The Evolution of the Institutional Presidency: Presidential Choices, Institutional Change, and Staff Performance [*]

David E. Lewis
Woodrow Wilson School
311 Robertson Hall
Princeton University
Princeton, NJ 08544
delewis@princeton.edu
(609) 258-0089 (o)
(609) 258-5014 (f)

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By virtue of their unique position, presidents have always felt pressure to manage the executive branch and their administrative tasks. The problem for presidents historically has been that their administrative tasks exceed their abilities. John Hart (1987, 13), for example, writes of George Washington:

> "Washington and his immediate successors saw themselves as chief executive officers and took a close interest in the day-to-day business of the departments of the executive branch…and the presidential desire to be undisputed master of the whole executive branch generated an ever growing work load that took its toll on the incumbent."

In order to perform their administrative responsibilities, presidents from Washington forward have relied on personal staff. [1] Presidential staff traditionally provided clerical assistance, political advice, and managerial oversight of relations with administrative agencies, Congress, and other political actors. In some cases this presidential staffing arrangement worked well. In other cases, presidents were disappointed with their staff support. Andrew Johnson's son Robert who filled the post was, according to one author, an "incurable alcoholic and womanizer" whose incompetence not only led to poor administration, but also brought a sex for pardon scandal down on the White House.[2] In contrast, Daniel Lamont, Cleveland's "Assistant President", and George Cortelyou, McKinley's secretary, are widely regarded as having made a substantial positive impact on the administration of each man, serving as clerks, speechwriters, gatekeepers, and political liaisons.[3]

[1] I draw most of this discussion from Hart 1987. Early presidents funded their staff support from salary provided them by Congress. It appears that Congress appropriated money for presidential salary and support with both the president's salary and clerical expenses in mind. Later Congress would explicitly appropriate funds for presidential staff.
[2] See Hart 1987, p. 20.
[3] Hart 1987.

One of the primary motivations for Franklin Delano Roosevelt's appointment of the President's Committee on Administrative Management (Brownlow Committee) was a frank recognition on his part that the sprawling federal bureaucracy, which he had helped create, was beyond his control.[4] The result of the Brownlow Committee's recommendations is what we now refer to as the institutional presidency. The Executive Office of the President (EOP), created in 1939, is the structural basis of the institutional presidency.[5] The institutional presidency was originally comprised of a handful of presidential agencies (e.g., White House Office, Bureau of the Budget) and a limited number of personal aides whose occupation was to help the president perform congressionally delegated or constitutional responsibilities.

Over time, the institutional presidency has expanded dramatically both enabling and constraining presidential action in a way inconceivable to earlier presidents. The number of agencies, employees, and dollars necessary for the EOP's activities has increased substantially. The institutional presidency has assumed more responsibilities and increased in organizational complexity. Whereas the original EOP had 5 fledgling agencies, 630 employees, and a budget of $17 million in real dollars in 1939, it now has 11 agencies, 1,750 employees, and a budget of $260 million.[6] These simple statistics mask substantial changes in the size and organization of the EOP over time, however.

Understanding the process of institutional change and development over time is necessary in order to understand the success or failure of modern presidential leadership. For example, without sufficient independence and professionalism parts of the institutional

[4] Dickinson 1997, Hart 1987. Dickinson 1997 (p. 46) argues that Roosevelt feared his administrative shortcomings would hurt his reelection chances in 1936.
[5] For detailed accounts of the EOP and its development see Burke 1992; Hart 1995.
[6] Sources: Relyea 1997; Stanley, Harold W. and Richard G. Niemi. 1999. *Vital Statistics on American Politics 1999-2000*. Washington, DC: Congressional Quarterly. Supplemented with data from the *Budget of the United States Government* (Washington, DC: Government Printing Office), various years; Krause 2000 supplemented with data from the *Budget of the United States.*

presidency such as the National Security Council can fall victim to dangerous groupthink and lead presidents into cataclysmic foreign policy and national security disasters. Without sufficient political influence and oversight parts of the institutional presidency can send conflicting messages about the president's priorities on any number of important issues ranging from trade, to science policy, and budget projections. These conflicting messages hamper the president's ability to negotiate successfully and in good faith with Congress and direct the administrative machinery of government.

Scholars focused on the presidency have produced a number of competing explanations for the evolution of the institutional presidency over time including 1) a steady Weberian march toward division of labor, expertise, and stability in response to increased demands on the national government and the president, or 2) a process of growth and decline dictated by interbranch competition, or 3) a connected series of developments driven by unique historical circumstances or the president's decision making environment. In this chapter I argue that existing explanations are incomplete, that the institutionalization of the institutional presidency is driven by a natural internal logic of growth, expansion, thickening, and reorganization. The intensity of this expansion, thickening, and reorganization in a given period is determined by the extent to which the existing institution meets the needs of the new president in terms of loyalty and capacity to do what the president needs done. Changes in the EOP are evidence of presidential weakness relative to the responsibilities and expectations accompanying the job. Presidents seek to manage, change, and reorganize the institutional presidency in order to meet immense public expectations for presidential behavior which include virtually all aspects of governing.

The argument proceeds in four parts. In the first section I review some of the common explanations for the institutionalization of the EOP. In the second section I explain how

presidents evaluate the existing institutional presidency when they assume office. I argue that presidents are more likely to add personal aides, politicize EOP agencies, or reorganize when presidents encounter agencies that have different policy views than the president, are hard to monitor effectively, or are not good at what they do (low capacity). In the third section I describe these organizational strategies for dealing with problems in the existing institutional presidency in more detail, providing examples from modern presidential administrations. In the final section I conclude, explaining how these presidential strategies influence the performance of the presidency as a whole and suggest that the internal dynamics that result naturally from turnover in the presidency hinder the performance of the institutional presidency.

I. Explaining the Evolution of the EOP

In a fundamental respect the office of the president, though always filled by one person with more or less institutionalized staff support, has always been an institution. In other words, the office described in the Constitution has always had the characteristics of an "institution." That is, it is an office that is stable, differentiable, coherent, and adaptable.[7] The president's actions have been enabled, defined, and constrained by the constitutional separation of powers system. What is commonly referred to as the institutional presidency, however, is the staff support system that has grown up around the office of the president. Most scholarly attention has focused on describing and explaining the growth, organization, complexity, and operations of this system. Existing research has mainly focused on the expansion of the national

[7] Ragsdale and Theis 1997.

government, the strategic interaction of the two branches, and presidential choices to explain the institutionalization of the presidency.[8]

Several works describe the transformation of the presidency from a person to an organization as an irresistible Weberian march toward differentiation, complexity, stability, and coherence that occurs simultaneously with an increase in staff size and resources.[9] In other words, the growth of government and increased demands on the president lead naturally to the growth of a bureaucratic staff system.[10] In this view institutionalization follows an irresistible logic where staff units naturally develop and differentiate to divide labor efficiently and develop expertise. Over time these units in the institutional presidency develop procedures, norms, and processes to handle repeated tasks and interaction. Ultimately, they develop organizational identities shaped by their unique perspective in the division of labor. Once in existence, these units become adaptable and adopt strategies to ensure their own longevity.

Other works suggest that, in addition to the institutionalization caused by the growth of government, the strategic interaction between the executive and legislative branches helps predict institutional growth in the two branches.[11] In this view presidents are opportunistic actors who can exploit Congress's collective action problems to create and design units of the

[8] Other works mention the importance of specific historical events like the World War II or one of the Hoover Commissions, the increasing role of presidents in international affairs, and the specific histories of the units themselves as important in explaining the institutionalization of the presidency (see, e.g., Berman 1979, Tompkin 1998, Zegart 1999).
[9] Ragsdale and Theis 1997 examine 4 characteristics of institutionalization to determine when the presidency became institutionalized. They conclude that the presidency became institutionalized in the 1970s and that national government activity had the greatest impact on the institutionalization of the presidency. Walcott and Hult 1995 similarly suggest that increasing task demands lead to institutionalization but they also suggest that organizational dynamics shaped by growing informational assets lead to the stability and persistence of organizational forms.
[10] See, for example, Rossiter 1949 and Seligman 1956.
[11] Howell and Lewis 2002, Krause 2002, Moe and Wilson 1994.

institutional presidency to their advantage.[12] Whether or not presidents can exploit Congress in the long term remains an open question.[13]

The final set of works suggest that unique historical circumstances or recurring political choices made by the president and Congress in response to policy priorities or bargaining needs shape the institutionalization process. A number of fine works mention the importance of specific historical events like the World War II or one of the Hoover Commissions, the increasing role of presidents in international affairs, or the specific histories of the units themselves as important in explaining the institutionalization of the presidency.[14] Others generalize across presidential choices to theorize about how presidents interact with the institutional presidency in response to changes in policy priorities, managerial imperatives, or the bargaining environment.[15]

Each perspective adds to our understanding of the development of the institutional presidency. Agencies in the EOP are created and transformed in response to demands on government and the president specifically. Their evolution follows the path most agencies follow toward division of labor, greater specialization, and instincts for survival. The EOP is also influenced by the strategic interaction of the two branches and the unique needs of presidents as decision makers. What is overlooked, however, is how much the evolution of the institutional presidency is driven by systematic forces within the EOP itself and the president's relationship with each agency.

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[12] Moe and Wilson 1994 and Howell and Lewis 2002.
[13] George Krause 2002 examines the growth in the presidential and legislative branches and argues that the institutional dynamics in our separation of powers system allow presidents short run advantages in increasing their institutional resources vis-à-vis Congress. He also finds, however, that presidents cannot permanently exploit Congress.
[14] See, for example, Berman 1979, Tomkin 1998, Zegart 1999.
[15] Walcott and Hult 1995 mention the influence of presidential policy priorities and presidential management needs. Dickinson 1997 argues that the bargaining needs of modern presidents drive presidential staffing decisions.

Presidents consistently need both competence and loyalty and these dual, often competing, needs systematically drive presidential staffing choices. Heclo (1975) famously argues that presidents should look for neutral competence in their staff agencies, particularly the Office of Management and Budget (OMB). By neutrality, Heclo means "giving one's cooperation and best independent judgment of the issues to partisan bosses—and of being sufficiently uncommitted to be able to do so for a succession of partisan leaders." The primary means of ensuring neutrality in executive office agencies is to have them staffed by career employees with an ethos of "speak up, shut up, carry up, carry out."

Moe (1985), on the other hand, suggests that presidents seek a more politically responsive staffing system. He is dubious of the responsiveness of career employees to presidential direction. He claims that the president is primarily a politician and is less concerned with efficiency or effectiveness than a staff structure that is responsive to his political needs. He cites the White House Office (with all political appointees) as an example of a structure that better meets the needs of the president than the Bureau of the Budget (later OMB). He also claims that while presidents largely inherit the basic institutional framework of the presidency, they try to make it more responsive by "manipulating civil service rules, proposing minor reorganizations, and pressing for modifying legislation…to increase the number and location of administrative positions that can be occupied by appointees." (245)

How presidents negotiate these dual needs for competence and political responsiveness largely determines how the institutional presidency evolves.

II. Institutional Incentives, Presidential Staff, and the EOP

Upon assuming office presidents confront a preexisting institutional support system. Some of the parts of the EOP will suit their needs effectively and other parts will be cause for concern. Each new president in the modern period makes a keep, reorganize, or discard decision with the units of institutional presidency which fundamentally depends upon presidential choice. While it is true that some parts of the institutional presidency are harder to change than others because of statutory authority, unusually high clientele support, or expertise, the fact remains that presidents have a significant amount of discretion over the personnel and structures that serve them directly.

The dynamics of the president's relationship with personal staff described in the introduction have an analogue in the institutional presidency. Some parts of the institutional presidency will be loyal and helpful and others can potentially be an embarrassment. Getting good staff help in the institutional presidency is complicated by the fact that a large portion of the personnel and structures of the institutional presidency carry over from administration to administration, meaning the presidents have little control over the selection and organization of a significant portion of their own staff. Not only is the institutional presidency substantially larger and more complex than the old staffing system, but it is also populated with persons that the president did not select (and are hard to remove), cannot monitor easily, and vary in competence.

Of course, the characteristics of the institutional presidency that make managing it difficult are also a source of strength. Long service, job security, and stability generate expertise; they facilitate institutional memory, engender a long-term perspective, and systematize valuable informal information flows that facilitate governance. This perspective reflects the institutional interest of the presidency disconnected from sectoral and partisan claims on the office. Some

agencies in the EOP like the Office of Management and Budget have a long history, established routines, professional expert staff, and substantial institutional memory that carries over from one administration to the next. Others like the White House Office turn over all of their personnel, remove all of their files, and by so doing eliminate continuing institutional knowledge.

Some parts of the institutional presidency will be well enough suited to a new president but others present substantial challenges. Presidents will be concerned about some units in the EOP because presidents will question their loyalty to the president and his policy priorities. For example, both the Eisenhower and Kennedy administrations were concerned about the loyalty of the Budget Bureau because of long tenures under the opposition party's leadership.[16] Each was successful in substantially changing and reorienting the BOB to reflect their individual concerns. Presidents will be concerned about other EOP agencies because, frankly, they do not have a reputation for being good at what they are supposed to do. Upon assuming office in 1993, President Clinton targeted the Office of National Drug Control Policy for personnel cuts as a way of fulfilling his pledge to cut "White House" staff. The drug office was a natural target both because Clinton was not enthusiastic about the drug war started by his Republican predecessors but also because the drug office had a reputation for being ineffective. It was the home for a number of political appointees chosen for their political connections rather than their expertise.

When do Presidents Make Institutional Changes?

What are the factors that explain when presidents are likely to change an EOP agency that will significantly alter the speed or character of its institutionalization? Problems that exist

[16] Heclo 1975.

between units of the institutional presidency and the president are the same as those that characterize (d) the president's relationship with their personal staffs in earlier periods—agencies in the institutional presidency do not always have the president's interests in mind when they act, they are hard to monitor, and they vary in quality. In some cases presidents can have problems with parts of the institutional presidency because the preferences of a particular unit or staff differ from those of the president. This can be the case for a number of reasons including differing policy perspectives, self-seeking, or simply miscommunication between the president and his staffs. Of course, if presidents could monitor their subordinates effectively, these problems would be diminished. Finally, in the same way that some presidential aides are prone to error or incompetence, some parts of the institutional presidency are less expert or useful than other parts. Presidents respond to such problems by increasing White House attention, altering the number of political appointees in part of the EOP, or reorganizing in order to solve these problems.

Divergent Preferences

The loyalty of particular units in the EOP can vary as a function of their purpose embedded in law and personnel. Some units in the EOP are designed with a specific policy goal in mind. For example, the Office of Economic Opportunity was the hallmark of Lyndon Johnson's Great Society. It was anathema to Richard Nixon and he set about dismantling it in the early 1970s. Of course, some units of the EOP are entirely pliable in terms of what they do because of the dramatic turnover in personnel. The National Security Council (NSC), for example, has no career service protections on employment, making it supremely pliable and responsive relative to other offices. Of course, one wonders whether it is correct to call the NSC

institutionalized given the dramatic turnover from administration to administration. The Office of Management and Budget and the Council on Environmental Quality, on the other hand, are substantially filled with employees from the competitive service. Presidents can work diligently to ensure that the preferences of his staff coincide with his own through the selection process but civil service protections limit the extent to which they can choose their personnel.[17]

Monitoring

We should expect that outcomes contrary to the president's wishes frequently occur in cases where presidents have a difficult time monitoring. Presidents who are willing to put forth the effort can vigorously monitor individual agencies or activities but they cannot monitor all parts of the EOP at the same time, particularly as the institutional presidency grows. Presidents can remedy some of the problems with monitoring his staff by organizational design and personal initiative. Franklin Delano Roosevelt, for example, tried to assign multiple aides to the same task, leaving lines of jurisdiction unclear, and inducing competition.[18] He hoped that competition would produce both more information and additional incentives for staff to demonstrate loyalty. A number of scholars have noted the different ways of organizing the White House staff and its impact on presidential performance.[19] Despite their best efforts to organize staff effectively for oversight or politicize selection processes, however, a growing EOP means greater monitoring difficulties.

[17] Weko 1995 argues that the increase in size and importance of the White House Personnel Office is attributable to presidential attempts to screen staff, partly for loyalty.
[18] Dickinson 1997.
[19] See, for example, George 1980 and Hess 1976.

Competence

Outcomes contrary to the president's interests can also arise because of incompetence or failure. Presidents can get bad advice, be misrepresented, or have their staff fail in implementation. Historically, presidents have ensured the competence and ability of their subordinates either through the personnel selection process or by keeping existing personnel on the job. Some staff competence attaches to the persons brought in by the president; other competence is achieved through experience in the job. Existing staff support and personnel from past administrations are attractive to the president precisely because of their experience or competence developed through work.

In the EOP, units develop informational and relational assets over time that help presidential decision making and increase efficiency in action. Politicizing or reorganizing EOP units is a costly action precisely because the act of replacing the unit and its expertise is a difficult one. In most cases, the longer an agency has been in existence, the longer its institutional memory, the more developed its routines and processes, and the more informed its advice and activities.

Part III. Presidential Strategies for the EOP

The hallmark of early presidential aides, as described in the Brownlow Report, was to be anonymity and loyalty. Over time, both the president and Congress recognized the need for expert help in addition to loyal help. In fact, it was partly congressional concern over Roosevelt and Truman's decision making that led Congress to create the Council of Economic Advisers and the National Security Council (Hart 1987, Seidman 1998). Congress wanted to institutionalize in the presidency a means of getting good advice on issues of critical importance

to the country. Unfortunately, the first presidential transition after their creation revealed the difficulties with this arrangement.[20] Presidents still needed the type of loyal help and advice they got from their personal aides and existing institutional arrangements, while situated to provide expertise did not always have the president's best interests in mind.

The president's response in each case was to substantially reorganize the units to enhance his control. President Eisenhower submitted Reorganization Plan 9 to Congress on June 1, 1953. The plan strengthened the power of the chairman of the CEA by giving all authority heretofore delegated to the CEA as a whole the chair instead. It also abolished the position of vice-chair.[21] For the NSC he created two new units, the Planning Board and the Operations Coordinating Board, to do policy planning and ensure implementation, respectively.[22] Congress also provided the president with an Economic Adviser to the President outside the CEA and a National Security Adviser to serve partly as a buffer between the president and these agencies.

When presidents decide that certain parts of the institutional presidency do not meet their needs they have a number of different techniques for remedying these problems. Presidents will buffer a new agency by increasing White House staff, politicize agencies, or reorganize the EOP in order to make it more responsive. The regular use of these techniques shapes the evolution of the EOP over time. The techniques can be used as substitute or complementary strategies depending upon the circumstances and differ in the extent political costs and difficulty of implementation.

[20] In fact, Truman himself was cool to the new structures himself. See Falk 1964 for an account of how little Truman used the National Security Council structure.
[21] For a full history see Hood 1954.
[22] See Relyea 1997, pp. 185-88.

Buffering

One technique presidents use upon encountering the preexisting institutional presidency is buffering. If the president feels that one part of the EOP is not loyal or performing poorly, one low cost way of dealing with this problem is to assign a personal aide, a special assistant or a counselor to the president, to deal with the agency. The White House aide can filter information coming from the agency, monitor the activities of the agency, and direct the unit's operation for the president. This is illustrated in a specific way in the addition to the White House Office of an Economic Adviser and National Security Adviser. It is illustrated in a generic way in Figure 1 where a new special assistant is added to the institutional presidency and given a portfolio that includes EOP agency 1.

Insert Figure 1 here.

Sometimes the new special assistant and his staff will not only monitor the subordinate staff but also take over their responsibilities. This is what is commonly referred to as centralization.[23] Centralization is the transfer of functions from the executive branch or broader EOP into the White House.

One institutional consequence for such actions is that they are sticky. Once a position has been created, a precedent has been established, expectations developed, and processes altered to accommodate organizational change. This makes eliminating the position costly. Positions once added often remain even when the original motivation for the position has been removed. New positions and the persons filling them develop routines and relationships, get office space and staff support, rearrange organizational charts, adopt new responsibilities. This normal Weberian bureaucratic behavior makes it increasingly unlikely that a position will be removed in the normal course of organizational activity. As the number of special assistants proliferates the

[23] For a full discussion see Moe 1985 and Rudalevige 2002.

White House bureaucracy itself is often organized with increasing hierarchy and the White House itself becomes hard to manage. This is one explanation for the systematic expansion in White House staff during the modern period until the unusual events of Watergate stemmed the tide.

Of course, as the CEA and NSC case illustrate, there are other means of getting control of parts of the institutional presidency, including politicization and reorganization. Presidents can exercise special care in selecting personnel at the top of EOP units and they can work to politicize an EOP agency by adding more personnel selected by the president. This latter strategy can have dramatic consequences for institutionalization.

Politicization

Presidents politicize parts of the institutional presidency in five ways: replacement, layering, increasing ministerial staff, internal reorganization, and reductions in force. For example, in Figure 2 a generic EOP agency has a director and three divisions, each headed by a career manager who carried over from the last administration. If one of these career managers is underperforming in the eyes of the director or the White House, the status of the manager's position can be changed from a career position to an appointed position. In most cases this is performed simply with a request to the Office of Personnel Management (or earlier, the Civil Service Commission) for a change in position classification. Most experienced personnel officers know how to use the appropriate terms of art to ensure their applications are approved.[24] The Office of Personnel Management director and many of her subordinates serve at the pleasure

[24] See the "Federal Political Personnel Manual" (or "Malek Manual") reprinted in *Presidential Campaign Activities of 1972*, vol. 19: *Watergate and Related Activities, Use of Incumbency-Responsiveness Program*. Executive Session Hearings before the Select Committee on Presidential Campaign Activities 93 Cong. 2 sess (Washington, DC: Government Printing Office), pp. 8903-9050.

of the president, easing the way for the White House to get its way. The official forms requesting reclassification of positions by agencies include space for White House opinion and input as a way of signaling White House opinion and intent. The drawback of requesting that a position filled by career appointment be changed to an appointed position is that the career employee serving in this position at the time of its change may have tenure rights either in this job or a comparable job or has connections with interest groups or Congress that make removal difficult. Of course, there are a number of techniques that are well known in bureaucratic lore about how to get unwanted employees to leave their current jobs, including the frontal assault, the unwanted transfer, or the new activity technique.[25]

Insert Figure 2 here.

Presidents can also layer appointees on top of the existing structure to get control. Layering is the practice of adding politically appointed managers on top of career managers as a means of enhancing political control. For example, in Figure 3 two associate directors are added between the director and the career managers. These new appointees can more carefully monitor the career managers and assume some of their policy-determining responsibilities through their influence in budget preparation, personnel decisions, and other administrative responsibilities.

Insert Figure 3 here.

A good example of the way layering can be used to enhance control is the reorganization of the Bureau of the Budget into the Office of Management and Budget in 1970. In 1960 the Budget Bureau had fewer than 10 political appointees, the director, the deputy director, 3 assistant directors and a handful of personal staff.[26] The 1970 reorganization was supposed to focus increased attention in the budget agency on federal management and the reorganization

[25] For a full description see the "Federal Political Personnel Manual" pp. 8903-9050.
[26] See Heclo 1975; Heclo 1977, pp. 78-81; U.S. Congress. Senate. Committee on Post Office and Civil Service. *Policy and Supporting Positions*. 86th Congress, 2d Sess.

included a new appointee to head the management effort. The reorganization also included 4 new program associate directors, however.[27] These new appointees, the program associate directors (PADs), were put in below the existing appointed officials but above the permanent examining divisions. The examining divisions have always held a lot of power in federal budgeting. They review and control agency budget requests in the executive branch and are an important source of power and policy influence in government. Whereas before the examining divisions were headed by career employees with access to the top of the agency, now they were subordinate to politically appointed directors. In total, the number of appointees in the budget agency increased from 10 in 1960 to 20 in 1973. The increase was comprised equally of positions with formal authority and ministerial staff for these positions. The Carter Administration subsequently added more layers to the OMB.[28] In 1977, the Carter Administration added two executive associate directors above the PADs added by Nixon. OMB also added 6 noncareer deputy associate directors below the PADs.

Insert Figure 4 here.

A similar strategy is to add appointed ministerial staff. In Figure 4 the director adds two special assistants. Titled positions like directors often acquire title-riding appointees like chiefs of staff, special assistants, counsels, and public affairs personnel to help them perform their job.[29] The strategy of adding ministerial staff is different from layering in that the appointees added have little formal authority. The function of ministerial staff is to help the director perform her existing duties, particularly to help manage the existing divisions by monitoring subordinate behavior, coordinating agency activity, and communicating the director's

[27] See Heclo 1975 and U.S. Congress. Senate. Committee on Post Office and Civil Service. *Policy and Supporting Positions.* 93rd Congress, 1st Sess.
[28] Causey, Mike. 1977. "Political Aides See Shift." *Washington Post*, May 25, 1977, p. C2.
[29] See Light 1995.

preferences to subordinates. While ministerial staffs have little formal authority, such appointees can acquire substantial informal authority as experts, gatekeepers, and public spokespeople.

Insert Figure 5 here.

Figure 5 illustrates a fourth common politicization technique, internal reorganization. Internal reorganization has been used strategically by managers to diminish the influence of problematic career managers and enhance political control. In the illustration, the agency is reorganized so that the career manager is put in charge of a new division or project. This division can be entirely new, a nascent initiative, or it can simply be comprised of preexisting personnel, responsibilities, and budgets put together in a new way. The nominal purpose of the reorganization can be to align organizational structure to better meet the bureaus stated goals or to increase efficiency but have the real or dual purpose of getting better control of the bureau. In large modern agencies with complicated organizational structures reorganizations can be subtle and effective means of getting political appointees in charge of important administrative responsibilities. In reorganizations positions are created and disbanded, upgraded and downgraded and these decisions are informed by the political needs of administration officials.

The final prominent technique for politicizing is the reduction-in-force (RIF).[30] Through RIFs federal officials cut employment as a way of getting control of the bureau. According to a general rule of "save grade, save pay", those career employees with the least experience lose their jobs first during RIFs but those who stay with more seniority are bumped down in position and often assume new or different tasks from what they were doing before. They often have to do more work for the same amount of pay and the new tasks they assume are frequently jobs not performed by people in their pay scale. These ripple effects increase attrition beyond that caused

[30] See Durant 1992, 37, for a discussion of RIFs as one part of the Reagan Administration's strategy for gaining control of the bureaucracy.

by the initial RIF. The career manager in charge of these divisions and her subordinates will have to do more work with fewer employees and manage through declining morale for an administration with whom they likely disagree ideologically. The Reagan Administration's treatment of the Council on Environmental Quality (CEQ) is a good example. In 1982 the CEQ's staff had been reduced from 49 under President Carter to 15.[31] The administration fired all of the immediate council staff, some of whom had served since the Nixon and Ford administrations.[32] Appointees from the campaign staff replaced those removed.

In practice, politicization can jeopardize expertise. Expertise or competence is attached to agencies with continuing professional personnel. When career professionals are removed or frozen out of policy decisions in order to implement the president's new agenda, performance often suffers because of increased turnover, lower morale, and difficulties in recruitment and retention. Presidents also lose the benefits of institutional memory and professional expertise. In his critique of President Nixon's reorganization of the Bureau of the Budget into the Office of Management and Budget (OMB), Hugh Heclo detailed how Nixon's changes decreased impartiality, hampered communication, threatened OMB's brokerage function, and endangered cooperation among OMB units. The reorganization also threatened continuity and institutional memory to the detriment of the both the agency and the presidency.[33]

EOP Reorganization and Agency Termination

The final presidential strategy when faced with problems of preference divergence, monitoring difficulties, or a lack of bureaucratic capacity in the institutional presidency is to

[31] Mosher, Lawrence. 1982. "Environmental Quality Council Trims Its Sails in Stormy Budget Weather." *National Journal*, July 24, 1982.
[32] See Davies 1984.
[33] For an analysis of whether the pre-Nixon Budget Bureau really was as depicted in the critiques of Nixon's politicization see Dickinson and Rudalevige 2004.

reorganize more dramatically. Reorganization can take many different forms. On some occasions presidents eliminate parts of the institutional presidency that do not suit their needs and fold their responsibilities into one of the existing departments or agencies in the executive branch. On other occasions presidents reorganize by combining EOP units with other parts of the EOP or agencies and personnel from outside the institutional presidency. In 2001, President Bush attempted to quietly close two small White House offices, the Office of National Aids Policy and the Office on the President's Initiative for One America. His decision angered AIDS and race activists who questioned Bush's commitment to those issues.[34] Bush also closed the Office of Women's Initiatives and Outreach.[35] He is not the only president to have closed offices in the institutional presidency. President Clinton tried to eliminate the Council on Environmental Quality and succeeded in closing the Council on Competitiveness, the Critical Materials Council, and the National Space Council. Among others, President Reagan shut down the Council on Wage and Price Stability, Carter the President's Economic Policy Board, and Nixon the Office of Economic Opportunity.[36] Short of termination, presidents have also substantially reorganized units of the institutional presidency upon assuming office. President Eisenhower substantially reorganized the Council of Economic Advisers, Kennedy the National Security Council, and Nixon the Bureau of the Budget.[37]

Of course, the extent to which presidents are forced to rely on parts of the institutional presidency varies. If presidents do not have to rely on the staff agencies they inherit they are less motivated to shape them to fit their political needs. Monitoring, politicizing, and reorganizing require time, attention, and political resources that presidents have in limited supply and they

[34] Hall, Mimi, and Judy Keen. "Bush to close offices on AIDS, race." *USA Today*. February 7, 2001, p. A1 (on-line edition).
[35] Kornblut, Anne E. "Shut office signals shift on women." *Boston Globe*. March 28, 2001, p. A1 (on-line edition).
[36] See Relyea 1997.
[37] See Hood 1954, Falk 1964, and Berman 1979, respectively.

focus their attention on the most important areas. Presidents are most likely to neglect agencies in the institutional presidency that perform tasks that are neither salient nor presidential priorities. For example, Richard Clarke, former Clinton and Bush Administration counterterrorism official, complained that President George W. Bush neglected and downgraded counterterrorism operations in his National Security Council because he did not recognize the severity of terrorist threats prior to the 9/11 terrorist attacks.[38] Presidents also frequently neglect parts of the institutional presidency when agencies in the wider executive branch or partisans in Congress can perform the same role. For example, during Nixon Administration discussions about plans for a second term, the administration talked openly about how "retaking" the State Department would allow them to downgrade the importance of the National Security Council.[39] When presidents have successfully politicized an executive agency or when presidents govern with partisans from their own party in Congress, there is less of a need for them to tinker with the institutional presidency.

Choosing Among Strategies

The strategies presidents use to deal with the problems in the presidency they inherit differ in important ways. First, some of the strategies are easier to implement than others. In particular, it is often easier to add positions than to either replace career employees or initiate reductions in force. Reorganizations are disruptive, complicated, and politically involved. The costlier strategies in time and political capital are reserved for cases where there are substantial problems in the relationship between the president and the agency or cases where an issue area is particularly salient to a particular president. Nixon's actions to dismantle the Office of

[38] See Clarke, Richard. 2004. *Against All Enemies.* New York: Free Press.
[39] "The Second Administration Team: A Concept," 1972, Frederick Malek papers, Hoover Institution, Stanford, CA, p. 6. As quoted in Rudalevige and Lewis 2005.

Economic Opportunity and Eisenhower's reorganization of the National Security Council come to mind. The first is a case where differences of opinion were strong enough that the president had to fundamentally restructure the agency. The second is a case where foreign policy and national security were enough of a policy priority that the president was willing to pay the cost in time, political capital, and loss of immediate expertise to reorganize the NSC structure.

Of course if positions proliferate and persist, this can create organizational problems that require significant reorganization to remedy. As the numbers of positions proliferates, the increase generates management problems in its own right. Information flows slow, accountability is diffused, and management becomes more complicated. As the number of people speaking for the president increase, the clarity of the president's message and priorities can decrease.

Fiscal constraints also limit the number of positions that can be added and they shape the content of reorganization plans. Fiscal constraints make reductions in force and certain types of reorganizations more attractive relative to creating new positions. The choice of strategies can also be influenced by the political ideology of the president. Conservative presidents may be more willing to cut government since they are more willing to take on the difficulties associated with upsetting federal employee unions representing government employees.[40] Rather than add positions, conservatives should be more likely to cut positions, reorganize, and implement reductions-in-force in response to preference divergence, monitoring difficulties, and competence problems.

[40] See, however, Light 1995 who argues that the number of layers in the bureaucracy increased significantly under Republican presidents.

Part IV. Consequences for the Evolution of the Institutional Presidency

The repeated interactions of transient presidents with a continuing institution affect the development of the institution in systematic ways. All presidents want their staff, both continuing institutional staff and transient president-specific staff, to be loyal to the president and expert. The institutional structure the president inherits, however, does not always provide the president with loyal and expert staff. When parts of the institutional presidency do not have the president's interests in mind because staffs are self-serving, view the world differently than the president, or misunderstand the president's interests this can jeopardize presidential efforts to lead. When staff are hard to manage and monitor the chances the staff will stray from the president's preferences and hamper rather than help presidential leadership increases. Similarly, when staff are ill-equipped for the job they have been given it is harder for presidents to lead. Once these staff problems cross a threshold defined partly by the cost of action, presidents act to alter the institutional presidency. They add White House personnel, politicize the institutional presidency, or reorganize.

The net effect of presidential changes every four to eight years is a thickening of hierarchy in both the White House and the agencies of the institutional presidency. The repeated interactions of presidents and the continuing institution also produce a relatively deep penetration of political appointments in the institutional presidency relative to the departments and bureaus of the executive branch. Gradual thickening and increasing politicization are followed by regular episodes of reorganization to rationalize bureaucratic structure, cut hierarchy, and reconstruct low capacity institutions.

The performance of the different parts of the institutional presidency is influenced by where an EOP unit falls in this cycle and where it falls in the history of the institution.

Bureaucracies characterized by persistent reorganization, politicization, and growing hierarchy are unlikely to be the most effective.[41] Presidents have a short time horizon determined by elections and a two-term limit on service. All presidents confront an existing institution but few think holistically about the performance of the institution or how the institution will suit future presidents. They are more concerned about their immediate political needs. As a consequence, the evolution of the institutional presidency is not the product of self-conscious forward-looking design. On the contrary, it is produced in response to regular short-term political pressures that produce predictable variation in structure and design but a variation that mitigates against performance advantages stemming from stable, professional, staffing characterized by a long-term perspective. The institutional presidency may grow in size, expense, and complexity, but not in competence and variation in the performance of the institutional presidency can determine the success or failure of presidential leadership in a given policy arena.

[41] See Boylan 2004 and Gilmour and Lewis 2005.

Figure 1. White House Buffering

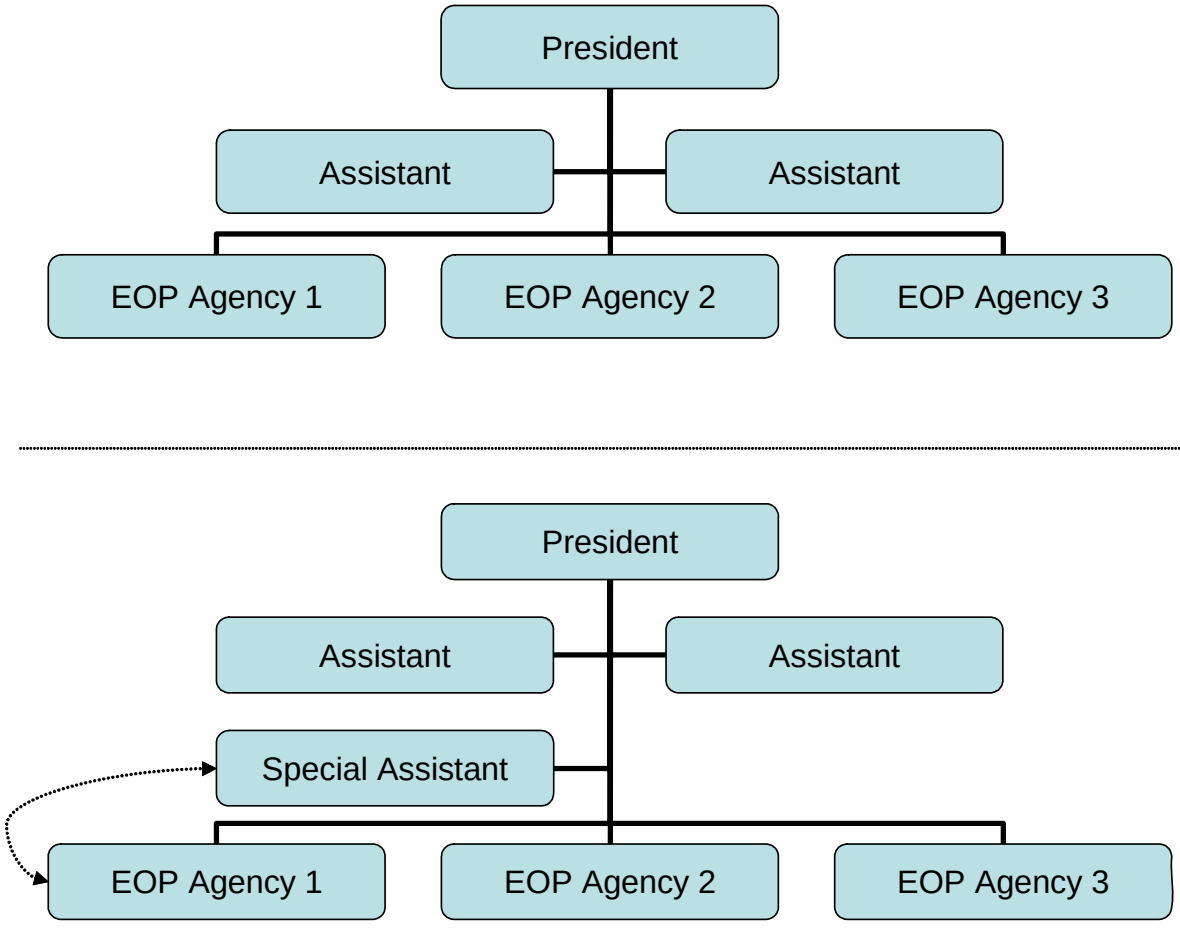
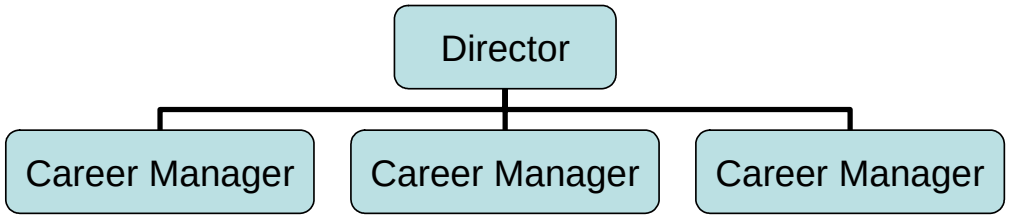


Figure 2: Replacement



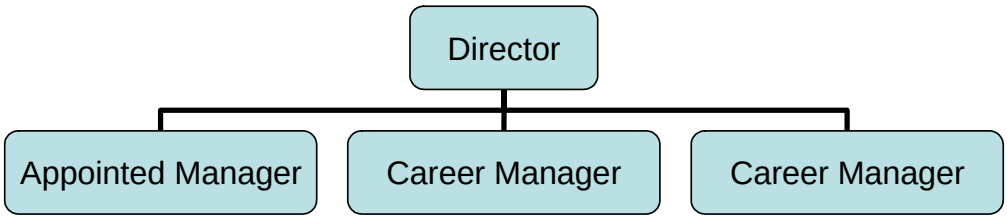
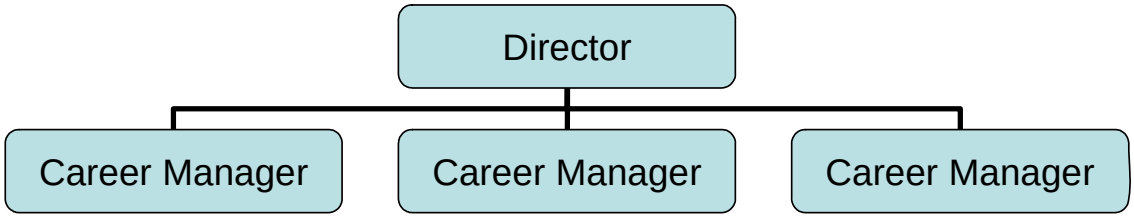


Figure 3. Layering



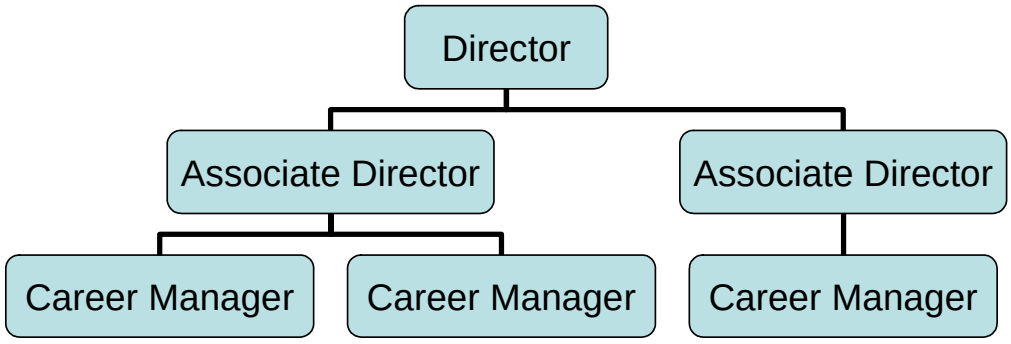
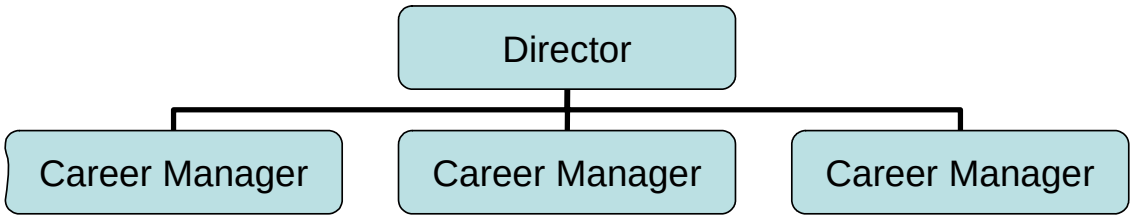


Figure 4. Increase Ministerial Staff



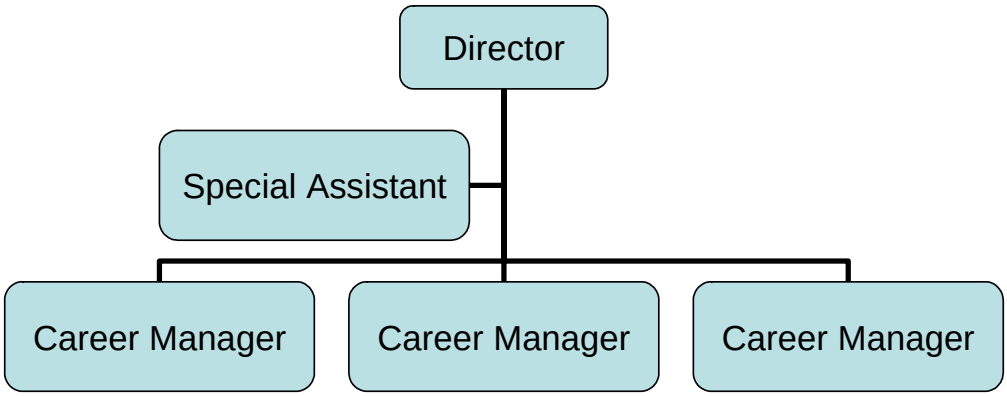


Figure 5. Intra-Agency Reorganizations

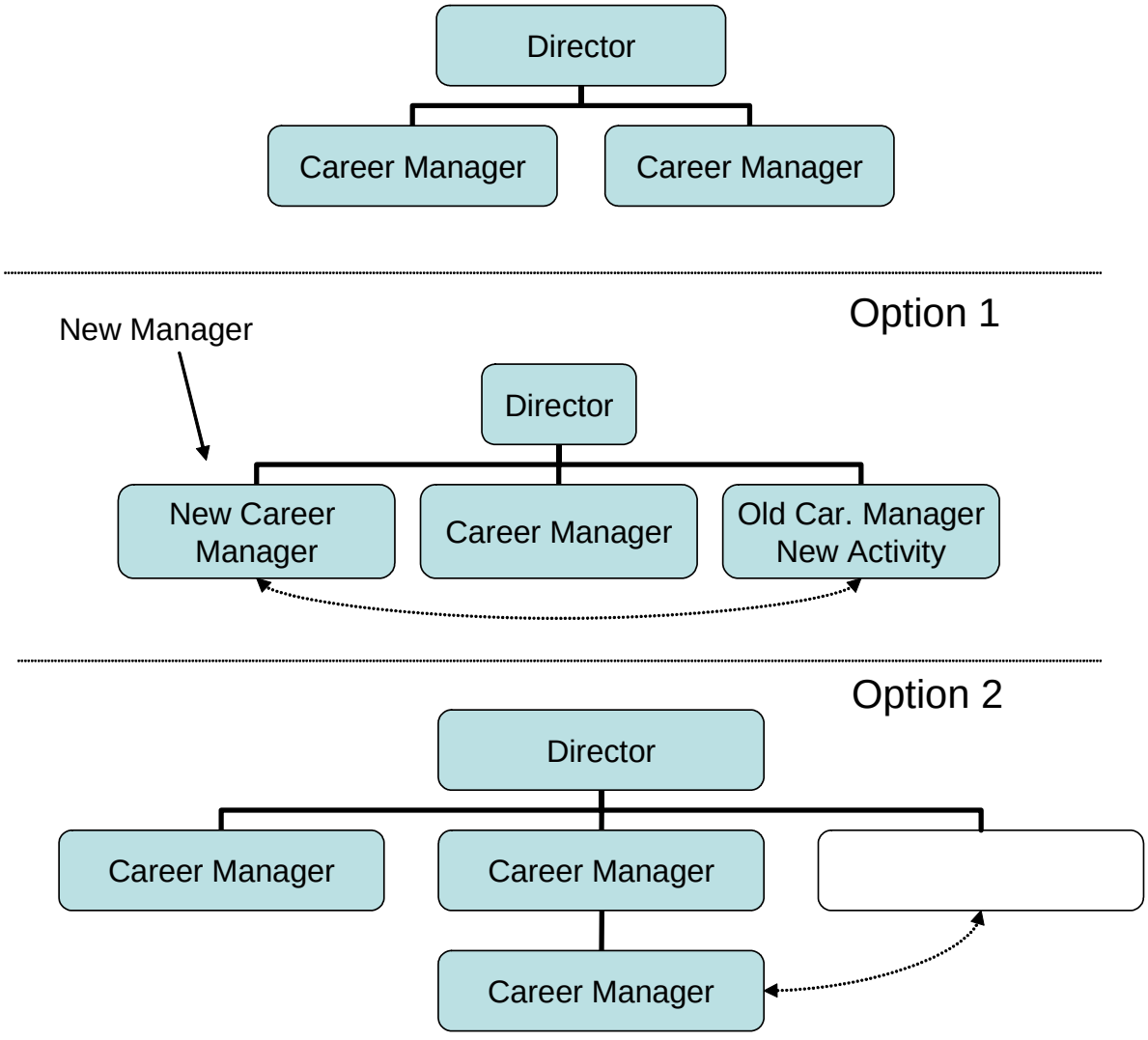
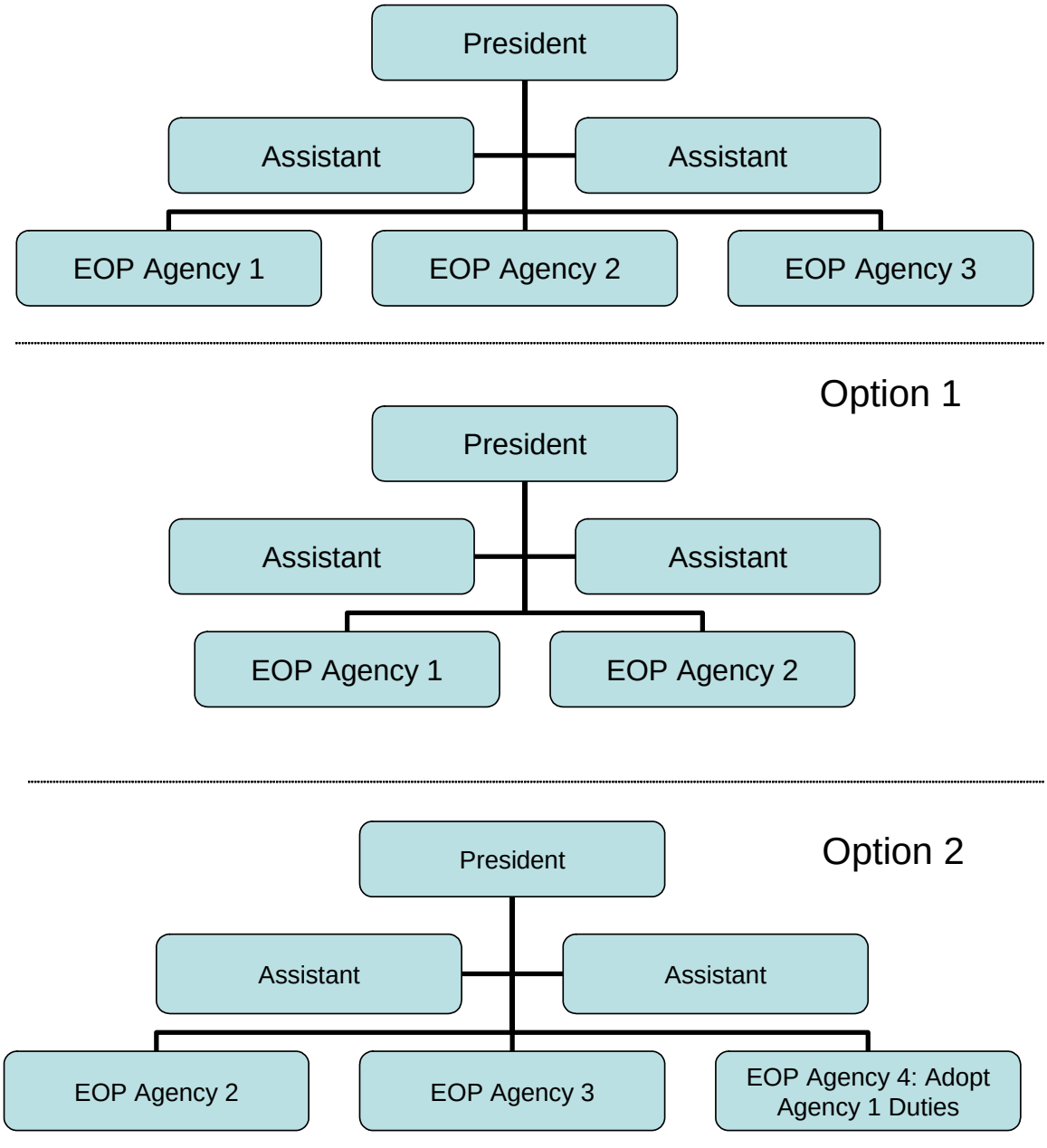


Figure 6.Reorganization



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