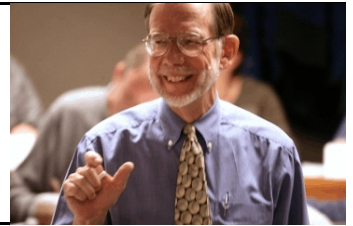


Bob

Behn's Performance Leadership Report

An occasional (and maybe even insightful) examination of the issues, dilemmas, challenges, and opportunities for improving performance and producing real results in public agencies.



On why all public executives and legislators should assiduously

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“Avoid the Reorganization Trap”

Tony Williams's first lesson was simple and direct: “avoid the reorganization trap.”

Williams was offering advice to a couple dozen new mayors. The topic was finance and administration, just one of many subjects covered at the Seminar for Newly Elected Mayors—a biennial event co-hosted by Harvard's Institute of Politics and the U.S. Conference of Mayors.

Williams is certainly qualified to offer any new mayor some advice about both the management of a city and its finances. After all, he saved Washington, D.C.

From 1995 to 1998, Williams was the District's chief financial officer (reporting to the Financial Control Board, not the mayor). At the end of fiscal year 1995, the city had a \$355 million budget deficit. Just 24 months later, the city ended fiscal year 1997 with a \$185 million surplus. Not bad!

Williams's reward was to be elected mayor—twice. On his last day as mayor, *The Washington Post* observed:

Williams leaves in his wake a city with a good bond rating, sizable cash reserves, a more accessible health-care system for the underserved, several promising neighborhood projects, a major league baseball team, a new stadium under construction and a home town that is no longer the laughing-stock of the nation.

Again: Not bad!

Still, when Williams thought about the advice he should offer new mayors who will obviously be struggling with big financial problems, he chose to emphasize management. And instead of recommending what mayor's should do, he suggested what they should not do: Do not waste time, energy, or resources reorganizing.

Remember when Jimmy Carter ran for president? He promised “a complete reorganization of the executive branch”—“a reorganization that will eliminate waste and inefficiency and

overlapping and confusion in the federal government.”

What a splendid campaign theme. Who is in favor of “waste” or “inefficiency” or “confusion”? Plus it was so inexplicit to permit anyone to project onto these words their own bureaucratic nemeses. Of course, as Herb Kaufman, long at the Brookings Institution once wrote: “One person's ‘red tape’ may be another's treasured procedural safeguard.” Little wonder that what appears to be a straightforward organizational issue inevitably evolves into a political fight.

As president, Carter did convince Congress to give him the reorganization authority he desired (though Congress reserved for itself the right to veto any reorganization plan). Then he assigned many of the best people in his administration to the “Presi-

There is no one perfect way to organize anything. Should a president or governor give responsibility for health education to the health agency or to the education agency? Or should this task go to a new health education agency? It isn't obvious.

dent's Reorganization Project.” What a waste. Do you remember the new, reorganized “Department of Trade, Technology and Industry”?

We do now have the Department of Education. But are today's children really better educated because it was extracted from the old Department of Health, Education, and Welfare?

The core problem is that there is no one, perfect way to organize anything. Do you put the responsibility for health education in the health agency or the education agency? The health people must know more about health. But maybe the education people know more about how to get the message across. Of course, another organizational solution is to create

a Department of Health Education. Maybe it will be better at health education than either a health agency or an education agency. Or maybe it will be worse. It isn't obvious.

Any mayor or president has scarce resources. And not all resources are in the budget. The key resource is the time of talented people. Talented people—people who can produce real results—are clearly scarce. Yet they (like everyone else) have only 168 hours in their week. How does a mayor or a president want them to spend those hours? Reorganizing everything so that someday someone might be able to produce real results? Or focusing on using their talents—and developing the operational capacity—to produce real results both now *and* in the future?

Of course, Tony Williams is not the first public servant to learn of the reorganization fantasy. Nearly half a century ago, Charlton Ogburn writing about his World War II service in Burma on “Merrill's Marauders” observed: “We trained hard, but it seemed that every time we were beginning to form up into teams we would be reorganized.”

Why, he wondered? In Burma, Ogburn couldn't figure this out. But, he reported, “I was to learn later in life that, perhaps because we are so good at organizing, we tend as a nation to meet any new situation by reorganizing; and a wonderful method it can be for creating the illusion of progress while producing confusion, inefficiency, and demoralization.”

No wonder Tony Williams admonished new mayors to “avoid the reorganization trap.” ■

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