

# CHAPTER 3

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## Agendas

### INTRODUCTION

For much of the 20th century, presidents saw bureaucratic reorganization as a means to a very specific set of management ends. Early reorganization efforts, including those of Roosevelt, Truman, and Nixon, were driven by orthodox administrative principles developed during the Progressive Era. Seeking increased administrative efficiency and enhanced accountability, presidents attempted to group agencies and programs by content areas. Executive control of the bureaucracy was pursued through structural hierarchies and streamlined administrative processes. Efficiency and economy—key private sector values—also figured prominently in motivating early reorganization efforts.

As important as the management reform effort was to the process of governing, the impact of these traditional management principles was not limited to pursuit of technical goals. In an era dominated by an economic depression, two world wars, and rapid administrative growth, reorganization also was seen as a vehicle for managing political and social crises.

Although some reorganization efforts did generate key structural and managerial advancements, several fell short of the goals articulated by experts and blue ribbon commission members and failed to achieve the wholesale change sought by sitting presidents. The limited success of such aggressive reorganization efforts contributed to a fundamental shift in official approaches to reorganization, as well as to a change in the tone and content of academic literature on the subject.

For several reasons, the orthodoxy of Brownlow, Gulick, and Goodnow was slowly replaced by an orthodoxy of skepticism. Many reorganization efforts did not achieve their promise of fiscal savings or streamlined executive authority. Despite organizational attempts to slow the government's expansion, the bureaucracy continued to grow in size and complexity. Grouping agencies by major interest was similarly troublesome; identifying a singular purpose within large, multifaceted agencies was nearly impossible because of the complexity. Administrative agencies operated multiple programs, served numerous constituencies, and were accountable to multiple congressional committees. Issue networks and decentralization seemed to be a better way of dealing with the policy making and management reality rather than did top-down structures. As a direct result, scholars began to see the limits of structural reorganization and questioned its effectiveness as a way of dealing with administrative ailments. Academic analysis of reorganization attempts began to be more nuanced. By the mid 1970s, the traditional management-driven approach had lost its intellectual cache. Reflective of these changes, Jimmy Carter was the first to rely

on a more diverse reorganization strategy, mixing management, policy, and political justifications for change. Carter's multifaceted approach seemed to be a more convincing and more effective path to reform, and it represented the replacement of the single-minded reorganization effort with a more targeted, politically astute strategy.

The articles in this chapter mark the transition away from the orthodox principles of Roosevelt, Truman, and Nixon and highlight the scholarly search for a new pattern of rules and considerations common to executive branch reorganization. This pursuit began by acknowledging the relationship between the President and Congress and thus between politics and administration. As such, they questioned the politics-administration dichotomy.

The authors included in this chapter are some of the most influential voices in the fields of public administration and organizational behavior. Their writing and public service greatly influenced mainstream scholarly opinion on the subject and helped to shape reorganization efforts throughout the 1960s, 1970s, and 1980s. The material in this chapter highlights problems raised when presidents attempt to reorganize without any acknowledgment of or attention to the role of Congress or of political negotiation. The material also emphasizes a president's inability to correct bureaucratic pathologies through structural adjustment alone. As a whole, the chapter reflects an intellectual effort to move beyond traditional notions of federal executive reorganization.

The chapter's first piece, an excerpt from Harvey C. Mansfield's article "Federal Executive Reorganization: Thirty Years of Experience," presents a very practical analysis of executive reorganization. His decidedly tactical perspective on the subject provides a deeper understanding of past presidential motives and the insight that reorganizations may have a negative side.

Herbert Kaufman's article "Reflections on Administrative Reorganization" makes a case for understanding reorganization as a political operation. He concludes that if properly conceptualized, reorganization efforts may yield profound benefits in terms of influence, policy, and communication.

Rufus Miles arrives at a similar understanding of the issue. In his piece "Considerations for a President Bent on Reorganization," Miles presents 13 specific criteria intended to inform reorganization efforts. His insights are at once practical and mindful of the theoretical and contextual complexities of a federal reorganization.

In his piece "Government Reorganization and Public Purpose," Caspar Weinberger echoes the orthodox administrative principles that motivated Nixon's quest for instituting a reorganization that featured four major departments. He argues that by strengthening the executive branch through centralized bureaucratic structures and by circumventing the inefficient congressional committee system, with its close ties to powerful special interests, administrative policy will become more effective. Weinberger is very clearly a strong advocate of unilateral executive reorganization; his view perpetuates the notion that a direct link exists between a change in organization structure and enhanced operational effects.

In the chapter's final work, Peter Szanton addresses six factors with the potential to motivate a reorganization effort. In an excerpt titled "So You Want to Reorganize the Government?" drawn from his own edited volume, *Federal Reorganization*, Szanton hopes to illuminate the decision to reorganize by addressing the management objectives, political considerations, policy-based effects, and tactical prescriptions that must characterize a successful effort.

**Harvey C. Mansfield, “Federal Executive Reorganization: Thirty Years of Experience,”**  
*Public Administration Review*, Vol. 29, No. 4.  
(July–August, 1969), pp. 332–345.

Reorganizations have political objects and objections, and so, notoriously, involve conflicts of purpose and contests of strength, unless the parties concerned share a common political indoctrination. I will argue accordingly that the principal gains in this field have been in the development of problem-solving institutions and in the climate of opinion surrounding their operation. Their limitations are important to understand, too, particularly in efforts to cope with the cumulative complexities of major domestic programs of recent years. The difficulties inherent in the volatile dynamics of executive-congressional relations and in the intractable dilemmas of federalism keep reappearing.

## **OBJECTIVES AND STANDARDS**

Any reorganization contemplates change of some sort in an ongoing activity, and with it, ordinarily, some transfer of control. To secure a desired change it may be enough to issue an order or make a persuasive suggestion: to display a carrot or stick to the people already in place. A common alternative is to put someone else in charge, in the expectation that he will make or procure the wished-for change by measures formal or informal, very likely including steps to replace subordinates, to reorganize activities, and to secure additional legislative authority. . . . Reorganization, as the term is used here, presumes that these remedies may accompany or follow, but are not available or will not suffice to start the process of change. Instead, it decrees a change in organizational structure or jurisdiction as a beginning, and counts on this (and the shadow its prospect casts ahead) to alter the function in the desired direction or manner—whether correctly or not, we need not stop here to inquire: risks and uncertainties attend all courses of action.

Reorganization may take place at any hierarchical level in the Executive Branch, and may be wide or narrow in scope. Lesser instances are an almost daily occurrence somewhere. I will be concerned here only with those that for one reason or another involved some overt action by the President.

The motives animating a reorganization are likely to be complex; whether transparent or obscure. They differ for various participants, and so it makes a difference whose influence on the process is felt. A sharp shift in the direction of policy is a common object, often coupled with an implicit instruction to the agency to pay more heed to one and less to another element of its clientele. . . . A belief that more satisfactory results will flow from bringing previously unconnected units directly under a common head or—the reverse—from

separating a unit hitherto attached, is another. Concepts of major purpose, common skill, or common clientele to be served are often invoked to justify such a belief. An upgrading or downgrading of status and priority for a program, for an agency, or for its head, is a third frequent motive, often related to expansion or shrinkage in the volume, cost, or controversial content of activities. . . .

An accommodation of the personal preferences of a valued official explains a good many more failures to transfer. A recognition of the potentialities of technological innovation, such as justified separate agencies for aviation, atomic energy, and space exploration—or, more prosaically, made current central accounting and disbursing in the Treasury feasible for the first time in the 1930s—furnishes a fifth sort of motive. A need to reconcile some conflicts below the presidential level by the erection of an intermediate supervisory office . . . is a sixth. An internal rearrangement calculated to emphasize different occupational talents and new career patterns, such as has transformed the General Accounting Office in the past 20 years, is a seventh, or perhaps a special case of the first.

These examples illustrate positive uses of reorganization. It has negative or defensive uses as well. One way of stopping an activity you dislike is to abolish the agency engaged in it, as the House Appropriations Committee did with Roosevelt's National Resources Planning Board in the Executive Office in 1943. A slightly less drastic alternative is to deliver the offender over to its natural enemies by consolidating it under the jurisdiction of a more powerful agency that is hostile or indifferent. Defensively, a means of countering adverse outside criticism of an agency is to blur the target by a reorganization made with little or no expectation of material changes in performance. Alternatively, a beleaguered agency may find shelter by being placed in the protective custody of a friendly office that is potent enough to ward off attack.

The variety of motives potentially in play, and in controversy, leads reformers as well as other politicians to reach for consensus-building goals, for labels for reorganization objectives that all must applaud. The first comprehensive study of organization and methods in the Executive Branch, launched by Senator Cockrell (D-Missouri) midway in the first Cleveland Administration, by vote of a Republican-controlled Senate, gave currency to the oldest and hardiest perennial among such phrases, "economy and efficiency."<sup>1</sup> President Taft's Commission on Economy and Efficiency popularized another, the elimination of "overlapping and duplication." But by 1937 these terms had become shibboleths for those whose interest in reorganization was limited to the reduction of governmental outlays for purposes they did not care about. The Brownlow Committee's report, greatly to its credit, disclaimed any specific promise of savings to be gained from the adoption of its recommendations, and asserted simply that (p. 3), "The efficiency of government rests upon two factors: the consent of the governed and good management." The report also achieved a minor triumph of political rhetoric by inventing the neutral term "administrative management"—still ambiguous, but less pretentious, less vulnerable—to describe its subject matter.

## **PURPOSES**

After 30 years and despite PPBS, it seems fair to say that we are further than ever from a set of measurable and mutually compatible criteria for reorganization. For example, when

President Johnson in his annual message in January 1967 proposed, out of a blue sky, to merge the Departments of Commerce and Labor, his startled listeners were at no loss for principles to invoke, but no one offered a scientific demonstration pro or con.<sup>2</sup> The Reorganization Act of 1949 (section 2) currently lists six purposes, one or more of which the President must formally find will be served by any plan he proposes under the Act:

1. To promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;
2. To reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;
3. To increase the efficiency of the operations of the Government to the fullest extent practicable;
4. To group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;
5. To reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and
6. To eliminate overlapping and duplication of effort.

This listing suffices to save the Act from the charge of unconstitutional delegation. It is vague enough to cover a good many ulterior motives. It does not tell a reorganizer where to begin or how to proceed. Clauses two through six codify the orthodox goals. Clause one gives the President his elbow room. While case studies have shown that the functional tendencies of various types of reorganizing moves can often be predicted with some confidence, the criteria remain subjective and the confidence is that of the skilled practitioner or veteran observer, and not the result of proof.

## **PROCESSES**

It matters a good deal in the outcome how and from whom a reorganization move gets its start, what staff work goes into it, and what procedural gauntlet it must run before it takes effect. The Brownlow Committee of three, already knowledgeable in the subject matter, having no obvious partisan label, and accustomed to deal with political executives of both parties, was favored by three circumstances: its diagnosis and remedies, although published, coincided with the President's ardent views; the President, at the time of its report, was fresh from an overwhelming electoral victory; and the Committee took the existing levels of substantive government services and activities as given. Its trouble came, notwithstanding the election returns, in the subsequent effort to secure enabling legislation in the wake of the Supreme Court fight. The first Hoover Commission, larger, balanced in membership and bipartisan in sponsorship, but with no such singleness of purpose or outlook, drew strength from its chairman's dedication and from the cordiality that developed between him and President Truman. It was saved from grief by its tardy decision in the summer of 1948, against the predilections of its chairman and some of its conservative sponsors, to

rule out proposals for retrenchment as a means of “economizing” and, like the Brownlow Committee, to accept existing service levels. The bipartisan coalition that necessitated this operating rule in 1948 and supported the passage of the Reorganization Act of 1949 was not needed in 1953. The second Hoover Commission accordingly indulged Mr. Hoover’s preference for mingling reorganization with retrenchment; and, the climate having changed by the time they were made, this Commission’s recommendations got nowhere.

From this succession we may tentatively conclude that while a reorganization may come as an incident of material policy change in a specific field, professional reorganizers are well advised to profess neutrality as to substantive goals and insist on the time-honored distinction between administration and policy.

We may also wonder whether a President is soon likely to resort again to a public body making a public report and having a jurisdiction as broad as the Executive Branch, as a source of reorganization proposals.<sup>3</sup> Even before the second Hoover Commission got under way, President Eisenhower was relying on an informal President’s Advisory Committee on Government Organization, headed by Nelson A. Rockefeller; a continuation of the Temple University operation established during the 1952 Campaign.<sup>4</sup> President Kennedy relied mainly on informal advisers; and when he departed from this course to call publicly on James M. Landis for a report and recommendations relating to the independent regulatory commissions, the result was more grief than help. President Johnson kept entirely to informal advice. His most comprehensive effort—partly abortive because of his decision not to seek reelection in 1968—was the establishment in 1966 of an altogether unpublicized President’s Task Force on Government Organization, headed by a private citizen, Ben W. Heineman, and comprised of other knowledgeable private consultants, some ex-officials lately in high places, and the then Budget Director and Secretary of Defense. With the help of Dean Don K. Price, he had used this technique before on a lesser scale in 1964. The Johnson Administration in four years accomplished more reorganization business than had been transacted in the two previous decades. Given the supporting staff resources now available in or to the Executive Office, and the supply of unofficial consultative talent among experienced former political executives, in academic quarters, and elsewhere, the advantages of confidentiality in getting advice and preparing reorganization proposals appear overwhelming, from the President’s viewpoint. The appointment of a mixed public commission is likely to be read as a sign of weakness or irresolution on his part.

## **CONGRESSIONAL DISPOSITIONS**

A reorganization takes effect legally by getting the consent of Congress in any of three ways: by statutory delegation, by express statutory action, or by reorganization plan. The first is available if the organic act establishing an agency gives its head (or his superior) the authority, expressly or by implication, to delegate functions and rearrange structures within that agency. An implication so drawn may be ratified by recognition in subsequent appropriations acts; the congressional consent, that is, may in practice come from the Appropriations Committee rather than the legislative committee having jurisdiction. The statutes and committees vary a great deal in the degree of delegation they permit in this respect. The 1967 Budget Bureau reorganization was of this sort; and the category is

numerous—at subordinate levels and for internal reorganizations confined to a single agency or portion thereof, this must be the common method. By interagency agreement, reciprocal minor adjustments in the structure and functions of two or more agencies are also conceivable. But a broad delegation of reorganizing authority, extending beyond the jurisdiction of a single department, has been given the President on only three occasions of extreme emergency, and for limited periods: by the Overman Act of 1917, by the Economy Acts of March 3 and 20, 1933, and by the War Powers Act of December 1941. For most agencies, and for most of the time, some congressional committee has been in a position to enforce its interest in requiring an explicit expression of congressional approval.

The commonest form of reorganization on any substantial scale accordingly has been by statute, ad hoc. A count made in 1963 by the Legislative Reference Service for the House Government Operations Committee illustrates the various types of delegated authority and lists 157 statutory reorganizations effected during the period 1945–1962, as against 74 presidential reorganization plans submitted, of which 52 became law. These figures are unweighted; there were some elephants and some mice in both categories. The ratio, of more than two to one, was reduced by the flurry of plans in 1950 to carry out Hoover Commission proposals; for the rest of the period it was considerably higher. The statutory reorganizations include most of the major actions: the Taft-Hartley Act, the creation of the Department of Defense and the so-called unification of the armed services, a succession of changes in the State Department and foreign aid agencies, the establishment of the General Services Administration and the Departments of Housing and Urban Development and of Transportation, for instance. These were all controversial measures in which the reorganization was incidental to important alterations in powers as well as politics. Reorganization plans, by contrast, may not legally expand or extend powers beyond those already conferred by statute.

Statutory reorganizations are open to amendment and share the characteristics and uncertainties of congressional legislation. They may be initiated outside the government and be thrust down the President's throat, like the Taft-Hartley Act. They may embody the wishes of an official guild or employees' union and elude Budget Bureau control, like the Foreign Service Act of 1946. They may stall for want of sustained support, like the Harding Administration's proposals in the 1920s. They may be stopped in deadlock, like most proposals for the District of Columbia government until 1967. One feature they have in common: being subject to the jurisdiction of the respective legislative committees en route to enactment, they maximize the influence of these committees on the outcome.

## Reference

Harvey C. Mansfield, 1968, "Commissions, Government," in *International Encyclopedia of the Social Sciences*, Macmillan and The Free Press, New York.

**Herbert Kauffman, “Reflections on  
Administrative Reorganization,” in J.A.  
Pechman (Ed.), *Setting National Priorities:  
The 1978 Budget*, Washington, DC: The  
Brookings Institution (1977).**

Obviously, no reorganization is inherently right or wrong. No given administrative pattern will invariably increase efficiency, effectiveness, or responsiveness. In particular circumstances, identical organizational arrangements may produce diametrically opposite effects while radically different arrangements may produce identical effects. *It All Depends*, declared Harvey Sherman in his book by that title.<sup>5</sup> One can hardly quarrel with that.

None of this means, however, that there is no point to reorganizing. On the contrary, the consequences of reorganization are frequently profound. But the profound, determinable consequences do not lie in the engineering realm of efficiency, simplicity, size, and cost of government. Rather, the real payoffs are measured in terms of influence, policy, and communication.

## **EFFECTS ON INFLUENCE**

For example, reorganization redistributes influence. If the Arms Control and Disarmament Agency had been set up in the Department of Defense instead of as an independent unit, it seems likely that the advocates of arms limitations would have had less impact on policy than they did. Policy recommendations to the President and the Congress filtered through the armed services community would almost certainly have been unlike the proposals emerging from an agency with a different perspective on the world, a different mission, and a different set of priorities. Moreover, the conduct of negotiations over disarmament and arms limitations would probably not have been as vigorous, patient, or perseverant under exclusive Defense Department auspices.

Similarly, if environmental protection were scattered among environmental protection units in other agencies instead of being lodged in the Environmental Protection Agency, chances are the views of environmentalists would have been swamped by oil interests in the Federal Energy Administration, air and highway interests in the Department of Transportation, coal interests in the Department of the Interior, and so on. Within the policy-making councils of the government, the environmentalists' voices would have been muffled, if not silenced.

Consumer groups are demanding a separate consumer agency for the same reason. Consumer units dispersed among producer-oriented agencies, they are convinced, would not

carry much weight; they want a body beholden to them in the top levels of the government. Not only would they expect to acquire strength directly; central agencies also serve as rallying points for previously dispersed pressure groups with overlapping interests.

People will argue over the effect of such differences in structure on efficiency, and over the danger of needless complexity, and will come to different conclusions according to the goals they favor. They will commonly agree, however, that different structures strengthen the hands of some officials and interest groups and reduce the ability of others to get what they want. The effects are not precisely measurable or completely predictable, but their general thrust is usually discernible.

## **EFFECTS ON POLICY**

Who acquires power and who is deprived of power would be of interest only to the people involved were it not for the implications of such redistributions for governmental policy; what the government *does* is determined by the distribution of influence. For example, if an overarching energy agency is given access to the inner councils of government and power over sister agencies, energy conservation is likely to be stressed even if it slows economic growth, inhibits the rise in the standard of living or even reduces the level of convenience and comfort, and perhaps even increases unemployment. At the same time, intensified striving after increases in energy production might lead to relaxation of environmental safeguards and uncontrolled prices for energy producers that are passed on to consumers. If the energy agency's powers are split up, lodged in hostile parent organizations, placed at low administrative levels, and given scant authority, other values will probably take precedence over energy considerations, with the result that vulnerability to political pressures by oil producing countries, to severe trade imbalances, and to recurrent domestic shortages will increase steadily.

If preferred status is accorded those who believe the economic marketplace is the best promoter of the manifold interests in our society, government regulation of economic activity will be reduced while efforts to break up industry-dominating combinations and competition-suppressing agreements are emphasized. If stronger positions are given to those who believe there are benefits in large-scale operations, and that the way to protect the public interest is to control them rather than to try to dissolve them in a vain quest to preserve a market through government power, then more and more industries will be treated as public utilities and subjected to surveillance and regulation by specialized government agencies.

To take still another example, the Occupational Safety and Health Administration was placed in the Department of Labor and its regulations were addressed heavily to mechanical hazards and to worker comfort. Had it been put under the assistant secretary for health in the Department of Health, Education, and Welfare, there is reason to surmise that chemical and biological dangers to workers probably would have received higher priority in the regulations.

Organizational arrangements in government, in short, affect not only the leaders and members of the organizations established or moved or redesigned; they impinge on the lives of millions of other people in this generation and the future.

## SIGNALS

Organizational arrangements are also a means of communicating the government's intentions. They signal people inside the government, people throughout the country, and, indeed, people and governments throughout the world what this government's emphases will be. Such signals often influence the behavior of those who receive them. All too often, they are misconstrued, so the architects of administration would be mistaken to let the symbolic considerations dominate their designs. At the same time, however, administrative designers would be remiss if they did not take into account the interpretations that may be placed on their handiwork. How well their designs work depends in part on the designers' success in selecting organizational patterns that evoke from everyone concerned the kind of behavior the patterns are meant to produce. The symbolic component is a useful and, indeed, a powerful tool.

Thus, a leader who transfers, combines, and splits organizations in government for engineering purposes will usually find that nobody can be sure whether any progress has been made toward those goals. All too often, the effects on efficiency, simplicity, and cost cannot be determined at all. When they can be assessed, what is successful by one standard may be a failure by another; what improves things in one way makes them worse in another. Real political capital is thus consumed in the pursuit of phantom goals. In contrast, a leader who shifts organizations around to confer power on selected people or remove it from others in order to mold government policies, and to impress on everyone what his or her values and priorities are, will more often be rewarded with a sense of having expended political resources for significant accomplishments. The calculus of reorganization is essentially the calculus of politics itself. . . .

## NO MIRACLE CURES

Those, however, who cling to the belief that any combination of means will instantaneously transform the character, image, or performance of the executive branch, are doomed to disappointment.

The civilian work force of the government grew only modestly over two decades, while the budget as a whole was doubling in constant dollars (increasing fivefold in current dollars).<sup>6</sup> There is not much opportunity for cutbacks here, which is one reason why both the President and the secretary of Health, Education, and Welfare assured civil servants that reorganization would not mean loss of jobs for them. Perhaps the *rate* of growth of federal employment can be held down (though this rate depends on whether new federal initiatives are undertaken in the years ahead, which is a distinct possibility); even if the rate is limited, however, the effects will be felt in the remote rather than in the near future. In any case, the monetary savings through control of civilian personnel growth cannot be more than a small fraction of federal outlays, since all the compensation and benefits of the civilian work force come to under 11 percent of the total, so that marginal reductions in this area would hardly change the overall budget at all.

Reorganizers have also grown wary of claiming massive savings in operations for their reforms. For the most part, they assert that their changes will produce more output per

dollar spent rather than the expenditure of fewer dollars; thus, even if the changes end up increasing total outlays, they contend that the total will be lower than it would have been without the reforms.<sup>7</sup> Whether or not such claims are eventually justified, the *immediate* effect on budgets is almost sure to be indiscernible. In this context, the recent statement by Secretary of Health, Education, and Welfare Califano that the reorganization of his department would yield savings of \$2 billion in the first two years and at least \$2 billion annually by 1981<sup>8</sup> is surprising. He placed particular emphasis on the elimination of fraud and abuse in various benefit programs, but it is not clear whether the costs of intensified enforcement have been included in his estimates. Furthermore, it is not self-evident how regrouping units in the departments, as opposed to changing procedures or adding auditors and investigators, will contribute to prevention of fraud and abuse.

In short, nobody should expect sudden, swift, dramatic diminishment in the size and cost of the executive branch of the federal government as a result of reorganization. Indeed, the upward trend will probably persist for a long time—possibly more gradually than might otherwise have been the case, but upwards all the same.

Even if anticipated structural revisions succeed, they will be slow in coming. The executive branch is very big, and the specific faults that need correcting keep changing. “Our confused and wasteful system that took so long to grow,” President Carter told the American people in his first informal address to the nation, “will take a long time to change.”<sup>9</sup> His staff member spearheading reorganization testified that it would be “a four-year effort at least.”<sup>10</sup> The administration harbors no illusions about the length of the campaign on which it is embarked. The 1977–78 controversies over government organization are only the opening skirmishes in what promises to be a long, hard, and frequently futile endeavor.

**Rufus E. Miles, Jr., “Considerations for a President Bent on Reorganization,” *Public Administration Review*, Vol. 37, No. 2. (March–April, 1977), pp. 155–162.**

President Carter spoke often during his campaign of his intention to reorganize the federal government. Previous Presidents, especially Lyndon Johnson and Richard Nixon, carried with them into the White House similar convictions that the effectiveness of the United States Government could be substantially improved through reorganization. Each appointed study commissions with sweeping mandates. Two such commissions were appointed by Johnson and one by Nixon; all recommended major regroupings of federal functions.<sup>11</sup> Yet most of such restructuring never occurred.

President Johnson was successful in 1965 and 1966 in gaining congressional approval of two new departments—Housing and Urban Development, and Transportation—but when he tried to combine the Departments of Commerce and Labor into a single department in 1967, it was a fiasco. Thereafter, he recommended no more consolidations to Congress. In 1971, President Nixon built his State of the Union message around sweeping reorganization proposals that would have created Departments of Community Development, Human Resources, Natural Resources, and Economic Affairs, replacing the Departments of Agriculture, Interior, Commerce, Labor, Housing and Urban Development, and Health, Education, and Welfare. These sweeping changes were also pigeon-holed by Congress. The natural inference was that it was much easier to gain congressional approval for the creation of new departments than for the consolidation and abolition of existing departments.

Since neither President succeeded in bringing about any of the major consolidations their advisers counseled, was it faulty advice, congressional obstinacy, or presidential ineptitude and lack of “follow-through” that blocked their purposes? Or was it that the President and his advisers look at the subject of organization in a very different way than does Congress? None of the three advisory commissions, it should be noted, had members with congressional experience. In any event, President Carter and his advisers would do well to ponder the lessons of this experience.

The principles of organization that should guide a President in considering how to structure the federal government differ in many respects from those that normally guide the head of a huge industrial corporation, and even in some respects from those that should guide governors of states. The organization of the federal government affects and reflects many of the purposes and values of the body politic and should be thought of as one of the dynamics that shapes the future of our national society. Organization is especially important at the federal level in expressing the nation’s priorities, in allocating resources, in attracting its most competent leader-executives to key positions, and in accomplishing the purposes of the President, the Congress, and the body politic. It may be useful at the

outset of a new administration to offer a number of criteria—not an exhaustive list—that the President and his advisers might do well to take into account in considering major reorganization proposals. Following are 13 such criteria.

1. Organization is an important expression of social values; are the values that deserve greatest emphasis at this stage of the nation's development given appropriate organizational recognition?

The act of elevating the organizational status of a function, especially when it involves creating an organization that is directly answerable to the President, is, first and foremost, an expression of the importance that the President, the Congress, and the public attach to the purposes of that organization. . . . When the American people became deeply concerned in the late 1960s over the deterioration of the environment, two new agencies were created, both directly answerable to the President: the Council on Environmental Quality and the Environmental Protection Agency. When the energy crisis descended on the world, the Federal Energy Agency was created, again directly answerable to the President. *Each of these new agencies was created to reflect a new national priority.*

Expression of national priority is the foremost purpose for creating a new Cabinet department or agency directly answerable to the President. It is the first criterion by which any major organizational proposal should be judged: Does the function to be elevated deserve a higher national priority than it has had, or, conversely, do functions that are to be submerged deserve relatively lower priority than they have had? Submergence may sometimes be a worthwhile price for improved coordination, but the costs need to be carefully weighed in relation to the benefits. . . .

2. Organizations should be placed in a favorable environment for the performance of their central missions.

Accidents of history, or the vagaries of politics have resulted in placing various organizations in settings hostile to them, or where their major problems are not treated with suitable understanding and emphasis. One major purpose of government reorganization is to correct such conditions and place agencies where they can perform more effectively. . . .

The fact that an agency is suitably placed in one decade may not mean that it is appropriately placed one or two decades later. Conditions can change rapidly, and when they do, organizational shifts may become logical and desirable. The water pollution control function that was vested in the Public Health Service in the 1950s and was elevated briefly to agency status within the Department of HEW in the mid-1960s was transferred in the late 1960s to the Interior Department, and was finally made a major component of the new Environmental Protection Agency when it was created at the beginning of the 1970s. Agencies should be placed in settings that are most conducive to the achievement of their central missions.

3. Organization affects the allocation of resources.

Other factors equal, the higher the organizational level of any agency, the stronger the voice of its chief in advocating its cause and its fiscal needs in the highest councils of government. A third echelon official rarely can plead his case

before the President, and does not often swing much weight with the Office of Management and Budget. The fact of being low in the hierarchy tends unconsciously to establish in the minds of those who make budget recommendations to the President an assumption that the function deserves a smaller share of the nation's fiscal resources than if it were organizationally directly answerable to the President.

Not only does the organizational *level* influence resource allocation, but so does organizational *placement*. The most conspicuous example of this is the effect of the "uncontrollable" parts of [an agency's] budget on the "controllable" parts. . . . When uncontrollable requirements are increasing so rapidly, the pressures are unavoidably great to hold down or cut back the controllable parts of the department's budget. Organizational setting and status inescapably affect budget allocations.

4. Organization by reasonably broad purpose serves the President best, not so narrow as to be overly responsive to specific clientele groups, nor so broad as to be unmanageable.

The President and the public are usually best served when Cabinet officers are put in charge of organizations whose purposes are sufficiently broad so that they exceed the span of concern of any single clientele group. One of the functions of Cabinet officers should be to aid the President in his always difficult task of making all clientele groups understand that resources are limited, that not all programs can be of highest priority, or of equal priority, and that governance is the process of making hard choices in a manner that will enlist confidence in the fairness of the decision-making process and the decision makers themselves, even when the clienteles do not agree with the decisions. This role can be better performed when the portfolio of a Cabinet officer is broad enough to encompass a substantial range of programs and clientele groups, some of which are competing with one another for attention and resources.

On the other hand, a President is poorly served when the portfolio of assignments to a Cabinet officer is so broad as to exceed the capacity of all but a Superman (or perhaps even him) to perform them effectively. If the scope of a Department is excessively broad, certain responsibilities that the President and the nation may wish to treat as being of first order of importance will inescapably slip to second or third order and effective leadership of these functions will then become virtually impossible. The advantage gained by he wishes to fend off as many officials as possible breadth of perspective is then more than offset by who might be classified as special pleaders, he is failure of effective performance. Emphasis should likely to prefer a small number of officials directly therefore be placed on a *reasonably* broad set of purposes and responsibilities, *not the broader the better*.

5. Wide span of control has significant in improving administration and reducing unnecessary layers of bureaucracy.

While Presidents may prefer Cabinet departments that are few in number, broad in scope, and large in size, there are various advantages to having a dozen or more of lesser size and range. An organizational structure that is in the form of a steep pyramid, with narrow spans of control at each echelon, requires long lines of communication causing distortions of purpose, and it escalates administrative costs. It

also increases problems of coordination. Anthony Downs in his *Inside Bureaucracy*<sup>12</sup> illuminates this point forcefully. His principles are worth quoting:

The foregoing analysis underlies our statement of three principles of organizational control. The first is the Law of Imperfect Control: *No one can fully control the behavior of a large organization.* The second is the Law of Diminishing Control: *The larger any organization becomes, the weaker is the control over its actions exercised by those at the top.* The third is the Law of Decreasing Coordination: *The larger any organization becomes, the poorer is the coordination among its actions.*

These principles argue for avoiding gigantic departments, unless there is an overriding reason for their existence. . . .

Span of control also has important political implications. Wide span of control satisfies many constituencies; narrow span of control satisfies few. Wide span of control puts more key program administrators organizationally close to the President, thus making the program constituencies feel that their cases are being heard and understood by the President. Depending on the President, this may or may not be an advantage. If he wishes to fend off as many officials as possible who might be classified as special pleaders, he is likely to prefer small number of officials directly answerable to him; if he can take the time and wants to hear what they have to say, he will enlarge the range of important membership in his official family. But from the standpoint of the Congress and its constituencies, there is no question but that wide span of control is preferable.

6. Organizational form and prestige are especially important at the federal level in attracting and retaining first-rate leader-managers.

The principal attraction high government posts have to offer is the combination of prestige and power (opportunity to influence outcomes and be of service to the nation). Both prestige and power diminish rapidly as the number of echelons between the President and any official increases. Frustration sets in when opportunities to influence outcomes become disappointing. Since many are making a financial sacrifice to come to Washington, the psychic rewards must be substantial (or the appointees have independent means, or both) in order to keep them at their posts very long. . . . Because of these factors, it is in the President's interest and in the public interest to have a rather large number of Cabinet posts.

7. Balance is important in government organization: excessive concentration of important responsibilities in one agency diminishes the effective performance of most of them.

Balance is an underrated criterion by which to judge the merit of organizational proposals. . . . [O]verconcentration [of resources and responsibilities] produces a situation in which some parts of the Secretary's responsibilities are bound to be given short shrift and conducted in a less than distinguished manner, to say the least. . . .

Administering so huge an array of programs is also complicated by the nature of congressional relationships. The Congress would not tolerate a concentration of power in one substantive committee that would parallel the concentration of

responsibilities vested in [one superdepartment]. Congress is much more mindful of the principle of balance and divides power and responsibility more evenly among its committees. Consequently, [an agency] must deal with many different committees, a fact that markedly complicates the congressional relationships [between Congress and the agency]. A coordinated approach to the manifold problems and programs of [the agency] is virtually impossible because of both volume and proliferation among congressional committees and subcommittees.

Finally, balance is important in dealing with the organized groups of society that have a strong interest in the outcomes of the various federal programs. The greater the number of groups, the less access they have to the Secretary. They must concentrate their communications and lobbying on lower level officials. And the greater the number of lower level officials with little or no access to the Secretary, the more unmanageable the Department becomes.

8. When purposes overlap, one must be designated as dominant; otherwise responsibility is unclear.

No matter what principles of organization are followed, it is inevitable that programs and purposes will overlap. The concerns of the Department of State overlap with those of the Department of Defense. The concerns of the CIA overlap with both. . . . Similar overlaps occur throughout the government. Many are inevitable because purposes cannot be defined so as to put them in tight compartments.

Whenever a program function cuts across two or more major purposes, it is necessary to decide, first, which purpose is dominant in order to decide where to put the unit, organizationally, and second, how to coordinate such cross-cutting functions. . . . The clarity with which the dominant purpose is identified and the function placed accordingly has much to do with the efficiency of governmental administration.

9. When purposes overlap, a system of coordination must be established.

The most difficult task of public management is not deciding how the functions of government should be divided among organizational units, but how the functions can and should be effectively coordinated after they have been divided. All government is a complex set of matrices; if work is divided on one set of principles or axes, it must be coordinated on another. This is the basic reason for the classic organization by line and staff, a useful, almost indispensable method of coordination but not the full answer to the need for coordinating related functions.

10. Programs should be grouped on the basis of their affinity or the potential for cross-fertilization.

The grouping of programs within an organization should depend, in part, on the importance of the actual and potential interrelationships between them. If there are or should be numerous such interrelationships, the argument for putting them together in the same department is strong. If a bureau has few important relationships within the setting where it currently is located, and if its relationships with bureaus that are currently located in another department are far more important, and should be developed and encouraged, then it is a good candidate for transfer.

11. Reorganizations have traumatic effects which should be carefully weighed.

Reorganizations vary widely in the degree to which they disrupt the skein of human relationships that are the communications and nerve networks of every organization. Some reorganizations cause little or no disruption, while others are traumatic. The creation of the Department of Health, Education, and Welfare in 1953, out of what had previously been the Federal Security Agency, was one of the easiest reorganizations ever performed. Only the name was changed, the administrator was made a Cabinet Secretary, and three new positions were added. The cost, in administrative disruption, was close to zero. Other reorganizations have involved much reshuffling of people from one organizational and physical location to another, necessitating a whole new set of human relationships, superiors getting acquainted with new subordinates and vice versa, old habits and trusted communications patterns terminated and new ones initiated. . . .

Traumatic reorganizations may be analogized to surgical operations. It is important that their purposes be carefully assessed and a thoughtful judgment reached that the wielding of the surgical knife is going to achieve a purpose that, after a period of recuperation, will be worth the trauma inflicted. And the surgical knife should not be wielded again and again before the healing process from earlier incisions has been completed. Yet this is what sometimes happens in government reorganizations. Agencies are kept in a constant state of disruption by having presidential appointees who may average two years of service, or less, conclude that the organizational structure left by their predecessors is not sound because the results being produced are not satisfactory. Hence, they feel they must reorganize. The problem may not be organizational at all, or not primarily organizational, and it may be partly a problem of too much reorganization. Repetitive reorganization without proper initial diagnosis is like repetitive surgery without proper diagnosis: obviously an unsound and unhealthy approach to the cure of the malady.

It is essential, therefore, that the initial diagnosis of any malfunctioning be carefully made, that reorganizations be designed to achieve clearly defined purposes, and that they be no more disruptive than they need to be to accomplish their overriding purpose. In medicine this is known as minimal or conservative surgery.

12. Reorganizations that require congressional approval or acquiescence should be carefully weighed to make sure that they are worth the expenditure of political capital required and have a reasonable chance of approval.

By no means the least of the criteria for judging the desirability of a reorganization proposal is the assessment of its political costs and its likelihood of approval by Congress. Congress and the President (and the President's advisers) have different perspectives on the subject of organization. Power is divided differently in Congress than it is in the Executive Branch, and reorganizations that would shift power from one committee to another, or that would demote, relatively speaking, an organizational unit in which powerful committee chairmen and members have a special interest run the hazard of being defeated, ignored, or amended in a manner that would seem unacceptable to the President. Even though the President presides over the Executive Branch, the Constitution gives Congress a significant role in the

design of the executive structure. The President must respect the congressional role and the interests of Congress as he considers his own priorities in the matter of reorganization.

A few reorganizations may have low political costs. There are a number of such reorganization options open to the President. The more difficult problem arises when the political costs begin to rise because of the pressure groups that would be offended and the Congressmen and their staffs whose bailiwicks would be adversely affected. When the political costs are substantial, the President should be apprised of this fact in advance and, obviously, should not seek reorganizations that will be politically expensive unless he is prepared to spend a substantial amount of political capital in gaining their approval. Reorganization plans submitted and turned down or ignored (if they require affirmative legislation) are humiliating, the more so if the President's own party controls Congress. It is important, therefore, before drawing a trial balance on a series of models of reorganization to examine the positions that the key interest groups and congressmen (and staffs) are likely to take on the various models, and cast them into the balance in arriving at judgments as to both desirability and feasibility.

13. Economy as a ground for major reorganization is a will-o'-the-wisp.

Last and least important among the criteria for judging among reorganization models is the matter of whether dollar savings can be accomplished. It is extremely difficult to predict how much, if anything, can be saved by a major reorganization, and it is impossible to prove, after the fact, how much, if any, has been saved. The comparison that must be made in a continually shifting context is the amount that a new organizational pattern will cost compared to what would have been required under the former organization. Since it is never possible to know what costs would have been without the reorganization, such calculations are close to meaningless. The rationale that lies behind most reorganizations is that the new structure will increase the *effectiveness* of government, not reduce its costs.

Almost invariably, reorganizations that elevate the status of a subordinate organization to a higher level, especially those that create new Cabinet Departments or new agencies directly answerable to the President, result in larger staffs for the new Secretary or agency head, and those staffs are more highly paid than when the organization was at a lower level. Indeed, that is one of the purposes of such elevation. If a function needs stronger leadership, one important way in which such leadership can become effective is by creating higher and more prestigious positions and providing such leaders with the opportunity to surround themselves with first-rate staff. It would be a mistake to pretend or predict that these officials are going to be so competent, managerially speaking, that they will be able to reduce the costs of the subordinate units of the organization in sufficient degree to more than offset the added costs of the larger and higher paid staff at the top. *It could happen; the likelihood is great that it will not. The officials in such an organization have far greater interest in accomplishing more effectively the missions assigned to their agencies than they do in reducing the staff.*

Even more unlikely is that savings will be made by creating larger aggregations of agencies and putting a new superstructure over them. The additional layer

is almost certain to cost more money. To the extent that savings are achievable in the federal government through improved management, they are likely to be made through changes in policies and procedures, not organization.

Thus, it would be a mistake to place the subject of economy high on a list of important criteria for judging the desirability of any proposed reorganization. It is, of course, necessary to consider estimated costs in relation to possible benefits, but these estimates should rarely, if ever, be a controlling consideration.

Obviously, almost no reorganization proposal is likely to rank high in respect to all of these criteria. Some of the criteria pull in opposite directions. But all deserve to be thought about as various reorganization plans are being considered.

## **Caspar W. Weinberger, “Government Reorganization and Public Purpose,” *Publius*, Vol. 8, No. 2, Government Reorganization and the Federal System (Spring, 1978), pp. 39–48.**

A . . . reorganization proposed in 1971 suggested that we eliminate and consolidate several existing federal executive departments, and consolidate most of their existing programs into four major departments. The 1971 Presidential reorganization proposal was based on the idea that “how the government is put together often determines how well the government can do its job.” (Once it is determined what the government ought to do, there are numerous ways of structuring the machinery for carrying out those agreed-upon tasks.) The 1971 reorganization plan assumed that we would continue to do much that we were doing, but that there were far better ways of organizing the government to do it.

Thus, while recommending no major changes in the departments of State, Treasury, Defense and Justice, the plan envisioned the elimination of several existing departments and agencies, and the consolidation of their functions into four new departments: Community Development; Natural Resources, Human Resources; and Economic Affairs. These four would replace the departments of Agriculture;<sup>13</sup> Commerce; Labor; Health, Education and Welfare; Interior; Housing and Urban Development; and Transportation. The newly created departments would be large, of course, but fewer agencies and few officials would report to the President.

The main thesis of that reorganization proposal was that although we had good people and had spent much money, we had an ineffective government. This feeling was based largely on the frustrations of any President who feels, quite correctly, that he can pull a great many levers and push several buttons, but that very little may happen thereafter. The flow of power from the White House is frequently diffused and complex, and it is sometimes months, sometimes forever, before policy decisions made in the Congress or the White House are actually carried out. Most presidents have concluded, I think correctly, that this situation exists because there are too many semi-independent agencies; that there is no real chain of authority and responsibility from the President downward; that there is no real mechanism for assuring that once policy is decided, it is actually carried out; and that there is no mechanism for overseeing how policy is carried out. Most of these problems have come about because each problem, each activity or new program is treated typically as a separate matter unrelated to anything in the past or the future. As a result, the total structure grows and grows, without any particular plan or coordinated approach, into a jerry-

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Source: Caspar W. Weinberger, “Government Reorganisation and Public Purpose,” *Publius*, Spring 1978, Vol. 8, No. 2, pp. 39–48, by permission of Oxford University Press.

built apparatus that not only sprawls untidily on paper charts but also becomes difficult to operate, and far more difficult to control or to respond in a uniform, coordinated way.

The idea of comprehensive change, or even comprehensive examination of the entire problem of reorganization, generally has been repugnant to Congress, despite the substantial success of the two Hoover Commissions. They did examine the entire structure, did recommend thorough, comprehensive and structural changes, and lived to see many of them put into effect.

The results of the one-by-one approach of the Congress in addressing various problems are familiar but nonetheless dismaying. Nine federal departments and twenty independent agencies deal with educational matters. Seven departments and eight independent agencies administer various national health programs. Three departments help to develop water resources, and four agencies and two departments manage public lands. Seven agencies deal with water and sewer systems. Six departments collect similar economic information, often from the same source—usually the private sector.<sup>14</sup>

Besides being unresponsive to policy decisions of elected officials, the government has become so hydra-headed and disorganized that the people, whose government it is, cannot cope with it. Thus, to the individual citizen, the government is a large, impenetrable maze. Neither the President nor elected officials can find out who is responsible because innumerable agencies and individuals have created the bits and pieces. A recent example of the disorganization—and the uncertainty that once levers have been pulled something will happen—is the drought relief program that President Carter signed early in his administration. Six months later, it had not produced a single check for a single farmer in any drought-stricken region of the country.

The typical reorganization remedy is to group related functions under a single-headed agency that reports to someone in authority. That official in turn reports up the line until an elected or appointed policy-making official is found, to whom several managers report. The direct line of responsibility, the grouping of related functions, the assurance that not too many people will report to any one individual, and sufficient authority in each department or agency head to manage and run his own units consistent with the overall policy these are the basic hallmarks of good administration and good organization.

The private sector, if the subject is regulation, may think that it prefers a divided, weak, ineffective regulatory unit unable to carry out regulatory policies that may have been approved by the peoples' representatives or instituted by policy making officials.<sup>15</sup> But if another area of activity is involved—such as assistance from government to increase our foreign trade, or loans for small business, or construction of projects to develop our water resources in order to increase the irrigatable lands, or disaster relief, or any one of numerous other activities—then the private sector suffers the same frustrations and has the same interest in securing a sound, responsive, well-organized and effective government as do the Chief Executive and his immediate appointees.

A basic question remains—whether the activities of government are either necessary or desirable. When that question is answered by majority votes or other expressions of popular will, then the question recurs as to whether the government will be able to do those things effectively, or indeed at all. If a self-governing democracy is to mean anything, the public interest requires that organizational structure—or lack of it—not stand in the way of gov-

ernment implementation of such policy decisions. Good organization cannot assure good programmatic results. But had organization can prevent a government from acting and thus can frustrate the public will, and finally give credence to the belief that popular government cannot work.

With such a wide consensus that our present government organization urgently requires radical change, and with such general agreement that government is badly organized, why are we unable to do the things that the public has asked of its government? Why are we unable to do the things that popularly elected or appointed policymaking officials have agreed to do? And why have we still done so little to improve organization? The answers seem to lie in the ability of various organized, highly vocal groups—which know what they want from government and are totally uninterested in the operation or success or efficiency of government as a whole—to keep things as they are in their separate fields. Thus, a particular group will force through, for example, the Hill-Burton hospital program under which the federal government subsidizes and encourages construction of more hospital facilities.

For a time, such a program may be needed and funds may actually flow to a necessary purpose. Then, it becomes apparent that we have overdone it, that the Hill-Burton program begins to resemble the Sorcerer's Apprentice: more and more hospital beds are built, but the occupancy rate and the necessity for continuing Hill-Burton keep falling. The cost of construction and the cost of borrowing keep increasing, so that the more hospital facilities that are constructed, the higher the charges to pay for them; the higher the charges, the more difficulty other parts of government, such as Medicare, may have in meeting those charges. Thus, the government will contribute greatly to ever-increasing inflation of hospital costs.

Yet, any suggestion that the Hill-Burton program be terminated is met with fierce and determined opposition from various associations representing hospitals that have not yet built or sufficiently expanded or rebuilt; from the staff of the congressional committees which oversee the program and which fiercely resent any diminution in their authority; and from the permanent civil service groups which administer the program and which foresee only disaster if their programs are eliminated.<sup>16</sup>

Therefore, as a first step, real organization would require the elimination of unnecessary programs like Hill-Burton and the units that administer them. This step would automatically improve the organization of any department by reducing the span of control of the supervising officials and the waste and negative effects of spending more money on a non-existent need. But that same opposition is voiced when any reorganization or change in an existing program needed or otherwise—is proposed.

The unholy trinity of the lobbying groups, the congressional committee staffs who fear reduction of their authority, and the people whose career is to administer the program, thus far has been strong enough to defeat almost any more to improve, change, or eliminate existing programs. These groups have also been successful in preventing any meaningful reorganization of the structures by which existing programs are supposed to be carried out.<sup>17</sup>

People who think they benefit from existing programs have all their lines laid to individual congressional staff members or permanent Civil Service members who are able to tilt government action favorably in their direction; and with every instinct of self-preservation, they cry out against any proposed change. The reason for their success is simple: they have a definite, affirmative, specific program—to stay alive.

On the other hand, the opposition—i.e., those who want rational, coordinated, effective reorganization, which by definition requires major, radical programmatic changes—does not have any real political strength because it does not represent any groups whose battle cry is “survival.” Nor does it enter the fray with anything like the fervor of those who make up the Iron Triangle, as Theodore White has called the advocates of the status quo. That, coupled with congressional fear of presidential or executive capability, thus far has defeated all recent attempts to reorganize the government.

This is not a partisan matter, nor is it really even a philosophic or ideological problem. Quite simply, it is a situation in which small, narrowly based groups who have what they want and are afraid of losing it, inevitably have proven stronger than large groups with more-or-less amorphous and less single-minded attitudes. Further, the situation simply underlines and reaffirms the old adage that “the man with the agenda can always carry the meeting.”

# Peter Szanton, “So You Want to Reorganize the Government?,” in Peter Szanton, (Ed.), *Federal Reorganization: What Have We Learned?* Chatham, NJ: Chatham House (1981).

## WHY REORGANIZE, AND WHY NOT?

The first rule of reorganization is to understand your purpose. Specifying a rationale is essential because some reasons may justify the effort; others do not.

Virtually all substantial reorganizations claim one or more of six objectives.<sup>18</sup> They seek to

1. *Shake up* an organization to demonstrate the decisiveness or managerial reach of a new executive or simply to place his (or her) mark upon it.
2. *Simplify or “streamline”* an organization (or the government as a whole.) This was the rationale for Jimmy Carter’s promise, in the 1976 campaign, to reduce the number of federal agencies from 1900 to 200.
3. *Reduce costs* by minimizing overlap and duplication, achieving supposed economies of scale and efficiencies in management. This is the traditional rationale for reorganization and, at least until recently, the objective commanding greatest public and congressional support.
4. *Symbolize priorities* by giving them clear organizational embodiment. The belief that education was too important to bury in a huge department preoccupied with problems of health and welfare was the main rationale for the recent creation of the Department of Education.
5. *Improve program effectiveness* by bringing separate but logically related programs under more unified direction. This was the principal rationale for the creation of the departments of Defense and, more recently, Energy. It is also the reason for various systems of coordination among programs in separate departments or agencies.
6. *Improve policy integration* by placing competitive or conflicting interests within a single organization or subjecting them to processes of coordination. The brief and entirely unavailing attempt of President Johnson to merge the Departments of Labor and Commerce had this purpose.

These objectives partially overlap, and in most reorganizations, more than one objective is sought. The creation of the Energy Department, for example, might have been justified in

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part on each ground. But one or two objectives are usually dominant, and clarity as to which these are is essential to any judgment as to whether the effort is likely to prove worthwhile. The six objectives form a rough hierarchy. The earlier are trivial or quixotic; the later difficult but substantial. The break-even point comes directly in the middle. Depending on the degree of difficulty to be expected, objectives 4–6 may justify reorganization; objectives 1–3 almost invariably do not. Why not?

## **SHAKING THINGS UP**

It is understandable and legitimate for an incoming executive to want to place his mark on his own office and perhaps on other units that directly support it. Then let him import a few trusted assistants and rearrange staff assignments as he likes. Neither is hard. Imposing substantial change on line operations—bureaus staffed with career officials and responsible for operating programs—will prove vastly more difficult. If the reasons for attempting it are powerful and the means well-chosen, the attempt may be justified. But simply establishing “who’s boss” is a flagrantly insufficient rationale. And the outcome of so motivated a “reform” is likely to prove embarrassing. Bureaucracies do not regard line reorganization as a rubdown, stimulating and pleasant. To them it is surgery, involving anxiety before the event, trauma in the course of it, a lengthy convalescence afterward, and considerable uncertainty about outcome. The patient’s capacity to resist the procedure, moreover, is impressive. Bureaucracies may stop a proposed reorganization by inducing interest-group or congressional outcries, or by discovering legal or administrative barriers. And what they cannot stop they can delay. All career bureaucrats have seen wave on wave of senior executives come and go. The average tenure of cabinet officers is less than two years, and of assistant secretaries less than a year and a half.<sup>19</sup> And the initial priorities of senior officials are even less durable. So strategies of bureaucratic delay generally succeed.

## **SIMPLIFYING GOVERNMENT**

The problem here is not that the goal is attainable only at excessive cost; this goal is an illusion. We are long past the point at which the federal government can be simple or readily understandable. Its jobs are too numerous, too large, too complex, and too inconsistent. It now undertakes not only the irreducible jobs of government—maintaining order, dispensing justice, conducting relations with other states, defending the nation from external threat—it now undertakes to ensure stable prices, full employment, environmental quality, equal opportunity, favorable trade balances, consumer protection, safety in the workplace, and so on. No government seeking ends as large, diffuse, and interconnected as those can be simple.

## **CUTTING COSTS**

Here is a worthy and sometimes attainable objective that reorganization is too blunt and clumsy an instrument to achieve. . . . Substantial savings may be possible when programs

are eliminated, but the President's reorganization powers are usually limited to expressly preclude that result. At most, therefore, reorganization can reduce overhead or administrative costs, where potential savings are quite limited. Total personnel costs are just over 10 percent of the federal budget (and declining), and administrative costs are typically a small fraction of these. . . . [A] recent study of \$50 billion worth of federal programs concluded that 10 percent of total administrative expenses might be saved through reorganization—a sum amounting to 4/100ths of 1 percent of the total program costs.

So none of these first three objectives of reorganization are serious. The costs of attempting any of them will greatly outweigh likely gains. And some costs may be unexpected. An important source of internal controversy in the first years of the Carter administration, for example, was the tension between the President's commitment to reorganization and his view of it as a means of streamlining the government. From the perspective of most of his senior aides, "streamlining" not only failed to advance any substantive policy goal but competed with policy objectives for the President's time and political capital. So the President's predilections to reorganize were steadily resisted by the officials closest to him, especially his domestic policy adviser and Vice-president Mondale. The result was that although great effort and substantial time were expended at high levels in the planning of ambitious change, the only substantial reorganizations proposed by the Carter administration were those made unavoidable by either explicit campaign commitments or powerful congressional pressure.<sup>20</sup> Even when the reorganizers sought to advance major administration policy goals—in the attempt, for example, to help make good on the President's promise of a new urban policy by consolidating urban development programs in a Department of Community and Economic Development—their political isolation denied them a timely hearing for the proposal.

Objectives 4–6—symbolizing new priorities, improving the effectiveness of related programs through unified direction, and better integrating policy by placing conflicting interests under the same oversight—are different matters; substantial and potentially attainable ends that may well justify reorganization.

## **USEFUL SYMBOLISM**

Creating a prominent new organization may meet an important political need. The creation of the Department of Health, Education, and Welfare (HEW) in 1953 powerfully symbolized the acceptance of federal responsibility for minimum standards of social welfare; it was accordingly treated by the press as a major event, though its substance amounted to little more than the application of new names and ranks to old programs. Similarly, the Department of Housing and Urban Development (HUD) expressed the 1960's recognition of a special federal responsibility for cities and the urban poor; and the Department of Energy embodies the priority now attached to reliable fuel supplies. As these examples suggest, symbolizing a national concern is far easier than relieving it. Still, institutionalizing a priority gives it visible expression, places it permanently on the national agenda, and creates an assured source of advocacy for efforts to deal with it.

## **PROGRAM EFFECTIVENESS**

Similarly, improving the effectiveness of government is a substantial purpose, and placing related programs under some form of common direction is a potentially powerful way of achieving it. It is well to emphasize the potential. Organizations create distinctive cultures. Organizations with long histories or important missions or records of great accomplishment generate independent cultures with distinctive values, practices, and traditions. They prove highly resistant to change. Thus, after more than three decades of subordination to a common superior, the three military departments still equip, train, and deploy themselves on only partially consistent assumptions as to the nation's most pressing military needs. Still, the existence of a Department of Defense, headed by a single Secretary, has clearly produced a better integrated and more effective set of military forces than would have been possible otherwise.

## **THE INTEGRATION OF POLICY**

Finally, reorganization can help integrate policy. Arrangements that with conflicting interests to a common superior and thus force (or at least facilitate) comparisons and tradeoffs among them serve perhaps the highest purpose of government—that of mediating and resolving disputes among antagonistic interests.

It is a function more than ordinarily important now. This is a period in which two powerful trends have conjoined. The federal government has undertaken an enormous range of large, numerous, interconnected, and partly contradictory responsibilities. The maintenance of minimum levels of coherence and consistency in federal actions is therefore inherently difficult. At the same time, each of the central political institutions that historically have mediated between contending interests and imposed a measure of discipline on our pluralistic politics has weakened. Political parties, congressional leadership, and the Presidency have all diminished in influence as tolerance for authority generally has decreased and the power special interests and the intensity of single-issue politics has grown. At bottom, of course, these trends produce a problem not of organizational but of politics. However structured, staffed, or budgeted, institutions cannot wield a power that political forces deny them. But institutions may be well or poorly designed to exercise whatever potential they have. The central institutions of government, especially the cabinet departments and the Executive Office of the President, may therefore either partially offset or further magnify the effects of these trends.

It will prove especially important that their effects be offset if national politics in the next decade is dominated by issues like energy policy, whose resolution requires distributing not benefits but costs. No political system readily accepts costs. A system where authority is very widely diffused may reject them entirely. Faced with the problem of allocating costs, the tendency of a system of diffused authority is toward paralysis. Energy again illustrates the point.

So for those concerned about the effectiveness of the American government in the last decades of the twentieth century, an overriding task is to reconstruct those institutions that

tend to resolve disputes rather than create them, that represent common interests rather than special ones, that look to the longer term rather than the pressures of the moment. The job is to strengthen those institutions individually and rebuild the linkages among them—linkages like those that previously tied the majority party, congressional leadership, and the Presidency.

## NOTES FOR CHAPTER 3

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1. Oscar Kraines, 1966, *Congress and the Challenge of Big Government*, Harvard University Press, Cambridge, MA.
2. See Theodore J. Lowi, July–August 1967, “Why Merge Commerce and Labor?” *Challenge*, pp. 12–15.
3. I have touched on some of the general considerations in the article on “Commissions, Government,” 1968, in the *International Encyclopedia of the Social Sciences*, Macmillan and The Free Press, New York. Senator Abraham Ribicoff (D–Connecticut), heading the Government Operations Subcommittee on Executive Reorganization, held hearings and got through the Senate in July 1968 a bill, S. 3640, to establish a Hoover-type commission to review the organization and management of the Executive Branch. It had the blessings of Marion Folsom and the Committee for Economic Development and of the president-elect of the American Society for Public Administration, among others; and the opposition, as untimely, of the Budget Bureau; it was sidetracked in the House. A highlight in the testimony, *Hearings, Modernizing the Federal Government*, January 31, 1968, 90th Congress, Second Session, p. 226, is a commentary from Luther Gulick tracing the periodic need for reorganization to “inertia . . . empire-building . . . and the inevitable tendency to build *new structures on the foundation of temporary political slogans* . . .” and advocating an “outside” commission as capable of criticizing arrangements the President is inhibited from attacking directly because of personnel commitments to incumbents in positions close to him.
4. See *The Temple University Survey of Federal Reorganization*, 1953, Robert L. Johnson, Director (2 vols.), Philadelphia.
5. Harvey Sherman *It All Depends: A Pragmatic Approach to Organization*, 1966, University of Alabama Press, especially chapter 2. See also Seidman, *Politics, Position, and Power: The Dynamics of Federal Organization*, New York: Oxford University Press. Peri E. Arnold, May–June 1974, “Reorganization and Politics: A Reflection on the Adequacy of Administrative Theory,” *Public Administration Review*, vol. 34, pp. 205–211; and Herbert A. Simon, Donald W. Smithburg, and Victor A. Thompson, 1950, *Public Administration*, New York: Knopf, chapter 7.
6. From 1956 to 1976, civilian employment in the federal government, including postal workers, went from 2.4 million to 2.8 million, an increase of 17%. In the same interval, total federal outlays rose from \$70.5 billion to \$366.5 billion in current dollars and from \$133.0 billion to \$264.4 billion in constant (fiscal year 1972) dollars.
7. See, for example, Harry S. Truman’s classic statement accompanying Reorganization Plan Number 5, 1950 (March 13, 1950): “The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.” Similarly, Franklin D. Roosevelt remarked that the transfer of agencies would not save much money. “It is awfully erroneous,” he said, “to assume that it is in the reorganization of Departments and Bureaus that you save money;” Richard Polenberg, 1966, *Reorganizing Roosevelt’s Government: The Controversy over Executive Reorganization, 1936–1939*, Cambridge, MA: Harvard University Press, p. 8.
8. U.S. Department of Health, Education, and Welfare, *HEW News*, March 8, 1977, p. 2.
9. “The President’s Address to the Nation,” February 7, 1977, in *Weekly Compilation of Presidential Documents*, vol. 13, p. 141.
10. David S. Broder, *Washington Post*, March 12, 1977.
11. The two Johnson Task Forces were headed by Don K. Price (report submitted in November 1964 and declassified by the Lyndon Baines Johnson Library in 1976) and by Ben W. Heineman (report submitted in sections during 1967 and declassified by the Lyndon B. Johnson Library in 1976). The Nixon task force, chaired by Roy Ash, reported in 1970 (its full report has not

- yet been made public, but its basic recommendations were converted into a broad set of reorganization proposals made by President Nixon in 1971). For a full explication of the Nixon proposals, 1971, see *Papers Relating to the President's Departmental Reorganization Program*, U.S. Government Printing Office, Washington, DC. A revised version of this document was also issued in 1972.
12. See Anthony Downs, 1967, *Inside Bureaucracy*, the Rand Corporation, Little Brown and Co., Boston, p. 271.
  13. In the initial plan. Later, the usual predictable pressures from various farm lobbies saved, once again, the ponderous Department of Agriculture from any suggestion of change.
  14. Papers relating to the President's Departmental Reorganization Program, p. 6, Office of Management and Budget, February 1972.
  15. An American Bar Association Commission strongly urged that a weak, ineffective Federal Trade Commission be reorganized and strengthened in 1969.
  16. See generally, Wilson and Rachal, Winter 1977, "Can the Government Regulate Itself," *The Public Interest*, 13.
  17. See, for example, Davidson, "Reorganization Guidelines," *Washington Post*, January 23, 1977.
  18. It should be acknowledged that reasons never claimed also produce reorganizations or affect those undertaken on other grounds. The standings of key subordinates are probably the most powerful such reasons. President Johnson sought to make the Under Secretary of State for Economic Affairs simultaneously a Special Assistant to the President and tried to graft part of the Federal Aviation Administration onto the Defense Department. The first intention is explicable only in the light of Johnson's personal relationship with Thomas Mann and the second reflected his desire to have Robert McNamara run the SST project. Similarly, President Nixon's awarding of the National Oceanic and Atmospheric Administration to the Department of Commerce rather than the logically appropriate Department of the Interior reflected his deep hostility to Interior Secretary Hickel.
  19. Our government is truly remarkable in this and at a considerable disadvantage because of it. Secretaries of State tend to remain in place far longer than most cabinet officers, but Alexander Haig will be the eighth Secretary of State with whom Andrei Gromyko has dealt as Soviet Foreign Minister.
  20. In the first category were the modest reduction in size of the Executive Office of the President, the creation of new cabinet departments of Energy and Education, and the redistribution of responsibility for enforcement of equal rights in employment. In the second were the creation of the Federal Emergency Management Agency and the International Development Cooperation Administration, the loosening of ACTION'S control over the Peace Corps, and the revision of responsibilities for foreign trade. The only exception to the rule was service reform, where organizational change was an unavoidable result of policy change.  
Meanwhile, much came to nothing. In particular, the extensive, president-commissioned explorations of possible cabinet department of Natural Resources, of Community and Economic Development, of Trade, Technology, Industry, and of Food and Nutrition were abandoned when no EOP champions could be found for them, and an ambitious set of organizational questions put by the President to the Department of Defense was studied slowly unto death by the department and then silently interred.