Waste Talent on Reorganizing Government

Reorganization is back. President Trump will reorganize the U.S. government. Despite his pledge to be a different president, Trump is mimicking his predecessors. “To improve the efficiency, effectiveness, and accountability of the executive branch,” he issued an executive order to create “A Comprehensive Plan for Reorganizing the Executive Branch.” He tasked his director of Management and Budget “to propose a plan to reorganize governmental functions and eliminate unnecessary agencies.”

Sound familiar? When Jimmy Carter ran for president, he told citizens, “Don’t vote for me unless you want to see the executive branch of government completely reorganized.”

Then, once he became president, Carter launched his “President’s Reorganization Project,” staffed with some of the most talented people in his administration. Unfortunately, it is not obvious how much the few major changes produced by this project improved government’s performance.

Still, presidents love to reorganize. It suggests they are aligning structure with purpose. Hoover, Truman, Bush, Obama, and others have put reorganization on their personal agenda.

Thus, in the “Management” section of his budget—America First: A Budget Blueprint to Make America Great Again—Trump stated that “in roughly a year,” he will send Congress “a comprehensive plan for reorganization.”

What a waste of talent. Yes, moving the boxes around might help. But there is no ideal organizational structure. Achieving major public purposes requires the intelligence and energy of many people (who may not all be in the same agency or department).

If to achieve one purpose, a President reorganizes all of the relevant units to better coordinate their efforts, he will also make it more difficult to achieve other important purposes. For if one structure is optimal for achieving one specific purpose, it is not likely to be ideally suited for achieving other important purposes.

Trump’s budget “blueprint” is necessarily brief—only 62 pages. Still it includes a short section on “Management,” which emphasizes “Making Government Work Again.” And it does draw attention to the executive order.

Why do presidents love to reorganize? It suggests they are trying to improve performance. They must be aligning the functional features of an agency (or several agencies) to best achieve important public purposes.

Rarely, however, do they start with purpose. Instead, they start (implicitly) with the assumption that the structure of government is screwed up. How else can you explain its lack of efficiency, effectiveness, and accountability? Thus follows the second assumption: If we redesign the organization, then efficiency, effectiveness, and accountability all improve.

Un fortunately, reorganization will not automatically make that happen. After all, it is people working collectively, cooperatively, and collaboratively that produce efficiency, effectiveness, and accountability. The key isn’t the structure. It’s the abilities that people bring to their tasks combined with their available resources.

Thus, a chief executive—president, governor, or mayor—who seeks more efficiency, effectiveness, and accountability, needs to first check what is inhibiting their staff’s effectiveness.

What could be contributing to the inefficiency, ineffectiveness, or dearth in accountability? Is there a mismatch between an agency’s public purpose and its legal authority? Does the agency lack the necessary operational competence? Is there a lack of motivational leadership? Are financial and other resources inadequate or inappropriate? Is the opposition from influential stakeholders too powerful? The factors preventing a public agency from achieving its purpose could be many and complex.

If none of these possible contributors to an absence of efficiency, effectiveness, and accountability is a significant cause, maybe a reorganization is the best remedy. Nevertheless, reorganization alone will not fix inadequate legal authority. It will not automatically improve operational competence. It will not generate motivational leadership. Neither will it produce additional resources or neutralize stakeholder opposition.

Moreover, any attempt to reorganize government consumes talent. Human talent. That is the opportunity cost of any reorganization effort. For the men and women who will be reorganizing could have been doing something else: directly improving effectiveness, efficiency, and accountability. These talented people could have been exercising leadership to obtain the necessary legal authority, to improve the organization’s operational competence, to motivate individuals and teams to pursue the purpose with dedication and creativity, to garner the necessary resources, and to build an effective political coalition.

Any effort to reorganize any government will divert the talents of lots of people. Indeed, always remember what James Q. Wilson said: “Talent is scarcer than money.”
