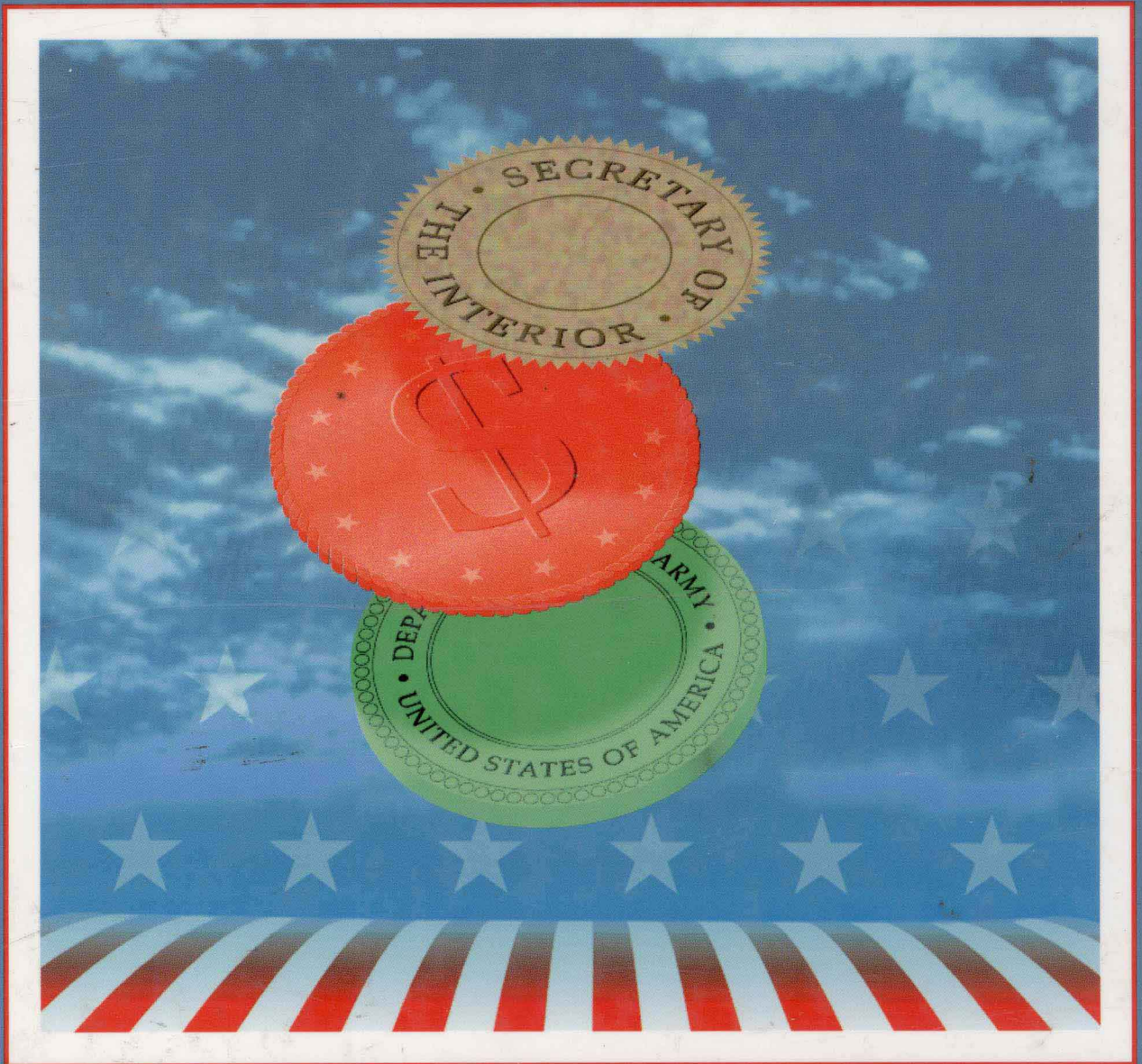


American Public Administration

Concepts and Cases

Fourth Edition



Carl E. Lutrin

Allen K. Settle

AMERICAN PUBLIC ADMINISTRATION

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PREFACE

A*merican Public Administration: Concepts and Cases* was conceived in 1974. At that time our main concern was bureaucratic accountability, as it was the height of the Watergate scandal that led to the resignation of President Richard Nixon. We remain convinced that public service accountability is vital. But the fourth edition reflects our view that much of the "bureaucrat bashing" of the 1970s and 1980s was inappropriate. We feel that most public officials are hard-working and honest and that the public servants of this country do much to make this nation the envy of less happy nations, as evidenced by the administrative and political crises in the Soviet Union in August 1991. We do not think that the public service is perfect and we won't hesitate to show its shortcomings and discuss areas that need improvement. In comparison with some of the mismanagement of the private sector, such as the savings and loan failures, the public service has served and continues to serve us well. In this new edition we have profiled a distinguished administrator at the end of each chapter to illustrate the positive efforts and successes of public servants.

The book has been completely revised and thoroughly updated. Two of the chapters are new to this edition: chapter 2, "The Rise of the Administrative State," provides historical perspective and chapter 3, "Public Policy and Public Administration," introduces public policy, an increasingly important component of public administration. We have added sections on the subfields of environmental policy and emergency management, and our concern with ethics receives greater attention in chapter 5. This edition also contains eleven new case studies. We continue to believe that case studies are vital tools that help students learn major concepts while getting a feel for an exciting discipline.

This book began as an effort to create a text that students and instructors would find lively and accessible and we try to remain true to that purpose in this fourth edition. We begin each chapter with an overview of main points and end each chapter with cases, a summary of important concepts, a list of key terms, and review questions. Key terms appear in boldface type when they are defined within the chapter. We have reviewed the scholarly basis for the book and made significant changes to assure that we are using the best and most recent works possible. The book is designed to provide students a learning tool and point of departure for more advanced study and faculty a text that serves as a solid instructional text. We have learned much in writing this edition and welcome any comments and suggestions. They can be sent to us at: Department of Political Science, California Polytechnic State University, San Luis Obispo, California 93407. The responsibility for what appears in this book is ours alone.

In completing this edition we owe thanks to many people. Our editor at West Educational Publishing, Robert J. Jucha, provided valuable guidance and instructive suggestions. The following reviewers were very helpful in offering suggestions to help make the text a valuable instructional tool for introductory students of public administration. The reviewers include Dennis

L. Dresang, University of Wisconsin–Madison; Carol S. Weissert, Michigan State University; Richard A. Wandling, Eastern Illinois University; Florence Heffron, University of Idaho; Robert W. Kweit, University of North Dakota; Nancy S. Lind, Illinois State University; Edward Thompson III, University of Tennessee–Chattanooga; Lyle K. Alberts, University of Northern Iowa; Edward M. Wheat, University of Southern Mississippi; William F. West, Texas A & M University; Kathleen Staudt, University of Texas–El Paso; Stephen B. Sloane, Saint Mary’s College of California; Krishna K. Tummala, Kansas State University; Sheldon M. Edner, Portland State University; Seth I. Hirshorn, University of Michigan–Dearborn; Pat Piskulich, Oakland University; Paul C. Schmidt, California State University–Long Beach; and Lawrence M. Evans, Arkansas Technical University. We want to thank all those public administrators who permitted the use of their names and provided us with the background information we requested. At our own institution Dr. Dianne Long, Dr. Gaye Benson, Debi Lyle, and Bob Van Sykle were also of great help. Further, staff members at West Publishing who provided help with the manuscript and promotion include Laura Evans, Diane Colwyn, Nancy Roth, Laura Mezner Nelson, Barb Fuller, and Kristi Shuey.

AMERICAN PUBLIC ADMINISTRATION
Concepts and Cases

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1 PUBLIC ADMINISTRATION & YOU

CHAPTER OVERVIEW

Our objective in this first chapter is to present the reader with a general understanding of the nature of the field of public administration. Our task is to discuss the purpose of studying public administration. This chapter examines some of the definitions of public administration, the distinctions between administration and politics and the fact that administrators manage as well as carry out **public policy**. Also covered are some of the differences and increasing similarities between public and **private administration** and how this subject is important to the development of public policy.

This book approaches public administration by examining methods and decisions used by administrators in achieving organizational objectives. The chapters contain a mix of concepts and descriptions that are further illustrated by case studies. Each chapter includes a summary of main points, and list of key terms, and a person featured as a distinguished administrator to illustrate how those in the public service have contributed to making public administration a valued profession. This chapter features two administrators in the Social Security Administration who became key advocates and entrepreneurs of many social programs. Finally, with the role of government becoming so pervasive in contemporary society, we will see some of the ways public administration is an applied craft involving several disciplines.

WHY STUDY PUBLIC ADMINISTRATION?

On his deathbed Czar Nicholas II of Russia said, "I never ruled Russia. Russia was ruled by ten thousand clerks." The clerks made up a massive organization that managed the daily affairs of the Russian state and its people. We, too, live in an organizational society, although democratic, simply because it is generally easier to accomplish something when a group of people coordinate

their efforts to achieve a common goal. One classic textbook in administration opens with the following: "When two men cooperate to roll a stone that neither could have moved alone, the rudiments of administration have appeared."¹ Alexander Hamilton said, "The true test of good government is its aptitude and tendency to produce good administration."

The managerial perspective, which involves the issues and problems that confront managers in their jobs, is an important aspect of public administration. We will see in the following chapters that bureaucracy is a growing, influential **"fourth" branch** of government. Public organizations also regulate many businesses. The sources of bureaucratic power and bureaucratic responsibility will be featured in chapters 4 and 5. Public administration is about the management of government agencies, the people who work in them, and the costs required to run them. Consequently, it is a major focus of this book.

The coordination of efforts by people is key in administration, whether in a private corporation or the public sector. While in 1991 almost 17 million people were public administrators in the United States, with a vast majority working for state and local governments, public administration is not limited to the jobs of public employees. People working for private companies and contracting with government—such as doctors caring for patients on Medicare—also carry out public policies. Further, administrators at all levels of government and private contractors working for government are involved in making and carrying out public policy. The two distinguished managers noted in this chapter trained the public staffs and private contractors in how to administer new Social Security regulations, including old-age, disability, and retirement programs, before the effective date set by Congress, to avoid mass confusion in determining eligibility requirements. The doctor and nurse in the country hospital had to know Medicare policies since they were involved in making and carrying out the program. Organized efforts help a government agency in providing a service or a business in making a profit.

While there are clear distinctions between business and public organizations, as we will see later in this chapter, the similarities between them are increasing. There also is interaction between people and government agencies through activities such as federal regulation of the workplace to stop employment discrimination. The Federal Trade Commission tries to guard against consumer fraud such as price fixing. The Food and Drug Administration tries to ensure the safety of drugs.

Understanding the types of administrative action and procedures is also important in dealing with public administration. These thousands of agencies with "unelected" staffs can exert far more direct influence than the more visible "elected" bodies on the daily operation of government. Knowing the "ins and outs" of public administration gives citizens the tools with which to ensure that their rights are respected and protected. Picture yourself applying for a job and being told that a prospective employer does not want to hire women with children, or does not pay women as much as men, or will not hire men who have ever been arrested for drunk driving or using drugs. What do you do if an employer requires drug testing as a condition of employment and you feel this violates your right of privacy? What can you do if medical aid or insurance is denied you because you are suspected of having AIDS? What action do you take if you are denied a job promotion because your company or government agency gives preference to minorities over you as a

nonminority? Where do you get help when facing employment discrimination or unfair labor practices? Where and how do you appeal a rejection by city hall on the house you want to build? What procedures do you follow if the Internal Revenue Service says you owe far more income tax than you expected? What process can a student use to appeal unfair grades? Who do you contact about faulty auto repair service on your car or consumer fraud on a "new" car that turns out to be a used car? Knowing and understanding public administration is, in large part, knowing how to take action, how to ask the right questions, and how to use the administrative process for answering these questions. Thus it is important to know this subject for your own protection and to enhance your participation as an informed citizen.

Familiarity with personnel administration and administrative law, for example, helps in dealing with the **bureaucracy**, or employees of the many government agencies that are charged with carrying out the law under which we all live. None of us can know all the laws and regulations. Yet ignorance of the law is no excuse. Failure to comply with a regulation by some government agency may result in a fine or loss of your license, such as a contractor's, engineering, or business license. The study of public administration is essential in understanding government agencies and private corporations. Public administration is not simply a scholarly pursuit but also an applied skill.

This book is about the basic elements of public administration such as organizational structure, the bureaucracy, policy development, personnel management, budgeting, administrative law, and the power and control of various government agencies. This text is also about administrative responsibility, for power bears watching wherever it exists. While the vast majority of **bureaucrats** are honest, hardworking people, their collective power can affect our lives for better or for worse. The people in these organizations not only carry out public-service jobs but can make or otherwise influence public policy. The administrative staff makes up the regulations that carry out the public policy. They are key participants in deciding how and in what ways policy is enforced and managed. Further, the "staff" may possess more power than elected officials because they are in career positions and remain on the job for many years, while elected leaders are more likely to come and go with elections.

Public administration is at the intersection of several disciplines that include law, political science, public policy, economics, sociology, psychology, and business administration. It involves the management of public affairs, just as business administration deals with corporate affairs. Often the **public and private sectors** compete with and confront each other; at times they may cooperate with each other. The regulation of environmental concerns such as toxic-waste management may involve a turf war between federal agencies such as the Environmental Protection Agency, state and local environmental enforcement agencies, and a chemical company charged with polluting a river. Public administration also covers the subject of problem solving, such as resolution of personnel grievances and labor disputes. Public agencies also confront one another to get larger budgets and greater authority in managing their own resources and deciding public policy. Various branches of the military may seek their own weapon systems.

Administrators are often admired for their seemingly dauntless devotion to duty and the belief they hold the public trust and ethical standards. Yet for

many people, the familiar initials of the FBI (Federal Bureau of Investigation), CIA (Central Intelligence Agency), IRS (Internal Revenue Service), or departments of the National Security Council in the White House also denote betrayal of the trust as seen in Watergate and the Iran-Contra scandal. Behind each is a story of administrative power that has evolved against the people who gave it legitimacy. We must ask in what ways and how well our public employees really serve the public.

WHAT IS PUBLIC ADMINISTRATION? SOME DEFINITIONS

While no conclusive definition of what public administration is, or should be, has been widely agreed upon to date, we have noted that it involves action and the interaction of people with others to achieve a common goal. Scholars in public administration such as John Pfiffner and Robert Presthus have said that **public administration** is essentially concerned with the means of implementing public values—of coordinating individual and group efforts to carry out public policy—and as such it is mainly occupied with the routine work of government.² It must be practical enough to solve problems and to formulate societal goals but innovative enough to seek better methods of understanding what is involved in group efforts.³

Public administration is defined for our purposes as **a focused study of the way that government organizations are involved in the decisions that determine the goals and means that are policy, and the way that bureaucrats effect outcomes as they implement policy decisions.** It also involves the management of public affairs by all those in the three branches of government—executive, legislative, and judicial—and their interrelationships in determining public policy, management, and enforcement of the recognized public will. Further, public administration involves the managerial, political, and legal concepts, strategies, choices, and processes necessary to carry out the legislative, executive, and judicial mandates or perceived mandates and provide necessary public services that protect the public health, safety, and welfare. Public administration can be looked upon as administering policies and processes, as well as an academic discipline that studies the process of administration. The study of public administration can be said to be the study of people in organizations—their interactions within agencies of government and their relations with the private sector and the public in general. One can also simply define public administration as the shaping and carrying out of public policy. In short, public administration has become a field that unites many professions.

According to other definitions, public administration

1. is cooperative group effort in a public setting;
2. covers all three branches—executive, legislative, and judicial—and their interrelationships. Has an important role in the formulation of public policy and is thus a part of the political process;
3. is different in significant ways from private administration;
4. is closely associated with numerous private groups and individuals in providing services to the community.⁴

These other “definitions,” though, are more expressions of the nuances that fall out of explaining what public administration is rather than opposing notions implied in a particular definition.

An example that helps define administration is the situation in which action is taken by the **civil servants** of the Department of Transportation to develop plans for decreasing the number of highway deaths each year by encouraging all states to raise the legal drinking age to twenty-one. These public administrators are involved in decision making that determines goals and means that are the policy action of government. Also when police officers use excessive force in apprehending a suspect or when they make sure that an accused person understands his or her constitutional rights, they are public administrators in that they are effecting policy outcomes as they implement policy decisions.⁵

Administrators are but one kind of public official. The others include elected officials and politically appointed officials holding positions such as community planning commissioners, regulatory agency members, cabinet members, and Supreme Court members.⁶

Not all people in government are bureaucrats in that some perceive elected and appointed officials or volunteers as outsiders to the “bureaucracy.” Because career civil servants often serve a long time in an agency, they can become a power unto themselves to the point that elected officials may have a dependency relationship on the administrators as “staff.”⁷ The staff also has considerable contact with various interest groups that further ensures that politics will be ever present in administration. Career service is also an important source of continuity in government.

Bureaucracy denotes the large formal structural elements of organizations, with a hierarchy of authority or chain of command, a set of rules and regulations, a reliance on full-time career employees, the recruitment and promotion of employees with and without specialized skills, and servicing a very diversified community and clientele. The bureaucracy is not restricted to public organizations. The bureaucrat is often referred to as the career civil servant who is considered to be politically neutral, sensitive to the public interest, and having expertise to carry out **public policy**. In reality, the bureaucrat may make policy as it is being implemented and is subject to political pressure. For example, a professional city administrative officer or city manager is responsible for carrying out policies of the elected city council or commissioners and is believed to have the expertise to direct, coordinate, and enforce rules and established performance standards. The city manager directs the department heads in the planning, public works, finance, personnel, policy, fire, and other departments to meet the organizational and policy goals that serve community needs. But constantly changing demands, the external environment, and political pressures make the manager’s job in government affairs a challenge. A large city bureaucracy can be very complex and can break down. An employee grievance may signal labor problems and lead to a strike. The manager must have a working knowledge of numerous formal rules. For instance, a large shopping center development may require the manager to understand several rules for approval of a project by several government agencies having competing interests.

POLITICS AND ADMINISTRATION DISTINCTION/DICHOTOMY

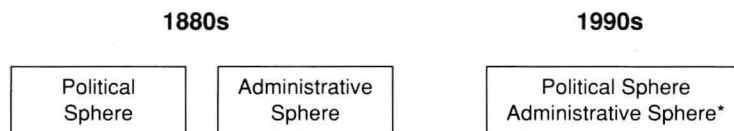
President Woodrow Wilson noted in his classic work, “The Study of Administration” (1887), that “administration lies outside the proper sphere of *politics*. Administrative questions are not political questions,” rather, they are managerial questions in “a field of business.”⁸ Administration was more of a managerial approach to public administration by a professional career civil servant carrying out public policy. The political approach was the manipulation of government by legislation and political patronage appointments by elected officials to achieve their politics and goals.

Yet there is no clear separation between administration and politics in the development of government policy and public administration. One scholar in administration stated, “The exercise of discretionary power, the making of value choices, is a characteristic and increasing function of administrators and bureaucrats; they are thus importantly engaged in politics.”⁹ Administrators engage in political acts by recommending legislation as much as by making policy decisions in carrying out the laws. Has your university chosen to emphasize a particular area of study in order to please a certain constituency such as agriculture or business? Universities are prime examples of bureaucracies. The administrators’ understanding of managerial issues and policies places them in a position of substantial expertise, while their knowledge of administrative and legal procedures helps them by suggesting ways of managing and enforcing the laws. Figure 1.1 illustrates that all administration involves politics and has done so increasingly over time, but not all politics involves administration. Often there is no clear separation between politics and administration. Keeping politics out of administration is a long-standing prescriptive element of the study of public administration. The political and administrative relationships are one organizing theme of the study of public administration that will be referred to again and again in one way or another in the following chapters.

PUBLIC AND PRIVATE ADMINISTRATION

What are the differences between public and private administration, and why make a distinction? According to writers such as Graham Allison, Jr., and John Dunlop, the following contrasts can be made:

FIGURE 1.1 Politics and Administration



*All administration involves politics, but not all politics involves administration.

(1) **Time perspective:** Politically appointed government managers tend to have relatively short time horizons dictated by political necessities and the political calendar, while private managers appear to take a long time perspective oriented toward market developments, technological innovations and investments, and organization building.

(2) **Duration:** The length of service of politically appointed top government managers is relatively short. . . Private managers have a longer tenure both in the same position and in the same enterprise.

(3) **Measurement of performance:** There is little if any agreement on the standards and measurement of performance to appraise a government manager, while various tests of performance (for example, financial return or market share) are well established in private business and often made explicit for a particular managerial position during a special period ahead.

(4) **Personnel constraints:** In government there are two layers of managerial officials that are at times hostile to one another: Civil service career employees, political appointees and elected officials.

(5) **Equity and efficiency:** In governmental managements greater emphasis tends to be placed on providing equity among different constituencies, while in private business management relatively greater stress is placed upon efficiency and competitive performance.

(6) **Public process versus private process:** Government management wants to appear exposed to public scrutiny and to be more open, while business management does not feel compelled to present such an "open" door to public review.

(7) **Role of press and media:** Governmental managers must contend regularly with the press and media; its decisions are often anticipated by the press. Private decisions are less often reported in the press, and the press has a much smaller impact on substance and timing of decisions.

(8) **Persuasion and direction:** In government, managers often seek to mediate decisions in response to a wide variety of pressures and most often put together a coalition of inside and outside groups to survive. By contrast, private management proceeds much more by direction or the issues of orders to subordinates by superior managers with little risk of contradictions. Governmental managers tend to regard themselves as responsive to many superiors while private managers look more to one higher authority.

(9) **Legislative and judicial impact:** Governmental managers are often subject to close scrutiny by legislative oversight groups or even judicial orders in ways that are quite uncommon in private business management.

(10) **Bottom line:** Governmental managers rarely have a clear bottom line, while that of private business managers is profit, market performance and survival.¹⁰

Moreover, there are some unique differences between the public and private sectors. First, unlike business, the federal government controls both its money supply and its own level of spending. National spending policies can generate inflation so that all in government and business pay more to operate. The federal government has continued to finance debt by borrowing. State and local governments do not have this flexibility because of legal obligations to balance budgets and because borrowing is more restrictive.

Second, those in the public service are more frequently required to disclose their financial assets to ensure they will not benefit from conflicts of interest. The Justice Department in 1987 issued new, more stringent interpretations of the requirements of the **Ethics in Government Act**. Under the new rules, an official can be charged with a conflict of interest not only on issues that specifically affect a company but on general policy questions that could have a "direct and predictable effect" on holdings. C. Boyden Gray, President