

THIRD EDITION



PUBLIC ADMINISTRATION

An Introduction

MARC HOLZER AND RICHARD W. SCHWESTER



Public Administration

Marc Holzer and Richard W. Schwester have written a fresh and highly engaging textbook for the introductory course in Public Administration.

Their coverage is both comprehensive and cutting-edge, including not only all the basic topics (organization theory, budgeting, human resource management, etc.), but also reflecting new realities in public administration: innovations in e-government, the importance of new technology, changes in intergovernmental relations, especially the emphasis on inter-local and shared regional resources, and public performance and accountability initiatives.

Public Administration has been crafted with student appeal in mind. Each of the book's chapters is generously illustrated with cartoons, quotes, and artwork—all reinforcing the book's theme that the field of public administration is rooted in the cultural and political world. Each chapter is also supported with a listing of key terms, exercises, and additional resources.

Marc Holzer (PhD, University of Michigan) is Distinguished Professor at the Institute for Public Service, Suffolk University-Boston. He was previously University Professor and Founding Dean at the School of Public Affairs and Administration, Rutgers University. Professor Holzer is extensively published, is a Past President of the American Society for Public Administration and is a Fellow of the National Academy of Public Administration.

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The third edition of this already comprehensive and engaging textbook is a welcome addition for both students and instructors. Professors Holzer and Schwester have expertly woven together a robust discussion of theory, historical analysis, and striking visual displays in a manner that vividly depicts the importance of public administrative bodies in the United States. This is sure to capture the attention of students of public administration in a manner that contributes to professional preparation and success.

Alexander C. Henderson, *Long Island University, USA*

In the third edition of their superb and popular introductory textbook, Holzer and Schwester have done a remarkable job of capturing the contemporary themes that popular media and scholars discuss, while providing a thorough background of the historical and multifaceted development of the field. The language is straightforward, the graphics are exceptional, and—without losing an American focus—the sweep of the attention of *Public Administration: An Introduction* is more global than typically found in most introductory textbooks.

Montgomery Van Wart, *California State University, USA*

The third edition of Marc Holzer and Richard Schwester's text provides those new to public administration with engaging introductions to a variety of topics in the field. Among the updates is a newly-added chapter on navigating and analyzing big data, which helps students better understand the role of big data analysis in public administration. This text assists student understanding of the main themes and concepts of each chapter in an easy manner by utilizing artwork, cartoons and quotes, as well as recent case studies. Moreover, the instructor's guide contains several useful resources including PowerPoints, quizzes, video and web resources, and customizable lesson plans allowing instructors to be well-prepared for classes.

Taehee Kim, *Seoul National University of Science and Technology, South Korea*

Public Administration

An Introduction

Third Edition

Marc Holzer and Richard W. Schwester

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Preface

We have written a textbook that is distinct from the dozens of public administration texts now in the academic marketplace. Our vision is a unique blend of substance and style—a text that is both informative and enlivening, capturing the evolving nature of the field.

A unique aspect of this volume vis-à-vis other textbooks is the extensive use of visuals. Artwork depicts bureaucratic issues, reinforcing each chapter's themes and creating an informative and aesthetically engaging textbook. Charts, graphs, diagrams, and illustrations add dimensions to the text's overviews of public administration.

Of course, this text covers the traditional, essential elements of public administration such as organizational theory, human resource management, leadership, program evaluation and policy analysis, budgeting, and the politics of public administration. But it strives to do so in a contemporary way, addressing, for example, the changing role of intergovernmental relations, including the federalist structure as well as inter-local shared services and regional consolidation initiatives.

Public performance is treated as an indispensable subfield of public administration. Chapter 10 is devoted to performance-related topics such as knowledge sharing and training performance measurement, and the social aspects of organizational performance. Although these topics may be present throughout traditional texts, they are usually scattered over several chapters, underemphasizing the importance of public performance. A focus on efficiency and effectiveness is increasingly important in the field of public administration.

The emergence of e-government and the growing role of technology and social media in public administration are discussed in Chapter 13. Technology has changed and will continue to change the way we interact and transact business with government on a daily basis. This chapter delves into emerging technologies of knowledge management, geographic information systems (GIS), the use of Internet applications as participatory and service delivery media, 311 call centers, and computer mapping programs.

A departure from earlier editions is the structure of this current text. This text has been divided into three distinct but related sections. The first, the “Foundations of Public Administration,” includes the chapters discussing what public administration as a field of inquiry and practice entails, organization theory, politics and public administration, intergovernmental relations, and ethics. The second sec-

tion, entitled “Managing People and Administering Public Services,” consists of the chapters dealing with human resource management, public decision-making, leadership, and public budgeting. Finally, the third section, “Improving Public Performance,” consists of the current chapters dealing with performance measurement, program evaluation, and technology in public administration. Section III chapters saw significant content changes. The program evaluation chapter now includes a discussion of policy analysis techniques, and this chapter was renamed “Program and Policy Assessment.” Program evaluation techniques are used to determine the efficacy of existing public policies and programs. For programs and policies that are determined to be not working properly, a policy analysis is conducted to determine what the potential options are to replace the program for a policy that was deemed ineffective. The juxtaposition of program evaluation with policy analysis makes for a natural marriage. Also, a new chapter entitled “Existing Data, Big Data, and Analyzing Data” was added. This chapter addresses empirically valid techniques to collecting information, as well as dealing with large repositories of data collected by government outlets which public administrators can use to assess performance—i.e., the so-called “big data” sources.

The three sections provide a natural flow and progression of the material. Section I provides the theoretical construct of public administration, Section II provides actionable material for public administrators, while Section III deals with the future of public organizations through the lens of performance improvement and the techniques available to achieve such improvement.

Each chapter is complemented by key terms and supplementary readings. Beyond those “standard” resources that are present in any introductory text, video cases and simulations offer a gateway to engaging students, encouraging them to immerse themselves in virtual problem-solving experiences—testing theory and skills through real-time practical applications. Students are challenged to evaluate the actions and decisions of public administrators and elected officials based on the theoretical models and best practices provided in the specific chapter. These cases focus on single and multi-sector issues that allow for the best collaborative thinking of those students evaluating the problem. The simulations, also tailored to each chapter topic, offer students a place to apply theory to practice in a decision-making role rather than in an evaluative one as is typical with the case studies. Students will deal with issues related to unemployment, budgeting, the environment, crime, and education. These computer- and Internet-based learning tools allow students to test their decision-making skills and to evaluate the results of those decisions in a pure learning environment—applying theory to practice. All of the electronic resources are free to the user—avoiding additional costs to students and representing a sample of similarly accessible resources on the web, YouTube, and other media outlets.

This text, then, is very much a dynamic learning system rather than a static volume. We expect that it will not only enliven the teaching of public administration but also markedly improve the learning experience and help motivate students of public service to become problem-solving public servants.

Our continuing thanks to the team that helped us construct the most recent edition of this text and whose research and critiques improved it immensely: Mallory Sullivan, Leanne McAuliffe, and Joshua Weissman LaFrance.

This book could not have been completed without the assistance of a number of dedicated individuals at Routledge. In particular, we wish to thank Laura Stearns and Katie Horsfall.

SECTION I

FOUNDATIONS OF PUBLIC ADMINISTRATION

In Section I of *Public Administration: An Introduction*, emphasis is placed on the theoretical foundations of public administration as a field of inquiry and practice. In Chapter 1, students are introduced to the foundational elements of government and public administration. The essential characteristics of government, including tax collection, expenditures, and an overview of the services that governments provide, are presented. The primary purpose of Chapter 1 is to provide students with a conception of what public administration as a field of practice entails. Chapter 2 presents the literature on administrative and organizational theory that relates to the challenges and opportunities of public administration. Students are exposed to the major theorists, concepts, and terms associated with organization theory and management. Chapter 3 of this section delves into the reality of bureaucratic politics. In this chapter, students will come to understand that the marriage of politics and public administration is a natural one. Central to this chapter is a discussion of bureaucratic discretion and decision-making, as well as the inability of the executive branch to control the bureaucracy, Congress' lack of desire to control the bureaucracy, and the Supreme Court's reluctance to be an arbiter of bureaucratic discretion. Chapter 4 of this section deals with intergovernmental relations, specifically touching upon the complex workings of the federalist system and the growing aspects of intergovernmental relations at the local level, especially in the context of inter-local shared services and regional consolidation. This section concludes with Chapter 5—a discussion of ethics in public administration—a theoretical discussion of administrative ethics and transitions that itself transitions to a discussion of real-world bureaucratic indiscretions.



Image 1.1 "City Life" Mural by Victor Arnautoff, Coit Tower, 1934.

Source: "Coit Tower Frescos 06" by I, Sailko. Licensed under CC BY-SA 3.0 via Wikimedia Commons.

CHAPTER 1

What Public Administration Entails

In Chapter 1, we will introduce you to the foundational elements of government and public administration. We will review many of the essential characteristics of government, such as revenue collection, government expenditures, and government workforce. “City Life” (Image 1.1), from a mural by Victor Arnautoff, illustrates the complexity of urban life and a range of city services: public safety, transportation, sanitation, lighting, traffic control, etc. This chapter will also present an overview of the services that government provides and how those services affect citizens on a daily basis. Furthermore, we will construct a working definition of public administration and discuss key concepts that are essential to the field.

The care of human life and happiness . . . is the first and only legitimate object of good government.

Thomas Jefferson, third president of the United States.

GOVERNMENT REQUIRES RESOURCES

There is no question that government spends a great deal of money. And theoretically—just like any other organization—the government must make money before it can spend money. So, where does government get its money, and how does it spend it? How does this process affect people on a daily basis? These are just some of the questions we will answer in this introductory chapter.

Let’s start with the basics. Like all organizations, the government typically must take in money before expending it. In rare situations, government can spend money it did not collect; that will be discussed in Chapter 9, “Public Budgeting.” Unlike organizations in the private or non-profit sectors, government has the power to tax. Taxation, one of the federal government’s constitutional rights under the founding documents of the United States, is necessary to support the three branches of government, particularly the executive branch with its wide array of functions. State constitutions extend that taxing power to states, which then authorize counties, cities, towns, villages, and special districts to levy taxes.

What made you choose this career is what made me go into politics—a chance to serve, to make a difference. It is not just a job. It is a vocation.

Tony Blair, former prime minister of Great Britain.

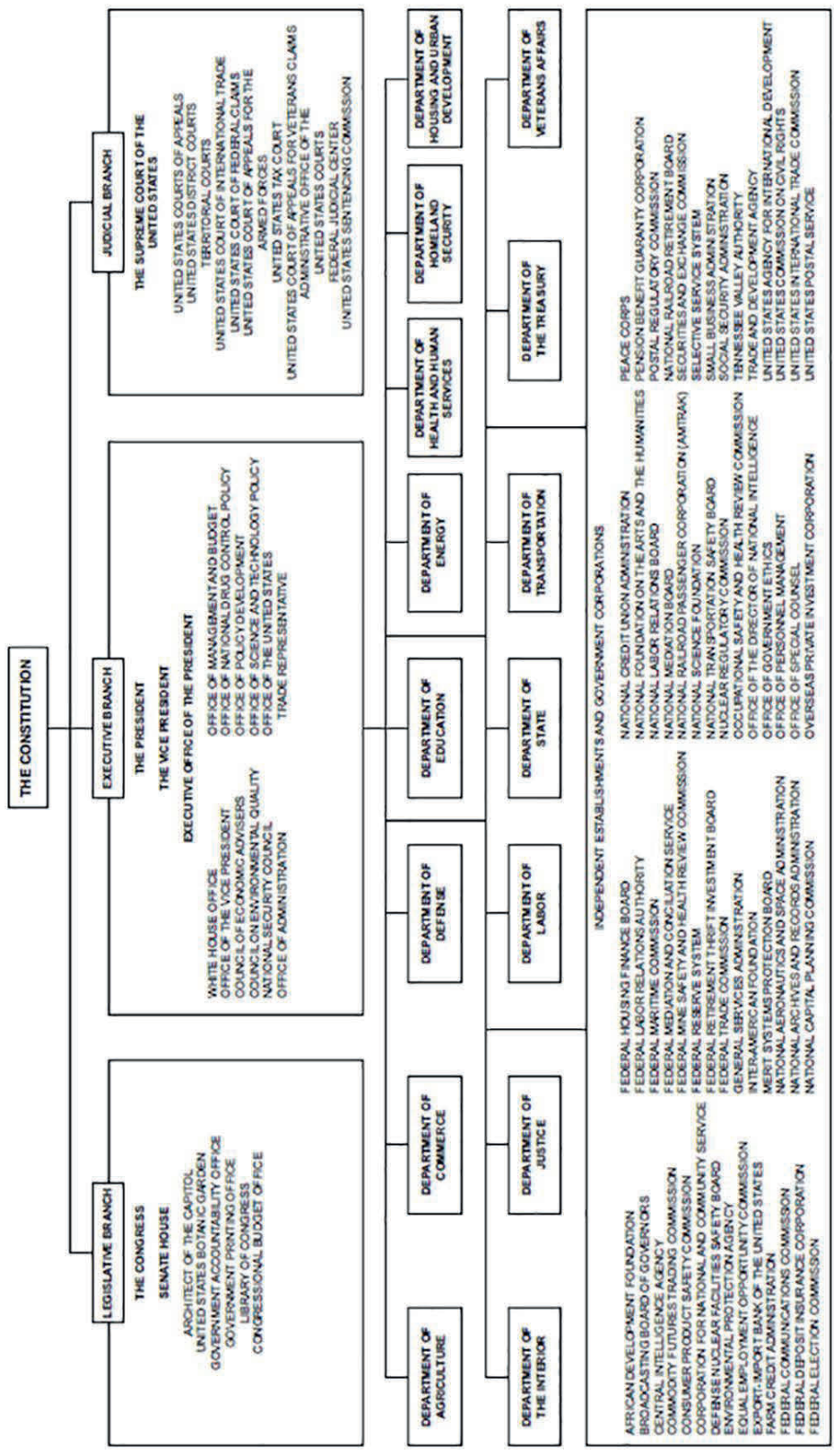


Figure 1.1 US Government Organizational Chart. Source: Widener Law, Research in Administrative Law. <http://libguides.law.widener.edu/content.php9pidM27840>. Accessed 4/24/15.

Governments are considered sovereign bodies, holding the highest authority in a specific region; therefore, government is granted unique powers under which it may implement its authority. Taxation is one of those unique powers. Unlike companies, which make money by selling a product or a service, the government takes in funds by taxing its citizenry. These taxes are collected by local, state, and federal agencies and pay for a broad range of services that meet citizens’ daily needs. The nature of these needs will be discussed throughout this chapter, but first we will sketch out the amount of money government spends on a yearly basis. Figure 1.2 displays the federal government’s sources of revenue, while Figure 1.3 exhibits its expenditures.

For fiscal year (FY) 2017, the federal, state, and local governments in the United States spent nearly \$7 trillion. Federal spending represented about 57 percent of all spending by governments. The US federal government spent about \$4 trillion, and state and local governments spent about \$3 trillion.

To understand the impact that government spending has on the economy of the United States, it is sometimes helpful to use economic terms. One often-used term for gauging the nation’s economy is the gross domestic product (GDP). The GDP is a measure based on the amount of goods and services produced within the borders of the United States. There are numerous ways to measure this figure, but the most straightforward is simply to add together the total amount of money spent on producing these goods and services. Understandably, one may think that the GDP measures only the private sector’s economic activity; in reality, however, public-sector activity makes up a large percentage

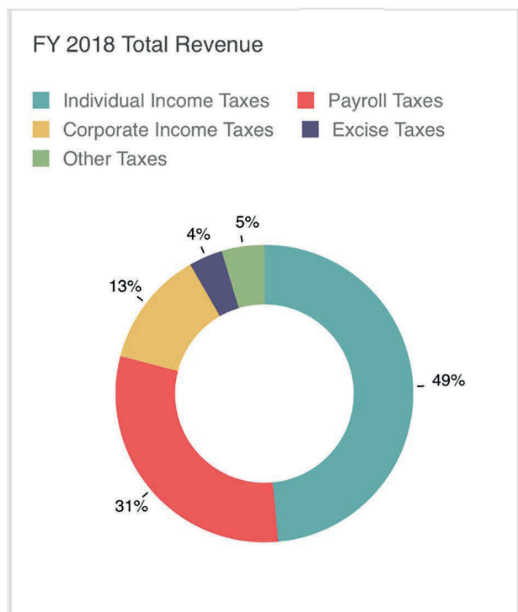


Figure 1.2 Revenue Sources: Federal Government. Source: federal-budget.insidegov.com

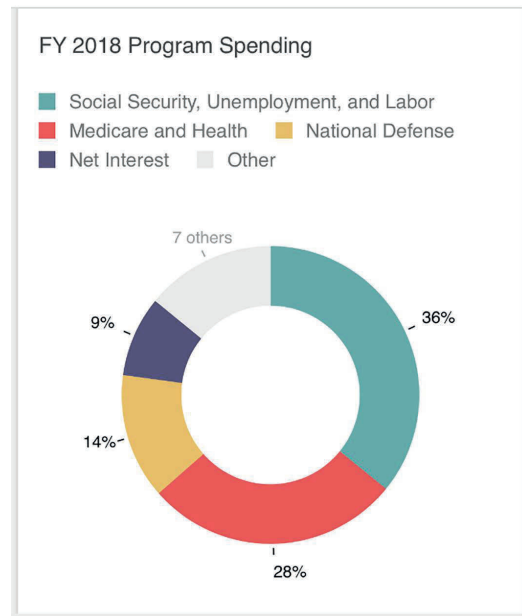


Figure 1.3 Federal Government Expenditures. Source: federal-budget.insidegov.com

of the GDP. Federal, state, and local government spending was approximately 36 percent of the US GDP for FY 2017. It is important to remember that government not only provides an array of services with the money it spends, but that such spending contributes significantly to the health and stability of the nation's economy.

To spend trillions of dollars, governments need to take in as much money every year—a feat that is accomplished through both taxation and fee-based services. Among the various taxes government collects from its citizens is the sales tax, which is typically levied by states. Sales taxes are encountered at most retail stores when a good is sold to the final customer in a transaction. A majority of states do not tax food purchases, and many other goods and services such as medical care, landscaping, and salon, taxi, and courier services are exempt from taxation in some states. In 2018 sales taxes ranged from zero in states such as New Hampshire, Alaska, Delaware, Montana, and Oregon to 7.25 percent in California; county or local sales taxes often add to those taxes at the cash register. Other common levies—including the income tax, property tax, inheritance tax, and excise tax—are used to create the revenue needed to provide the public services that citizens expect and demand. In addition, tolls on roads, bridges, and tunnels are considered a direct tax for the use of integrated transportation networks.

A large part of government funding at the federal level comes from employment taxes, which are directed toward specific social programs that generally provide support for citizens when they have reached the age of retirement or are disabled. Among the programs covered by payroll taxes are Social Security benefits and Medicaid and Medicare insurance. Employees also contribute to US unemployment insurance and to the pension funds of the federal workforce. These revenue sources are collected and used in a different manner from that of other revenue sources: They are earmarked, or set aside, as trust funds for the benefit of those who paid in. The money put in by users will be taken out by users when they are in need of various insurance programs.

Government funds also come from fees. These fees make up a smaller portion of a government's income and tend to be more significant on the state and local levels. Fees are charged for access to certain desirable locations, such as public beaches or state parks. Fees may also be charged for obtaining a driver's license or a passport, or to get a building permit for an addition to a house or to build in a certain location.

What exactly does the public sector spend money on? Figure 1.1 depicts the organization of the federal government by department and agency, each of which is allocated funding through the federal budget. A large portion of federal expenditures goes toward defense and other international programs. In FY 2017, the US Department of Defense (DoD) had a budget of \$600 billion for military spending. In comparison to other expenditures made by the federal government, DoD military spending accounts for about 15 percent of the federal budget. Another large portion of the federal government's spending goes toward the insurance programs mentioned earlier, such as Social Security and Medicare. Because the government is required by law to pay for such programs, they are often referred to as mandatory expenditures. In FY 2017, the federal government spent about \$945 billion on Social Security and Medicare. That accounts for roughly 39 percent of the federal budget. In total, funds spent on defense, Social Security, and Medicare make up about 54 percent of all federal expenditures (see Figures 1.4 and 1.5 for Fiscal Year 2018 figures).

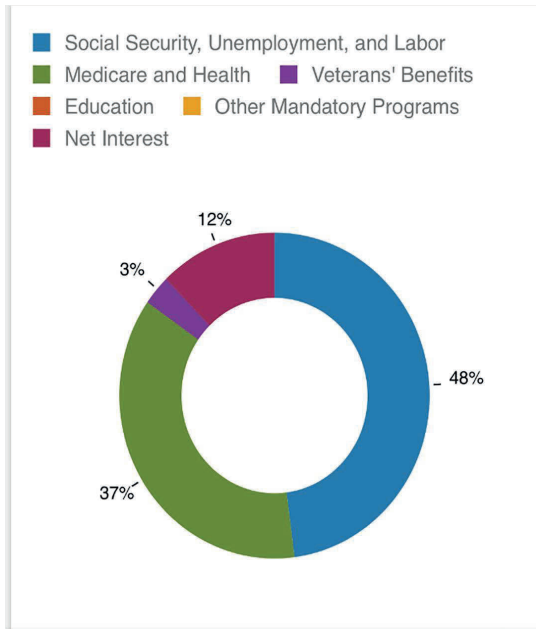


Figure 1.4 FY 2018 Mandatory Spending. Source: federal-budget.insidegov.com

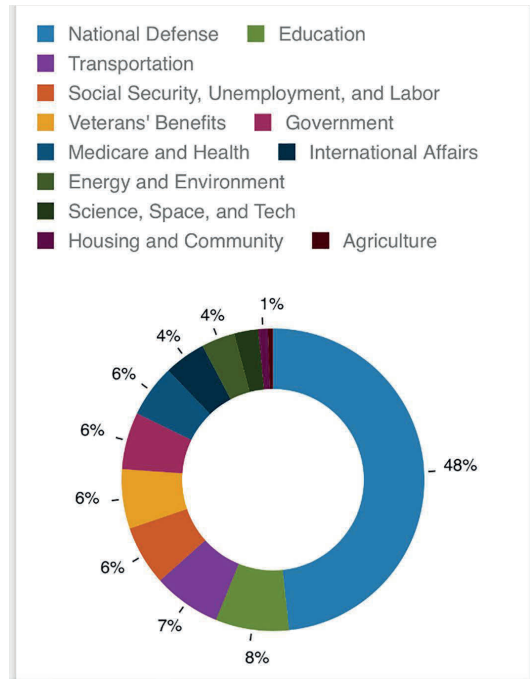


Figure 1.5 FY 2018 Discretionary Spending. Source: federal-budget.insidegov.com

Federal spending makes up about 65 percent of all government expenditures, with state and local governments accounting for the other 35 percent. In FY 2015, the most recent Census Bureau figure, state and local government budgets in the United States was \$1.76 trillion—money used by government to provide a range of services its citizens access on a daily basis. This spending contributes significantly to the country’s economy and employment, and it allows government to provide selected services that would otherwise be challenging to provide on a private basis.

The federal, state, and local governments in the United States employed about 22 million people as of January 2018. Millions of others were employed to fill public-sector positions via contractual relationships with private organizations: management consultants, temporary workers, technicians, and the like. According to 2016 data from the Bureau of Labor Statistics (BLS), approximately 14 percent of all employed individuals in the United States, not including farm payroll, are employed by the federal, state, or local governments (BLS 2017).

The federal government, while the largest single government employer, employs far fewer people than the combined state and local governments throughout the nation. In addition, over the past several decades, the federal labor force has been decreasing steadily, whereas the state and local labor forces have been increasing in size. In 1980, for example, the federal government employed more than 4.9 million people (military and civilian); nine years later, its ranks peaked at nearly 5.3 million employees. Since then, the federal government has been scaling back the size of its labor force. As a percentage of the US workforce, it declined from about 5 percent

in 1989 to 3 percent in 2007, meaning more than a million jobs were shed in less than 20 years. At the same time, state and local levels have been behaving in just the opposite manner. In 1980 state and local governments employed nearly 13.4 million people. This number increased to over 19 million in 2007, accounting for about 14 percent of the total US workforce. Although state and local governments increased their labor force by about 6 million people over three decades, in comparison to the growth of the US population, this number is not out of proportion, and it constitutes about 13 percent of the total workforce. Thus, total government employment (federal, state, local) has stayed somewhat consistent—on average—since 1980, representing about 17 percent of the total workforce, with a high in 1980 of 18.4 percent. It is currently about 14 percent of the entire workforce.

Clearly, a significant portion of the US workforce is employed by the government. What do all of these people do? On the state and local levels, it is more challenging to identify how the numbers break down exactly, but on the federal level, we can classify employees by their designated function. The two largest employee categories, by far, are National Security and the US Postal Service.

WHAT DO WE GET FOR ALL OF THESE TAXES?

Citizens of the United States come in contact with government on a daily basis—often without even realizing it. From the moment you wake up in the morning, government helps ensure your health, safety, and well-being. It continues to do so while you sleep.

Visualizing Government

Look closely at the Coit Tower mural “City Life” on page 1. How many public services can you identify? How many non-government activities in the mural are supported or regulated by government?

In the morning you expect to wake to your alarm clock rather than some pesky noise such as a lawnmower, construction, or a barking dog. Typically, you will not hear such noises because government helps to regulate such activities. In New York City, for example, construction activity is not allowed to begin until 7:00 a.m. Likewise, a citizen may not use equipment such as a lawnmower or a leaf blower before 7:00 a.m. Such policies go a long way toward fostering respect among neighbors. In addition to noise ordinances, thousands of other ordinances facilitate the creation and maintenance of a livable environment. They range from how citizens should deal with waste removal to whether or not they may purchase and use fireworks. Ordinances—enforced by public servants—help to establish reasonable norms by which we conduct our daily activities.

And so, my fellow Americans, ask not what your country can do for you; ask what you can do for your country.

John F. Kennedy, 35th president of the United States.

Beyond municipal ordinances, broader laws and regulations help us function in our daily activities. The simple act of obeying a stop sign may seem commonplace—and sensible—but what might happen if we did not have laws in place that require us to drive in a certain manner? Government has codified these very basic rules of the road. We know that drivers must stop their vehicles when approaching a red light and slow down when approaching a yellow light. These rules allow traffic to flow in an organized manner.

What about water consumption? It seems like second nature to turn on a water faucet and get a glass of cold, drinkable water, or to request a glass of water with your meal while dining at a restaurant. Although we typically do not think about the cleanliness and safety of this water, it is clear that somebody must. That is why we rely on government. The federal Environmental Protection Agency (EPA) is responsible for setting a national standard for drinking water and ensuring that none of the 90 different types of banned contaminants taint our water system. In total, the United States has over 170,000 water systems and on average delivers about 100,000 gallons of water annually to each residence (EPA 2010). Most Americans rarely think about the complexity of this infrastructure and the amount of support and control required to keep the supply of drinkable water safe and easily accessible. It is important to remember, though, that access to clean, safe water is not cheap; according to the United Nations (2010), nearly 20 percent of the world's population does not have clean drinking water.

The government not only establishes these ordinances, laws, and regulations but also serves as a major provider of services such as public education. From the moment you enter kindergarten until you graduate at the end of your senior year of high school, the US education system provides the tools you need to become a responsible adult. Throughout the United States in any given year, there are about 50 million school-age children attending elementary, middle, or high schools—a total of 98,000 public schools. To maintain such an expansive system requires a great deal of pooled resources in the form of public-sector budgets.

While children are at school, adults are generally at work. Although we may rarely think twice about the dangers that might occur at the workplace, the Occupational Safety and Health Administration (OSHA) does. This federal agency is charged with ensuring that any given workplace provides a safe and healthy environment for all its employees. Since OSHA's creation in 1971, on-the-job injuries have decreased by 61 percent and fatalities by 44 percent. A decrease on such a large scale cannot happen without a great deal of planning and work. In FY 2017, OSHA inspected over 32,000 workplaces. In addition to the federal government, many state agencies conduct inspections, and an additional 43,000 were completed on the state level that same year. Although most of us are not concerned with work-related injuries on a daily basis, it is important to remember that one of the main reasons we can afford to be so complacent about workplace safety is the government's vigilance in ensuring our protection.

WATER TUNNEL IS SPECTACULAR FEAT OF ENGINEERING—AND
HARD WORK Mayor Rudolph W. Giuliani (1994–2001)