

MANAGEMENT BY OBJECTIVES AND PROGRAM EVALUATION
IN THE
DEPARTMENT OF JUSTICE

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Introduction

Over the past few years, an increasing amount of attention has been given to the problem of making our private and public institutions more responsive to their respective constituencies. Corporate executives worry about their organizations' public image, product performance, and, of course, a reasonable return on investment for their stockholders. Political leaders are looking for means to ensure that the bureaucracy is under control and responsive to citizen demands, that policies are translated into both efficient and effective programs, and that the body politic will acknowledge their efforts at the ballot box.

The Brownlow Committee (1937), First and Second Hoover Commissions (1947 and 1953), and the recent Ash Council (1969) have all reflected national concern for the improvement of management of our Federal Government. Indeed, the following Presidential statements echo the same interest in the responsible management and evaluation of our Government's programs:¹

. A government without good management is a house built on sand.

- Franklin D. Roosevelt, 1937

. Effective action must be taken to improve efficiency.

- Dwight D. Eisenhower, 1957

I mean to insure that in each of the various Federal programs, objectives are achieved.

- John F. Kennedy, 1963

There is no subject of greater importance to the people of this country and to me than the efficient operation of our programs.

- Lyndon B. Johnson, 1966

I am now asking each department and agency head to seek a sharper focus on results.

- Richard M. Nixon, 1973

As one of my first undertakings in the Presidency, I have reviewed your accomplishments for the past year and the objectives you have set for the current fiscal year. I commend you on your 1973 results and strongly endorse your new plans. The objectives you have set for your agency are both challenging and important, and I am looking forward to meeting with you soon to further discuss them and to meet with you and your key staff periodically to review your progress.

- Gerald R. Ford, 1974

Performance budgeting (PB); performance measurement systems (PMS); productivity management; planning, programming and budgeting (PPB); and now management by objectives (MBO) and program evaluation have been heralded in their respective times as systemic answers to making Government more responsive, efficient, and effective. Even at this writing, zero-based budgeting (ZBB) is enjoying a fresh look

as the academic and management consultant communities look to the experience of Presidential candidate James E. (Jimmy) Carter with the ZBB concept when he was Governor of Georgia. The point is both academicians and practitioners alike have been, and will continue, searching for a more rational approach to the management of our complex public affairs.

MBO, however, has achieved a considerable amount of success in both the public and private sectors since Peter Drucker advanced the term in 1954.² It should be noted that Drucker gives credit for the *concept* to Luther Gulick and his colleagues in the late '30s in their classic studies of the organization and administration of the Federal Government. Drucker also claims that the *application* of the MBO concept began in the private sector, i.e., with the DuPont Company after World War I and General Motors in the mid-'20s.³ While the public sector in general, and the Federal level in particular, has been slow in adopting MBO and the concept of *formal* program evaluation, the Nixon and Ford Administrations have, through the Office of Management and Budget (OMB), directed 11 Cabinet departments and 10 independent agencies to develop MBO systems, define priority program objectives, and report key objectives and results to the President. Interestingly, the same 21 Federal agencies

represent about 95 percent of all Federal Government expenditures. Because of the emphasis that has been placed on MBO and program evaluation at the Federal level, we are also beginning to see evidence of its use at the State and local level.⁴

Given the importance that has been attached to MBO and program evaluation in the '70s and the growth in the literature on this subject, it is not surprising that serious scholars are turning their attention to these managerial concepts. True, many of the studies to date have been descriptive in that they often relate personal experiences of the authors in the application of MBO and program evaluation techniques; however, other behaviorally-oriented studies have examined the impact of these complimentary techniques on participants' perceptions, attitudes, job satisfaction, and similar factors.⁵ Some see MBO and program evaluation as fads, temporary phenomena that have superseded PPB as the public sector's latest experiment in developing a more rational management system. It seems to me, however, that the more we can develop empirically-oriented research efforts that describe organizational MBO and program evaluation initiatives, and the critical environmental variables unique to the public sector, the more successful we should be in

understanding how to bring improved and responsive management to all levels of government.

MBO and Program Evaluation in the
Department of Justice

Up to 1973, the Department of Justice displayed little central management direction, particularly in areas of program and budget formulation and execution. The Department, for most of its history, has been perceived by the general public, and managed by its senior officials, as the nation's "largest law firm," albeit its legal resources (attorney manpower) have never exceeded thirty-five hundred attorneys. Perhaps this "law firm" stereotype developed from the fact that it is the Department of Justice that represents all other Federal departments and agencies in litigation before the Federal courts. In addition to the Office of Legal Counsel, each of its six legal divisions is headed by an Assistant Attorney General, and there are also ninety-four U.S. Attorneys distributed across the country who are in daily contact with the general public.⁶

When one looks beyond the public's general perception and the traditional "law firm" style of management practiced

by its Attorneys General over the years, the Department emerges as a large, diverse Federal bureaucracy that has enjoyed substantial growth over the past decade, i.e., from 34,021 appropriated positions and \$408 million in FY 1967 to 53,030 positions and \$2.2 billion in FY 1977.⁷ In addition to its attorney manpower, the Department employs 11,000 criminal investigators, 3,500 correctional officers, 1,800 U.S. Marshals, 3,400 border patrol and immigration inspectors and 11,000 clerical and blue collar workers. The balance of the work force (19,000) boasts public information specialists, economists, social scientists, criminologists, chemists, public administrators, etc.

The point of the above data is to illustrate the relative growth, program breadth, and range of professional staffing that characterizes the Department of Justice today. Notwithstanding its relative growth and obvious program diversity, the Department remained a loose confederation of staff offices, quasi-judicial boards, legal divisions and bureaus throughout the 1960's and early 1970's.⁸ The Department's traditional approach to program development and budget formulation throughout these years also mirrored the prevailing, confederated management model--a *pro forma*, technical review of subordinate organizations' budget estimates by the Assistant Attorney General for Administration

and his modest budget staff. Somehow the rigor of PPB, introduced to the civilian sector of the government by President Johnson, was virtually ignored by the Department of Justice. Since PPB was never institutionalized at Justice, a "categorical" incremental approach to budgeting prevailed until 1973. This approach to budget formulation did not provide the Department with sufficient detail for program oversight. The prevailing problem was that the operating programs of a given organization often fell under one or more generalized "budget activities," or subsets of a given appropriation, affording the Department little opportunity to challenge the program goals, objectives or proposed resource levels of subordinate organizations.⁹ Perhaps part of the explanation for avoiding program specificity can be traced to the preferences of the powerful Judiciary and Appropriation Committees of the Congress, coupled with the individual, non-programmatic decision-making styles of previous Assistant Attorneys General for Administration.

With the advent of the Office of Management and Budget (OMB) interest in the substantial growth of the Department of Justice over the last decade and the concomitant emphasis placed on MBO and program evaluation by the Nixon Administration, senior Department officials have recently experienced

new external pressures to introduce more rigor to its internal program and budget formulation processes. Changes in leadership, occasioned by the appointment of Elliot Richardson as Attorney General, and the subsequent passage of the Budget and Impoundment Control Act¹⁰ have also served as incentives to effect dramatic changes in the way the Department manages its program and financial affairs.

The culmination of these developments was the promulgation of the Department's MBO system on February 24, 1974 and the creation of the Management Programs and Budget Staff (MPBS) in the Office of Management and Finance (OMF) later that same year. The Department's MBO system was designed to accomplish the following purposes:

- . to determine specific *program objectives* each fiscal year in support of the mission of each organization in the Department.
- . to provide procedures for *monitoring progress* toward the achievement of program objectives during each fiscal year.
- . to evaluate *program results* at the end of each fiscal year.
- . to provide a program framework which will support *financial analysis* and improve resource allocation decisions.

The introduction of MBO as a formal management system, and the development of a professional staff (MPBS) to operate and refine the system over time, has brought a new degree of rigor to budget formulation and program oversight as conducted at the Department level in the Department of Justice. While attitudes and practices are difficult to change in large bureaucracies, the evolutionary development of the Justice MBO/Budget Planning System and a Department-level program evaluation staff capability has had a significant impact. Today, the Attorney General has, at his disposal, a formal management system to assist him in the development of Department policies and supporting program decisions. No organization or system can afford to remain static; each must accommodate the decision-making demands of changing leadership--a phenomenon which is a virtual given in the public sector. However, a pivotal step toward a more rational decision-making model has been taken at the Department of Justice.

Establishing a Formal Program Evaluation Agenda

Recognizing that the Department of Justice's principal forum for the discussion of program proposals and attendant

resource impacts is the annual *spring review* of proposed budget estimates, we are taking advantage of this annual review mechanism to identify critical organizational and cross-organizational programs for subsequent study. Hence, we establish a formal *program evaluation agenda* as a "spinoff" of the budget review process.

As one would expect, each organization head must defend his proposed program and budget estimates to the senior Department officials, i.e., the Deputy Attorney General (DAG) and Assistant Attorney General for Administration (AAG/A), as well as address any substantive program issues raised by the Department's program and budget analytical staff. In the course of the dialog developed among organization heads, selected program managers, and the Department's policy officials, topics for more rigorous study throughout the fiscal year are formally noted. Some topics (or programs) earmarked for special review at the subordinate organization level are communicated to the responsible organization head as part of the program and resource guidance memorandum that he receives from the AAG/A prior to the formulation of his Office of Management and Budget (OMB) budget estimates. These topics (or programs) must be formally evaluated during the fiscal year under review by the organization head, and the study results reported to the policy level of the Department.

Other topics (or programs), usually those that cut across organization lines, are also scheduled for formal evaluation by Department-level staff offices--usually the Office of Management and Finance (OMF) or the Office of Policy and Planning (OPP). Again, the results of these evaluations are communicated to the policy level of the Department as well as to the responsible organization head (or program manager).

How successful has the effort been to date? Since 1973, over 40 program evaluations and special studies of Department of Justice activities have been conducted.¹¹ For example, we have assessed the Department's interest and participation in the International Criminal Police Organization (INTERPOL); drug treatment programs and the Federal criminal justice system; the organized crime intelligence program; litigation management; Federal involvement in civil disturbances; law enforcement training; and the need for establishing a central statistical capability within the Department of Justice. While our progress in linking the concepts of MBO and program evaluation to the budget formulation process has been quite successful to date, we still are faced with the challenge of convincing Department decision-makers to use the results of formal program evaluations in reassessing current programs and practices. Studies are completed and responsible recommendations put forth, but we

are not always successful in stimulating the kind of innovative thinking that is a prerequisite for what Aaron Wildavsky has described as "the self-evaluating organization."¹²

Perhaps Wildavsky is correct when he suggests that *evaluation* and *organization* may be contradictory terms:

Organizational structure implies stability while evaluation inculcates skepticism. Evaluation speaks to the relationship between action and objectives while organization relates its activities to programs and clientele. No one can say for certain that self-evaluating organizations can exist, let alone become the prevailing form of administration.¹³

I have come to share some of Professor Wildavsky's healthy skepticism after three years' experience in developing an integrated MBO/Budget Planning System that is designed to foster program evaluations and use their results. However, I also concur with his optimism that "we can learn a good deal about the production and use of evaluation in government, nonetheless, by considering the requirements of obtaining so extraordinary a state of affairs--the maintenance of a self-evaluating organization."¹⁴

Conditions for the Future Development of Program Evaluation in the Department of Justice

While I believe we must continue as professional evaluators to work toward the normative model of the self-

evaluating organization, I also feel that we must develop evaluation techniques and data bases that are flexible enough to meet the often immediate decision-making environment that confronts the political leader. This will not be an easy task for we must ensure that our evaluation efforts retain their professional objectivity and the supporting data its validity. Perhaps the evaluation community has to become more involved in the development of data collection standards and data base management systems in anticipation of supporting the decision environment of the political leader; this approach or strategy is currently under serious consideration at the Department.

In addition to improving our response time as evaluators and continuing our internal efforts to improve the quality of program evaluations in operating agencies like Justice, it seems to me that those members of the evaluation community working at the General Accounting Office (GAO), Office of Management and Budget (OMB), Congressional Budget Office (CBO), and on the Congressional oversight committees also have a similar responsibility to press for formal program evaluations in the conduct of their respective oversight functions.

DOCUMENTATION

¹Frederick V. Malek, "Managing for Results in the Federal Government," Business Horizons (April 1974), p. 19. See also, Joel Havemann, "Executive Report/Ford Endorses 172 Goals of 'Management by Objective' Plan," National Journal Reports, Vol. 6, No. 43 (October 26, 1974), p. 1597.

²Peter F. Drucker, The Practice of Management (New York: Harper and Row, 1954).

³Peter F. Drucker, "What Results Should You Expect? A Users' Guide to MBO," Public Administration Review, Vol. 36, No. 1 (January/February, 1976), p. 12.

⁴See George S. Odiorne, "MBO in State Government," Public Administration Review, Vol. 36, No. 1. (January/February, 1976), pp. 28-33. See also, Robert G. Gronback, "Management by Agreement: Hartford Hospital's Approach to MBO," Management by Objectives, No. 3, pp. 31-34.

⁵For example, see Rodney H. Brady, "MBO Goes to Work in the Public Sector," Harvard Business Review, Vol. 51, No. 2 (March/April, 1973) pp. 65-74; Robert W. Fri, "How to Manage the Government for Results: The Rise of MBO," Organizational Dynamics, Vol. 2, No. 4 (Spring, 1974), pp. 19-33; Dale D. McConkey, "Applying Management by Objectives to Non-Profit Organizations," SAM Advanced Management Journal, (January, 1973), pp. 10-25; Phillip J. Chartland, "Business Planning in the Canadian Post Office," Canadian Personnel and Industrial Relations Journal, (October, 1971), pp. 17-22; Stuart J. Horner, "Managing a Health Authority by Objectives," Management by Objectives, Vol. 12, No. 1 (Summer, 1972) pp. 39-44; Stephen J. Carroll and Henry L. Tasi, "Some Factors Affecting the Success of Management by Objectives," Journal of Management Studies, Vol. 7, No. 2 (May, 1970), pp. 209-223; Stephen J. Carroll and Henry L. Tasi, "Goal Characteristics and Personality Factors in a Management by Objectives Program," Administrative Science Quarterly, Vol. 15, No. 3 (September, 1970), pp. 295-305; Rodney J. Chesser, "Management by Objectives as a Behavioral System: A Focus on Change Relationships and Inferences of Causality," (unpublished Ph.D. dissertation, Michigan State University, 1971); Jack L. Mendelson, "Managerial Goal Setting: An Exploration into its Meaning and Measurement," (unpublished DBA dissertation, Michigan State University,

1967); Bruce A. Kirchhoff, "A Foundation for the Measurement of the Extent of Use of Management by Objectives," (unpublished Ph.D. dissertation, University of Utah, 1972); Harold Koontz, Appraising Managers as Managers (New York: McGraw-Hill, 1971); and Anthony P. Raia, Managing by Objectives (Glenview, Ill.: Scott, Foreman and Co., 1974).

⁶The six legal divisions are the Civil Division, Criminal Division, Tax Division, Antitrust Division, Lands and Natural Resources Division, and Civil Rights Division.

⁷See U.S. Congress, House, Departments of State, Justice and Commerce, the Judiciary and Related Agencies Appropriation Act, 1977, Pub. L. 94-362, 94th Cong., 2nd sess., July 14, 1976.

⁸In addition to the six legal divisions named above, there are nine staff offices (Offices of Legislative Affairs, Management and Finance, Legal Counsel, Pardon Attorney, Policy and Planning, Professional Responsibility, Executive Office/U.S. Attorneys, Public Information, and Community Relations Service); one board (Board of Immigration Appeals); one commission (U.S. Parole Commission); six bureaus (Federal Bureau of Investigation, Law Enforcement Assistance Administration, U.S. Marshals Service, Drug Enforcement Administration, Immigration and Naturalization Service, and Bureau of Prisons); and the Solicitor General of the United States. Although the Watergate Special Prosecutor appears on the official Department of Justice organization chart, he is not considered part of the Department for other than administrative support. See U.S., Office of the Federal Register, General Services Administration, U.S. Government Manual 1975/1976 (Washington, D.C.: U.S. Government Printing Office), p. 305.

⁹The Department of Justice currently has 14 separate appropriations and 65 budget activities and no transfer authority to move funds among its appropriations. See statement of Glen E. Pommerening, Assistant Attorney General for Administration, before U.S. Congress, House, Select Committee on Intelligence, Hearings, U.S. Intelligence Agencies and Activities, 94th Cong., 1st sess., August 7, 1975, pp. 278-279.

¹⁰See U.S. Congress, House, Congressional Budget Act of 1974 and Impoundment Control Act of 1974, Pub. L. 93-344, 93rd Cong., 2nd sess., July 12, 1974.

¹¹The use of the term program evaluations in this context is not meant to convey that these evaluative efforts (or assessments) are necessarily statements of statistical significance. The choice of the term, "program evaluation" is taken from the typology offered by the Office of Management and Budget (see James W. Morrison, Jr., "Program Evaluation and OMB: An OMB Perspective," (unpublished remarks to the Special Workshop on Program Management and Evaluation, Federal Executive Institute, April 22, 1975).

¹²See Aaron Wildavsky, "Evaluation as an Organization Problem," (unpublished paper prepared for delivery at the American Society for Public Administration convention, New York City, March 1972).

¹³Ibid., p. 12.

¹⁴Ibid.