

## SOME ASPECTS OF ADMINISTRATIVE REORGANIZATION IN DELAWARE

PAUL DOLAN \*

For close to half a century the subject of administrative organization has commanded the attention of students of American government. In recent years, and particularly since publication in 1937 of the report of President Roosevelt's Committee on Administrative Management, problems of reorganization in the states have been overshadowed by problems of reorganization in the federal government. The report of the Hoover Commission in 1949 further accentuated the importance of federal problems. As far back as the presidency of William Howard Taft, however, when the first systematic study of administrative organization in the federal government was made, a number of states were finding it necessary to make critical examination of their administrative operations for the purpose of putting their houses in better order. Administrative studies and adjustments in the states have been made from time to time from the Taft period until the present, in spite of the extent to which administrative attention has been held by more formidable studies and reorganizations within the federal government. With respect to budgeting and other matters, some of the states have drawn heavily upon federal experience, and in turn the federal government has adopted certain practices employed in some of the states. The movement for administrative reorganization in the states was supported by numerous groups. Chief among them were those elements interested in the "cleaning up" of the political process, especially in the cities, and businessmen who demanded "efficiency and economy" in public administration.<sup>1</sup>

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Most students of state administration during the first quarter of the present century directed their attention primarily to the

\* Department of Political Science. This article is based in part upon the introduction to a study of the organization of state administration in Delaware to be published in the *Johns Hopkins Studies in History and Political Science*, 1950 series.

<sup>1</sup> W. H. Allen, *Efficient Democracy*, New York, 1907.

formal organization of the administrative process. Work in this field was necessary in view of the paucity of knowledge that existed with respect to administrative structure at state level. State administration in general reflected the growth of bureaus and commissions piled one on top the other under no apparent plan and without reference to the nature of the tasks to be accomplished. Accordingly, before any sensible suggestions concerning reorganization could be voiced, these jumbles of offices had to be methodically examined.

In analyzing the states' organizational patterns the researchers tended, however, to observe only their *formal* aspects. They noted which offices were filled by the governor's appointments, and which were not; how many administrative officials were elected; whether the governor possessed any fiscal authority. They attempted to determine the paths of accountability. They spelled out in fine detail the lines of authority running between one office and another as those lines had been drawn by statute and constitution and noted the confusion often existing within the complex of authority. Little, if anything, was done, however, to ascertain the *informal* arrangements which had been developed within the administrative systems under investigation, and upon which successful administration often depended.

Only lately have students of government turned their attention to the informal aspect of organization. Investigations along these lines in the field of industrial management had been made by Elton Mayo, F. J. Roethlisberger, and Chester Barnard in the early thirties.<sup>2</sup> The place of the informal organization in public administration is now being recognized.<sup>3</sup>

It is suggested, therefore, in view of the current interest in state reorganization in Delaware,<sup>4</sup> that greater attention should be given to the pattern of informal organization. In order to appreciate more adequately the basis of informal arrangements obtaining within the framework of administrative organization, it is necessary to have a working knowledge of the political, economic, and

<sup>2</sup> Elton Mayo, *The Human Problems of an Industrial Civilization*, New York, 1933; F. J. Roethlisberger, *Management and Morale*, Cambridge, 1941; C. I. Barnard, *Functions of the Executive*, Cambridge, 1938.

<sup>3</sup> Fritz Morstein-Marx (ed.), *Elements of Public Administration*, New York, 1946, chap. 13; Ordway Tead, *Democratic Administration*, New York, 1945, pt. II; L. D. White, *Introduction to the Study of Public Administration*, New York, 1948, p. 26.

<sup>4</sup> Wilmington *Morning News*, January 23, 1950.

social realities which underpin the assumptions governing the conduct of the public business within the state. It is with this thought in mind that the attention of those interested in the reorganization of the administrative establishment in Delaware is called to the need for a careful analysis of the existing political situation. From such analysis should come a clearer conception of the limitations facing any attempt at rearrangement of the formal administrative structure.

To most people the State of Delaware is a name among forty-eight others, distinguishable only by the fact that it is the home of Du Pont de Nemours and Company. It might also be recalled that Delaware is one of the smallest of the states in point of size and number of inhabitants. Although its population count places it near the bottom of the list of states, Delaware nevertheless has many of the political, economic, and social problems confronting the larger commonwealths. The rural-urban clash is present, there is diversity in the economy, and changes are taking place in the social pattern as well as in the political assumptions underlying the various aspects of the state's governance.

The fact that the land area of Delaware is less than 2000 square miles makes it possible for students interested in administration to look intensively at some of the particulars surrounding the process by which public policy is given effect. Delaware affords an excellent opportunity for the investigator to conduct an intimate study of administration in its relationship to the larger political process. The size of the state and the size and distribution of its population permit a microscopic observation of the social and political factors underlying and conditioning the administration situation, particularly in respect of its informal aspects.

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While few students of state government would deny the need for the adoption of a more rational approach in the administrative operation of a state wherein sixty or more commissions perform the task of executing public policy, it may not be feasible to suggest radical changes in the administrative structure without first knowing something about the administrative development that has taken place. Too often reformers become impatient with the slow evolution of governmental practices and attempt to strike hammer blows at what they consider uncouth, inefficient, and evil arrange-

ments in the administrative process. By so doing they are apt to encounter opposition in the form of traditions and ways of life to which the politically articulate in the state adhere. There can be little doubt which force will be the greater in such a contest.

Movements advocating the installation of rational procedures in administration have their rightful place in a democracy. They need to be kept, however, within the realm of the possible as determined by the felt needs that exist among a people at any given time. Otherwise they are likely to be unrealistic and incapable of achieving the ends they seek. The failure on the part of the civic and professional and business groups that attempted the reorganization of state government in Delaware in 1918 attests to the consequences attendant upon a disregard of this caution. Inasmuch as this abortive attempt at reform in Delaware was part of a larger effort aimed at altering the administrative machinery in other states, it may be helpful at this point to present a quick sketch of the reorganization movement which got underway during the first quarter of the present century.

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Of the many attempts to reform some phase of the process of government in this country the effort made to reorganize the administrative structure at state level appears the most pervasive. In view of the jumble of administrative forms and technics employed by many of the states during the latter part of the nineteenth century, there arose an increasingly articulate demand on the part of interested civic groups for the adoption of what was termed a logical system of administration. The purpose of such a system was to integrate the administrative units by placing their formal control in the hands of a popularly elected chief executive.<sup>5</sup>

Oregon, in 1909, probably was the first state to consider the alteration of its administrative organization. This movement was limited, however, to the efforts of a prominent civic group. The next year marked the beginning of official moves to bring about administrative reform among the states. Governor Charles Evans Hughes of New York referred to the need for a "concentration of responsibility" in a governor who should be permitted "to appoint

<sup>5</sup> Integration as used in this paper means administrative integration—the establishment of responsible relations within an administrative hierarchy with ultimate authority concentrated in the hands of the chief executive at the top.

administrative heads accountable to him."<sup>6</sup> Supported by the New York Bureau of Municipal Research and the National Municipal League,<sup>7</sup> several state executives attempted reorganization of their administrative systems. Only in New York and Illinois were the governors successful in getting a plan before the voters. The New York plan failed of acceptance, the Illinois proposals became law in 1917.

Following the action of Illinois, one commonwealth after another either partially or completely overhauled its administrative organization. By 1937 the movement had reached twenty-six states.<sup>8</sup> Between 1938 and 1948 at least two states by statute made changes in their organizational patterns.<sup>9</sup> Rather sweeping alterations were made in the administrative structure by the revised constitution of Missouri in 1942.<sup>10</sup> By 1938, however, the state reorganization movement had spent its force. Whether a new thrust will come is problematical.<sup>11</sup>

As state after state moved into line beginning in 1917, surveys of the existing organizations were ordered. In general these surveys followed a pattern. Investigation was directed to the formal relationships existing between the executive and the administrative divisions. Charts depicting the autonomy usually prevailing among the various administrative units were made. Multiplicity of offices, overlapping of functions, and duplication of effort were among the chief targets of the surveyors. Detailed tables showing the existence of these alleged evils were included in the reports.

<sup>6</sup> Annual Message to the New York Legislature, January 5, 1910, quoted in A. E. Buck, *The Reorganization of State Governments in the United States*, New York, 1938, p. 7.

<sup>7</sup> The New York Bureau of Municipal Research was the pioneer in the field of local administrative reorganization. Founded in 1906, it had soon moved into the field of state government and had prepared a plan for making the governor of New York responsible for the conduct of that state's administration. This plan served as a pattern for the ensuing surveys made in many of the other states. See Arthur Bromage, *State Government and Administration*, New York, 1936, p. 340.

<sup>8</sup> Buck, *op. cit.*, 8, 9. During the two decades between 1917 and 1937, there had sprung up a sort of mania for reorganization. This surge of reform was abetted by the presence of several professional planning and research agencies operating in the general field of public administration. Among these were the Brookings Institute, Griffenhagen Associates, the Institute of Public Administration (which was the successor to the New York Bureau of Municipal Research), and Public Administration Service.

<sup>9</sup> Idaho and Minnesota, in 1939 and 1940, respectively.

<sup>10</sup> *The Book of the States, 1945-46*, Chicago, 1945, p. 82.

<sup>11</sup> J. P. Harris, "The Future of Administrative Management," in L. D. White (ed.), *The Future of Government in the United States*, Chicago, 1942, pp. 164-191.

The proposals made as a result of these surveys also were of a type. Abolition of the so-called "hydra-headed" commission system of administration, which prevailed in most of the states; substitution of ten to twenty departments with a single director appointed and removable by the governor over each; and the placing of strong fiscal controls in the hands of the chief executive were called for. Strict logical lines of accountability were to run upward through a tight-knit administrative hierarchy to the governor. He was to be responsible to the electorate. In line with this general movement, an effort toward administrative reorganization was made in Delaware in 1918.

Under the impact of World War I several business and civic groups in Delaware demanded a general overhauling of the state's administrative organization in order to install a "business-like system" in the management of public affairs.<sup>12</sup> Guided by the then governor, John G. Townsend, Jr., and his energetic and extremely capable secretary of state, Everett C. Johnson, a movement for a reorganization of the state government got underway. The New York Bureau of Municipal Research was asked to conduct a survey of the existing situation and to make recommendations concerning changes in the administrative structure. The report of the survey group reached the governor's hands in 1919.<sup>13</sup>

The desire on the part of the commercial-banking interests in Wilmington to place the operation of government upon a "business basis" was a foremost factor in the movement to reform the state's administrative structure. Governor Townsend expressed this fact most forcibly by stating that "reconstruction in Delaware means that we adopt better and more modern business methods in administration of state affairs. Every well-operated and successful business organization takes periodically inventory of stock and equipment, investigates and adopts revised systems that will more efficiently control the increased volume of business. Statecraft in Delaware, to serve best, can be attained by introduction of methods approved by other successful organizations."<sup>14</sup>

The establishment of a business-like budget was among the chief

<sup>12</sup> *Annual Report of Delaware Bankers Association* for 1919, Wilmington, 1919, p. 55.

<sup>13</sup> *Survey of State and County Government in Delaware, 1918*, Bureau of Municipal Research, New York, 1919.

<sup>14</sup> *Message to the General Assembly, January 14, 1919*, in *Collected Messages of the Governors of Delaware*, Dover, Delaware.

aims of the reformers.<sup>15</sup> The tradition of economy and the demand for a balanced budget gave the impetus to the movement for administrative reform. This combination of factors, coming to the fore in an atmosphere of crisis, resulted in the demand for the survey which was made by the New York Bureau in 1918.<sup>16</sup>

For three months during the summer of 1918 a corps of experts led by C. C. Maxey, consultant to the Bureau, conducted an analysis of the formal administrative arrangements obtaining at state and county levels. Careful delineation of the existing agency system was made in terms of appointment, removal, accountability and duties of the several administrative units. Exhaustive investigation of the fiscal arrangements at state and county levels was made. Attention was specifically directed to the overlapping and duplication in functions of the hundred and seventeen boards and commissions then making up the state's administrative system.

The report of this survey was presented to the governor in 1919. It consisted of three main parts. The first included an analysis of the existing situation viewed with respect to formal organization at state level; the second dealt in like manner with the county level; the third part contained proposals for administrative reorganization in the state government and included suggestions respecting the conduct of county-state administrative relations.

The report condemned the "hydra-headed administrative structure of Delaware" which was declared scarcely deserving "the name of organization." This system was said to have developed as a result of "haphazard methods of legislation" which through the years had created boards and commissions with little reference to previously existing authorities, either as to the "form of their organization or to the scope of their powers." Lack of a discernible "plan of scientific and economic needs" in the development of administrative functions was deplored. This lamentable situation was the result, according to the survey, of an absence of "efficiency in administration." In general the investigators condemned the lack of a system of "definite responsibility" for the execution of public policy.

After a thorough excoriation of the existing organization, the survey concluded that a "state's affairs ought to be conducted on

<sup>15</sup> See *Delaware Awake*, an anonymous publication appearing in 1917, printed in Wilmington.

<sup>16</sup> The cost of the survey was borne by several of the leading businessmen in the Wilmington area.

the same principle as a business corporation and not on the basis of a charitable organization." It struck at the volunteer board system. Boards were admittedly inefficient. "They seldom showed any real initiative, and therefore business leadership was not to be expected from them." It was impossible to locate definite responsibility for administrative action under a board system. The existence of the commissions prevented the governor from getting control of the administration of the state's business. "Administration or the execution of policies should not be entrusted to boards. It should be done by individuals." Maxey, commenting later on his investigation of the state government, found it to be "utterly without system, symmetry, and simplicity—a chaotic jumble of anachronisms, criss-crossed functions, illogical relationships, and unscientific methods."<sup>17</sup>

The entire report smacked of the "bureau approach."<sup>18</sup> The maze of agencies, piled one on top the other, lumped together in a conglomeration of functions, allegedly operated by a corps of local spoilsmen, made no sense to Mr. Maxey and his staff. The smallness of the state suggested a well-ordered, tailor-made, streamlined, and highly integrated administration. In place of the many boards it was proposed to have nine large departments, each with a single head appointed by and directly responsible to the governor. To accomplish this, a general amendatory statute was to be enacted by the legislature, which would abolish the boards and set up an integrated system.<sup>19</sup> There was to be an executive budget, and the supervision of the expenditure of funds was to be placed in a department of finance. The pre-audit was not specifically recommended. The governor was to be the only popularly elected administrative and executive officer. The attorney-general, treasurer, and auditor would be appointive officials, the latter by the legislature. The office of lieutenant-governor was to be eliminated. In the office of the governor the people would find the instrument of democratic control over the administration. The report contended that "responsibility, the essence of democracy, implies a system of government that can be held responsible, a concentration of control over administration in the hands of a chief official to whom the

<sup>17</sup> *Delaware Magazine*, August, 1918, p. 125.

<sup>18</sup> Dwight Waldo, *The Administrative State*, New York, 1949, pp. 194 ff.

<sup>19</sup> This would have had to be a constitutional amendment under Delaware law because of the proposed elimination of several constitutional officers.

heads of departments are directly accountable for work done.”<sup>20</sup>

State administration would have been made extremely simple—in terms of a chart. The multiplicity of state offices would have been done away with. The tortuous labyrinth of agencies would have been abolished, and in its stead would have been placed a clean-cut, symmetrical structure containing straight, logical lines of authority, built upon the pattern of a pyramid at whose apex, in the office of the governor, would have been located the control over and responsibility for the execution of public policy.

These main proposals of the survey are themselves evidence of the kind of analysis that was made by the Bureau. Nowhere in the entire investigation was an effort made to understand the social and political realities which underlay the administrative situation in Delaware. No attempt was made to connect existing administrative practices with the prevailing political mores. No more difficult task confronts a student of administration than that of attempting to get at the scheme of political values and social attitudes held by a community. Its difficulty, however, does not preclude the need for its being assayed.

The report of the Bureau was endorsed by the governor and presented to the General Assembly in 1919. The recommendations met a most unfavorable reception in that body.<sup>21</sup> The only proposal which found acceptance was that calling for the adoption of an executive budget. Even this suggestion was not acted upon immediately. All other proposals were disregarded completely. Incisive comment in the public press and in many private communications attests to the generally unfavorable reaction to the report.

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The New York Bureau's recommendations respecting Delaware administration are an example of the narrow rationalism which preempted the field of public administration in the early part of the century. It was from this strictly logical approach to the study of administration that a "theory of organization" sprang. Shot through this thinking were the dogmas of efficiency and economy; capping the entire procedure was a soul-searching effort to recon-

<sup>20</sup> *Survey of Wilmington*, Bureau of Municipal Research, New York, 1918, p. 11. This was a study made of the city government in Wilmington, Delaware.

<sup>21</sup> Of the six copies of the original report made available to the state officials, none has been kept on official file. There is a copy in the files of the Institute of Public Administration, 676 Park Avenue, New York.

cile "true efficiency" with "true democracy." While the need for a relating of efficiency to the democratic process cannot be denied, it cannot be met by isolating administration from the political and social atmosphere in which it functions. By separating politics from administration the rationalist made it more difficult to relate the concept of efficiency to that of democracy.<sup>22</sup>

While we today can look upon the efforts of thirty years ago as inadequate in light of present investigations in the field of politics and administration, much that was then done is essential to the research now being done. Superb spade work was accomplished in the matter of definition. Working concepts of organization, co-ordination, and integration were developed. Although much has been added to these early ideas, fundamentally these definitions serve as a tool of modern investigation. The early workers in the field, however, attempted to construct principles of organization which would be "true" wherever men attempted to join their efforts to achieve some agreed upon purpose. From such principles "pure theories" were derived without any effort to appreciate the so-called intangible influences formed by political and social attitudes and beliefs. Failure to consider these intangibles rendered the rational approach unrealistic.

To become a working concept in the study of the administrative process, organization must be considered in relation to purpose.<sup>23</sup> While Gulick contends that organization is a method of dividing up work,<sup>24</sup> the problem still remains of finding what the work is, which again brings us around to purpose. Purpose in its larger sense means not only the "desired objective" but also the manner in which the action directed toward the attainment of the objective is carried out. Gaus has put this most succinctly: "Organization is the relating of efforts and capacities of individuals and groups engaged upon a common task in such a way as to secure the desired objective with the least friction and the most satisfaction to those for whom the task is done and those engaged in the enterprise." Gulick grants that one of the "clear limitations" to organization as a means of dividing up work arises from the

<sup>22</sup> Waldo, *op. cit.*, 206n.

<sup>23</sup> *Ibid.*, 185. Cf. E. O. Stene, "An Approach to a Science of Administration," *American Political Science Review*, XXXIV (1940), 1124-37.

<sup>24</sup> Luther Gulick, "Notes on Theory of Organization," in Luther Gulick and Lyndall Urwick, *et al.*, *Papers on Science of Administration*, New York, 1937, p. 3.

*customs* and *traditions* existing in the area in which the organization is to operate. Mayo and Roethlisberger emphasize the effect of habitual ways of doing things upon the routine administrative procedures set up for the accomplishing of a determined task.<sup>25</sup>

In order to appreciate the effect of the prevailing political habits and customs upon administrative organization an analysis of the actual operation of the administrative process must be made. It is here that a knowledge must be had of the informal patterns occurring from time to time within the administrative process, and the need must be recognized for a careful relating of these informal arrangements with the prevailing political, economic, and social forces. Gaus has urged an appreciation of the informal methods obtaining in an administrative situation. While he does not discuss the relationship between informal arrangements and the formal organization, he does recognize a connection between these informal arrangements and the customs, traditions, and sensed needs forming the political climate in which the administrative process operates.<sup>26</sup> One of the most important problems in administrative reorganization is how to adjust the organization of the formal administrative structure to changes in the political environment in which an administrative organization is operating. If the formal administrative organization is to be fitted to the climate in which it operates, some means has to be found which will point the way to the changes needed to make it conform. With respect to any proposed reorganization of state government in Delaware, it is therefore suggested that a study of the informal arrangements developing within the existing formal system may be in order.

Such a study should reveal the areas in which formal reorganization is needed and the shape it should take in order for it to conform to the realities of the political situation. From such an analysis may come a firmer understanding of the relationship of administration to politics on the part of those charged with the reorganization of the formal structure of the state's administrative system.

<sup>25</sup> L. L. Henderson, T. N. Whitehead, and Elton Mayo, "The Effects of Social Environment," in *ibid.*, 156.

<sup>26</sup> For a discussion of the relationship between administration and the accepted philosophy of government in a given jurisdiction, see David Levitan, "Political Ends and Administrative Means," in *Public Administration Review*, III, 354. Also see A. C. Millspaugh, *Public Welfare Organization*, Washington, 1935, p. 73.

In conclusion, it may be repeated that it is the purpose of this paper to bring the attention of those engaged in the work of administrative reorganization in Delaware to the need for serious consideration of (1) the influence of the political and social realities obtaining in the state upon the administrative practices at state level, and (2) the role which informal administrative arrangements play in the determination of the formal structure of the state's administrative organization.