

THE MODERN BUREAUCRACY

CRITICS CONTINUALLY LAMENT that the national government is not run like a business. Private businesses as well as all levels of government have their own bureaucratic structures. But, the national government differs from private business in numerous ways. Governments exist for the public good, not to make money. Businesses are driven by a profit motive; government leaders, but not bureaucrats, are driven by reelection. Businesses get their money from customers; the national government gets its money from taxpayers. Another difference between a bureaucracy and a business is that it is difficult to determine to whom bureaucracies are responsible. Is it the president? Congress? The citizenry? Still, governments can learn much from business, and recent reform efforts have tried to apply business solutions to create a government that works better and costs less.

TABLE 9.1 The Liberalized Hatch Act

Here are some examples of permissible and prohibited activities for federal employees under the Hatch Act, as modified by the Federal Employees Political Activities Act of 1993.

Federal Employees

- **May** be candidates for public office in nonpartisan elections
- **May** assist in voter registration drives
- **May** express opinions about candidates and issues
- **May** contribute money to political organizations
- **May** attend political fund-raising functions
- **May** attend and be active at political rallies and meetings
- **May** join and be active members of a political party or club
- **May** sign nominating petitions
- **May** campaign for or against referendum questions, constitutional amendments, and municipal ordinances
- **May** campaign for or against candidates in partisan elections
- **May** make campaign speeches for candidates in partisan elections
- **May** distribute campaign literature in partisan elections
- **May** hold office in political clubs or parties
- **May not** use their official authority or influence to interfere with an election
- **May not** collect political contributions unless both individuals are members of the same federal labor organization or employee organization and the one solicited is not a subordinate employee
- **May not** knowingly solicit or discourage the political activity of any person who has business before the agency
- **May not** engage in political activity while on duty
- **May not** engage in political activity in any government office
- **May not** engage in political activity while wearing an official uniform
- **May not** engage in political activity while using a government vehicle
- **May not** solicit political contributions from the general public
- **May not** be candidates for public office in partisan elections

Source: U.S. Special Counsel's Office.

The different natures of government and business have a tremendous impact on the way the bureaucracy operates. Because all of the incentive in government “is in the direction of not making mistakes,” public employees view risks and rewards very differently from their private-sector counterparts.⁹ The key to the modern bureaucracy is to understand who bureaucrats are, how the bureaucracy is organized, and how organization and personnel affect each other. It also is key to understand that government cannot be run like a business. An understanding of these facts and factors can help in the search for ways to motivate positive change in the bureaucracy.

Although many Americans bemoan a growing federal bureaucracy, they are actually wrong. Presidents since Calvin Coolidge have tried to control the size of the bureaucracy. His Two Percent Club was created to cut staff, as its name implies, by two percent. Later, President Richard M. Nixon, for example, proposed a plan to combine fifty domestic agencies and seven different departments into four large “super departments.”¹⁰ The Clinton administration was also bullish on reform. The President’s Task Force on Reinventing Government cut the size of the federal workforce, halved the growing number of federal regulations, and set customer service standards to direct agencies to put the people they serve first. President George W. Bush also put bureaucratic reform as a priority and expanded upon Clinton administration efforts toward a more paperless government. That effort, however, lost some momentum in the aftermath of 9/11, which resulted in the creation of additional federal programs and offices and even a new Department of Homeland Security. Still, the Bush administration has continued, as discussed in chapter 3, to return responsibilities back to state and local governments. As that has happened, however, the size of state and local bureaucracies has grown proportionately. It is important to note that the following discussion pertains only to the federal bureaucracy.

Who Are Bureaucrats?

Federal bureaucrats are career government employees who work in the executive branch in the Cabinet-level departments and independent agencies that comprise more than 2,000 bureaus, divisions, branches, offices, services, and other subunits of the federal government. There are approximately 1.8 million federal workers in the executive

branch, a figure that does not include postal workers and uniformed military personnel. Nearly one-third of all civilian employees work in the U.S. Postal Service, as illustrated in Figure 9.1. The remaining federal civilian workers are spread out among the various executive departments and agencies throughout the United States. Most of these federal employees are paid according to what is called the “General Schedule” (GS). They advance within GS grades and into higher GS levels and salaries as their careers progress.

As a result of reforms during the Truman administration that built on the Pendleton Act, most civilian federal governmental employees today are selected by merit standards, which include tests (such as civil service or foreign service exams) and educational criteria. Merit systems protect federal employees from being fired for political reasons. (For a description of how a federal employee can be fired, see Table 9.2.)

At the lower levels of the U.S. Civil Service, most positions are filled by competitive examinations. These usually involve a written test, although the same position in the private sector would not. Mid-level to upper ranges of federal positions do not normally require tests; instead, applicants simply submit a resume, or even apply by phone. Personnel departments then evaluate potential candidates and rank candidates according to how well they fit a particular job opening. Only the names of those deemed “qualified” are then forwarded to the official filling the vacancy. This can be a time-consuming process; it often takes six to nine months before a position can be filled in this manner.

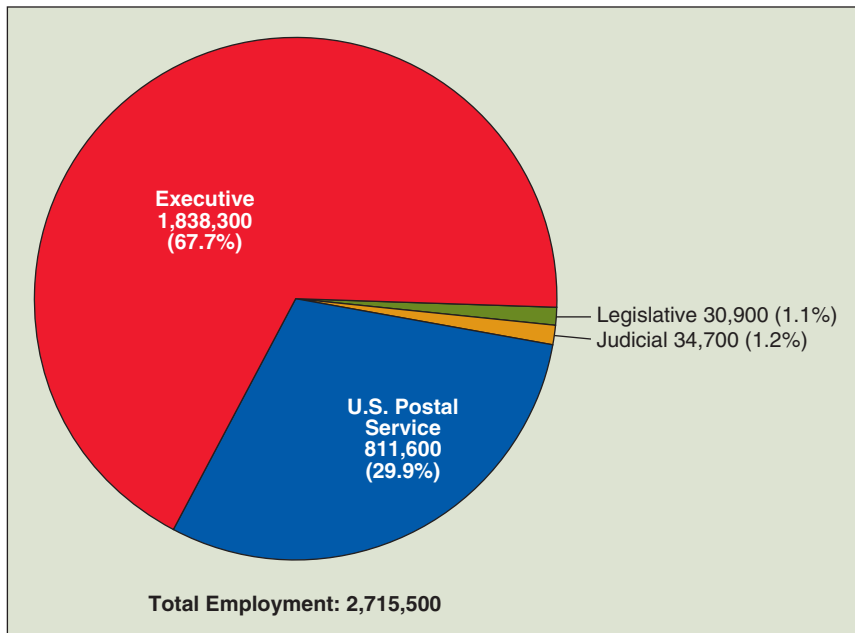
The remaining 10 percent of the federal workforce is made up of persons not covered by the civil service system. These positions generally fall into three categories:

1. Appointive policy-making positions. More than 6,000 people are presidential appointees. Some of these, including Cabinet secretaries, are subject to Senate confirmation. These appointees, in turn, are responsible for appointing thousands of high-level policy-making assistants who form the top of the bureaucratic hierarchy.
2. Independent regulatory commissioners. Although each president gets to appoint as many as one hundred commissioners, they become independent of his direct political influence once they take office.
3. Low-level, nonpolicy patronage positions. At one time, the U.S. Postal Service was the largest source of these government jobs. In 1971, Congress reorganized the Postal Service and removed positions such as local postmaster from the political patronage/rewards pool. Since then, these types of positions generally concern secretarial assistants to policy makers.

More than 15,000 job skills are represented in the federal government, and its workers are perhaps the best trained and most skilled and efficient in the world (see *Global Perspective: Who Are the Bureaucrats? Should We Care?*). Government employees, whose average age is forty-seven years, with an average length of service at seventeen years, include forest rangers, FBI agents, foreign service officers, computer programmers, security guards, librarians, administrators, engineers, plumbers, lawyers, doctors, postal carriers, and zoologists, among others. The diversity of government jobs mirrors the diversity of jobs in the private sector. The federal workforce, itself, is also diverse. As revealed in *Analyzing Visuals: Characteristics and Rank Distribution of Federal Civilian Employees*, the federal workforce largely reflects the racial and ethnic composition of the United States as a whole, although the employment of women lags behind that of men. Women still make up more than 60 percent of the lowest GS levels but have raised their proportion of positions in the GS 13–15 ranks from 18 percent in 1990 to over 30 percent in 2002.¹¹

There are about 326,000 federal workers in the nation’s capital; the rest are located in regional, state, and local offices scattered throughout the country. To enhance effi-



FIGURE 9.1 Distribution of Federal Civilian Employment. ■

Source: Office of Personnel Management, 2003 Fact Book.

ciency, the United States is broken up into several regions, with most agencies having regional offices in one city in that region. (See Figure 9.2.) The decentralization of the bureaucracy facilitates accessibility to the public. The Social Security Administration, for example, has numerous offices so that its clients can have a place nearby to take their paperwork, questions, and problems. Decentralization also helps distribute jobs and incomes across the country.

The graying of the federal workforce is of concern to many. More than two-thirds of those in the highest nonpolitical positions as well as a large number of mid-level managers are eligible to retire.¹² Many in government hope that the Presidential Management Fellows Program, formerly known as the Presidential Management Intern (PMI) Program, which was begun in 1977 to hire and train future managers and executives, will be enhanced to make up for the shortfall in experienced managers that the federal government is now

TABLE 9.2 How to Fire a Federal Bureaucrat

Removing federal employees for poor performance is very difficult and rare. In 1997, for example, of the federal government's 2.7 million employees, 3,550 were terminated for poor performance. Only 100 were demoted and only 1,257 failed to get a pay raise based on their poor performance.^a Civil service rules make it easier to fire someone for misconduct than poor performance. Incompetent employees must be given notice by their supervisors and given an opportunity for remedial training.

To fire a member of the competitive civil service, explicit procedures must be followed:

1. At least thirty days' written notice must be given to an employee in advance of firing or demotion for incompetence or misconduct.
2. The written notification must contain a statement of reasons for the action and specific examples of unacceptable performance.
3. The employee has the right to reply both orally and in written form to the charges, and has the right to an attorney.
4. Appeals from any adverse action against the employee can be made to the three-person Merit Systems Protection Board (MSPB), a bipartisan body appointed by the president and confirmed by the Senate.
5. All employees have the right to a hearing and to an attorney in front of the MSPB.
6. All decisions of the MSPB may be appealed by the employee to the U.S. Court of Appeals.

^aD. Mark Wilson, "Inadequate Remedies for Poorly Performing Federal Workers Would Undermine Airport Security," Heritage Foundation WebMemo 54 (November 8, 2001).



WHO ARE THE BUREAUCRATS? SHOULD WE CARE?

It is tempting to think of the bureaucracy simply as a machine created by political officials to carry out the laws they have passed and the regulations they have established. In looking at bureaucracy as a machine, we tend not to worry about differences among the people who work in the bureaucracy. Civil servants are expected to be neutral, competent, and expert and to drive the machine without regard to their personal values. An important line of thought in the study of bureaucracy, known as the representative bureaucracy perspective, argues, however, that to view bureaucracy as a machine is a mistake. Instead, bureaucracy is about people. First, it is about the people within the bureaucracy. The different ideas people have about what is right and wrong, the appropriate way to behave, and what—if anything—the government owes the people and the people owe the government inevitably influence how civil servants approach their jobs and the types of decisions they make. Second, it is about the people with whom the bureaucracy interacts. Minority groups may not be well served by the bureaucracy if everyone in it comes from groups with values different from theirs. They may not be able to communicate effectively with the bureaucrats or receive a sympathetic hearing from them.

From the representative bureaucracy perspective, it is extremely important to know who these bureaucrats are in terms of their social, economic, and cultural backgrounds. Systematic comparative data of this type are hard to come by. The table below presents information on the background of high-ranking civil servants in Canada and Israel in terms of their social class, level of education, minority status, and gender.

Worldwide, most high ranking civil servants come from middle-class backgrounds. Germany is typical of many West

European countries with only 11 percent of its bureaucrats coming from working-class backgrounds. Pakistan is even lower at 2 percent. Almost everywhere, high-ranking civil servants have at least some form of college education. This shared characteristic hides some important differences, however. In the United States, many civil servants graduate from state-supported universities; however, in Great Britain, France, Japan, South Korea, and Greece, to name only a few countries, there has been a long-standing bias for recruiting civil servants from only a few elite universities. Another difference is that some states, such as Great Britain, emphasize a generalist education, and others, such as Germany and Sweden, stress the importance of a professional or technical education.

In most countries, the dominant ethnic group is overrepresented. In the United States, the dominant ethnic group makes up 63 percent of the total civil service numbers. In some countries, specific bureaucratic positions are reserved for people from specific ethnic groups—the practice in Austria, Belgium, and Lebanon. Along with ethnicity, gender is a major dividing line within bureaucracies. Although in many countries over 50 percent of the civil service is made up of women, rarely are many found in the higher civil service ranks. In Australia, only 2 percent of higher civil servants are women; in Finland and Italy, 4 percent.

Questions

1. How important is it that the U.S. bureaucracy looks like the American population?
2. Which of the background characteristics discussed here do you think is most important for creating a representative bureaucracy?

Backgrounds of Civil Servants in Two Democracies (percentages)

	Social Background			Education			Ethnic Group		Gender	
Canada	Upper	44	High School*	2	Dominant	70	Female	47		
	Middle	19	College Grad	34	Minority	30	Male	53		
	Working	36	Post College	65						
Israel	Upper	18	High School*	49	Dominant	81	Female	52		
	Middle	59	College Grad	28	Minority	19	Male	48		
	Working	23	Post College	23						

*This category combines those with a high school diploma and some college. In Israel all of these had some college.

Source: B. Guy Peters, *The Politics of Bureaucracy* (New York: Routledge, 2001), pp. 112-125.

facing. Agencies even are contemplating ways to pay the college loans of prospective recruits while at the same time trying to enhance benefits to attract older workers.¹³ At the same time the federal government is trying to recruit and retain federal workers, it is also trying to shrink the number of federal employees by using outside contractors. Federal employees are very difficult to fire, as is underscored in Table 9.2, and outside contractors often are cheaper. The Bush administration, for example, concluded that 850,000 federal jobs are essentially commercial in nature and could be performed more cost-effectively by private corporations, and that half should be outsourced as quickly as possible.¹⁴

Formal Organization

While even experts can't agree on the exact number of separate governmental agencies, commissions, and departments that make up the federal bureaucracy, there are at least 1,149 civilian agencies.¹⁵ A distinctive feature of the executive bureaucracy is its traditional division into areas of specialization. For example, the Occupational Safety and Health Administration (OSHA) handles occupational safety, and the Department of State specializes in foreign affairs. It is not unusual, however, for more than one agency to be involved in a particular issue or for one agency to be involved in myriad issues. In fact, numerous agencies often have authority in the same issue areas, making administration even more difficult.

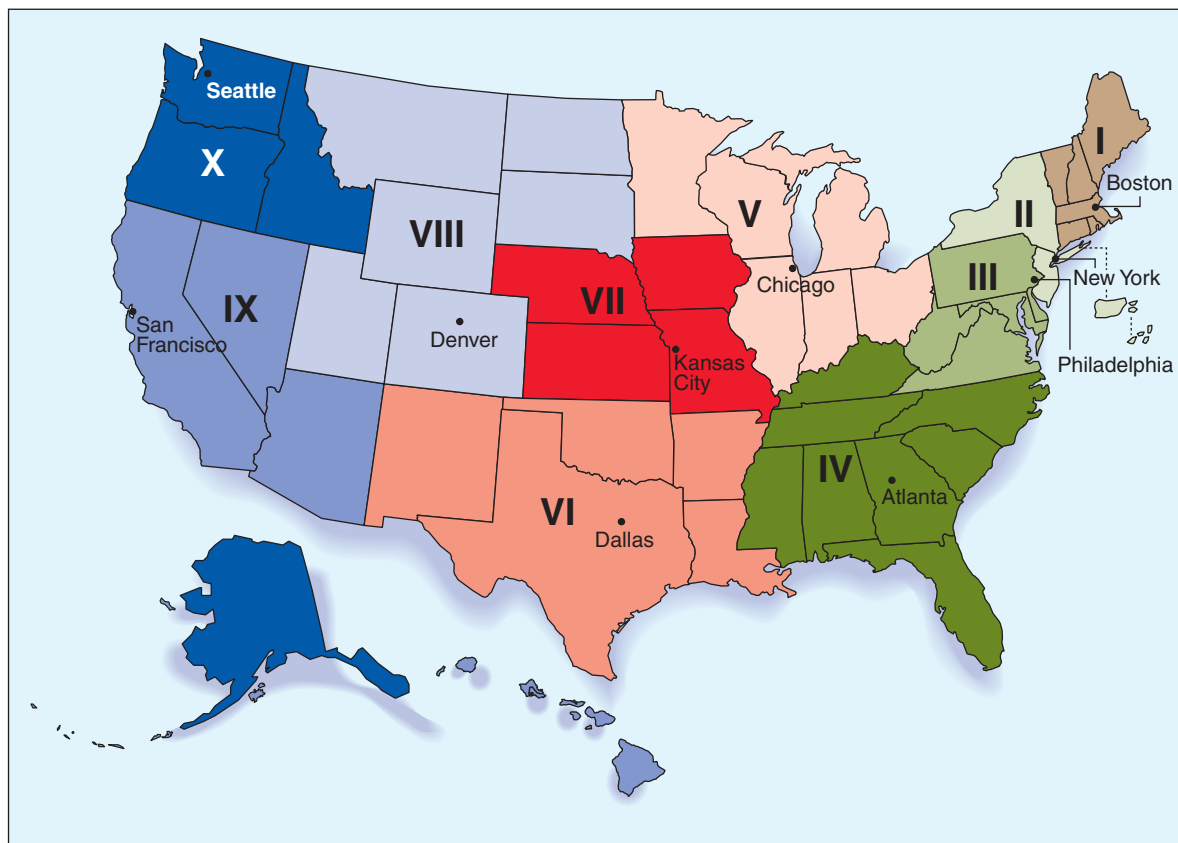
Agencies fall into four general types: (1) Cabinet departments; (2) government corporations; (3) independent agencies; and, (4) regulatory commissions.

The Cabinet Departments. The fifteen Cabinet **departments** are major administrative units that have responsibility for conducting a broad area of government operations.

departments

Major administrative units with responsibility for a broad area of government operations. Departmental status usually indicates a permanent national interest in a particular governmental function, such as defense, commerce, or agriculture.

FIGURE 9.2 Federal Agency Regions and City Headquarters. ■



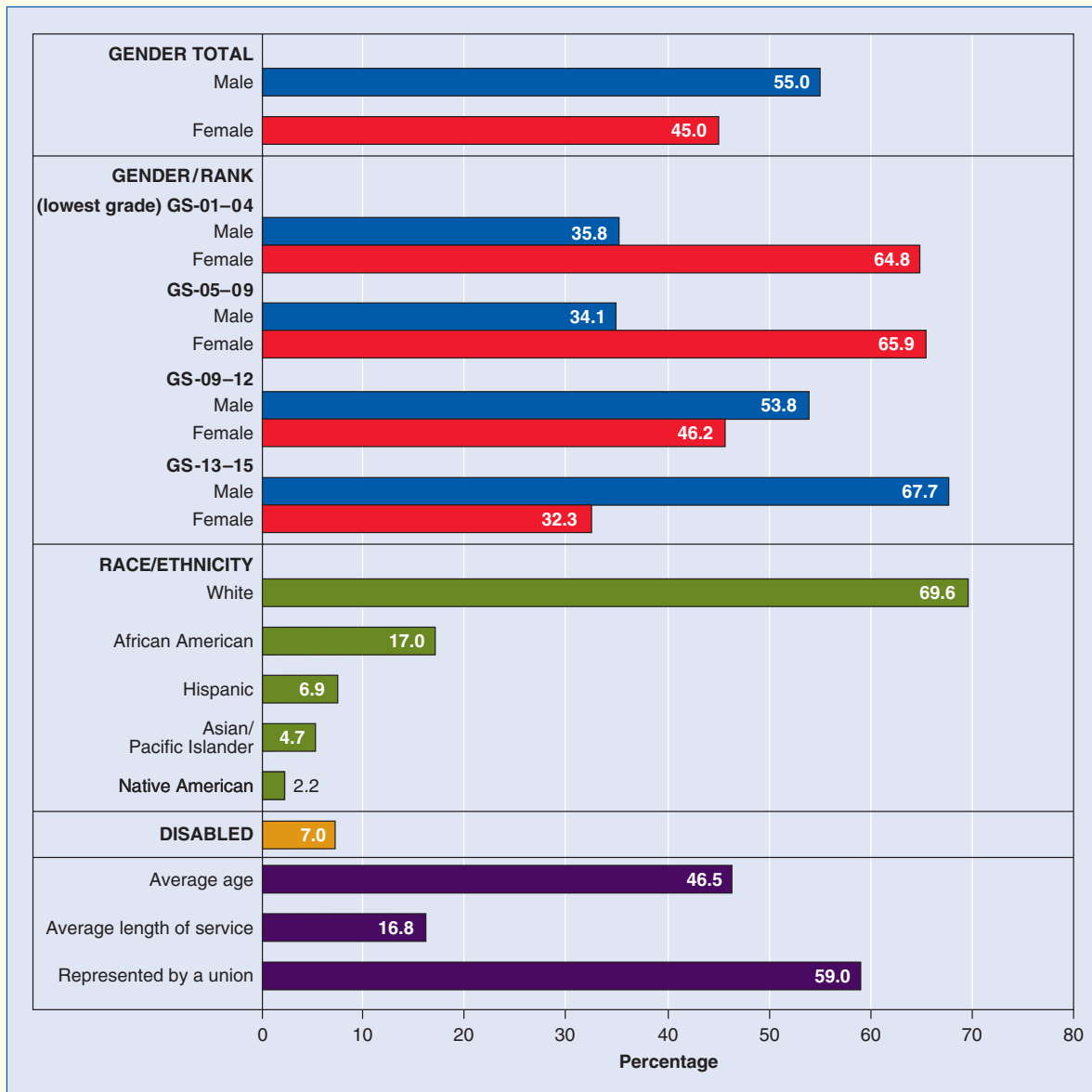
Source: Department of Health and Human Services, <http://www.hhs.gov/images/regions.gif>.

Analyzing Visuals

CHARACTERISTICS AND RANK DISTRIBUTION OF FEDERAL CIVILIAN EMPLOYEES

The bar graph depicts the percentage of the federal civilian workforce in several categories: gender, gender and rank, race or ethnicity, disability, age, length of service, and union representation. After reviewing the data displayed in the graph, answer the following critical thinking questions: What do you notice about the percentages of males and females in the lowest (GS-01 through GS-04) and the highest (GS-13 through GS-15) grades? How would you explain the differences in percentages of males and females in those grades? Which racial/ethnic groups are represented in percentages that are greater than their percentages in the population (see the population statistics in the Changes in Racial and Ethnic Distributions section in chapter 1)? What do you think would explain the high percentage of the federal civilian workforce represented by a union?

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Source: Office of Personnel Management, 2003 Fact Book.

The Living Constitution

The President . . . may require the Opinion, in writing, of the principle Officer in each of the executive Departments, upon any subject relating to the Duties of their respective Office.

—Article II, Section 2, Clause 1

This clause, along with additional language designating that the president shall be the commander in chief, notes that the heads of departments are to serve as advisers to the president. There is no mention of the Cabinet in the Constitution.

This meager language is all that remains of the Framers' initial efforts to create a council to guide the president. Those in attendance at the Constitutional Convention largely favored the idea of a council, but could not agree on who should be a part of that body. Some actually wanted members from the House and Senate who would rotate into the bureaucracy; most, however, appeared to support the idea of the heads of departments along with the chief justice, who would preside when the president was unavailable. The resulting language above depicts a one-sided arrangement whereby the heads of executive departments must simply answer in writing questions put to them by the president.

The Cabinet of today is totally different from the structure envisioned by the Framers. George Washington was the first to convene a meeting of what he called his Cabinet. Some presidents have used their Cabinets as trusted advisers; others have used them to demonstrate that they are committed to political, racial, ethnic, or gender diversity, and have relied more on White House aides than particular Cabinet members. Who is included in the Cabinet, as well as how it is used, is solely up to the discretion of the sitting president.

Cabinet departments account for about 60 percent of the federal workforce. The vice president, the heads of all of the departments, as well as the heads of the Environmental Protection Agency (EPA), Office of Management and Budget (OMB), Office of National Drug Control Policy, the U.S. Trade Representative, and the president's chief of staff make up his formal Cabinet.

The executive branch departments depicted in Figure 9.3 are headed by Cabinet members called secretaries (except the Department of Justice, which is headed by the attorney general). The secretaries are responsible for establishing their department's general policy and overseeing its operations. As discussed in chapter 8, Cabinet secretaries are responsible directly to the president but are often viewed as having two masters—the president and those affected by their department. Cabinet secretaries also are tied to Congress, from which they get their appropriations and the discretion to implement legislation and make rules and policy.

Although departments vary considerably in size, prestige, and power, they share certain features. Each department covers a broad area of responsibility generally reflected by its name. Each secretary is assisted by one or more deputies or undersecretaries who take part of the administrative burden off the secretary's shoulders, as well as by several assistant secretaries who direct major programs within the department. In addition, each secretary, like the president, has numerous assistants who help with planning, budgeting, personnel,

■ Shortly after the November 2004 elections, President George W. Bush nominates a long-time close aide, White House domestic policy adviser Margaret Spellings, as the next secretary of education. After brief congressional hearings, her appointment was quickly confirmed.

Photo courtesy: © Brooks Kraft/Corbis



FIGURE 9.3 The Executive Branch. ■



legal services, public relations, and their key staff functions. Most departments are subdivided into bureaus, divisions, sections, or other smaller units, and it is at this level that the real work of each agency is done. Most departments are subdivided along functional lines, but the basis for division may be geography, work processes (for example, the new Transportation Security Agency is housed in the Department of Homeland Security), or clientele (such as the Bureau of Indian Affairs in the Department of the Interior).

Departmental status generally signifies a strong permanent national interest to promote a particular function. Moreover, some departments are organized to foster and promote the interests of a given clientele—that is, a specific social or economic group. Such departments are called clientele agencies. The Departments of Agriculture, Education, Energy, Labor, and Veterans Affairs, and the Bureau of Indian Affairs in the Department of the Interior, are examples of clientele agencies or bureaus. The Department of Labor's Women's Bureau is another good example of a clientele agency. Created by Congress in 1920, over time the Women's Bureau helped ease women into the war industry in World War II, played an important role in establishing President Kennedy's Commission on the Status of Women, and worked to get the Equal Pay Act passed in 1963 and the Family and Medical Leave Act in 1993. In early 2002, the Bush administration announced that it planned to eliminate all of the regional offices of the bureau. This action was met with an outcry from women's rights groups and labor unions. When even Secretary of Labor Elaine Chao protested, these plans were dropped for the time being.

Because many of these agencies were created at the urging of well-organized interests to advance their particular objectives, it is not surprising that clientele groups are powerful lobbies with their respective agencies in Washington. The clientele agencies and groups also are active at the regional level, where the agencies devote a substantial part of their resources to program implementation.

Government Corporations. **Government corporations** are the most recent addition to the bureaucracy. Dating from the early 1930s, they are businesses established by Congress to perform functions that could be provided by private businesses. The corporations are formed when the government chooses to engage in activities that primarily are commercial in nature, produce revenue, and require greater flexibility than Congress generally allows regular departments. Some of the better-known government corporations include Amtrak and the Federal Deposit Insurance Corporation. Unlike other governmental agencies, government corporations charge for their services. For example, the largest government corporation, the U.S. Postal Service—whose functions could be handled by a private corporation, such as the United Parcel Service (UPS)—exists today to ensure delivery of mail throughout the United States at cheaper rates than those a private business might charge. Similarly, the Tennessee Valley Authority (TVA) provides electricity at reduced rates to millions of Americans in the Appalachian region of the Southeast, generally a low-income area that had failed to attract private utility companies to provide service there.

In cases such as the TVA, where the financial incentives for private industry to provide services are minimal, Congress often believes that it must act. In other cases, it steps in to salvage valuable public assets. For example, when passenger rail service in the United States became unprofitable, Congress stepped in to create Amtrak, nationalizing the passenger-train industry to keep passenger trains running.

Independent Executive Agencies. **Independent executive agencies** closely resemble Cabinet departments but have narrower areas of responsibility. Generally speaking, independent agencies perform service rather than regulatory functions. The heads of these agencies are appointed by the president and serve, like Cabinet secretaries, at his pleasure.

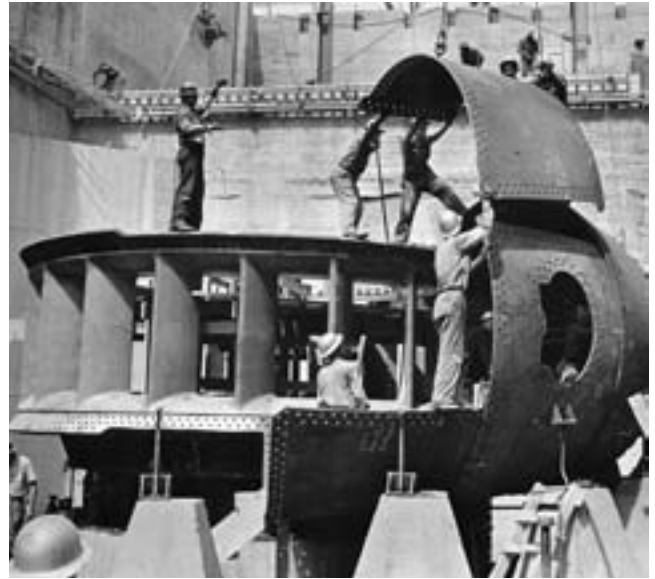


Photo courtesy: AP/Wide World Photos

■ Workers install housing for turbines during the 1941 construction of the Tennessee Valley Authority's Cherokee Dam in Tennessee. Today, the TVA continues to provide electricity at reduced rates to millions of Americans living in the Appalachian region.

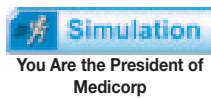
government corporations

Businesses established by Congress that perform functions that could be provided by private businesses (such as the U.S. Postal Service).

independent executive agencies

Governmental units that closely resemble a Cabinet department but have a narrower area of responsibility (such as the Central Intelligence Agency) and are not part of any Cabinet department.

Independent agencies exist apart from executive departments for practical or symbolic reasons. The National Aeronautics and Space Administration (NASA), for example, could have been placed within the Department of Defense. Such positioning, however, could have conjured up thoughts of a space program dedicated solely to military purposes, rather than to civilian satellite communication or scientific exploration. Similarly, the Environmental Protection Agency (EPA) was created in 1970 to administer federal programs aimed at controlling pollution and protecting the nation's environment. It administers all congressional laws concerning the environment and pollution. Along with the Council on Environmental Quality, a staff agency in the Executive Office of the President, the EPA advises the president on environmental concerns, and its head is considered a member of the president's Cabinet.¹⁶ It also administers programs transferred to it with personnel detailed from the Departments of Agriculture, Energy, Interior, and Health and Human Services, and the Nuclear Regulatory Commission, among other agencies. The expanding national focus on the environment, in fact, has brought about numerous calls to elevate the EPA to Cabinet-level status to reinforce a long-term national commitment to improved air and water and other environmental issues.



Independent Regulatory Commissions. Independent regulatory commissions are agencies created by Congress to exist outside the major departments to regulate a specific economic activity or interest. Because of the complexity of modern economic issues, Congress sought to create agencies that could develop expertise and provide continuity of policy with respect to economic issues because neither Congress nor the courts have the time or specific talents to do so. Examples include the National Labor Relations Board, the Federal Reserve Board, the Federal Communications Commission, and the Securities and Exchange Commission (SEC).¹⁷

Older boards and commissions, such as the SEC and the Federal Reserve Board, generally are charged with overseeing a certain industry. Most were created specifically to be free from partisan political pressure. Each is headed by a board composed of five to seven members (always an odd number, to avoid tie votes) who are selected by the president and confirmed by the Senate for fixed, staggered terms to increase the chances of a bipartisan board. Unlike executive department heads, they cannot easily be removed by the president. In 1935, the U.S. Supreme Court ruled that in creating independent commissions, the Congress had intended that they be independent panels of experts as far removed as possible from immediate political pressures.¹⁸

Newer regulatory boards are more concerned with how the business sector relates to public health and safety. The Occupational Safety and Health Administration (OSHA), for example, promotes job safety. These boards and commissions often lack autonomy and freedom from political pressures; they are generally headed by a single administrator who can be removed by the president. Thus, they are far more susceptible to the political wishes of the president who appoints them.