

**AN UNDERSECRETARY FOR MANAGEMENT:
ITS POTENTIAL IN THE DEPARTMENT OF
HOMELAND SECURITY**

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The recent legislation establishing a new Department of Homeland Security (DHS) provides for numerous statutory officials, many of whom are subject to confirmation by the Senate. One such officer is the undersecretary for management (USM).

The DHS statute sets forth a number of responsibilities of the secretary which are to be acted on by the USM. These include:

1. the budget, appropriations, expenditures of funds, accounting and finance
2. procurement
3. human resources and personnel
4. information technology and communications systems
5. facilities, property, equipment and other material resources
6. security for personnel, information technology and communications systems, facilities, property, equipment and other material resources
7. identification and tracking of performance measures relating to the responsibilities of the department
8. grants and other assistance management programs
9. the transition and reorganization process, to assure an efficient and orderly transfer of functions and personnel to the department, including the development of a transition plan
10. the conduct of internal audits and management analysis of the program activities of the department
11. any other management duties that the secretary may designate

The scope of matters which the secretary is expected to deal with through the USM is the broadest ever specified by law for an internal management official. The creation of a post of such potential scope at the undersecretary level can greatly enhance the capacity of a DHS secretary to advance the quality of administrative and program management in an extraordinarily complex agency. It is a badly needed attempt to establish a center for comprehensive internal management leadership—one with the potential to cope with a serious deficiency of most current executive departments, namely the dispersion of responsibility for management functions among numerous second and third tier officials.

To appreciate fully how important the role of the USM can and should be, it is helpful to examine past attempts to provide major agencies with focal points for the coordination and direction of the numerous offices and functions which affect how the organization functions, as opposed to what it is expected to do. This paper will, therefore, describe earlier efforts to

provide agency heads with a senior aide with the rank and scope of responsibilities needed to provide real leadership in management matters.

The USM of the new department will have to break much new ground because there are now no comparable positions in any of the domestic departments.¹ There will be many opportunities for the DHS secretary and the USM to make decisions, or take actions, which will increase, or undermine, the value of the position.

As the Executive Branch has grown in size and complexity, legislation and Executive directives² have compelled Federal agencies to improve or institute numerous management systems. These include merit appointments (1883), the executive budget (1921), pay classification (1923), accounting systems, procurement and contracting, and a variety of support services.

In most departments, the secretaries were chiefly concerned with matters of policy, program implementation, relationships with the White House and Congress, “care and feeding” of interest groups and public affairs. They often gave little personal attention to matters of organizations or internal management. Sometimes deputy secretaries³ gave sporadic attention to internal administrative needs or problems but their efforts rarely assured consistent direction and coordination of numerous, interrelated management systems.

The Chief Clerk Emerges

An early development in the provision of leadership for administrative–management functions at the departmental level was the emergence of the position of “chief clerk” in some agencies.⁴ These officials were almost always veteran career civil servants who thoroughly understood how their departments functioned and had substantial institutional memories. Their specific titles, duties and influence varied considerably from department to department.

An example of the classical chief clerk was provided by the War Department in the years before and through World War II. As the department’s senior civil servant concerned with internal administration, he oversaw numerous management functions that affected the Office of the Secretary or primarily concerned the department’s civilian employees. He had direct responsibility for personnel policies and systems, and the director of the Office of Civilian Personnel reported to him. Many categories of headquarters and field personnel actions required individual approval or confirmation by the chief clerk.

¹ The State Department does have an undersecretary for management who is described as the “principal management official of the department,” and who is listed as responsible for the direction and control of all budgetary, administrative, and personnel policies of the department. There is no mention of any role in program management which an effective USM should play.

² Especially Executive Orders and OMB Circulars.

³ That is, the number two official in most current departments.

⁴ The term “clerk” once included much higher civil servants than is now the case.

Enter the Hoover Commission

The years immediately following World War II saw a surge of interest in the organization, management and efficiency of Federal agencies. One major product of this concern was the decision of the Congress in 1948 to establish by law a Commission on Organization of the Executive Branch of the Government—a bipartisan group of 12 presidential and congressional appointees that quickly came to be known as the “Hoover Commission” after its chairman, former President Herbert Hoover.

The reports of the Hoover Commission set forth in some detail how the effectiveness of the Executive Departments could be enhanced. Many of its recommendations are as pertinent today as they were in 1948.

Among the specific recommendations aimed at enhancing the quality of departmental management was one calling for the creation of an administrative assistant secretary in each department. The exact language stated:

...there should generally be an administrative assistant secretary who might be appointed solely for administrative duties of a housekeeping and management nature and who would give continuity in top management.

The Commission Report went on to suggest that length of tenure was desirable and, therefore, these management-oriented officials should be appointed from, and remain in, the career service.

The Hoover Commission’s reports were well received and most of its recommendations became law in 1949-53. In most cases the reforms were achieved through the submission of reorganization plans pursuant to the Reorganization Act of 1948.

Very quickly, statutory assistant secretaries for administration were established in most of the executive departments. These assistant secretaries for administration (ASAs) were appointed by the secretaries and in some cases (e.g., HUD and DOT) were approved by the president. They were appointed from, and remained in, the career service.

The Assistant Secretaries for Administration in Action

From 1949-1969, the ASAs played an important and constructive role in most Executive Departments. They provided the expertise and continuity sought by the Hoover Commission, and they provided a high-ranking official capable of overseeing most or all the departmental offices concerned with internal administration. Their informal organization, “The Executive Officers’ Group,” met regularly to exchange ideas, and it was often consulted by Bureau of the Budget officials.

New departmental statutes (e.g., those creating HUD and DOT) included provisions for ASAs, which were accepted by the Congress without debate.

The success of the ASAs during this period was marred on two occasions. The first setback occurred early in the Eisenhower Administration when a career ASA refused to resign. The administration went to Congress and obtained legislation replacing the career position with a presidentially-appointed, Senate-confirmed assistant secretary. In another case the HEW ASA post became vacant and an effort was made to install a non-career applicant with little experience in federal agency management. The ploy succeeded only when the White House persuaded the then Civil Service Commission to authorize a “rare bird” appointment. This action surprised the other ASAs because, as the name suggests, rare birds were supposed to be individuals with extraordinary qualifications for hard to fill career positions. The new ASA’s qualifications in no way met the criteria for a rare bird appointment.

It did not take long for BOB officials and the HEW secretary to recognize that a mistake had been made which could not be easily corrected for political reasons. This problem was partially dealt with when an energetic White House aide was appointed to a new post of deputy undersecretary for management. This was a non-career office and it lasted only for the duration of its first, and only, incumbent. When a later HEW secretary was pressured into accepting another ASA of marginal capabilities, he obtained the detail of a management oriented OMB official who was designated management advisor to the secretary and served as executive director of a new Departmental Management Council chaired by the undersecretary.⁵ This also was an interim arrangement, which was abandoned by the next secretary.

Both these devices were utilized in HEW because the secretaries involved, and their undersecretaries, soon felt the need for a single staff member qualified to provide leadership in departmental management matters.

The Hoover Commission device of a career official bridging administrations and overseeing the internal management offices of each department came to a virtual end in 1969 when the Nixon Administration launched an effort to abolish the career ASA positions and to force out of office the career incumbents. This effort was on the whole successful and most departments ended up with political assistant secretaries who often knew less about how to administer a department than newly appointed secretaries.

Fragmentation of Administrative Management Functions

The decline of the career ASA concept was shortly followed by a series of statutes that made it impossible for any ASA (career or non-career) to become the key figure in internal management as they were in DOT, HUD and a few other departments prior to the election of Richard Nixon.

The most damaging of these congressional interventions (which were not resisted by the presidents involved) were the Inspector General Act of 1978 and the Chief Financial Officer

⁵ This council concerned itself with areas such as decentralization, field organization, the role of regional directors, Federal Regional Councils, and headquarters organization.

legislation of 1995. These laws created statutory officials, who could report only to the secretary, except that the inspectors general have a dual reporting responsibility to the Congress.⁶

As of the writing of this paper most departmental secretaries lack, and cannot restore, a strong post with an incumbent who can coordinate the whole range of administrative management activities of their departments. This situation constitutes a serious impediment to the design and implementation of management improvements involving more than one office.⁷

The damage done by the events discussed above has been so serious that persons concerned with the quality of federal agency administration began to look for ways to restore the capabilities needed by the head of an executive department.

It had become evident that there was no way to revive the career ASA position as contemplated by the Hoover Commission. But there clearly remained a need for a management official of higher rank than assistant secretary, and it was unlikely that such a senior officer could be given career status. The most promising, feasible way of again providing departments with an effective focus of leadership in management matters was to create a new post of undersecretary rank.

Evolution of the Undersecretary for Management Concept: Nixon's Departmental Reorganization Program

The first major effort to create the USM position in each department was sponsored, ironically, by President Nixon who had done so much to get rid of the career ASAs.

In January 1972 President Nixon included in his State of the Union message recommendations for a massive restructuring of the domestic executive departments. The proposals called for the abolition of seven departments and the regrouping of their programs in four new, carefully designed departments. The structures of the proposed departments drew heavily from models developed by DOT and HUD. A new and noteworthy feature of the draft bills submitted by the president in March 1972 was the provision, in each department, of an undersecretary for organization and management systems.

The appropriate congressional committees promptly conducted hearings on what was now known as "The President's Departmental Reorganization Program" and there was an encouraging degree of acceptance of the recommended Department of Community Development and Department of Natural Resources. The undersecretary for organization and management systems provisions were well received and would almost certainly have been included in any final legislation.

⁶ See the Academy publication, "Organization and Management of Executive Departments," by Alan L. Dean, (2001).

⁷ In 1968 the career ASAs of DOT and HUD were responsible for human resources, financial management, audit, budget, management analysis, inspector general functions, and support sources. This is no longer the case.

Unfortunately, President Nixon abandoned most attempts at departmental reform when he sought reelection, and the first serious attempt to provide for USMs came to naught.

The Academy and the Undersecretary for Management

Many Academy Fellows, and especially those who have been deeply involved in matters related to the internal management of federal agencies, have endorsed the need for departmental USMs, and the merits of the concept have been discussed by the Academy's Standing Panel on Executive Organization and Management and an ad hoc Academy committee concerned with the organization of homeland security programs.

Individual Academy panel reports have urged that departments seek legislation providing for an USM. An example is provided by the 1994 panel report, *Renewing HUD*.⁸ The project panel concluded that HUD should "...develop legislation that would provide continuity of leadership by establishing an under secretary for management and requiring that the individual in this position be appointed by the president and subject to Senate confirmation with qualifications to manage a large public organization set forth in the law." The recommendation also urged that a career staff be provided to support the work of the undersecretary.

The panel members were of the view that, in the absence of the proposed undersecretary position, the department would lack a dependable point of leadership with the rank, qualifications, and scope of authority needed to successfully implement the many actions needed to revitalize HUD.

Neither the president nor the HUD secretary has pursued the Academy recommendation and the Department has made little progress in achieving a comprehensive reform of its management.

Utilizing an Undersecretary for Management in the Department of Homeland Security

DHS having been provided with an USM by its authorizing statute, the question which should now be asked is: What should this high level official be expected to do to advance the quality of internal management in a new and very complex department?

Since there has been so little experience in the domestic departments with officials of undersecretary rank who are charged with the oversight and improvement of internal management, we can only suggest ways in which DHS' USM might be most effective in helping the secretary assure that the agency functions well. The following section includes some suggestions and cautions based on past experience.

Most persons who are familiar with the ways in which ASAs functioned prior to the Nixon Administration regret the loss of expertise and continuity that these management oriented officials provided. There is also concern with the adverse effects of dividing administrative functions among four or five officials, a practice which often deprives the secretary of a single

⁸ *vid.* National Academy of Public Administration, July 1994, *Renewing HUD*, p. 241.

source of help in overseeing most, or all, the offices concerned primarily with internal management. This fragmentation also impairs the secretary's capacity to oversee program management.

There are many Academy Fellows who believe that the provision for an USM is one of the most promising features of the homeland security legislation, if the potential of the position is fully utilized. Some of the things that will help determine the effectiveness of this statutory officer are:

1. The rank of undersecretary (as opposed to that of an assistant secretary) makes it possible to give the USM broad powers over all internal administration matters subject to direction of the secretary. The advantages inherent in high rank should be fully exploited.
2. The detailed description of the management matters which the secretary is to carry out through the USM is helpful by giving a statutory charter to a senior official concerned with departmental management. No part of this position description should be overlooked or neglected by the secretary or USM.
3. The list of USM responsibilities set for by law involves **audit**. The various inspector general statutes have included audit among the inspector general functions, which has had the effect of weakening the secretaries' ability to move swiftly to identify weaknesses in departmental practices. The DHS language also makes clear that the undersecretary will be responsible for the often neglected management analysis function and can oversee other statutory officials such as the chief financial officer. These authorities need to be energetically utilized in the administration of the Homeland Security Act.
4. The secretary can eliminate, or greatly reduce, the fragmentation of responsibility for the various functions primarily concerned with administrative services. Using his authority to delegate, the secretary could clearly indicate that such functions as budget, financial management, human resources, management planning and analysis, procurement and supporting services are to be subject to the direction of the USM. Unless this is done the usefulness of the undersecretary will never attain the level needed by the secretary and, for that matter, the whole department.
5. Every effort should be made to modify the role of the semi-independent inspector general to one that intrudes less into the powers on the secretary. The changes should especially include moving functions such as audit and management analysis to the secretary which moves are clearly provided for by the DHS statute. This reform would enable the USM to play a stronger role in assuring that these activities are fully responsive to the secretary's needs.
6. The USM should be charged by the secretary with the major responsibility for identifying deficiencies in the department's organization and management systems and designing measures to bring about improvements. In a department as complex and untested as the

DHS there will be many problems to resolve and opportunities for significant improvements in how the department functions.

7. Special attention should be given to the qualifications of persons being considered for appointment as USM. These should include experience in senior management capacities, preferably in federal agencies. Every effort should be made to select individuals prepared to serve as long as conditions permit, including through changes in secretaries and administrations. A fixed term would not help, as it is vital that an USM have the full confidence of the secretary being served.
8. Avoid the creation of posts in the Office of the Secretary that dilute or hinder the performance of the undersecretary. This injunction does not rule out such aides as special assistants, chiefs of staff, or even chief operating officers as long as the holders of such posts are purely staff officers or have line functions that do not impinge adversely on the role of the USM.

It may prove difficult to rigidly apply all of the eight suggestions listed above, but a prudent secretary will depart from them rarely and then only in response to compelling circumstances.

If the USM position realizes its full potential in the DHS and proves to be a valuable innovation in practice, it may lead to its replication in other departments which should benefit from the establishment of such an office.