

An Organization Product— National Action

ORGANIZED BUSINESS is essentially organized agreement. There must first be agreement on a method of choosing leaders and of defining the powers that they may exercise. Then there must be agreement on the processes by which the leaders arrive at their decisions. In net effect these are agreements on what action shall and shall not be taken. The public laws governing corporations together with the particular articles of incorporation of the given company form the basis of an agreement under which investors put their money into the enterprise. Rates of pay and working conditions form the basis for an agreement under which workers submit to direction and discipline by the corporation. All these may change. Under all conditions, however, it is generally agreed that there must be organized arrangements and organized authority.

This fact is never questioned with respect to private management. There is a tendency, however, always to question, analyze, scrutinize, and restrain public authority. To a degree the two types of authority are competitive. Heads of corporations prefer to have authority in their own hands. That is the point of private bureaucracy. There are instances on record in which private business executives have favored the extension of governmental authority in their own fields, but they are relatively few. Governmental executives have a similar tendency to seek authority and for quite the same reason—to make their jobs manageable. Persons in government, however, are subject to the play of political sentiment from the inside and to the pressure of political forces from without. As a result they reach out for authority somewhat more reluctantly than do executives in private business. In many instances they actually resist extensions of their own authority. The two opposing tendencies

are very real. For individuals, their relative positions in government and business are largely a choice of alternate disciplines. In many respects it is a matter of indifference to an employee whether the controlling authority with regard to his work be head of a company or a government executive. Some employees will prefer to work for a private company. Others will have quite as strong a preference for government employment.

Democracy and Administration

Looking at these facts from the general standpoint of administration, one can see in the accumulation of changes a need to look freshly at the whole procedure of establishing disciplines and of making administrative decisions. We have been inclined to believe that for decisions on broad issues we have a safe and simple guide in the principle of majority rule. Yet the formation of a majority invariably depends on prior agreements to limit the number of alternatives open for choice. A majority of citizens rarely favor a particular man for President until the choice has been reduced to a field of two. Thus the fact is that majority rule almost never yields a decision originally desired by a majority. In broad matters the decisions are perforce attractive as well as acceptable to the majority. In specific matters, however, it will frequently happen that the best thing that can be said about such a decision is that it is one to which a sufficient minority does not sufficiently object.

Constitutions, elections, and legislation are all instruments and processes for reaching agreement. Administration under law is also a system for reaching agreement—for deciding on courses of action and getting them accepted. In private business the admitted interest in administration of those other than executives has increased enormously in amount and scope. Industrial management has become less and less the arbitrary giving of orders to docile employees and more and more a joint endeavor in which labor has come to have an important role. Governmental administration has always included some provision for such participation, but the growth in volume and scope of its activities makes this sharing of responsibility more important today than it ever was in earlier days.

Inside government and out, executives are exercising arbitrary

authority less and less. Administrative decisions tend more and more to be a product of organized consideration in which every relevant factor is brought to bear. The aim is to make them truly representative. Delay and confusion, however, are frequently entailed. These new checks and balances of discussion, consultation, and procedure are more valuable than some of the older checks and balances in our governmental structure. But they require time all the same—and more of it than they need to because the processes of discussion in connection with public administration have never been properly analyzed and organized. They ought to be made to contribute to action. We need to expedite the making of decisions to which a sufficient minority does not sufficiently object. We must develop ways and means of ensuring that discussion will lead to decision. Talking should not be allowed to be interminable, for protracted, fruitless discussion itself becomes an impediment to adequate consideration of the succeeding question. Free speech does not have to be endless in order to be free. An administrative filibuster is no more defensible than a legislative filibuster, particularly in view of the fact that announcement of a decision need not be a bar to its reconsideration later. Decisions arrived at through such organized processes, bound to get critical public attention and subject to change as a result of that attention, are not much to be feared. Normally the problem is how to obtain prompt action. Obviously the cry against red tape is principally a cry for more expeditious action.

Essentials of Administrative Authority

What are the essentials of modern governmental administrative authority? The right to hire and fire remains fundamental. It is essential alike to authority and to responsibility. The right has been, and should be, restricted both in government and outside of government. In the national government, Civil Service procedure—limiting the field of original selection, governing classification, and providing for efficiency ratings and for appeals—is generally applicable. Humanitarian considerations, union activity, public scrutiny, and Congressional opinion further guard against arbitrary action. Yet the ability, even within limits, to select new employees and to

promote, demote, or transfer personnel—that ability is the principal source of administrative control.

The fact that below the level of the bureau chief control of personnel must for the most part be delegated tempers this authority but does not vitiate it. There are in any agency enough instances of final determination being made at the top to make all employees aware that the power is really there. And the bureau chief's own dependence on secretarial approval causes the secretary's authority to be reflected all down the line. The daily review of personnel actions carried on by his Office of Personnel constitutes another reminder of secretarial authority.

The point is elementary. Yet it is often ignored. State Departments of Agriculture and state Extension Services often seek to have delegated to them powers of the secretary in action programs. Their efforts frequently are supported by pressure groups whose members are dissatisfied with what they feel to be a lack of responsiveness on the part of the Federal Department and who believe they could exert a greater influence on state agencies. No Secretary of Agriculture will ever use, willingly and continuously in direct administration, organizations and personnel not really responsible to him. And Congresses and Presidents may come and go, but in their case, too, none will be really satisfied with an arrangement that would deprive a secretary of essential authority in fields over which they hold him responsible.

Exercising authority through delegation down the lines of a basically unified hierarchy should not and need not displace the process of discussion and reference and consultation. It should merely provide a channel making the process run to the center of effective responsibility. A state bureaucracy is no less a governmental bureaucracy than a Federal bureaucracy. If a program is Federal and if the responsibility is Federal, the authority should be Federal and the administering bureaucracy should almost always be Federal. Only thus can national purposes be served; only thus can there be popular control; administrative mechanisms not controllable by a Presidentially appointed top executive are not manageable by the people. The ends hoped for through delegation to the states can be

and should be sufficiently attained through decentralization that is wholly Federal. To assume that decentralization and delegation to states are one and inseparable is to assume too much.

When our national government was first set up it was a federation, and national action was limited by that fact. National action developed slowly and, in the first instance, partly through devices for influencing state action. Constitutional considerations and historical precedents still cause such methods to be followed long after the federation has become a nation. The result often is an undesirable confusion and fuzziness of administration. Many have assumed that there was virtue in the original necessity and have not critically regarded the resulting situation. It is my own view that we generally can attain to the same virtue by other means which are less destructive of responsibility and unity.

Achieving Administrative Unity

In the period ahead world affairs are going to have to be managed in ways roughly analogous to the ways in which we handled Federal problems in the early years of our constitutional history. But confusion inherent in diffused responsibilities must not be allowed to run too far. Some of our intranational administrative confusion will have to be cleared up if there is to be any hope of making our international job fairly manageable.

The first principle in achieving administrative unity—where there is already an established governmental unity—is not to farm out essential functions to unintegrated agencies, but to organize all responsibilities in unified but decentralized hierarchies.

The second principle is to widen the channel for the flow of ideas and information to and from the top or central authority and to support that central authority by stimulation and constructive criticism generated outside of and roughly parallel to the line of hierarchical authority. No secretary can administer a department solely by means of his own dealings with his bureau chiefs. No one can do it by adding a personal staff to supplement his dealings with those chiefs. In some instances bureau chiefs may not see their secretary for intervals of two or three months. It may well happen that a bureau chief will have no interview with any of the assistants to the secretary for six

or eight weeks or longer. Even if there were a regular daily conference it would be inadequate. Constant operating contacts between bureau personnel and officials whose functions are exclusively secretarial—that is, of the department rather than of the bureau—are an absolute necessity. The Offices of Budget, Personnel, and Information, for example, must continually impress upon the bureaus departmental considerations and standards. Because it is their business to represent the secretary in dealing with other governmental agencies, the staffs of these offices can and will impress the bureaus of the Department with governmental considerations and standards. The bureaus tend naturally to separate themselves from the Department and to seek autonomy. Moreover, they are enormously powerful, representing as they do the dignities and aspirations of their personnel, the power of the money they disburse, and the influence they have with citizens aided by their programs. They can be made subject to an over-all popular control only by being integrated with a department which by a similar process is integrated with the government.

A third principle is that there should be structural balance in the organization. For non-technical discussion the importance of balance may be suggested by describing two aspects. In one aspect, it is balance of power and has to do with controllability. In power, executives reporting to an administrator collectively are roughly equal to him, and individually they should be as nearly as possible equal to each other. In the War and Navy Departments there is a constant tendency for military personnel to organize affairs in each Department under a single military man. In the Navy Department Admiral King is Commander in Chief, United States Fleet, and Chief of Naval Operations; as such he has authority over almost the whole Department. In the War Department General Marshall as Chief of Staff has authority over almost the whole Department. In such circumstances there is little administrative justification for the existence of a Secretary. Because secretaries exist in such a structure, the military heads do not have or expect to have adequate departmental administrative facilities, and because single military heads exist the secretaries do not have or expect to have adequate departmental administrative facilities. Only the personal force of the secretaries and the considera-

tion and quality of the military commanders make such an arrangement work at all. Under war conditions it may be a necessary arrangement. From an administrative standpoint, and from a standpoint of effective civilian control of the military establishments, as a continuing thing it is thoroughly undesirable. It results in too much bureau autonomy and too little integrated administration, as well as in great difficulty in maintaining fundamental civilian control. The situation illustrates one kind of structural imbalance. Another kind is found in a department where there is one major bureau associated with several small ones.

In its second aspect, structural balance has to do with posing issues at the level where decision should be made. Bad structure can smother issues, instead of getting them decided; or it can throw too many issues upward for decision, hampering operations while confusing and overloading high officials. One example of this type of balance in structure may be cited in the Department of Agriculture. There a function of the Agricultural Adjustment Agency is to increase farm income. Commodity loans are one means available. If the Agency had the lending facilities, the tendency to make loans at ever higher levels would be strong and structurally unrestrained. The Commodity Credit Corporation as a separate entity has the special responsibility of making its loans with small losses; it has the banking function. Conflict of interest of the two agencies results in a performance more in line with public policy than would be accomplished if either agency were subordinated to the other. The issues are resolved by the secretary, who has both responsibilities. If the Commodity Credit Corporation were located in another department, a still different result—less agricultural-interest emphasis—would be had. In that case the level of decision would be the White House. The structure would be balanced in each case in terms of a different public policy, and the level of decision would be correspondingly different. What level an issue should be decided on depends upon policy.

One more illustration should make the importance of such structural considerations clear. Before the present war some military men had developed a plan of mobilization that would have put manpower, materials controls, and rationing completely within the military establishment. The theoretical result would have been better service

of the military needs, less concern for all other needs and considerations. Actually, the administrative difficulties would have operated against realization of the theoretical objective. But the objective would have been a warranted one only in the direst extremity. A structure posing issues between strictly military and other considerations was overwhelmingly in the national interest, and practically made for better administration. The very conflicts of which the public was aware were reflections of a fundamentally desirable governmental structure.

A fourth principle is that persons on equivalent levels in the various bureaus and offices should be located in physical proximity. Bureau chiefs who associate with each other, encountering one another in daily comings and goings, will work together better than bureau chiefs who are physically separated. As an illustration of this principle close to home, take the case of the representatives of the Department of Agriculture in a single county; they work together to their mutual advantage if housed in convenient proximity, and the farmers are better and more easily served. Naturally the same rule holds true at regional and state levels. Physical location also has a great deal to do with the reality of structural balance.

A fifth principle is that co-ordination is essential where matters are complex, and that many special mechanisms will ordinarily have to be used to achieve it. Arrangements for canalizing the flow of work so as to recognize the various principles of unity set forth above and so as to bring into correct relationship the prerogatives and capacities of the various parts of the agency—such arrangements are basic. Some devices should be used regularly and as a matter of course. Others may be extremely temporary, as in the case of a special committee to study and report on a particular situation. In some cases special co-ordinating mechanisms may be required for an indefinite time, pending developments that permit of making a direct administrative assignment. Systematic co-ordination develops attitudes and processes wearing the appearance of the automatic and spontaneous. Normally the best system of co-ordination will be one that has grown up over a long period of years. Every system needs, however, to be supported, policed, enforced.

A sixth principle is that, being a means rather than an end in itself,

co-ordination must always be pointed toward action. The question here is how to point toward action.

Achieving Policy Unification

Getting agreement on action has its beginning in structure. Concerted action becomes possible only by organizing for action. In an utterly unorganized group, agreement may come by default—as a simple response to need by a spontaneous following of informal leadership. But for large groups and complex affairs arrangements for fixing responsibility and getting agreement are fundamental necessities. Our Constitution has to do with basic structure. Since its adoption a vast mass of complex procedures has been devised on that base. There is a tendency for us to concentrate our attention on persons and procedures and to forget structure. Yet, in spite of the tremendous importance of the placement and procedure of persons in the structure, structure comes first and remains basic. One of the common failings of men brought into government from non-governmental careers is that they neglect to utilize the resources of their agencies per se because they fail to act as leaders and directors of their *organizations*. They miss the importance of structure and act as individuals rather than as administrators. So acting, they fail to clear up confusion, disagreement, and disunity as they should, and indeed often make matters worse. They fail consequently to generate or obtain the measure of agreement required for good administration.

It is a natural consequence of this anomaly that these men have a dual function involving attributes rarely well combined in a single person. Public men need to be rather colorful individuals, personifying policy and action in their particular fields, but at the same time they must be able to function as efficient operating heads of great and complex organizations using tremendous resources. Capacity for public leadership and ability to formulate, explain, and adapt policy in changing situations—this is of the essence of successful public administration. But so is the ability to organize and get effective action. Structural unification and administrative discipline can be practically vitiated by a secretary who does not know how to use his tools. Obviously no extreme of sheer administrative policing could possibly guarantee effective *policy* unification, though it might be

able to produce a kind of administrative unification. Policy and administrative unity are both essential to good administration, but the personnel, budget, legal, and other staff offices in a department cannot adequately enough cover policy. The secretary of every department will have some need for administrative assistance that can maintain a bridge between administration per se and policy.

In a small and functionally simple department the secretary himself may be able to ensure unity on policy. Normally, however, and this is always true in the case of big and complex departments, it must be done by a team of complementary officials. Theoretically the team is made up of an under secretary and one or more assistant secretaries. But often this is not the case. Sometimes the failure thus to get a team stems from the fact that these sub-secretaries were selected for national political reasons rather than for the purposes of providing such a team, and by the President rather than by the secretary. Or if the secretary makes the selections—and he usually can make them if he insists—he may not realize his own need for such assistance. And in such Departments as Justice and the Post Office, where the men of assistant-secretary rank actually are bureau chiefs, a departmental team, in the over-all sense, must be otherwise constituted if it is to exist at all.

To separate administration from policy-making and to concentrate responsibility for administration in a career under secretary or assistant secretary is possible to some degree and is attempted in several departments. Such an arrangement, however, requires certain traditions and popular attitudes, as well as able and responsive personnel. Administration and policy cannot be separated excepting arbitrarily. Questions of policy cannot be confined solely to the top level; they are present, positively and negatively, on every level. Nor can a secretary actually renounce responsibility for administration. He could to some extent if our traditions and popular expectations were different; but they are what they are. In Britain that kind of situation does exist; a minister is responsible for administration, before Parliament and in the public mind, but not so directly and precisely and universally as an American secretary. There the Civil Service has a distinct and special degree of responsibility for administration. Here the need is to move somewhat in that direc-

tion, so that secretaries might function more as policy heads and public leaders and less as administrators narrowly defined. Even so our secretaries would continue to need some kind of special staff to ensure a departmental policing of policy. Otherwise a secretary would unify and give leadership only to those particular things he happened to take hold of, or, at the other extreme, he would try to determine much more than any one man fairly can and would inevitably retard his department.

The preceding chapter emphasized the institutional nature of decisions and action taken by government. The question we have been considering in this chapter has to do with converting institutional consideration into institutional decision and action. This implies institutional unification. It means that proposals and issues must move upward from one level to another, the scope of which is commensurate with the given proposals or issues. It means that the movement upward must be to progressively narrowed responsibility proportional to a progressively broadened scope.

Whereas ten thousand specialists and executives may have been concerned originally, the action must come to a point where remaining decisions rest with one person. In one instance the place of decision may be a section head, in another a division head, in another a bureau head, in another a department head, in another the President. The decision of the section head, thought adequate at the time, may later be reviewed or reversed by the division head—and so on up the line. The President's decision may be reversed after the popular reaction is clear. But responsibility for even provisional decision must be narrowed and fixed. And the process of final controllability must be assured. The process of getting decision and the fixing of responsibility are one process. This is the reason why there must be a basic unity of structure. Who makes a particular decision is a question that should be of relatively little public concern. Whether that person's responsibility is to the whole people, whether he is subject to the proper ultimate controls, should be of great public concern.

For administrative reasons and for the sake of effective popular control, then, basic, institutional unification is important. This is why the present discussion has been carried on in terms of a department headed by a single secretary, responsible to the President.

Pressure groups and the administratively weak or inexpert frequently advocate establishment of top authorities in boards, sometimes with long tenure. The pressure group seeks, it says, to avoid the influence of politics. This reflects a desire to avoid ultimate controllability by the whole people, to seek an autonomous capacity to serve one special interest and to maintain unaltered one special point of view. The weak administrator sees in such devices a way of escaping responsibility similar to the device of delegating functions to powerful entities not forming an integral part of his own controllable institution. Besides being less responsible, less popularly controllable, boards consistently find it more difficult to act. Except where the administrative function has a judicial character, little case can be made for an administrative board.

In part for this reason, in part for another, the tendency in recent years to establish governmental corporations should be examined. A private corporation is a device for bringing many persons and resources into a single organized undertaking. Government itself is such a device. It has just as much need of the corporation device as a train has need of a bicycle. A government corporation is another government bureau—another division of government. Some bureaus are so named, some are called divisions, some are called offices, some are called services, some are called administrations, some are called corporations. The inclination to establish a corporation reflects recognition of the fact that many restrictions provided in law to standardize and limit operations in bureaus should not apply to a particular operation because they do not fit, do not give enough flexibility to the management of the particular program. Yet Congress makes many exceptions to these requirements. To create a corporation is to make an additional exception, for which the corporate form and name are not required. The consequences are to confuse understanding, to put responsibilities in boards that should be in administrators, to conceal the fact that for the usual legal restrictions on bureaus there need to be substituted in special cases similar principles and checks designed to fit the particular function. For governmental corporations, like all governmental organisms, need to have governmental character, to be operated according to governmental principles and be subject to governmental and popular con-

trols. The need for action is never greater than these needs. The central point is that establishment of a government corporation reflects a need to expedite action. To put responsibility in a board instead of an administrator retards action. The question of procedural flexibility is one requiring separate consideration.