

Political Appointments and Federal Management Performance

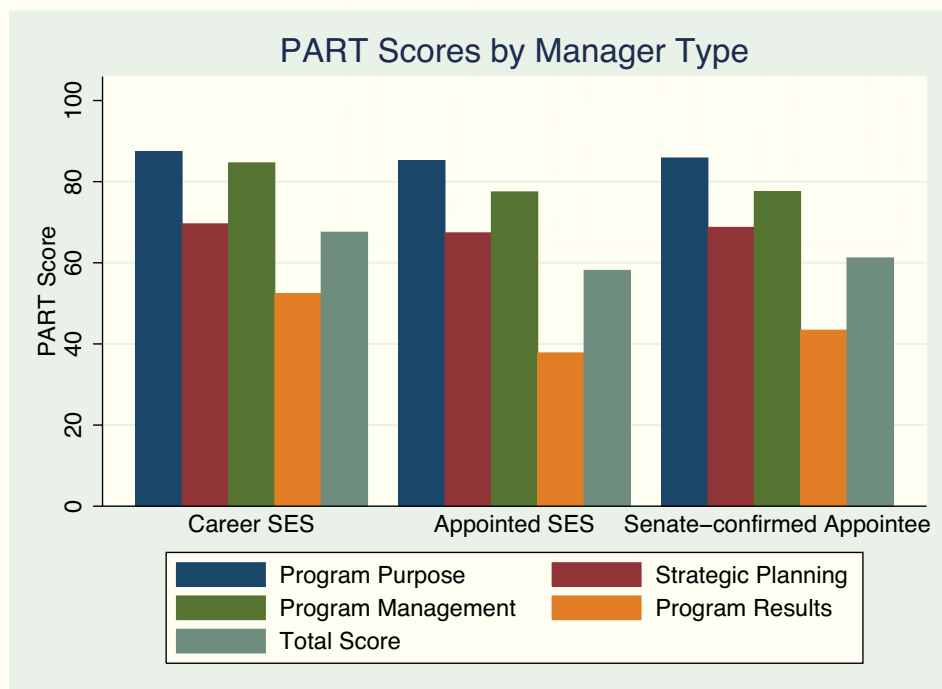
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In the aftermath of Hurricane Katrina major national newspapers and numerous public officials questioned whether the large number of political appointees in the Federal Emergency Management Agency (FEMA) contributed to the poor handling of this natural disaster. This example raises the important question of how political appointments affect management not only in FEMA but across the U.S. federal government. In 2004 the federal government employed about 3,200 presidential appointees out of 2.7 million federal civilian employees.

The relationship between political appointments and federal management performance has been the subject of political science inquiry virtually from the start of the discipline, yet researchers still know little systematically about the influence of appointments on management performance. But in a new paper titled “Political Appointments, Bureau Chiefs, and Federal Management Performance” by David Lewis, an assistant professor of politics and public affairs at Princeton University’s Woodrow Wilson School of

Public and International Affairs, Lewis uses the Bush administration’s Program Assessment Rating Tool (PART) scores - a numerical measure of management performance - to analyze the relationship between political appointees and federal management performance.

In the paper Lewis finds that politically appointed bureau chiefs get systematically lower management grades than bureau chiefs drawn from the civil service. The author also finds that career managers have more direct bureau experience and longer tenures and these characteristics are significantly related to management performance. Political appointees have higher education levels, more private or not-for-profit management experience, and more varied work experience than careerists but these characteristics are uncorrelated with management performance. Lewis therefore concludes that some combination of structural changes to reduce the number of appointees or increased sensitivity to appointee selection based upon certain background characteristics could improve federal bureau management.



Study Background

There are two views about whether presidential appointees or career executives are better for performance. On the one hand, a long tradition argues that political appointees drawn from outside the civil service bring needed energy and responsiveness to federal. According to this view, low public sector wages and the lack of pay for performance remuneration push the best and the brightest workers into the private sector. Poor human resources practices by the civil service system only lessen the attractiveness of federal work for potential employees. Civil service rules and regulations stymie efforts to recruit, train, and retain good managers. As a consequence of

these factors, appointees drawn from the private sector are arguably more capable than their careerist counterparts.

On the other hand, a growing body of research has lauded the management advantages of career executives. According to this view, career executives have subject area expertise, public management skills, and longer tenure. Subject area expertise and experience with the bureau being administered facilitates monitoring and program implementation. Careerists are more likely to have public management experience. Many generic management skills are difficult to transfer from the private sector due to the important differences between the two work environments. Even in cases where political appointees have comparable experience and expertise, agencies administered by appointees experience higher turnover. Increased turnover creates leadership vacuums, mixed signals about agency goals, an inability to credibly commit to reform, and generally poorer performance. Turnover also disrupts working relationships among functionally related agencies and programs.

It has been difficult to evaluate the claims of these two competing views empirically and as a consequence researchers know strikingly little about this important issue systematically. One difficulty is that it is hard to define “good management.” For administration officials a definition of good management must include responsiveness to the president’s policy agenda. For members of Congress, clients of the agency, or other interested parties, the definition of good management is likely to differ. Another difficulty is that it is hard to compare executives against each other since agencies have different mandates, operating environments, and constraints.

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Study Description

Lewis uses the Bush Administration’s Program Assessment Rating Tool (PART) scores to measure management performance. He argues that the Bush PART system provides a unique means of overcoming these substantial difficulties with comparing management quality across different contexts. The PART system is a management grading scheme used by the Office of Management and Budget (OMB) to evaluate the management quality of federal programs numerically. It was developed in cooperation with the President’s Management Council, the National Academy of Public Administration, and other interested parties from the administration, Congress, and the non-profit sector.

Four categories of management receive grades—program purpose and design, strategic planning, program management, program results—based upon a series of 25-30 yes/no questions filled out jointly by agencies and OMB examiners. The grading instrument is adjusted for differences across different types of programs (e.g., regulatory, grants, or research and development programs). These raw scores are weighted and combined for a total numerical score (0-100) and overall categorical grade - ineffective, results not demonstrated, adequate, moderately effective, and effective.

The Bush Administration has graded 614 federal programs administered by 245 different bureau chiefs starting with the FY 2004 federal budget (They plan to grade the remaining federal programs for the FY 2007-8 federal budgets). Of the 245 managers graded, 62 percent were Senate-confirmed political appointees, 11 percent were politically appointed members of the Senior Executive Service (SES), and 25 percent were career SES managers.

The study compares the management grades of appointees and careerists and then tries to disentangle why some managers get higher grades than others. What are the differences between appointees and career managers that might explain differences in performance? The author uses detailed biographical data collected on each manager to determine how the managers differed from each other and which differences matter for performance.

Study Findings

Lewis finds that programs administered by appointees get systematically lower management grades than programs administered by careerists even when controlling for differences among programs, substantial variation in management environment, and the policy content of programs themselves. Lewis's findings indicate that programs administered by appointed managers get grades 5-6 points lower than those administered by careerists and these results may underestimate the real differential between appointees and careerists if the Bush Administration evaluates programs administered by its appointees more leniently than other programs.

The finding that appointees get systematically lower grades than career managers is important for several reasons. First, these results are some of the first systematic evidence researchers have that career federal managers have advantages over appointees when it comes to program management. The findings importantly confirm the underlying logic for the creation of the merit system which was to provide a competent, stable, and expert administration of government through the creation of a career civil service.

Second, these grades are also important in the current budgetary process. The Bush Administration has used this performance information to make budget determinations and programs administered by appointees may be at a slight disadvantage.

The study identifies significant differences between appointed bureau chiefs and bureau chiefs drawn from the civil service. In general, appointees have more private or non-profit management experience and more public affairs experience. They are significantly more likely to have worked in Congress or the White House before they accepted their current post. Appointees have slightly more education than other types of bureau chiefs and are more likely to be generalists, having worked in other departments prior to their current job.

On the other hand, careerists are the most likely to have worked in the bureau they manage, they have the most public management experience, and they have the longest tenures in their current position. Longer tenures imply

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that appointee-run federal programs experience more managerial turnover than programs administered by careerists.

The background characteristics that favor appointees such as higher education levels or business experience do not appear to matter for management performance. Two of the background characteristics that favor careerists do appear to matter for management: previous bureau experience and length of tenure. Previous experience working in the bureau is positively related to PART score. Presumably, such knowledge of programs, processes, structures, and personnel facilitates monitoring, reduces the startup costs associated with a new management position, and helps them know better how to measure and manage performance. Previous bureau experience may also indicate specialized policy knowledge that helps facilitate management oversight.

Of course, after a period of time all managers can learn how the bureau and its programs operate, although not perhaps at the level of intimacy of a person who came up through a bureau's ranks. The longer a bureau chief has been at the head of a bureau, the better their management performance - increasing management tenure by 10 months increases the PART score of a program by 2 to 2.5 points.

Policy Implications

This research has two important policy implications. First, the research suggests that one means of improving the management of federal programs is to reduce the number

of appointees. FEMA has an extremely large number of political appointments. Apart from the director and his staff, many of the major divisions, and all of the regional offices of FEMA have historically been headed by political appointees. Not surprisingly, the two FEMA programs that were graded prior to Hurricane Katrina were given below average management grades.

Second, both Congress and the president should give particular attention to improving the management competence of presidential appointees. More attention should be given to reducing delays in confirmation and streamlining the ethics requirements that make it hard for presidents to fill appointed positions. High caliber personnel frequently turn down the call to government service because of onerous paperwork, interminable delays, and mazy ethics requirements. This reduces the overall competence of political appointee management in the federal government.

This research also suggests that management competence could be improved across the federal government by paying more attention to the types of people selected to run federal agencies and reducing turnover among politically appointed managers. The president and Congress should focus more attention on recruiting managers from the career service and recruiting appointees who are “in-and-outers,” executives who have served in previous administrations in similar positions.

A copy of the policy brief can be found at :
http://www.wws.princeton.edu/policybriefs/lewis_performance.pdf

A copy of the complete paper can be found at
http://www.wws.princeton.edu/research/papers/09_05_dl.pdf

The website for the Woodrow Wilson School of Public and International Affairs:
<http://www.wws.princeton.edu>

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