

## 4

### An Undersecretary for Management

#### Its Potential in the Department of Homeland Security

*Alan L. Dean and Dwight Ink*

At the time it was submitted to Congress, the structure of President Bush's proposed Department of Homeland Security (DHS) was criticized heavily. Many believed the number of functions assembled from twenty-two agencies was too large to meld together into a coherent organization that could take the quick action required for responding to future attacks. There were too many program management approaches, incompatible field organizations, and divergent information and communication systems that could not interact.<sup>1</sup> But there was an important exception to the objections raised by the critics.

Not well publicized was the widespread support that knowledgeable observers gave to the innovative provision in the DHS proposal for an undersecretary for management (USM). It embodied the broadest scope ever specified by law for a management official in a federal department. The office was viewed as a badly needed attempt to establish a center for comprehensive management leadership—one with the potential to overcome a serious deficiency of most current executive departments, namely, the dispersion of responsibility for management functions among numerous second- and third-tier officials. Only by creating a post at the undersecretary level with this broad scope of authority could a DHS secretary hope to shape this extraordinarily complex department into an organization that could operate effectively under stress.

To appreciate fully the challenge the DHS faces in establishing an effective USM, and how important that role can be, it is helpful to first examine past attempts to provide major agencies with a focal point for the coordination and direction of those offices and functions that affect *how* the organization functions, as opposed to *what* it is expected to do. This chapter will,

therefore, describe earlier efforts to provide agency heads with a senior aide possessing the rank and scope of responsibilities needed to provide effective leadership in management matters.

As the Executive Branch has grown in size and complexity, legislation and executive directives<sup>2</sup> have compelled federal agencies to improve or institute numerous management systems. Early steps included merit appointments (1883), the executive budget (1921), and pay classification (1923). Since then, numerous laws and regulations have accumulated for the purpose of improving accounting systems, procurement and contracting, and a variety of support services.

Most departmental secretaries have been chiefly concerned with the time-consuming matters of policy, program implementation, relationships with the White House and Congress, and "care and feeding" of interest groups and public affairs. They often give little personal attention to matters of organization or internal management. Some deputy secretaries, that is, the number-two officials, have given attention to internal administrative needs or problems, but their efforts rarely have ensured consistent direction and coordination of numerous, interrelated management systems. More often they have focused on specific problems without addressing underlying causes or long-term solutions.

The U.S. comptroller general has proposed a version of the chief operating officer (COO) as a way of providing a focal point for management (GAO 2004, 2002), but this concept has its shortcomings. The office of COO would seem to blur the line between who is directing department operations and who is providing leadership in developing the mechanisms through which the operations can be directed. In general, it appears that the COO concept is too varied and unclear to rely upon for management leadership in a department. No departmental position today meets the need for management leadership on which a secretary can rely.

The capacity of departments to address management issues effectively has had a difficult and uneven history.

### **The Chief Clerk Emerges**

An early development in the provision of leadership for administrative management functions at the departmental level was the emergence of the position of "chief clerk" in some agencies.<sup>3</sup> These officials were almost always veteran career civil servants who thoroughly understood how their departments functioned and had substantial institutional memories. Their specific titles, duties, and influence varied considerably from department to department.

An example of the classical chief clerk was provided by the War Department in the years before and during World War II. As the department's senior civil servant concerned with internal administration, he<sup>4</sup> oversaw numerous management functions that affected the Office of the Secretary or primarily concerned the department's civilian employees. He had direct responsibility for personnel policies and systems, and the director of the Office of Civilian Personnel reported to him. Since many categories of headquarters and field personnel and financial actions required individual approval or confirmation by the chief clerk, the office was viewed as more concerned with process than substance.

### **Enter the Hoover Commission**

The years immediately following World War II saw a surge of interest in the organization, management, and efficiency of federal agencies. One major product of this concern was the 1948 establishment of the "Hoover Commission," a bipartisan group of twelve presidential and congressional appointees chaired by former president Herbert Hoover that was created to review the organization of the executive branch.

Among its broad range of recommendations was one calling for the creation of an administrative assistant secretary in each department.<sup>5</sup> The commission report went on to suggest that length of tenure was desirable and, therefore, these management-oriented officials should be appointed from, and remain in, the career service. The commission recommendations were well received, and, very quickly, statutory assistant secretaries for administration (ASAs) were established in most of the executive departments.

### **Assistant Secretaries for Administration in Action**

From 1949 to 1969, the ASAs played an important and constructive role in most executive departments. They provided the expertise and continuity sought by the Hoover Commission, and they provided a high-ranking official capable of overseeing most or all the departmental offices concerned with internal administration. Their informal organization, the Executive Officers' Group, met regularly to exchange ideas and improve interagency cooperation. It was often consulted by the leadership of the Bureau of the Budget.

During the Kennedy administration and the beginning of that of Johnson, a more activist domestic role for government led to the need for a broader management concept as programs multiplied and the task of implementing them became more complex. Yet an increasing number of ASAs were coming to be viewed as too preoccupied with administrative regulations, focusing

on limiting what program managers could do rather than on finding legitimate approaches to administrative management that would help accomplish program objectives. Most were outside the mainstream of program development and management.

As one step to correct this weakness, the ASA appointments in the new departments of HUD and transportation in the mid-1960s, while still appointed by the secretaries, also required formal approval by the president. In addition to administrative management functions<sup>6</sup> both were given a strong role in designing and monitoring program management structures and systems. They provided leadership in decentralizing program and administrative management and in designing coordinating arrangements in Washington and the field offices. Joint administrative/program review teams were established to assess the effectiveness of new programs a few months after being launched. Crosscutting teams were utilized in assessing program delivery operations and their impact upon state and local assistance recipients.

This evolution of departmental management leadership took an important step backward when the Nixon administration began replacing career ASAs with political appointees, forcing some of the best career leadership out of office. Several of the political replacements performed well. But too many entered these positions with little knowledge of how government works and too little understanding of the fundamental values that are basic to public service in a democratic society. Most took too long to fully grasp the many activities for which they were responsible, and did not provide the continuity that the Hoover Commission had sought, frequently departing for higher-paying private sector positions just as they were becoming fully on top of their jobs.

### Fragmentation of Administrative Management Functions

The decline of the career ASA concept was shortly followed by a series of statutes that made it impossible for any ASA (career or noncareer) to become the key figure in internal management, as they had been in the DOT, HUD, and several other departments.

The first such statute was the Inspector General Act of 1978, which had a greater weakening impact on the role of ASAs than most people realize. Despite some positive features of the Inspector General (IG) role, the transfer of audit functions from the ASAs to the IGs contributed to an unfortunate departmental shift from emphasizing the prevention of abuse and poor management to investigating the problems after they occurred. The ASAs were robbed of one of their most important management tools. Further, the statutory language was interpreted by some as shifting management leadership to the inspectors general. The Chief Financial Officers Act of 1990 further weakened

the remnants of ASA leadership capacity, as did later legislation establishing separate chief information and human capital officers (Wamsley 2004).

### **Emergence of the Undersecretary for Management (USM) Concept**

It had become evident that there was no way to revive the career ASA position as contemplated by the Hoover Commission. But there clearly remained a need for a management official of higher rank than assistant secretary, and it was unlikely that such a senior officer could be given career status. The most promising way of again providing departments with an effective focus of leadership in management matters was to create a new post of undersecretary rank whose incumbent could provide department-wide administrative and program management leadership on behalf of the secretary.

The first faltering step toward an undersecretary for management had occurred by accident early in the Nixon administration. The ASA post in the Department of Health, Education and Welfare (HEW) became vacant and an effort was made to install a noncareer applicant with no experience in federal agency management. The ploy succeeded only when the White House persuaded the then Civil Service Commission to authorize a "rare bird" appointment. As the name suggests, rare birds were supposed to be individuals with extraordinary qualifications for hard-to-fill career positions. The new ASA's qualifications in no way met the criteria for a rare bird appointment.

The Bureau of the Budget (BOB) assistant director for management immediately informed the HEW secretary that his action was unacceptable. But recognizing that it was not politically feasible to remove the new appointee, he urged the secretary to establish an undersecretary for management position that oversaw the ASA and other management positions. It was a noncareer position that did not survive the tenure of the first, and only, incumbent, and provided only limited useful background for the more careful development of the concept as part of Nixon's ambitious departmental reorganization plans. When a later HEW secretary was pressured into accepting another ASA of marginal capabilities, he obtained the detail of a management-oriented OMB official who was designated management adviser to the secretary and served as executive director of a new Departmental Management Council chaired by the undersecretary.<sup>7</sup> This also was an interim arrangement, which was abandoned by the next secretary.

Both of these devices were utilized in HEW because the secretaries involved, and their undersecretaries, felt the need for a single staff member qualified to provide leadership in departmental management matters. But both were short-lived.

### Nixon's Departmental Reorganization Program

The first major effort to create the USM position in each department was sponsored, ironically, by President Nixon, who had done so much to get rid of the career ASAs. It occurred even before the fragmentation of departmental management we have outlined.

In January 1972 President Nixon included in his State of the Union message recommendations for a massive restructuring of the domestic executive departments. The proposals called for the abolition of seven departments as well as several independent agencies, and the regrouping of their programs in four new, carefully designed departments. The structures of the proposed departments drew heavily from models developed earlier by the Department of Transportation (DOT) and Housing and Urban Development (HUD). A new and noteworthy feature of the draft bills submitted by the president in March 1972 was the provision, in each department, of an undersecretary for management.<sup>8</sup>

The appropriate congressional committees promptly conducted hearings on what was now known as "The President's Departmental Reorganization Program" and there was an encouraging degree of acceptance of the recommended departments of Community Development and Natural Resources. The undersecretary for management concept was welcomed by the key congressional committees and would have been included in any final legislation.

Unfortunately, President Nixon abandoned most attempts at departmental reform when he sought reelection, and the first serious attempt to provide for USMs came to naught.

### The Academy and the Undersecretary for Management

Many Fellows of the National Academy of Public Administration, and especially those who have been deeply involved in matters related to the internal management of federal agencies, have endorsed the need for departmental USMs, and the merits of the concept have been supported by the Academy's Standing Panel on Executive Organization and Management and an ad hoc Academy committee concerned with the organization of homeland security programs.

Individual Academy panel reports have urged that departments seek legislation providing for USMs. An example is provided by the 1994 panel report *Renewing HUD* (NAPA 1994, 241). The project panel concluded that HUD should "develop legislation that would provide continuity of leadership by establishing an undersecretary for management and requiring that the individual in this position be appointed by the president and subject to Senate confirmation with qualifications to manage a large public organization set forth in the law." The recommendation also urged that a career staff be provided to support the work of the undersecretary.



The panel members were of the view that, in the absence of the proposed undersecretary position, the department would lack a dependable point of leadership with the rank, qualifications, and scope of authority needed to successfully implement the many actions needed to revitalize HUD.

Neither the president nor the HUD secretary has pursued the Academy panel's recommendation, and the department has made little progress in achieving a comprehensive reform of its management.

By the beginning of the George W. Bush administration, no department secretary had, and none could restore, a strong post with an incumbent who could provide leadership in the broad range of management organization and systems required for carrying out their program missions.

### **Moving the USM Concept into Practice**

After decades of both progress and setbacks in efforts to provide departments with a focal point for management leadership, the Bush administration and the Congress took the step of establishing the first legislatively based undersecretary for management in the new DHS. This USM is having to break much new ground because there are no comparable positions in any of the domestic departments.<sup>9</sup>

The range of matters that the secretary is expected to deal with through the USM is shown in Appendix 4.1. It is the broadest ever specified by law for an internal management official. The creation of a post of such potential scope at the undersecretary level can greatly enhance the capacity of a DHS secretary to carry out the vital mission of homeland security. At the same time, if poorly managed and weakly supported, it will fail, and it may be many years before another attempt is made to fill the institutional management gap that exists in our federal departments.

Having been provided with an undersecretary for management by its authorizing statute, how is the DHS putting the office into practice? Thus far, the department has been very reluctant to provide to the authors information that is usually available about the steps taken to establish a new office and its initial goals. In the absence of such information, this chapter can at least discuss several factors that are likely to be especially critical as the DHS strives to advance this office to the level of management leadership contemplated by the president and Congress.

#### ***1. Strength of the Office***

The broad USM legislative mandate, and its rank above that of an assistant secretary, should give the USM greater weight in exercising the departmental leadership role contemplated by the legislation than that enjoyed by

incumbents of earlier more limited offices. However, this will not automatically occur. Much will depend on the breadth of experience and the leadership qualities of the incumbent. If appointments are made from outside government, it is essential that the person have prior government experience in senior managerial capacities. This is not a place for on-the-job training or political payoffs.

Every effort also should be made to select individuals prepared to serve as long as conditions permit, including service through changes in secretaries should a new secretary so desire. A fixed term would rarely help continuity through changes in administrations, however, as it is vital that a USM have the full confidence of the secretary being served. There should be a senior position under the USM occupied by a career person who could serve as acting USM during presidential transitions, providing some continuity of leadership. At this point, there is no such provision.

In fact, the leadership positions within the USM are filled by too many political appointees and not enough career appointees. With respect to fighting terrorism overseas, there is recognition of the value of depending on professional career military leaders who serve under a small number of political policy leaders in Washington. Why should professional career leadership be any less critical for protecting our homeland against terrorism? It is essential that the management of homeland security not be politicized. One of the principal purposes of the Senior Executive Service was to develop senior career executives that could be utilized in important leadership roles such as those needed in the USM. The current political/career leadership arrangement in the DHS must be changed.

Equally important to the USM's success will be the support given the USM by the DHS secretary, the OMB, and congressional oversight committees. Not surprisingly, there are indications that some of the administrative staff brought in from different agencies have sought to use their prior association with members and committees of Congress to limit the leadership role of the undersecretary. These pressures need to be countered soon or they will become a permanent fact of life that limits the potential of the USM. The OMB is supportive of the undersecretary concept, but it appears that congressional support and understanding of the undersecretary concept are mixed. At the same time, congressional support does depend in part on the level of information and cooperation offered by the USM and other department leaders.

## ***2. Overcoming Fragmentation***

The detailed legislative listing of the management functions that the secretary is to carry out through the USM is very helpful in making clear the



breadth of leadership expected from the USM. Care should be taken to delegate them all at the outset. If some are withheld or delegated elsewhere in the beginning, it will be difficult later to draw them into the purview of the USM.

One of the great virtues of the USM concept is the opportunity to reduce, if not eliminate, the problems of the growing trend to fragment administrative functions as has been discussed. This fragmentation tends to compartmentalize different elements of management, often creates problems for program managers, and precludes a secretary from having one person to whom he or she can look for management information or to lead presidential or secretarial management initiatives. The various USM functions are all interrelated to some degree, each having an impact on one another. Every effort should be made from the outset to integrate them into a cohesive and comprehensive approach to management that is all inclusive.

It seems that much of the design of the complicated DHS field office structure is being led from outside the undersecretary's organization, although she is involved personally. If true, that is a bad precedent. First, in the establishment of a new agency or department, the structure and operating systems (whose designs are led by the USM) are interwoven in certain respects and their development should proceed in concert. A structure that is designed for only a limited field role, for example, could not properly support programs whose missions and program delivery systems require a strong field operation, and delegations of authority would exceed the capacity of the field offices to exercise those delegations responsibly (Ink and Dean 2004).

Second, designing the headquarters structure in one part of the department while designing the field structure elsewhere makes no sense. The two are integral parts of the whole and must be regarded as such. Although the legislative provision for designing the field organization is separate from the USM, we see no impediment to the USM's being assigned this responsibility by the secretary.

It is also important that in equipping the inspector general (IG) to carry out his or her responsibilities, the role of that office not be developed at the expense of the USM's leadership on management matters. This happened earlier when the establishment of the IGs removed the audit function from the ASAs, weakened the ASA management analysis capability, and diluted the ASAs' management leadership role.

### *3. Broader Use of Audit Function*

Statutory inclusion of an audit function under the new USM is a more significant development than is generally realized. The inspectors general statutes have appropriately included an audit capability among the inspector

general functions, but audit should not be confined exclusively to the IG office. Removing this important tool of management from the control of a secretary or agency head has had the effect of reducing their ability to move swiftly to identify and respond to weaknesses in departmental practices or to address an emerging scandal before it has escalated into the public domain. As noted above, the earlier transfer of total responsibility for auditing to the IGs has at times had the unfortunate effect of shifting departmental emphasis from prevention of abuse to that of later investigating a scandal that might have been avoided. The DHS statute will enable the department to emphasize the use of auditors in preventing abuse and poor management as well as to continue to conduct independent investigations through the IG.

#### *4. Strengthening Management Analysis*

The DHS statutory language also makes clear that the undersecretary will be responsible for the often-neglected management analysis function. This tool was once used far more extensively than today in cutting red tape and in designing processes that improved the effectiveness of programs in carrying out their missions. An effective analysis unit can help the new department break down the walls of its component organizations through designing organizations and operating systems that cut through organizational barriers.

It is encouraging to note the extent to which crosscutting task forces are being used in building the department. However, there also needs to be an institutional core for continuity and certain in-depth analyses that take more time than organizations can afford to detail to task forces. Further, such a unit can provide specialized management expertise not otherwise available.

#### *5. Program Management*

The task of consolidating differing administrative systems inherited from the agencies from which DHS was formed, and/or establishing compatibility among them, presents an unprecedented challenge.<sup>10</sup> It is so time consuming that the USM will have difficulty giving adequate attention to assisting program leaders in developing effective program delivery systems. Yet this role of providing leadership to the management dimension of designing new program processes and improving existing ones is one in which the USM concept should gain particular strength over the more limited capacity of most earlier ASAs.

This office is in a good position to ensure that administrative processes, such as personnel and procurement, do not drift apart from program managers. Over the years, this degree of separation has been a constant danger.

resulting in administrative management's tending to become overly burdened with process and the administrative specialists becoming technicians rather than managers. It has contributed to program managers' looking upon administrative people as those who tell them what they cannot do rather than what they can do within the bounds of good management. Administrative management and program management approaches should be developed and maintained as two integral parts of a whole, a key role envisaged for the USM.

#### **6. Monitoring**

The USM should be charged by the secretary with the major ongoing responsibility for identifying deficiencies in the department's organization and management systems and the designing of measures to bring about improvements. In a department as complex and untested as the DHS there will be an unusually large number of problems to resolve during its formative years, with exciting opportunities for innovative improvements in how the department functions. For example, it has great potential for innovation in both internal and external coordination of diverse entities in Washington and the field.

The statute provides the USM with ample tools to monitor how well the departmental structures and systems are working. Its statutory role in tracking performance measures should ensure that management is integrated as an important element of measuring program performance to the fullest extent possible. This USM role is not to be confused with the separate role of the IG to bring an independent perspective to the search for abuse and other problems. Although these two activities are independent from each other, they should develop a constructive working arrangement in which they share information and one complements the other.

#### **7. Department Culture**

Every organization develops its own internal culture, as Michael Maccoby discusses in chapter 9, an informal characteristic that has a considerable impact on the effectiveness with which it functions. Because DHS depends so heavily on internal and external communication and coordinated planning and action, it must develop a culture that is multifaceted yet cohesive; one that can plan carefully yet act quickly; one in which information flows easily and rapidly yet that can safeguard critical information with care; and one that takes pride in itself yet does not guard turf at the expense of collaboration or the sharing of credit for success.

Developing this type of departmental environment will be a key element of the secretary's leadership, and the deputy secretary can also play an important role, but the USM will be their principal aide in bringing it about. The undersecretary has a broad range of tools to help shape the approach employees apply to their work. The USM design of personnel, information, and other administrative systems, in combination with the internal organization structures, can do much to break down internal barriers in their day-to-day activities. The USM can foster innovative, yet largely informal, means of communication among the department entities, especially between headquarters and field. Through this work, and the continued work of crosscutting task forces, this office can do much to block the evolution of organizational stovepipes and parochial concepts that undermine efforts to develop teamwork. On behalf of the secretary, it can establish both formal and informal incentives throughout the department for improvement and recognition of performance that advance a positive internal culture.

The authors hope the DHS establishment of an undersecretary for management will lead to its replication in other departments that struggle with fragmented management approaches led by individuals with highly varied levels of capability. The extent to which the USM position realizes its full potential in the DHS, and proves to be a valuable innovation in practice, will greatly affect the likelihood of that happening. It is time for federal departments and independent agencies to develop a different structure for management leadership that can better help advance our increasingly complex governmental missions. The authors believe the undersecretary for management under highly qualified leadership best meets that need.

#### Notes

1. In addition to the congressional debates, skepticism was expressed by a number of those in the field of public administration, including certain of our colleagues in the National Academy of Public Administration.

2. Especially executive orders and OMB circulars.

3. The term *clerk* once included far higher levels of civil servants than now occupy positions with that title.

4. In those days, the top career positions were still virtually all male.

5. The specific language included, "there should generally be an administrative assistant secretary who might be appointed solely for administrative duties of a housekeeping and management nature and who would give continuity in top management." (Hoover Commission Report, 26)

6. The career ASAs in HUD and the DOT were responsible for human resources, financial management, audit, budget, management analysis, support services, and investigations in the case of the DOT. This range of administrative functions soon disappeared from the portfolio of ASAs.

7. This council concerned itself with areas such as decentralization, field organization, the role of regional directors, Federal Regional Councils, and headquarters organization.

8. In the proposed Department of Community Development, the title was undersecretary for organization and management systems, but the intended functions were the same.

9. The State Department does have an undersecretary for management who is described as the "principal management official of the department," and who is listed as responsible for the direction and control of all budgetary, administrative, and personnel policies of the department. There is no mention of any role in program management that an effective USM should play.

10. The DHS approach is commendable for establishing a department-wide framework of administrative concepts and basic regulations within which the departmental components will have some degree of flexibility with respect to the processes of implementation.

## References

- General Accounting Office (GAO). 2002. *Highlights of a GAO Roundtable: The Chief Operating Officer Concept: A Potential Strategy to Address Federal Governance Challenges*. Washington, DC: GAO, October 4.
- . 2004. *The Chief Operating Officer Concept and Its Potential Use as a Strategy to Improve Management at the Department of Homeland Security*. Washington, DC: GAO.
- Hoover Commission, 1949. *The Hoover Commission Report on Organization of the Executive Branch of Government*. New York: McGraw-Hill Book Company, Inc.
- Ink, Dwight, and Alan L. Dean. 2004. "Modernizing Federal Field Operations." In *Making Government Manageable*, ed. Thomas H. Stanton and Benjamin Ginsberg. Baltimore, MD: Johns Hopkins University Press.
- National Academy of Public Administration. 1994. *Renewing HUD*. Washington, DC: National Academy of Public Administration (July), 241.
- Wamsley, Barbara. 2004. "Technocracies: Can They Bell the Cat?" In *Making Government Manageable*, ed. Thomas H. Stanton and Benjamin Ginsberg. Baltimore, MD: Johns Hopkins University Press.