

EFFICIENCY STANDARDS IN MUNICIPAL MANAGEMENT

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STANDARDIZATION is today regarded by many enthusiasts as a sort of Aladdin's lamp, possessing the potency and magic of that famous talisman for accomplishing the purposes of man. Ardent devotees look forward to the time when every form of human activity will yield to its magic, and most of the obstacles to human efficiency will in this way be surmounted. Whatever be one's conception of the part which standardization is ultimately to play in the industrial and social program, the standardization process is certain for many years to be a dominant factor in the development of higher efficiency in most fields of enterprise. Already in the field of industrial and commercial organization, salesmanship and advertising, medical and educational practice, religious and philanthropic activity, and of a hundred other types of enterprise, systematic efforts are being made to discover and establish standards of organization, equipment, procedure, method, output, results, and cost.

Many of the consequences of such efforts are in fact already so familiar as to be commonplace. Standard gauge railway tracks, car couplers, air brakes, and operating agreements make possible unbroken transcontinental train service. Standard telegraph equipment, codes, and news service, lie back of the daily newspaper. Standard typewriter keyboards facilitate the distribution of machines and the availability of operators. Waterpipe manufactured at a hundred different factories may be joined in the same water supply system by standard threaded joints. The doors of a score of colleges are opened to a candidate for admission by the passing of a set of standard entrance examinations. Standards established by the Carnegie foundation are beginning to make possible a distinction between real and pseudo medical colleges; between "universities" that confer degrees for educational attainment and those that confer degrees for revenue only. Dr. Wiley's consistent program for standardizing food and drug labels is making it more and more possible for a consumer to buy what he pays for. The effective standardizing of official control over weights and measures in several states is beginning to insure to the purchaser the full quantity of goods for which he pays.

There is a somewhat general misconception of the meaning of standardization which should at once be corrected. A "standard" is often thought of as implying an arbitrary, fixed or invariable basis of action, involving

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possibly the idea of perfection. As used in modern industrial and municipal research, however, the term has none of this suggestion of final and unchangeable authority. It implies rather a working basis which, after careful consideration of available facts, is accepted for the time as the best that can be devised. There is no assumption that a standard is not subject to amendment at any time; provided only the proposed modifications be subject to tests as rigorous as those applied in the formulation of the original standard. Standardization thus defines a method rather than a fixed result—a method of scientific research and of continuous and progressive revision based upon fact-tests as distinguished from opinion-tests.

It is a matter of common observation that very few standards, in the sense here defined, have received general recognition in city management. It is practically true that no specific problem of administration has been solved by two municipalities in the same way. Even among the departments of a given city, it is common to find wide variation in such matters as the classification of receipts and expenditures; method of handling requisitions, orders, bills, and stores of supplies and materials; preparation of financial estimates; handling and filing of correspondence and current records; supervision of janitorial and messenger service; formulation and publication of reports; and scores of other functions that might readily be subjected to scientific tests and standardization.

Substantial beginnings, however, have been made during the past few years in the standardization of municipal organization and operation. Standard charter provisions, ballot laws, and financial statements for many years have been subjects of discussion at the annual conferences of the National Municipal League. The remarkable growth in popular favor of the short ballot and commission government indicates that interest in standardization of this nature, affecting the distribution of functions and the general form of municipal government, has increased rather than declined during recent years. There is today a strong disposition, however, to place the emphasis upon the details of administrative method and departmental organization, rather than upon the general problems of political control or upon the organic form of government. There is a growing realization that standards of work done, results accomplished, and cost incurred applicable 365 days of each year *between* elections and intelligible to citizens, taxpayers and officials alike, constitute a factor more essential to municipal efficiency than a ballot of standard brevity or a commission of standard personnel.

It has taken a long time for the citizen-stockholders of American city-corporations to grasp the important fact that, without standards by which to measure concrete administrative results, all attempts to determine the efficiency of a clerk, a health officer, a mayor, a city council, an "administration," a policy, a method of management, a ballot law, or a charter must

be uncertain or futile. We have not been quick to see that the primary purpose of a municipality is not to furnish occasional opportunities for casting ballots, revising charters, or recalling officials, but to promote and protect the health, education, safety, convenience, and happiness of its citizens; and that efficiency standards must therefore be stated in terms of community service rather than in terms of ballot laws or charter powers.

The present rapidly growing appreciation of the city's possibilities as an agency of community welfare accounts for the wide-spread effort to find units of measurement and standards of practice that shall make possible a definite appraisal of municipal efficiency in terms of community service rendered, community results obtained, community cost incurred. Standard specifications for supplies, equipment, and service; standard cost records; standard qualifications and salaries for officers and employees; standard classifications of revenues and expenses; standard forms for records and accounts; standard methods of inspection, audit, and financial control; are merely items in a program of social measurement and interpretation. The ultimate purpose of this program is to enable citizens and officials to apply specific efficiency tests to administrative methods, and results; to subject their judgment to the measure of fact; to give and to receive intelligent appreciation or discriminating criticism. Only on some such basis can a community secure for itself the invaluable results of informed and exacting citizenship, on the one hand; or of economical and efficiency public service on the other.

The advantage that invariably accrues to a community when standards are developed and put into force might be illustrated by numerous examples. A very few will serve the present purpose:

1. By standardizing its method of taking the school census, Philadelphia recently increased its portion of state school funds \$75,000.
2. By standardizing its requirements as to the temperature and cleanliness of milk, its methods of milk inspection and its program for teaching mothers how to care for babies, Philadelphia saved the lives of more than a thousand babies in 1911.
3. By standardizing its medical inspection service, Philadelphia is now getting the physical defects of school children corrected, whereas formerly they were only reported and registered.
4. By standardizing the business methods of its bureau of water, New York increased its water revenues \$2,000,000 a year.
5. As a result of fuel standardization, under which coal is purchased by heat capacity instead of by weight alone, the Board of Education of New York saved \$900,000 in seven years.
6. Standardization of the quantity, quality, and form of official reports, books and of the *City Record*, has enabled New York to make an annual saving of \$1,200,000.

7. By standardizing specifications for milk, a large city hospital last year showed how \$30,000 could be saved and applied to some of the urgent needs of its patients for which provision had not hitherto been made.

8. Among the many significant results of the studies made by the President's commission on economy and efficiency is the discovery that by standardizing envelopes used in the government service, an annual saving to the government of \$250,000 or more could be secured.

Without multiplying illustrations, it may be said that wherever intelligent effort has been made to determine standards of organization, administrative methods, specifications, work done, needs to be met, and unit of cost, results similar to these have followed. Better service and lower cost mean not only saving in taxes but saving in health, education, convenience, and mortality. One hundred thousand dollars saved by applying heat-unit standards to the purchase of coal, without the least magic can be transmuted into clean streets, reduced infant mortality, better housing conditions, additional playgrounds, industrial education for children who are now driven from school, or into one of the hundreds of other forms of community welfare for which adequate support is now lacking.

With the money now being spent by American cities, officials now in office have adequate powers to insure enormously more efficient government even without further changes in charters or ballot laws, provided citizens and officials will look for results rather than resolutions and demand that haphazard methods in city management be replaced by clearly defined standards of procedure.

In view of the definition of standardization proposed above, it is obvious that many municipal standards must vary in detail with the physical and social conditions of the communities concerned. Standards of snow removal applicable in Boston will have very limited application to New Orleans. Standards of school house construction, street paving, fuel cost, sewage disposal, water supply, transit facilities, street lighting, and industrial education must vary with climate, natural resources, topography and economic pursuits. On the other hand, there are broad limits within which uniformity of practice may reasonably be expected. The following suggestions are offered as to standards that should find general application in the field of municipal management:

1. In the performance of a large proportion of its functions, a municipality must meet precisely the same technical problems that a private enterprise meets in the discharge of similar functions. Such are the functions involved in the constructions of bridges, sewers, reservoirs, streets, buildings, and other public works; the operation and maintenance of water systems, lighting plants, street railways, and other municipal service enterprises; the purchase of supplies, the disposal of ashes and sewage, the repairs of buildings and equipment; the collection and safe-keeping of moneys;

the maintenance of accounts, the audit of claims, the exercise of financial control, and the preparation of financial estimates and reports.

2. In the most highly developed private business it has proven advantageous to reduce to writing all standards of practice, so that responsibility for knowledge of the standards may be fixed and consistency of practice promoted. Besides being more easily understood and enforced, definitely formulated standards are more readily modified than indefinite, vague assumptions. Such formulation of standards is open to the charge of being useless "red tape" only when the standards are of the expression of arbitrary opinion; not when they are the result of scientific determination.

3. The functional type of management has proven its superiority in commercial and industrial enterprises. Briefly stated, this type of administration provides that each man in an organization perform those functions for which by training or native capacity, he is best qualified; that the final authority in each specific branch of an organization be placed in the hands of the one person best equipped to exercise such control; that no member of the organization be required to perform service that can be satisfactorily performed by another person whose service is less valuable; that no individual be expected or permitted to make decisions in matters for which he has not the requisite qualifications and the necessary information.

Some of the consequences of applying the methods of functional management in municipal administration will be these:

a. City councils and boards of aldermen will demand evidence as a basis for action; their functions will be limited to the consideration of general programs and the fixing of policies, instead of being extended to details of administrative practice which obstruct rather than aid executive officers.

b. Department heads will be selected on the basis of technical qualifications and administrative capacity; and these officers will give their attention to the study of community needs; to the collection, classification, and interpretation of facts; and to the utilization of such facts in the formulation of adequate standards and the development of an intelligent program of public service.

c. Bureau and division chiefs will be functional specialists, each in his own field; with definite responsibility and authority in all administrative matters requiring expert judgment.

d. Employees will be selected for the lower grades of service with a view to training them in the service for positions of higher grade.

e. Men will be retained in the service so long as they give evidence of appropriate efficiency; when they are no longer competent to render efficient service, as a measure of economy and justice, they will be either dismissed or pensioned. Adequate protection will be afforded every officer and employee by making provision for standardized service records, on the basis of which his efficiency may be accurately determined.

f. Salaries will be standardized according to grades of service rendered; the requirements of each position being determined by scientific inquiry rather than by unsupported opinion.

g. Provision will be made for distinct bureaus to perform, for the entire city government, special functions requiring expert service which the general departments are now commonly expected to carry on independently, each in its own way, to the financial and operative disadvantage of the city. The functions which can be thus segregated to advantage in a given community can be determined only by proper research. Among those which will probably be thus segregated, the following are suggested:

(1) Central purchasing agency and storehouse, which shall give the city the benefit of central buying; to departments the benefit of prompt action; and to dealers the benefit of prompt settlement and businesslike treatment.

(2) Interdepartmental janitorial service, which shall assume responsibility for the care of physical plants, including cleaning and minor repairs, which is often wastefully and unsatisfactorily placed upon the departments separately.

(3) Municipal messenger service, which shall provide for prompt and direct communication between offices; avoiding the delays incident to communication by mail and reducing the expense of separately maintained departmental messenger service.

(4) Emergency clerical force of the necessary number of employees trained in the methods of the city departments, from which occasional clerical service may be obtained on requisition by officers having seasonal or periodical requirements for such service. Such an emergency corps may not only facilitate the performance of municipal work at times of special need, but make possible reductions in the regular force of employees maintained by departments whose requirements fluctuate regularly.

(5) Printing and publication service, which shall standardize specifications for printed forms, records, reports, and advertising and handle the details of printing contracts and the publication and distribution of officials reports.

(6) Machine and repair shop, which shall make ordinary repairs of fire engines, automobiles, and other municipal equipment requiring machine work.

(7) General repair service, which shall make ordinary repairs and alterations in municipal buildings and structures.

(8) Municipal garage and transportation service, which shall maintain the city's automobiles and other vehicles for transportation of persons and things; providing service to departments on requisition, as needed, and accounting in detail for all service thus rendered.

(9) General inspection service, which shall scrutinize work done and goods furnished to the city, in order to determine the quantity and quality of service or goods; thus providing an effective check and verification by an independent agency. Most men cannot hold themselves to their highest standard of efficiency unless they are constantly stimulated by the prospect of a rigid and impartial appraisal of their work. No one factor of efficient control is more commonly neglected in municipal management.

(10) A general agency of standardization and research, which shall collect, classify, and interpret data regarding the administrative problems of each department of the city government; make such information available to officials and to citizens, in order that inefficient methods of management may be eliminated and efficient methods installed; and thus promote the development of a constructive municipal program based upon adequate knowledge and consideration of community needs.

4. A standardized system of accounts is a fourth essential to intelligent city management. Without means for determining currently, promptly, and accurately the main facts concerning a city's financial operations and results, officials will find it increasingly difficult to meet the growing demand for evidences of honesty, economy, and efficiency in the public service. Accounting methods are everywhere needed that will show clearly what the city owns and what it owes; what revenues have become available and what expenses have been incurred for specific periods; what appropriations have been made for specific purposes and in what amounts contracts have been entered into that will eventually become a charge upon such appropriations; what amounts have been paid under each contract and what liabilities remain to be discharged; what specific expense has been involved in each specific kind of activity included in the municipal program, and what results have been accomplished.

5. Most important of all the standards essential to efficient city administration is an informed, alert, and exacting citizenship. It is only recently that citizens have come to see that the management of a city means a good deal more than meeting a few so-called "issues" in spectacular fashion; that it means solving, day in and day out, innumerable definite problems calling for clear knowledge and effective action, as well as public spirit and honest intentions.

With the realization that public business, in large measure, is an administrative and non-political matter, is coming a new conception of the business of citizenship. Citizens are now seeking to inform themselves concerning the problems of management which public officials are called upon to solve; concerning the equipment provided for carrying on the city's business, the administrative methods employed, and the results accomplished in the various fields of municipal activity. It is becoming clear that the suc-

cessful management of public business is just as exacting, calls for as close application and as high standards of methods and procedure as the successful management of private enterprises; and that it is unintelligent and ineffective for voters, taxpayers, newspaper writers, and legislators to express opinions, to reach conclusions, and to formulate these into law, without adequate and explicit knowledge of organization, methods, and results.

The definition and formulation of municipal standards have hitherto been concerned mainly with the technical and business aspects of city government. This is not because those who are interested in the promotion of government efficiency consider technical and business methods as anything more than a means toward the chief end. It is rather because definite business standards are seen to be the first essential in the accomplishment of the higher purposes of cities. The program of municipal efficiency is fundamentally a program of community welfare; the purpose being to equip city government not only to do most advantageously the work already committed to it, but to extend its responsibilities to public needs not yet met by public service.