

PUBLIC ADMINISTRATION

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*With a New Introduction by Herbert A. Simon
and Victor A. Thompson*



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Introduction to the Transaction Edition

WE ARE pleased to reintroduce our textbook, *Public Administration*, to readers of a new generation. Our book, published in 1950 and never revised, had a successful life of twenty-seven years in print, not at the head of the best-seller list, but selling an approximate thousand copies each year for a total sale of over 30,000. This is a curious history for a textbook, suggesting that *Public Administration* played a special role in its field, not only instructing students, but also providing new ideas and pointing new directions for teachers and researchers.

The book had a following abroad as well as in the United States, for it was translated into Spanish (twice: 1954 in Central America, 1968 in Mexico), Chinese (Taiwan, 1959), Japanese (1977), and—selected portions—Turkish (1954) and Persian (1956). We might be tempted to claim some share in the Taiwanese and Japanese "miracles," but then we would have to explain why events did not go so well in some of the other parts of the world where we have been read.

Published just after the end of World War II, *Public Administration* helped to redefine its field of study and practice by introducing two major new emphases: an emphasis upon human behavior and human relations in organizations, and an emphasis upon the interaction between administration and policy (including in the latter, politics). Without neglecting the more traditional concerns with organization structure, it viewed administration in its behavioral and political contexts. The combination of these new contexts with the traditional one is announced by the authors at the beginning of their 1950 preface.

Comparing *Public Administration* with the textbooks that were contemporary with it, we see that its viewpoints were indeed new in 1950; and comparing it with today's textbooks, we see that these viewpoints still lie in the center of public administration's concern. Of course, we do not wish to suggest that nothing has changed in the world, or that we would not write a different book today; but we are gratified that our book retains, after forty years, such a modern tone.

Modern, with one important exception: the book is loaded with organizational examples, especially at the level of the Federal government, to illustrate or provide evidence for our general principles. Some of these examples refer to organizations that have gone the way of the dinosaurs, although not always without leaving descendants. To help readers whose minds recall the Great Depression and World War II less vividly than ours do, we have provided for this edition a brief appendix describing organizational changes since 1950 that affect Federal organization units mentioned in the text.

While some of the organizations we use for illustration no longer exist or are changed, there is nothing outmoded about the lessons that the examples teach. Since our book is not a manual describing the Federal government but an analysis of human behavior in organizations, the exact dates of the events we recount have nothing to do with the significance of the administrative phenomena they exemplify. Readers will find nothing dated in these events.

Readers will perhaps be gratified, relieved, or even horrified, to learn that the Internal Revenue Service is not a wholly different organization from the sometime Bureau of Internal Revenue, or the Social Security Administration from the late Federal Security Agency. Students may, in fact, find it an instructive exercise to trace the post-1950 changes in some of these agencies, to see whether their histories bear out what the text has to say about the processes of reorganization.

Trends in Administrative Theory

A word or two about each of the book's three main themes—organization structure, human relations, and administration and policy. What have been the main developments in these domains in the past 40 years?

ORGANIZATION STRUCTURE

Public administration has both drawn from and contributed to the mainstream of research on organizations that embraced the private as well as the public sectors. Perhaps the last general summing up was the *Handbook of Organizations* edited by James G. March, but that is already twenty-five years old. Of course we can get more recent views of the scene from the writings of such prominent figures as March or Henry Mintzberg.

Contingency Theory. Our book predated the appearance of "contingency theory," a term widely used since the 1960s, but examination of the text shows that we were fully sensitive to the fact that, to be effective, organizations must shape themselves to the environments in which they do their work—the main lesson of contingency theory.

Self-Contained and Unitary Organizations. Two innovations in our book that we thought quite important have not been taken up by the field. We still think them important, and would like to call attention to them again. In our chapter on large organizations, we have a good deal to say about self-contained organizations, and about unitary organizations. (Perhaps it would have been better to talk about *degree* of self-containment of organizations, and the *extent* to which an organization is unitary.)

Self-containment determines how far an organizational unit is master of its own fate, and can proceed with its decisions without extensive consultation and negotiation with other units. Degree of self-containment is a principal determinant of the ease with which an organization can innovate, and exercises a major influence on leadership style.

An organization is unitary to the extent that it has a clearly defined, and relatively single-directional goal whose attainment can be measured. If the organization has several goals, with a consequent need for trade-offs, it is unitary to the extent that the trade-offs can be evaluated and made explicit. Many Federal departments (e.g., the Department of the Interior) are not unitary in either of these senses and operate as federations. In fact, in the Federal government, unitary organizations are more often found at the bureau level than at the departmental level. In the case of a department like Health and Human Services, even its title reveals its federated character.

A great deal of what goes on in complex organizations can only be understood after we have examined them to see how self-contained the components are, and which of them are unitary and which are not.

Computers and Management Science. The computer, and even the tools of management science and operations research are not mentioned in *Public Administration*. That is hardly surprising, since these tools had barely made their first appearance by 1950. Taking account of them in a public administration textbook today would call for several new chapters not found in our book. But with one exception, the computer has made itself felt mainly at the level of office operations, and has not much changed organization or management at the levels of policy.

The one exception, and it is an important one, is the use of computers and mathematical modeling to illuminate issues of policy—to clarify the demographics and actuarial aspects of social security, to inform policy-making in technical areas like the environment (global warming, acid rain, and the like), and to make economic analyses and predictions (not always with complete success).

Although there are still vast areas of administration (foreign policy is a prime example) that are almost unpolluted by hard facts, especially by computerized or quantified facts, the analytic techniques that accompany computers have had a large impact on policy-making in many domains. The Department of Defense has been a major experimenter in these matters.

This impact is not unrelated to the increasingly technical character of our society. More and more, government must concern itself with high technology, especially in matters of the environment, of energy resources, and of national security, but also in its relation to economic competitiveness. It employs more and more highly trained professional and technical personnel, and the technical equipment that accompanies such personnel, to help deal with such problems. It has assumed a major responsibility for financing and managing the basic research in the physical, biological, and social sciences on which social policy and economic productivity increasingly depend.

Program Evaluation. Closely related to the use of formal analysis in policymaking is its use in the evaluation of public programs. Here, we have had an entire series of efforts, especially in the Federal government, to objectify our estimates of the effectiveness and efficiency of public services: performance measurement, social indicators, cost-benefit analysis, and others. Our chapter on efficiency would have to be expanded substantially to describe and evaluate these movements.

The President and Congress. At the time our book was written, the enormous growth that has taken place in the Executive Office of the President, on the one hand, and in the staffs of congressmen and congressional committees, on the other, had just begun. In the late 1940s, the monumental old Executive Office Building (a.k.a. "Old State") on 17th Street and Pennsylvania Avenue could still house the entire Budget Bureau, including its Office of Administrative Management, as well as the rest of the Executive Office personnel. The swelling of the President's "staff" has been symbolized by the gradual extrusion of various parts of this apparatus into more remote locations as the EOB could not longer hold them all.

Similarly, Congress has acquired an impressive coterie of thousands of employees who provide both technical and political backup to its activities, and who fill the large office buildings that surround Capitol Hill. A revised edition of *Public Administration* would surely have a good deal to say about the operation of these entities and their impact on the relative power of legislature and executive, as well as on the independence of the departments. In the absence of that discussion, we think that readers can draw many correct inferences about these issues from what our book says about the politics of large organizations.

HUMAN RELATIONS

The other main developments in organization theory in the past forty years have been in the domain of human behavior and human relations, the field often referred to now as OB, or organizational behavior.

Organizational behavior, OB, has become a considerably expanded specialization in public administration programs and business schools. Psychological research has certainly extended, beyond the fundamentals already established by the end of World War II, our knowledge of how human beings behave in organization, what makes for good human relations, and how human relations interact with productivity. A revised *Public Administration* could say more on these topics today, and say it with assurance of greater empirical support.

James March has found many ways of reminding us that human behavior often departs widely from the norms of rationality (even the moderate norms of bounded rationality and satisficing). His "garbage can theory" has exposed the tenuous relations between the overt and the covert intentions expressed in decision making. His and his colleague's essays on ambiguity in decision making have taught us that goals are as often the consequences of choice as they are the final causes. *Public Administration* pays a great deal of attention to power struggles and goal conflicts in organizations, but probably does not celebrate the irrational quite as exuberantly as March does.

ADMINISTRATION AND POLICY

Up to the time this book was written, the field of public administration had made much of the boundary between administration and policy, and it was not customary to devote much attention to policy in public administration courses. Policies were laid down by

legislatures and elected officials, while the task of administration was to execute these policies efficiently. The administration/policy distinction had taken root at the very origins of the study of public administration, in the writings, for example, of Woodrow Wilson and Frank J. Goodnow.

The experiences of the authors in government persuaded them that the boundary between administration and policy was far more permeable than their textbooks had led them to believe. For that reason, *Public Administration* pays a great deal of attention to the ways in which policy issues impinge upon the organization and management of government agencies, as well as the ways in which management impinges upon policy. By the same token, we were critical of the reports of the President's Committee on Administrative Management and the Hoover Commission for what we perceived as a too orthodox adherence of those committees to the separation of administration from policy. Events have generally borne out these criticisms.

In the two decades after the publication of our book, university curricula in public administration shifted their emphases strongly away from their previous, almost exclusive preoccupation with organization structure and management practices, and began to give considerable attention to policy-forming processes and the role of government administrators in policy. We do not believe there is any causal connection between the policy emphasis in our textbook and these subsequent curricular developments. We think both are responses to the same zeitgeist, and perhaps to a growing sophistication of public administration teachers about the actual operation of government.

Trends in Public Institutions

If changes over the past forty years in the theory of public administration have been modest in scope, the same can hardly be said of changes in the public institutions themselves, and especially in Federal administration. The period from 1933 to 1950 was in many ways a Golden Age of the Federal government. Selection by merit was steadily strengthened and the pool of political patronage jobs gradually constricted. Salaries of civil servants, while not munificent at the higher levels, were sufficient to attract people into careers in government.

In the wake of the Great Depression, the prestige of private business was relatively low, and of government, as safety net and rescuer of the economy, relatively high. There were exciting challenges for ambitious young career people, first in the new programs created by the New

Deal, then in the agencies that organized and directed the spectacular war effort, and finally in the international activities surrounding the Marshall Plan and its programs of aid to the nations of Western Europe. If this sounds idyllic when contrasted with the status and morale of the Federal government today, in fact it was.

DECLINE OF THE PUBLIC SERVICE

What snake entered this Eden? Not one snake, but an entire nest. The first was Red-hunting and McCarthyism, beginning in earnest shortly after World War II, and already reaching a high pitch with the Remington and Hiss trials in the late 1940s. We need not debate the realities and fantasies associated with the investigations and loyalty programs of this period. Their effects upon the morale of the civil service (Federal and State) are easily documented, as are the numerous cases of innocent victims. One net result was that many of the most talented people in public service switched to careers in private enterprise.

The exodus was accelerated (the second snake) when public salaries failed to keep up with private ones, or even with salaries in the universities. The number of attractive alternatives to government careers multiplied. And the economic attractiveness of government careers in comparison with these others has continued to diminish to the present day.

Long before the current slogan of "privatization" had gained currency, public agencies, particular at state and local levels, were finding it necessary to subcontract many activities—for example, engineering design in highway departments—because their salaries did not permit them to employ competent professionals.

The third snake began to make its appearance in the gradual transition from the beautiful dreams of the Great Society to the nightmare of the beleaguered society of the Vietnam War. There was, first of all, a massive erosion of public confidence in government's ability to reach important social goals and to fine-tune the economy; and second, there was a growing distrust in the benevolence of government, arising especially out of the divisions about Vietnam and the violence associated with the civil rights movement. As we began to pay the costs of the new programs and the war, resistance rose to taxes and to government in general.

Today, government is beset with cynicism, conservatism, and libertarianism. "Privatization" is the magic nostrum to cure our public

ills, and two administrations have been industriously, if not always coherently, engaged in dismantling the structure they were supposed to be managing. "Bureaucracy" and even "government" have become pejoratives instead of descriptive terms.

In the face of this general demoralization and malaise, the additional problems that have accumulated are probably more consequences than causes of the situation. One of these is the growing evidence of corruption in government, unparalleled at least since the days of President Harding, and reminiscent of names like Tweed and Pendergast.

The flip side of corruption is legislation against conflict of interest, which, while evidencing a higher level of moral sensibility, undertakes to substitute detailed rules and regulations for commonsense morality, thus making government service even less attractive and sometimes economically ruinous for honest civil servants.

NEW COMPLEXITY AND CHALLENGES

During the past forty years, the tasks, and hence the organization, of government have also become more complex. We mentioned earlier the impact of high technology upon governmental organization and staffing. In 1950, the National Science Foundation and the National *Institutes of Health* were infant organizations—remarkably successful ones as it has turned out. In the subsequent forty years, six new cabinet departments have been created, three of which—Housing and Urban Development, Transportation, and Energy—are intricately involved in modern technologies.

Second, there has been a change in the structure of the political forces that impinge on government. The gradual replacement of party politics by interest group politics has fragmented and multiplied the channels through which influence is exerted on administrative agencies. Parties have not disappeared, and interest groups are not new, but the balance between them has shifted substantially in favor of the latter. Moreover, as the functions of government broadened, at least during the first part of the period under review, the opportunities for confrontations and conflicts of interest grew correspondingly.

Third, concern with the rectitude of governmental operations has also created new complexities, like ombudsmen, independent inspectorates, and protections for whistle blowers. The operation of agencies is surrounded by an increasingly dense network of regulations to protect employee rights against discrimination and harassment, and

to support affirmative action. Health and safety regulations have burgeoned that affect both private and public organizations. However much these new institutions and regulations complicate the job of management, still they are directed at important, and politically powerful, social goals, hence administrators must learn to cope with them.

LOOKING TO THE FUTURE

But it is time to end this litany of problems—a daunting story to confront readers with who are beginning the study of public administration. We are not counselling despair. First, the Golden Age probably is a little more golden in our memories than it was in fact. When we wrote this book, we did not hesitate to depict the warts on the face of public administration as well as its more attractive features. We do not describe a fairyland, but human organizations as they actually operate.

Second, the pendulum has swung before, and it will swing again. The attractions of libertarianism, which views each human being as ensconced in a shell of isolation, will fade in the face of the world's great social problems of population, of environment, of energy, of peace. We will learn again that we must live with each other, all jostled together on this little planet; and we will learn that government plays an essential and honorable role in the endeavor.

No lesson needs so much to be taught today as the lesson that democracy requires politics, and that human society requires social programs and effective administration of these programs. Government cannot be managed successfully by cynics. It must be managed by people who believe in its purposes and possibilities and whose beliefs are supported by solid, realistic knowledge and understanding.

If our book, now reissued, contributes even a little to teaching these lessons and in suggesting how the goal can be accomplished, we will be well satisfied, and we believe that our late colleague, Don Smithburg, would be too.

**Herbert A. Simon and
Victor A. Thompson**

Appendix to the Transaction Edition

Some Changes in Federal Organization Since 1950

This Appendix lists major changes that have taken place since 1950 in the Federal organization units that are mentioned in the text and listed in the index.

1. A remarkable number of these units remain today (1990) in essentially the same location within the government structure, although, of course, their functions may have expanded or contracted. These include:

Agriculture, Department of
Agricultural Economics, Bureau of
Census Bureau
Commerce, Department of
Council of Economic Advisors
Farm Credit Administration
Federal Bureau of Investigation
Federal Communications Commission
Federal Maritime Commission
Federal Trade Commission
Food and Drug Administration
Foreign Service
Forest Service
Home Loan Bank Board
Labor, Department of
National Labor Relations Board
Patent Office
Rural Electrification Administration
Security Exchange Commission
Tennessee Valley Authority
U.S. Employment Service
War Department

2. A few units have changed their names without material change in function or location:

Name in 1950	Name Today
Bureau of Internal Revenue	Internal Revenue Service
Civil Service Agency	Office of Personnel Management
National Military Establishment	Department of Defense
Bureau of the Budget	Office of Management and Budget

3. Other units have changed location or both name and location:

1950

Today

Location is given in parentheses.

Bureau of Federal Supply (Treasure Department)	General Services Administration (Independent Agency)
Federal Public Housing Administration (Independent Agency)	(Housing and Urban Development)
Office of Education (Federal Security Agency)	(Department of Education)
Post Office Department (Cabinet Department)	U.S. Postal Service (Independent Agency)
Public Health Service (Independent Agency)	(Health and Human Services)
Social Security Board (Independent Agency)	(Health and Human Services)
Federal Power Commission (Independent Agency)	Federal Energy Resources Commission (Department of Energy)

4. A number of agencies mentioned in the text have been abolished (some even before 1950). They are marked "ND" for "New Deal Agency" and "W" for "War Agency."

Civil Conservation Corps (ND)

Economic Cooperation Administration (The Marshall Plan Organization, its international aid functions now much reduced and distributed among several agencies.)

Foreign Economic Administration (W)

National Recovery Administration (ND)

National Resources Planning Board (ND)

National Security Planning Board (ND)

Office of Price Administration (W)

Office of War Information (W)

Resettlement Administration (ND)

War Food Administration (W)

War Labor Board (W)

War Manpower Commission (W)

Works Projects Administration (ND)

With the single exception of the ECA, only agencies have been abolished that were created to deal with the problems of the Great Depression or the prosecution of World War II.

The major changes in Federal organization not included in these four lists were the abolition of the Civil Aeronautics Board (privatization of airlines, terminating price and service regulation), and the creation of several new departments of cabinet rank:

Housing and Urban Development (1965)

Transportation (1966)

Energy (1977)

Health, Education and Welfare (1953)

subsequently divided into:

Health and Human Services (1979)

Education (1979)

Veteran Affairs (1989)

As mentioned in list 3, the Post Office Department was converted by "privatization" in 1971 into the U.S. Postal Service, an independent agency.



Foreword

THIS book represents an approach to the subject of public administration that evolved first in the practice of administration and then in the classrooms of the authors and some of their friends. Our teaching, following upon some years of participation in governmental organizations, has made us acutely aware of two major instructional problems. The first problem is to make sure that what we teach about public administration accurately reflects what goes on in the real world of government—that it makes sense when applied to the actual experiences of administrators. The second problem is to convey these experiences to the student in such a way as to give him concrete pictures of how people behave in governmental organizations, to enable him to visualize situations he has experienced only in a very limited way, if at all, and to prevent him from forming elaborate abstract verbalizations that he cannot translate into concrete patterns of behavior.

The reader can judge for himself how far we have solved these problems. We should like to indicate, however, the principal guides we followed in attempting to give the book realism and intelligibility.

1. *Emphasis.* There appear to be three major areas of interest in public administration today. First, there is the question of how the major governmental structures—Federal, state, and local—should be organized or reorganized. Interest in this question is at a high level as a result of the reports of the Hoover Commission, and several state reorganization studies currently under way. Second, there is a growing awareness that there is a “human aspect” to administration, that administration is concerned with the behaviors of human beings. A considerable body of current research in administration is concerned with the psychology of administra-

tive behavior. Third, there is a renewed interest in reexamining the traditional theory of the relationship between politics and administration, and in reevaluating the role of the administrator in the formation of policy.

A textbook in public administration must deal with all three sets of issues. To acquaint the reader with the important issues of reorganization, it must treat the major problems of top-level organization. To avoid sterile formalism and dogmatism, it must be grounded thoroughly on the psychology of human relations in organizations. To secure a true relevance to practical problems, it must analyse administration in its broader political and governmental setting. The authors of this book believe that no one of these sets of questions can be treated apart from the others. In particular, we believe that a clear understanding of the problems of top-level organization and of the relation of administration to politics can be reached only through an analysis of the basic psychological processes involved in administration. Hence we have tried to obtain a synthesis of all three problems through a realistic, behavioral description of the processes of administration.

In most colleges, courses in public administration are given to large groups of students with diverse backgrounds and with a multiplicity of educational objectives. Some will take the course as part of their preparation for intelligent citizenship; others as a stepping-stone toward careers in the public service. Of the latter, some hope to become specialists in administration; others will be accountants, engineers, economists, or health officers who wish to supplement a subject-matter specialization with some knowledge of the techniques of administration. Some students will have had previous courses in American government, others will not; some will be undergraduates, others graduates. Most will have had little or no work experience; but some will bring to the course rich experience obtained as employees or administrators in government agencies or private businesses.

In facing the problem of communication with readers, we have attempted to keep always in the forefront that an administrative organization is a group of people—of flesh-and-blood human beings—who behave in certain ways, partly because of the ideas, prejudices, personalities, and abilities they bring to the organization, and partly because of the influence upon them of the other members of the administrative group and the society about it.

There is great danger, particularly for the reader who has not had much practical experience, that he will learn the lessons of public administration at a purely verbal level. It is probably important that a college graduate entering the public service have in his vocabulary such terms as "line and staff," "span of control," "independent regulatory agency." It may be fatal to him if he has acquired this vocabulary without being able to recognize or deal with the phenomena to which it refers when he finds these phenomena in an actual organization. And he will certainly feel cheated if he has been taught to discuss sagely the problems of the Presidency but has not been given the practical insights that will enable him to understand a particular small organizational unit from the worm's-eye view of his first job. The principal safeguard against this danger is to make sure that all abstractions are tied down to observable realities—that they refer to the trials and tribulations of real human beings in real organizations.

For this reason, the text places at least as much emphasis upon the problems of organization units of moderate sizes as upon the grand issues of executive organization. The reader who has acquired an insight into the workings of a section of a government agency—with all its relations with the larger organization and the political scene—may at the same time have gained some understanding of the problems of the presidency or the governorship. The events he is asked to visualize are on a scale and of a kind that is not entirely beyond the limits of his experience, even if that experience has been slight. Once he has grasped these simpler situations, he may be at least partly prepared for the vastly more difficult ones that occur in large-scale organization. To proceed the other way round appears an almost hopeless instructional task.

2. *Arrangement.* For the reasons just stated, we begin our analysis in terms of individual human beings and small groups, and try to show how the complexities of behavior in organizations can be unravelled and interpreted through the application of a few basic, almost common-sense, notions of psychology and sociology. We do this on the basis of a rather strong conviction that this will represent a progression for most of our readers from what they know to what they do not know. It gives the reader a chance to transfer to administration what he already knows about people and about society, instead of treating this field as some-