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THE AGENCY PERSPECTIVES PANEL (CONTINUED)

VIII. ECONOMIC DEVELOPMENT

THOMAS E. KELLY, Program Analyst,  
Office of Program Evaluation, Department  
of Commerce

MR. CAREY:

Now there are four speakers to be heard from. The day lengthens. The schedule becomes more flexible. But I am bound to get through this as well and as speedily as we can. We will continue the practice of sandwiching questions from the floor in as the speakers proceed. We will now have Tom Kelly, who is the designated hitter for the Department of Commerce. Bob Knisely could not be with us. I have seen the interviews in which Tom's comments were very, very lively indeed; and I expect more of the same this afternoon.

MR. KELLY:

Thank you. Sitting up here on the left hand of God, as it were, I got to look over Bill Carey's shoulder. I noticed that one of the notes his secretary made to him was that, judging from the interviews, virtually everybody on the speaking panel is rather long-winded; and he is going to have the time of his life trying to keep the time down.

Given that initiation, I will do what I can to be brief. I will resist what is an almost irresistible impulse to engage your natural fascination with the problems of evaluating tuna canning inspection and some of the other interesting things that we get to do at the Department of Commerce.

Before I get into my own remarks I want to clarify Sam Seeman's comment this morning about the Community Mental Health Center program, a program with which I once was associated. I want to make certain that everybody understands what Sam said, at least as I understood it. He said that the Community Mental Health Center program is one of the few, if not the only program that has been certified as an unqualified success by the Office of Management and Budget. I just want to note it so that no one leaves with the wrong idea that any of our good friends at OMB were looking for excuses to kill the program.

It will be a struggle to be extremely brief. I have a lot to say, I think, and it's a great enticement to take one's time talking to a group like this. But I am sure we will have a more lively meeting the more that you are involved and the less that we speak at you.

Bill Carey said this morning that there are a number of things that pass for evaluation. Oftentimes we get to talking about evaluation as if we all shared a common definition, when in fact we are dealing with our own personal or organizational conception of evaluation. The one understanding that seems to characterize all our thinking is that evaluation is a device which analyzes programs for the purpose of meaningful program change. It seems to me that of the many ways one can characterize and categorize the various activities that flow into program evaluation, there are two major streams. In the first place there is program evaluation research, whereby one tries to discover the objectives of a program, to determine what the resources are, to define the procedures by which those resources are applied, to measure outcomes from the application of those resources, and, when possible, to measure impact.

The second major stream in evaluation is any kind of analytical activity that develops facts about program design and performance for

the purpose of decision-making. It seems to me that in those two very rough definitions we find quite distinct characteristics. I think we all too readily assume that both of them are appropriate to the same situation. To the extent that evaluation is designed to promote meaningful program change, however, I believe the two types have quite different applications. I want now to reflect for a moment on the nature of program change in the Federal Government.

Bureaucratic change takes place for a lot of reasons. But two of the major reasons are these. First, some kind of shift in political philosophy sets in--a new person at the top, or a new set of policy recommendations, flowing not out of program performance as such, but from application of abstract principles in a way that dictates program change. I am not sure that program information gathered through evaluation is likely to be tremendously influential in that process.

The second way that program change comes about is through an historical accumulation of experience with the way a particular program runs. This is the argument concerning scientific change presented by Thomas Kuhn in a book called The Structure of Scientific Revolution. I am sure many of you are familiar with it. Kuhn presents a paradigm for the way in which scientific experience builds up and change takes place. His basic argument begins with an existing scientific theory. The theory explains a lot of the phenomena observed over time. As time goes on, anomalies creep into the observations. More and more things are observed which cannot be explained by the existing theory. People interested in a particular subject gradually become disquieted by what they find to be a less and less acceptable state of knowledge under the existing theory. Finally there is a breakthrough; a new

theory is derived that explains the anomalies and is therefore accepted by the field in place of the old. That is a scientific revolution in Kuhn's terms.

It seems to me that Federal programs follow somewhat the same pattern. But they are as much art as science. And because of this they derive at least as much of their energy and structure from social values as scientific theory. To my mind, Federal programs are essentially a patterning of resources and procedures based upon an assumed social value and a theory as to how that value might best be pursued.

Take the case of mental health, for example. If mental health services are considered a good thing, and we as a society decide that we need to invest in them, then an operative social value has been established. The choice of a particular configuration of resources, procedures, and objectives to pursue that value will be based, at least in part, on a theory of how best to define and deliver mental health services to appropriate recipients. Numerous constraints interfere with the realization of a theoretically pure delivery system, but compromises are made, and the program proceeds. Once the program is in place, the existing set of objectives, resources, and procedures becomes inextricably linked with the social value of mental health service. In the political arena, an attack on the delivery system is resisted as strongly as would be an attack on the social value itself. As in scientific revolution, major change is resisted until, in time, enough anomalies or inefficiencies are documented so that the method of service delivery is discredited without threatening the underlying social value. I submit that this paradigm fits the revolution in mental health service delivery which de-emphasized central hospitals and emphasized community services. Time and accumulated

information modified the environment for decision-making until a persuasive majority of the interested parties could agree that major program change was necessary.

Now, I think that the first kind of evaluation that I described, the rigorous type, is appropriate for developing the program history which contributes to the environment for program change. It seems to me that this is the essential function of program evaluation research as we read about it in many of the professional journals and as it is practiced as a specialty among many of the research corporations hired to do objective studies--not the least of which is MITRE. I don't believe that it's possible, in the complicated political and social environment in which we apply our skills, to construct a program evaluation, or even a series of program evaluations, which will provide meaningful, substantial, convincing information capable in itself of swaying a decision to change a major Federal program according to some prespecified decision date. This, to a lot of people, has been the expectation, the hope of evaluation. It certainly sounds like a logical expectation; but as we gain more experience with our Federal programs, I think we find that they are not so logically constructed as we assume; rather, they are patchwork applications of resources in the pursuit of social values. Research points up the anomalies, but only in the fullness of time will accumulated studies have their impact.

I was privileged to work with the Urban Institute a couple of years ago in attempting to find out exactly what the problems and the possibilities were in evaluating mental health programs. One of the things we found out was (and I'm using mental health simply as an example of other Federal programs) there was not in place the set of logical links between legislation, program objectives, resources, procedures, and intended outcomes that would allow a research design

to be quickly and successfully applied to those programs. I think that this is still true as I view other agencies. I am working currently in the Department of Commerce and I don't find there is anything particularly different where I am now. Program evaluation research is a tool, but it's a long-term tool. It contributes to a gradual accumulation of information about a program which may eventually result in a decision to change the program, but it will not do this in and of itself, and certainly not in the short term.

What do we have then? We still have a felt need to influence short-term decision-making in the Federal Government. Well, what is decision-making in the Federal Government? Is it a logical application of knowledge and principles to come out with the best possible solution to a knotty problem we all experience? We all are aware that decision-making in the Government is a political process, with a small "p" in some cases, or a large "P" in other cases. To that extent, it is a result of a conflict of interests which occurs in a chain--often a hierarchical chain made up of a certain group of people who are charged with responsibility over a given program, which may be fairly low in the bureaucratic hierarchy. These people, vertically aligned, take various positions relative to one another on any program decision in which they are all interested.

That position-taking or layering of divergent positions, is, I think, an important process. To the extent that it's a political process, to the extent that it's an attempt on the part of one participant in the decision chain to use knowledge to influence another part of that decision chain, it represents both a cooperative and an adversarial undertaking.

There was a question at today's luncheon gathering which I think illustrates the problem. The question indicated a certain lack of trust or acceptance of the statement that OMB is really interested in doing the right thing by programs. The questioner seemed to recognize that there are pressures on OMB budget examiners which are prejudicial to certain programs. There is no need to pick on OMB--one can find similar pressures at each level of the bureaucratic hierarchy. We each respond to the program manager for whom we work as staff. Our rewards tend to come from pursuing or moderating the interests, biases, and concerns of the manager for whom we work. Naturally, we do our best to base our actions on information which is as factual and objective as we can make it. On the other hand, we find that we are actually serving managers who are involved in a political process, who are attempting to influence one another, both above and below in the vertical decision chain.

Here is my major point, and I'll make it quickly. It seems to me that, if an evaluation office is set up to serve a particular manager and to satisfy the information needs of that manager about a program, and if that manager is engaged in an adversarial and cooperative process with managers above and below him or her in the line, then that evaluation office must provide information which is distinctly and specifically designed to meet the information needs and interests (in the double sense of that word) of that one specific manager. To the extent that the evaluation office is required to gather data and information on a short-term basis to affect a given decision, and to the extent that the information gathered is made available through some kind of a pseudo-line process to the evaluation staff office above, and above it, and above it, so that eventually it is common property--then that evaluation office has ceased to meet the specific interests and information needs of the manager for whom it works. It seems to me that if the information which the manager requests

becomes public information as soon as it is gathered, then it is probably going to be viewed by the manager as a threat to his or her autonomy--and be less useful to that extent. To the extent that the information is "intelligence," providing factual knowledge on a confidential basis, it allows that manager to be a much more effective position-taker.

I think that if an evaluation office is not set up to do long-term evaluation research and is nevertheless required to do formal, public studies to affect decision-making, it's likely to turn into an overhead function rather than a valuable, important part of the decision-making process. It is not in the manager's interest to provide an evaluation office a topic to study when the forthcoming information may be used against the interest of the manager that requested the study. As a result, the kinds of studies that the evaluator will be asked to do will be studies which are of marginal relevance to major program issues on which decisions are likely to be made. To the extent that topics for evaluation appear to be important superficially, there will usually be enough subtle communication between the manager and the evaluation office to establish that the nature of the study should not be such as to injure the interests of the manager.

I recognize that this theory smacks of cynicism. It needn't be applied cynically, however. The positive upshot of this analysis is to help us recognize and act on human factors which influence organizational receptivity to evaluation. All of us would be wise and fair in the absence of pressure. Under conditions of threat, however, instincts such as self-preservation often conflict with our more rationalistic leanings. Since managers are people, they react to pressure both rationally and irrationally--simultaneously. The organizational environment in which decisions are made is designed

to create stress and to enhance the competition for influence. Under such conditions, information--such as that gained in evaluation--may be viewed not only as a tool but as a weapon.

Here are the lessons which emerge from this reflection. To the extent that we construct hierarchical offices of evaluation, each higher office overlooking and using the products of the lower, we heighten the sense of threat which evaluation presents. To the extent that we conduct evaluation outside the context of "small p" political decision-making--as an objective program research and documentation activity, set apart from the management structure--we reduce the immediate threat and improve the prospects for long-term relevance. To the extent that we conduct evaluation within the management structure as a low-key intelligence gathering effort for the use of individual managers, we are likely to improve its short-term relevance for decision-making.

I could go on, but I will end by reiterating that I think there is a role for "intelligence" as a definition of the information that we gather in evaluation, to the extent that we want to influence decisions. If we are content to influence decisions in the short term, it seems to me that we can often turn to a journalistic approach to evaluation--taking the example of a New Yorker profile which openly says: this is biased, this is personal, this is a one-shot view, but it does provide the information specifically required by this manager at this time for this decision. To the extent that we are trying to build a long-term program history, we will use something that is much more rigorous, much more scientific, which we call program evaluation research. That is really all I have to say right now.

MR. CAREY:

Well done. I guess I was wondering as I heard you talk whether the political people whom we cannot ignore view program evaluation as largely an ivory tower process. I think to the degree that that is true, it's a very heavy burden for evaluation to carry.

MR. STROMSDORFER:

If it's an ivory tower process, it's their fault because they don't interact appropriately with the evaluation. They won't specify program objectives. They won't specify program needs.

MR. CAREY:

You are including Congress and the Committee staffs and institutional offices of the Congress and all the rest with it?

MR. STROMSDORFER:

Pretty much. There is a major current of this. It isn't the only current, but it's a major current of behavior.

MR. CAREY:

I might take that point and that comment, but I also think that to the degree we over-theologize the whole business of evaluation, we contribute to making it spooky, unfathomable, tedious to read, complicated to understand. You know, you look at the life of a Congressman, you look at the life of even a Wilbur Cohen, 15 minutes is available somewhere in the day or the night to read something. The pretentiousness of a lot of the evaluation I have seen contributes to this ivory tower state of mind. I think we have to be very, very careful of it. Sometimes I have thought that while evaluation has an important role, an important place, policy change and even program change sometimes works just about as well when it comes out of an interactive, a very informal kind of a process. It's a process

of criticism. It's a process of response to criticism, of debate and argument. It is not as elegant by any means as what we are talking about as evaluation. It also has its place.

I remember one time we had been inventing The Great Society at a furious rate and whipping messages to the Hill at two-week intervals. The President had accumulated a whole truckload of those five-cent souvenir pens that we used at signing ceremonies. It was all a very exuberant time. We were flinging these programs out on state and local governments one after another. One day, I was visited in the Budget Bureau by six Directors of what we used to call the "PIGS"--the public interest groups. The Governors' Conference, Conference of Mayors, Council of State Governments--they call themselves the "PIGS" and they are proud of it.

PANEL MEMBER:

The corresponding group that you represent here is the "HOGS"--that is, high officials of Government.

MR. CAREY:

Thank you. I accept that.

We had a sedate discussion for a while about the problems of multijurisdictional programs and multiagency programs. Finally, Bernie Hillenbrand lost his cool. (He represented the National Association of Counties.) He said, "Bill, if you really want to get this thing straightened out, why don't you have some kind of a policy rule in this administration that, as these great programs are being thought up, and as program changes are being thought up, that state and local and county people ought to have a voice in it and be consulted somewhere." I didn't have a very good answer. When the meeting broke up, I talked to a couple of LBJ's White House counselors.

They said, "Oh, we could never do it. The President wouldn't want to give away his options. He wouldn't want to telegraph them. He wants to have control. Don't even try it."

I heard them, but I wasn't convinced. I knew that my chief, Charley Schultze, was due to fly to the ranch the next day to have a working session with the President. So I had a word with Charley and gave him a draft of a short memorandum for the President to sign and send to the agency heads.

I said "You might take it up with him tomorrow if you get a minute." He said, "I'll take it with me." So he went off to the ranch. He was telling me later that it was a very, very hot day. The President insisted on giving Charley a personally conducted tour of the pastures, and the President was protected by very high boots. Charley just had his beat-up shoes on, and as he tried to sidestep the cattle droppings and keep up with the man, he was pretty well exhausted.

Then the President said, "Let's go to work." He gestured toward a picnic table alongside a clump of trees. It was a very, very hot day. The President pointed to the table, directly beneath the sun, and said "Sit down there, Charley."

So Charley sat down in the Texas heat with his pile of papers. The President climbed up into a hammock swung between a couple of trees. He is swinging in the hammock, and he's got his bottle of Dr. Pepper; and Charley is saying, "Mr. President, we've got this budget problem, and we've got that legislative problem," and he would hand up a paper to the President.

Finally, with the sweat streaming down his brow, he reached my little piece of paper. He said, "Now, Mr. President, if you'll take a look at this." He handed it up. The President began to read it as Charley said, "Let me give you some background on this." He got no farther. The President cut him short. "Charley," he said, "don't waste my time. Just hand me that pen."

I don't know what you think of that, but it's a little example, perhaps, of where you can accomplish something that does make sense, that does make a difference in the quality of management and administration without elegance or pontification of research and analysis; and I think there may be a place still for both things. Let's not, in glorifying evaluation--although I don't think we have done too much of that today--let's not rule out hunch and judgment where they can get the job done.

The next speaker is John Evans, who is Assistant Commissioner for Planning, Budgeting and Evaluation in the Office of Education. I think he has got something good to tell us too.

**END**