufficient need for change can be demonstrated, the next step is to carefully evaluate the options for change:
 - a) Identify viable options for change
 - b) Conduct a risk-benefit analysis of each viable option
 - c) Solicit and analyze key stakeholder perspectives on each option
 - d) Identify and analyze the broader implications of each option

Spectrum of Options for Organizational Change



Degree of organizational change

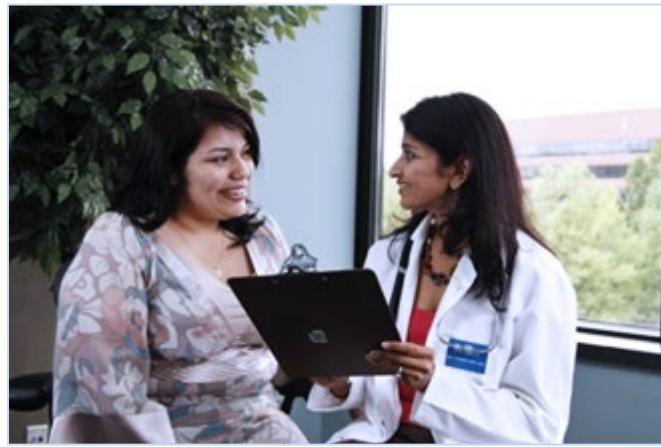
Functional ⇨ ⇨ ⇨ ⇨ ⇨ ⇨ ⇨ ⇨ Structural

3. Implementing and Evaluating Change

- Once the need for change has been established and the appropriate solution has been identified, the third and “final” step is to implement and evaluate the change.
 - a) Operationalizing change including timeframes, clearly delineated tasks, and the key responsibilities and accountabilities
 - b) Addressing unforeseen consequences, both short- and long-term
 - c) Evaluating change at specified intervals, including identifying/analyzing relevant data and information, communication with key stakeholders, etc.

UNDERPINNING ATTRIBUTES

- The process of deliberating organizational change and effectiveness at NIH should be distinguished by three attributes:
 - a) **Transparency:** Organizational change at NIH must be considered through fully transparent processes of deliberation. If organizational change is undertaken, it should uphold the strongest commitment to transparency.
 - b) **Communication:** SMRB and NIH should communicate the results of the Board's deliberations about organizational change at NIH—to all interested parties and to the public at large.
 - c) **Accountability:** NIH's viability and vitality as an organization depend ultimately on the trust of the public. Every contributor to the process should be conscious of the public to which he or she is ultimately accountable.



NIH...

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Turning Discovery into Health

