Some Approaches to Management Improvement in Old-Age, Survivors, and Disability Insurance

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Management is not and cannot be an exact science, though the application of scientific techniques is important in good administration. Management is a goal-setting, decision-making, action-taking process. Fundamental in achieving improved management is a mental attitude composed of a conviction that management can be improved, an unwillingness to accept things at face value, a willingness to experiment with new ideas—an attitude that encourages an entire staff to share this spirit of challenge. Thus management must go beyond the often conflicting principles available as guides. It must pick and choose among those that are relevant, modifying and combining them to arrive at the best solutions for a given problem. The following article describes some of the approaches used by the Bureau of Old-Age and Survivors Insurance.

THE OLD-AGE, survivors, and disability insurance program established by the Social Security Act covers virtually all workers and self-employed individuals in the United States. In 1960 about 73.5 million persons will perform work covered by the program. Currently, more than 105 million living persons have worked at one time or another in covered employment and have some earnings credited to their account. About 14 million persons are receiving monthly benefits; the number is increasing at a rate of almost 1 million a year and will continue to grow for many years. These figures give some indication of the size of the administrative problem faced by the Bureau of Old-Age and Survivors Insurance.

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ORGANIZATION

To operate the program the Bureau has, since the Social Security Act was passed in 1935, grown into an organization with a staff of more than 25,000.

More than 5,000 employees are working in the wage record center, which is responsible for maintaining the lifetime earnings records under the individual accounts established for workers in covered employment, including the self-employed. The earnings record is the basis for determining if an individual meets the work requirements to be eligible for benefits and the amount of his benefit.

About 12,000 employees work in the almost 600 district offices in all the large towns and cities and are responsible for meeting and dealing with the public. Currently about 7 million individuals a year apply to the district offices for social security account numbers or for account number cards that must be replaced because of change of name, loss, or other reasons. About 3 million individuals annually apply for retirement, survivor, and disability monthly benefits. Many millions go to the district offices for information about their rights and responsibilities under the program.

Somewhat less than 6,000 employees work in seven payment centers, which are responsible for reviewing benefit claims, certifying payments, and maintaining the rolls of those persons currently receiving monthly benefits.

Fewer than 1,000 employees are in the Division of Disability Operations—the headquarters office with primary responsibility for administering the disability provisions. (Disability claims are filed in the district offices. The States, acting as agents of the Federal Government, determine if the applicant is sufficiently disabled to meet the definition in the law.)

Slightly more than 1,000 employees do their work in other staff divisions. They are responsible for formulating policy, interpreting the law, program research, and general management activities.

Large increases in workloads stemming from normal program growth, a growing population, and a series of major legislative improvements have made necessary the expansion that has taken place in the organization since the program was established. The development that has occurred is more than sheer growth to handle larger volumes of work; there has been an accompanying growth in complexity, resulting from substantial program changes involving new and more complex policy areas and relationships with other Government agencies. The Bureau has had to learn not only how to manage more extensive operations but how to organize and give effective direction to the larger and more specialized administrative, technical, and research staffs needed for efficient administration.

BUREAU OBJECTIVES

A public organization such as the Bureau of Old-Age and Survivors Insurance seeks ways of keeping costs to a minimum and giving maximum service to the public. It would be relatively simple to find ways to improve service if costs were not a consideration. Keeping costs to a minimum would likewise be a much simpler task were it not for the necessity to maintain adequate levels of service. The objectives of an organization are, however, seldom so simple and one-directional. The usual situation almost invariably involves at least two aspects that appear to conflict. It is management's task to determine how to strike the balance. Few acts of management will be so revealing of the spirit and motivation of administration as these determinations. There can be no universal rule for balancing opposing considerations that is equally applicable to all programs and all organizations.

The Bureau of Old-Age and Survivors Insurance has set for itself 20 objectives that indicate its administrative values and priorities. A few of these objectives are listed below.

1. Process initial claims with all practicable speed and pay continuing benefits on time.
2. Provide objective, uniform, and equal treatment of people under law.
3. Treat everyone who comes to a district office or gets a letter or other communication from any part of the Bureau as deserving of respect and entitled to courteous, friendly, helpful service.
4. Operate under claims policies and procedures that are as little burdensome on the public as possible but at the same time offer adequate assurance that the statutory provisions are being carried out.
5. Secure accurate records of all covered wages and self-employment income in a way which makes it as easy as possible for the public to do what is required.
8. Maintain levels of service appropriate to an insurance program based on a concept of earned right and which will enable the Bureau to protect and maintain the rights of program participants.
9. Let people know about their rights and responsibilities under the program.

The way these objectives are framed reflects the nice balance that management hopes to achieve between the divergent factors. In some objectives the balance is implicit, in others it is explicit. Thus objective 1 talks about "all practicable speed," and objective 4 speaks of procedures "that are as little burdensome on the public as possible but at the same time offer adequate assurance that the statutory provisions are being carried out." To ensure that the objectives of service are seen in a cost perspective—reflecting the realization that every dollar spent on administration comes from the contributions that individuals have made for their security—the Bureau has set forth explicitly the goal relating to administrative costs in its tenth objective: "Attain the Bureau objectives at as low an administrative cost as possible."

Framing objectives is not the same as accomplishing them. They must be interpreted and translated into action. To take but one example, neither service to the public nor operation at minimum cost can serve as the paramount value to be sought in the solution of every problem. Which is the most important and to what extent it should outweigh the other depend on individual circumstances and on the informed judgment of relative values that best supports progress toward program and management goals.

Some of the approaches and techniques used in the Bureau of Old-Age and Survivors Insurance to improve its management and the administration of its program are described in the following pages. They can be grouped in three major categories—collecting and using administrative data, making management improvement a task for all employees, and enlisting the cooperation of the public to improve administration.

COLLECTION AND USE OF ADMINISTRATIVE DATA

Appropriate management action called for in a given situation necessarily varies with the organizational setting—the size of the organization, the geographical dispersal, and the kind of program administered. Management's actions in an organization with regulatory or law-enforcement functions, for example, will generally differ from those in an organization that has primarily a service function. One common element, however, runs through the decision-making process, regardless of organization or program—the need for relevant, objective information.

Need for Planning

Obviously management needs good information to make good decisions. The problem is that all too often decisions are based on guesses and made in ignorance of many relevant facts. There is often a temptation to give only lip service to this management maxim and to decide issues on the basis of information on hand, even though it is known to be inadequate. Often when decisions must be made it is too late to try to obtain the data that will ensure a sound base for them. The need for data must be anticipated, and management must peer into the future and outline the possible contingencies—the management decisions—with which it may be faced. Thus, if decision is to be based on full information, management must set aside some of the time devoted to considering today's problems for planning how to deal with tomorrow's problems.

A fetish is sometimes made of the collection of data. A large body of data is no end in itself, and its mere existence solves no problems. Data collection must be a part of a purposeful whole that includes the consideration of all defined objectives, anticipated management contingencies, and other foreseen needs requiring specific kinds of data; provision for analyzing the variations between actual achievements and the goals that have been set; and a willingness to be guided by the data in making decisions. The waste that exists in routine accumulation of data for no clearly defined purpose is compounded when potentially useful data are ignored because they fail to support preconceived positions and conclusions. Objective administration and good management dictate that the action to collect data involves a commitment to take the data fully into account in making the decision.

Certain characteristics must be built into the system of data collection in advance. The data must be in the proper form and detail and be pertinent to the matters to be evaluated. They must permit management to review the status of objectives and plans; they must signal changed conditions, emerging problems, areas of high cost, and need for improvement.

Collecting Data on Continuing Basis

Intermediate goals.—One major objective of the Bureau is the prompt processing of claims and payment of monthly benefits when they are due. How much can the processing be speeded up without incurring excessive costs? A reasonable goal under present conditions and technology is the payment of the first benefit within 30 days after the individual files his claim.

To achieve this goal, intermediate goals must also be set up for handling claims in the district offices, furnishing the earnings records, and reviewing and certifying the claim for payment. If the overall goal of 30 days is to be an effective administrative device, it must therefore be broken down into objectives for the district office, the central records organization, and the payment center. A procedure must then be built into the operating process for obtaining data on the time between the filing of a claim and the payment certification. These data must be sufficiently detailed to make clear how long each of the three operations takes. Because of the program's size, a relatively small sample gives reasonably accurate data on processing time, and accordingly the Bureau uses statistical sampling techniques.

After the data are received and analyzed, management possesses information that requires it to take action. The decision may be simple—to hire more employees, to redistribute personnel, or to authorize overtime—or it may be complicated and need additional study. If a problem is sufficiently serious, the decision might call for an analysis to determine whether procedures can be streamlined or short cuts introduced.

Work measurement.—Another major Bureau objective is to operate at the lowest costs consistent with providing the proper degree of service to the public. To know how well this objective is being met, costs must first be studied, and answers obtained to certain questions. How much per unit does it cost to process the measurable work? How much is being spent in the operations of each of the organizational segments of the Bureau? What are the areas of high cost and the reasons for the high costs? Are costs going up or down?

To determine costs, data are needed on the amount of work processed and the time it requires. In other words, a work-measurement system is needed. Whether the universe used is 100 percent or a sample depends on many considerations. In a large organization it is often much more economical and fully adequate to the needs to use sampling techniques than to have every employee try to keep a full account of the time he spends on each activity.

The Bureau is successfully using such a sampling technique in its district offices in an application that has attracted much attention among organizations having similar problems. Work-measurement data are easily collected in organizations performing repetitive, standardized tasks, especially when the tasks are done in large volume and on a sustained basis. Though some parts of the Bureau's organization can be so characterized, its district offices cannot. Each district office is the Bureau's point of contact with the public it serves; the goal is not mass-production efficiency but rather friendly, courteous, and efficient personalized service. These offices deal with large numbers of persons, usually at times of crisis in their lives—mothers, parents, and children when the wage earner has died; the severely disabled who are no longer able to work and earn a livelihood; and the older worker facing the uncertainties and fears of retirement.

The first step in the use of work sampling in the district offices is to list 24 activities that all the offices perform. Then in a selected sample of the offices, at various times during the day that are preselected on a random basis, the activities being performed by each member of the staff are observed and recorded. The number of observations during a month or quarter is added, and the number of observations for each activity is expressed as a percentage of the total. From these figures and related workload data the average unit time can be obtained for each activity in which the workload is measurable, as well as the time spent on activities for which no measurable workloads exist. The sample is rotated so that eventually every one of the almost 600 offices is included.

In other parts of the organization with large-scale, centralized, record-keeping activities, use of data-processing equipment makes it feasible and economical to obtain the manhours and unit times for each activity on a 100-percent basis. The data-collection system is thus tailored to the needs, characteristics, and available resources of the different parts of the Bureau.

Use of the Data

From the unit times obtained from the work-measurement systems, there are developed overall program unit-cost data and more detailed and refined data relating to specific operations and to individual organizational and functional segments. These unit costs are used to support the Bureau's request for appropriation of funds to meet budgeted needs for administrative expenses.

The Bureau was among the pioneers in the idea of functional budgeting. Its budget is detailed and justified in terms of the manpower, machines, travel, rent, equipment, supplies, and other items of expense needed to process the specific volumes of the different types of work that the organization must do. The request for funds is supported by actual experience data obtained from the systems of work measurement. With objective workload estimates developed by its economists, actuaries, and statisticians and with unit costs and production rates solidly based on experience, the margin within which there can be legitimate differences of judgment is greatly narrowed.

The combination of work-measurement systems and unit-cost projections also enables the Bureau to determine easily and quickly the staff, money, and other resources neeeded to handle increases in workloads arising from legislative, economic, and other changes. Maintaining such cost data over a period of years makes it possible to measure the improvements in operations. Substantial savings in administrative costs have resulted from the efforts to achieve improvements, as shown by a comparison of the unit costs of certain key items of work in the fiscal year 1950 and the current fiscal year.

At present salary levels the cost of developing a claim in the district office was $14.41 in 1950, compared with $10.56 in 1960. With about 3 million new claims each year, a savings of $4.00 per claim adds up to a considerable sum. Similarly, it would have cost $1.80 in 1950 to certify an individual earnings record and to calculate the benefit amount. This year the budgeted cost is $1.39 even though the record now generally contains 10 more years of earnings and the computation is much more complex because of changes in the law.

Such a basic series of unit-cost data permits historical perspective and shows improvements in efficiency and productivity. Equally important, by pointing up areas of increased cost and decreased productivity, it indicates areas for possible improvement.

Collecting Data on One-Time Problems

Special data are often needed for a proper management decision on one-time problems. In processing a claim, for example, the necessary proofs of age, marriage, death, or disability are filed with the district office. When the claim is reviewed by a payment center, it is sometimes found that more documentation is needed or that the claimant has failed to sign the proper forms or answer necessary questions.

Until recently, Bureau procedure required that the payment center return such cases to the district office for further consultation with the claimant. A proposal to have the payment centers write directly to the claimants and thus cut down duplication of effort and speed up action was opposed by some who maintained that the result would be more costly handling and slower service. They reasoned that many claimants would not respond because they could not do so or would not want to without the district office's help. They argued, further, that many of those who did respond directly would do so inadequately and that many cases would still have to be referred to the district offices.

No facts were available to support the arguments for or against the proposal. It was therefore decided to design a controlled sample study that would permit comparison of both types of operation by obtaining sufficient data on the effectiveness of each method. This study clearly established that information sought directly from the beneficiary was obtained in substantially less time by the payment centers and that the quality of the response was at least equal to that obtained under the established method. Relatively few cases were received with incomplete or inaccurate information, and there was only a minor need for additional contacts. Once these "hard facts" were established, the management decision was easily arrived at and the obviously desirable change was promptly made.

Another example of the use of statistical sampling to obtain data not collected on a continuing basis is the study of beneficiaries' compliance with regulations requiring the reporting of events that might affect their benefits. To make regular personal contacts with each one of 14 million beneficiaries would obviously be costly. Yet management can hardly continue to issue checks without testing the validity of the assumption that most beneficiaries are complying with their obligations. Information is therefore needed on the extent to which beneficiaries are neglecting to report such events as remarriage, return to work, and adoption of a child. To obtain these data a sample of about 16,000 beneficiaries was scientifically selected to give a reliable cross section of all beneficiaries. Individual contacts with the members of the group clearly pointed to the need for decisions to intensify the public information program in certain areas and to increase and improve follow-up and enforcement activities in certain types of cases.

A fruitful area for administrative improvement is the substitution of valid presumptions for detailed requirements for proof, whether they are spelled out in law or in administrative procedures or policies. Before such presumptions can become a part of the administrative methods, their validity must be established, and for this purpose pertinent data must be collected. The Bureau is constantly collecting data to test new ideas for achieving administrative economy and simplicity.

Often, the study of such data can lead to significant program and administrative simplifications.

The 1939 amendments, for example, provided that no benefits could be paid to or on behalf of a child beneficiary for any month in which the child, at age 16 or 17, was not regularly attending school. Underlying this provision was the assumption that children who went to school were dependent. Studies showed that most of the children who quit school did so to go to work and thereby had to forego benefits because of the provision requiring the withholding of benefits from beneficiaries who were working. It was therefore clear that the provision for withholding benefits because of work made the requirement of school attendance for the payment of benefits largely unnecessary. As a result, the school-attendance provision, which was complicated to administer, was repealed.

Data From Reporting Forms

Bureau procedures are designed to include provision for the necessary reporting of administrative data. When new forms are drawn up—for internal use or use by the public—the Bureau takes into account its management needs and often may provide for obtaining information useful in management analysis and control. The information may be gathered at little expense since the machines used to do basic operations can often be employed to accumulate data simultaneously without detracting from their operational efficiency. Many operations are performed automatically on electronic data-processing equipment of great capacity. The Bureau has built into these operations the production of byproduct data useful for management purposes.

Firm control is needed over the reporting system designed to produce management data. It is easy in a large organization for temporary reports to be continued long after the problems they were designed to meet have ceased to exist. Reports can proliferate and overlap, thus requiring development of duplicate and unnecessary information from various segments of an operation. Organizational units often start producing reports independently for their own internal needs, without considering fully what others may require, and they may thereby accumulate data that can be obtained more effectively as a byproduct of some other operations. Without effective reports control, an organization may spend much more than is necessary or justified to collect the data that management needs.

Gains.—It is clear that cost considerations should influence the extent and method of data collection. Costs can be kept down by advance planning, by utilizing idle capacity, by collecting only needed data and data that will be used, and by employing sampling techniques.

MANAGEMENT IMPROVEMENT AS TASK FOR ALL

The data necessary for management purposes do not flow automatically from operations but require careful planning. Similarly, the contributions that capable and skilled employees can make to an organization's program do not develop automatically, or accidentally, from the fact that they have been hired. To obtain the benefit of their contributions requires planning and organization.

To tap this reservoir effectively involves the recognition by management that the men and women who perform the work are the organization's greatest asset. If employee capabilities are to be fully realized, certain preconditions are necessary—creation of a general atmosphere that invites them to contribute beyond the narrow performance of their own jobs and a system of management in which information is shared with employees. In this atmosphere the opinions of employees are sought and their experience used by management, and decisions are mutually arrived at instead of being arbitrarily handed down from the top. There must be recognition that without the devotion, interest, and skill of experienced employees the organization cannot do its job as well as it should.

Recruiting and Selecting Employees

The Bureau begins by recruiting the best employees it can. All employees are recruited through civil-service examinations. For claims technical positions, this process is supplemented by a college recruitment program. Recruiting officers visit the colleges and universities from which most of the technicians come, talk with senior students who have indicated an interest in a Government career, and tell them about the Bureau's organization and its career opportunities. By encouraging them to take the civil-service examination while still in college, the Bureau is able to offer them employment in advance of their graduation. In this way it tries to get its share, at least, of the most competent college graduates.

Special techniques are used to identify good candidates for general management or organization and methods types of positions. The individuals selected who have not had experience in this line of work are given a noncompetitive organization and methods examination. The examination, developed by the Civil Service Commission and the Bureau's own personnel psychologists, was tested against a sample of persons who had already demonstrated their competence in a managerial job. It is designed to indicate aptitude for analytical research, report writing, negotiating, and other skills required for successful performance as an organization and methods examiner or as a management analyst. This test is not the sole basis for selection; supervisory evaluations of the individuals and personal interviews by selecting officials are also taken into account.

Special selection techniques are also used in filling first-line supervisory positions. In a large organization, the lack of effective first-line supervision adversely affects employee performance and invariably is reflected in the reduced capacity of the organization to accomplish its mission. Experience has underscored what the Bureau recognized from the first—that adequate or even superior performance in a nonsupervisory job does not necessarily mean that the individual would make a good supervisor and that seniority, either in grade, rank, or position, cannot be a major factor in selection.

The Bureau therefore uses a supervisory aptitude evaluation form. This form helps the staff to assess the individual's initiative, resourcefulness, willingness to accept responsibility, ability to think clearly and objectively, and tact and other qualities necessary for dealing with others. Both the written evaluation form and a panel interview are used to select those individuals who have the greatest potentiality for superior performance in a supervisory capacity.

Training

After recruitment comes training. A large part of the training is given on the job by the immediate supervisor. Training on the job cannot meet all needs, however, because the subject matter involved may be too technical or the skills the employee must acquire in the training process too specialized. The Bureau therefore supplements on-the-job training by various types of formal training programs.

The first of these formal programs gives the background and philosophy of the social security program, the reasons for the regulations and policies under which the Bureau operates, and an understanding and appreciation of the administrative objectives. This training orients employees at all levels to their own jobs and to their role in the work of the Bureau.

Such training and orientation are of special significance to administrative staff. Administrative skills and techniques can be fully effective only when accompanied by the understanding of program purposes that gives the employee a good basis for making value judgments.

Many of the Bureau's staff—especially those entering supervisory and administrative positions—are given what is known as job-methods training, which is designed to equip them with some of the techniques of analyzing operations. They are taught how to break down a job into essential steps by questioning every detail: Why should it be done? When should it be done? Who should do it? What is the best way to do it? These questions, if searchingly pursued, often pay large dividends by improving old methods, developing new ones, and applying new approaches and techniques to operations.

Some employees who perform the more technical duties require different types of formal training. The claims technical staff receive, in addition to the training in program philosophy and objectives, intensive training for many months in the detailed interpretations of the law and their application to individual claims cases. This training provides them with the information needed to explain the program to the public, as well as a background for doing their jobs better and increasing their capabilities for developing ideas for management and program improvement.

Individuals selected for first-line supervisory positions are not, generally, placed immediately in a supervisory job but are given a special training course. This course covers the policies, procedures, and practices they must know if they are to give proper leadership to other employees. In addition to job-methods training, it includes training in human relations and handling complaints and grievances.

Employees selected for management, administrative, or organization and methods positions are given formal training in management analysis. This course covers in summary fashion all the techniques normally used in administering a large organization, including application of organization principles, survey techniques, collection of administrative data and reports management, procedures and directives management, records management, and use of statistics as a management tool.

The Bureau invests a large amount in training because it believes that the return on this investment is much larger. The aim of all training activities is to ensure that employees at all levels are equipped for effective performance of their assigned responsibilities.

Work Environment

The Bureau uses a number of methods to create and maintain an atmosphere encouraging employee contributions to management. Individual management actions may have little effect in promoting a working climate conducive to maximum productive effort by all employees. The actions must add up to a totally consistent pattern if the employees are to be expected to accept with confidence the message that management sincerely wishes maximum contributions from them.

With such a base, each action is important. Among the effective actions taken by the Bureau are

—the training programs described above

—a clearly written description of the organization's long-range objectives, made generally available

—an annual report to employees on shorter-range objectives, areas of current emphasis, and emerging problems (*Forecasts and Guides*) and another on management plans (the *Budget-Work Plan in Brief*)

—a monthly employee publication— the *OASIS*

—reports, made generally available, of studies on important administrative matters

—encouragement of employees to seek information, ask questions, and suggest improvements

—stimulation of employees to think beyond their own jobs and in terms of the total Bureau job

—development of a heightened sense of employee participation by delegating authority to act and to decide at the lowest organization level where the needed information is available

—encouragement of employees to persevere in promoting their ideas, against bureaucratic resistance and other obstacles

—development and execution of work plans on a broad base of employee participation

—a promotion policy aimed at ensuring all employees Bureau-wide career opportunities

When every employee's full capabilities and power for improving management are marshaled, the favorable results may be of large proportions. During World War II, for example, the Bureau suffered severe losses of personnel to the Armed Forces and to essential industries and defense agencies. It was required, as were all Government agencies, to review all activities to determine how operations could be reduced to their bare essentials and thus free personnel for work more closely related to the war effort.

The "Why" survey.—The Bureau's review of activities used a special technique, known as the "Why" survey, that involved maximum participation by all employees. In this survey each operating step was set down in detail. Teams of employees then analyzed each step in each area of operations and asked about each of these steps: Why do we do this? Why do we do it this way? Why can't it be eliminated? Why can't it be improved? Why can't it be combined with other operations? What does this step add to the final product?

During the survey, which ran for several months, about 2,400 employees made 6,000 suggestions, about a fourth of which were adopted. The Bureau had about 9,850 employees at the start of the survey and 8,300 at its conclusion, even though the amount of work remained about the same. Not all the reduction in manpower could be attributed to the survey; many improvements resulted from a combination of factors. Nonetheless a substantial proportion of the reduction in personnel was directly attributable to the spirit in which the Bureau employees approached this task and to the constructive manner in which they analyzed their own areas of work and suggested ways of combining, eliminating, or improving operations.

A broadside approach like the "Why" survey could not be expected to continue to yield such extensive results if it were continued for a long time. Most of the major benefits would be achieved early in the process, and the point would be reached where the value of the improvement that could reasonably be expected would be offset by the effort required for the analysis. As a one-time effort, the survey dramatically illustrates the values to be obtained from an approach towards management improvement that depends not on a few administrative and technical officials but on the entire employee population.

Suggestion systems.—The philosophy typified by the "Why" survey has carried over in postwar years. Most Government agencies now have an employee suggestion system, and Congress has given central responsibility to the Civil Service Commission for assuring that agency suggestion plans are effectively administered.

Under the suggestion system not only are employees encouraged to submit their ideas but cash awards are made, based generally on an estimate of the savings that will result. In some parts of the Bureau, employee committees have been established to assist employees in developing their ideas and in shaping them so that they will be of maximum usefulness to management. Campaigns are conducted regularly, using posters and other techniques to encourage employees to submit their suggestions. The continuous flow of new and fruitful ideas that has resulted has brought substantial economies as well as improvements in program operations and in services to the public.

Pushing a good idea.—As a corollary to stimulating employees to submit their ideas, the Bureau encourages them to pursue good ideas and not to give up too easily even when confronted with such major obstacles as laws, regulations, and bureaucratic unwillingness to change. The first two can be changed if the case is convincingly presented; the third often will give way to patient, determined perseverance. Admittedly, persistence can create problems when individuals continue to fight for ideas of minor importance and little merit. Sometimes, however, persistence pays off.

For example, the Bureau has many offices that rent privately owned space, and it had the problem of paying rent to a number of landlords. Rents were payable after the end of a period of occupancy and not in advance; in addition, a landlord was required to submit monthly or quarterly bills that had to be audited before he could be paid. In almost all instances, however, the Bureau had a lease with the landlord that ran for a year or for several years, prescribed the amount of rental to be paid, and was a binding contract on the Government.

Bureau staff asked why it was necessary for landlords to submit bills and then to wait additional periods for the rent due them and for the Bureau to have all the paper work in connection with these bills. It seemed that, on the basis of the lease, a rentroll similar to the payroll for the Bureau's employees could be set up for landlords so that the rental payment would be made to the landlord when due under the terms of the lease and without the expense of auditing a bill for an amount that would have been clearly established by contract.

Initial efforts ended in failure because long-established Government policy and regulations stipulated that there had to be a document submitted by the landlord to support every payment to him. The Bureau carried the question to the highest authority—in this case to the Comptroller General of the United States—and convinced him that the system proposed fully safeguarded the interests of the Government and made possible as well earlier payment of the amounts due landlords.

This idea led to savings of about $10,000 a year to the Bureau by eliminating the handling and audit of monthly bills. Equally important, it saved hundreds of landlords the trouble and expense of preparing monthly vouchers. When the General Services Administration took over the management of rental space for the Government, the procedure was installed nationwide, multiplying savings to the Government and the benefits to lessors many times over.

Gains.—Pervading all these efforts has been the attempt to organize the jobs so that the work is interesting and challenging and the employees derive prestige and satisfaction from their work and take pride in the contribution they are making to the organization and to the program it administers. In the process all have gained: the public from the improved administration of the program; the Government from the progress that has been made toward its program and administrative objectives; and the employees of the Bureau who have had the satisfaction that comes from the knowledge that they have made important contributions to a program important to the Nation and to its people.

ENLISTING PUBLIC COOPERATION IN IMPROVING ADMINISTRATION

Old-age, survivors, and disability insurance intimately affects the lives and activities of millions of individuals. Everyone who works or goes into business for himself must apply for a social security account number. Each wage earner must give this account number to his employer, and the employer must report quarterly the amount of wages paid to each individual. A self-employed person must report his net income from self-employment for social security purposes at the time he files his income-tax return. When an individual changes his name, the new name must be reported to the Bureau so that the earnings under either name will be properly credited to his record. When an individual retires, becomes totally disabled, or dies, an application must be filed if he or his family wishes to establish entitlement to benefits; and certain proofs of eligibility must be supplied. Persons receiving monthly benefits need to notify the Bureau when they move. They are required to notify the Bureau when they return to work, when they remarry, or when any other event occurs that may cause suspension or termination of benefits.

Need for Public Cooperation

If the intent of the legislation is to be carried out effectively, those responsible for its administration obviously must enlist the active support and cooperation of the general public. How is this cooperation achieved? Clearly, it will not be won by ignoring what the public knows or does not know, by neglecting what the public likes or dislikes about the program and its procedures, by disregarding what the public is doing or not doing with respect to the program, or by handing down rules and regulations formulated without regard to the reactions of those most concerned. A first step, therefore, in the administration of any program that requires widespread contacts with the public is the careful cultivation of a thorough understanding by the public of the intent of the law, its objectives, and the specific procedures through which these objectives are to be sought. In short, a large-scale program of public information is necessary. The Bureau would fall short of its objectives unless it promoted this public understanding and cooperation and included public information activities among the management functions.

The necessity for an effective information program was recognized from the start of the program, when it was necessary to register immediately about 26 million workers and about 2 million employers engaged in employment covered by the original legislation. The effects of the public information program on this initial registration cannot be measured. If, however, instead of 26 million, only 16 million or 6 million had been sufficiently aware of their rights and obligations under the program to complete and submit the necessary forms accurately and promptly during this initial period, the whole administrative task might have been seriously delayed and the expense of setting up the necessary record system would have been enormously increased.

Since then, a continuing program has been conducted to enlist public cooperation in effective and efficient administration. This program can be reviewed from five aspects, which apply not only to the total effort but to each task within it. First, what information do the people need in order to cooperate? What are the themes or messages of the program? Second, who needs this information? To what groups and organizations do they belong and what characteristics of these groups will help or hinder getting information to them? Third, when do they need the information? Fourth, what channels of communication can be used? What mass media are available and effective? Finally, what administrative resources, such as staff and money, are at hand or needed to make use of the available media?

Areas of Emphasis

No part of the management of the public information program is more crucial than the decisions about themes and messages. Some areas of emphasis can be pointed out.

Advance filing.—Workers who know in advance of their retirement plans are encouraged to file for benefits 2 or 3 months before retirement to relieve work pressures on Bureau offices, so that work can be scheduled efficiently and economically and benefit checks can be released on time.

Proofs.—Claimants can facilitate Bureau operations and speed payment of their benefits if, when they apply, they bring with them all the necessary proofs of their eligibility—proof of age for retired individuals and their wives, as well as proof of marriage or relationship for wives, children, or other dependents.

Reporting of name changes.—Special attention is given to the need for prompt reporting of name changes, especially of women after they marry. In some communities a name change form is handed to women at the time they apply for a marriage license.

Accurate employer reporting.—A major administrative problem is caused by employers who copy social security account numbers incorrectly on their payroll records or who fail to get an account number from temporary employees. Earnings reported without an account number or under an incorrect number cannot be credited to the proper earnings record without costly investigation and correspondence to obtain the correct number. The educational campaign conducted through the mass media, correspondence, and personal contacts with employers has kept inaccurate reporting at a relatively low level.

Changes in law.—Legislative changes often require action on the part of affected individuals by certain deadline dates. In addition, newspaper stories on legislative changes may cause large numbers of persons to flock into the Bureau offices or write asking how the change affects them. If such an influx of inquiries and the regular work had to be handled at the same time, great difficulty would be experienced in meeting the objectives of providing prompt and adequate service to the public. The public information program is used to prevent unnecessary inquiries and correspondence, to secure immediate action from individuals who have to meet deadlines, to correct possible misunderstanding—on the size of a benefit increase, for example—and thus avoid an unproductive and essentially unnecessary workload.

Planning an Information Program

It has been proved repeatedly that the information activity is an indispensable instrument of management in carrying such messages to the public. The costs of an effective program are small compared with the potential costs of administration when preventive measures are not taken to limit the dimensions of the administrative problems arising when the public is uninformed.

All planning for the information program depends for success on administrative resources, including staff and money that can be allocated for a specific purpose. A basic organizational decision gives the district offices primary responsibility for conducting public information activities in their localities. Though a small central office staff plans programs and produces the materials used, public information is believed to be a basic part of the management job in the offices that meet the public every day. This approach makes for a strong and vigorous program in each individual community at a relatively low cost.

Thoughtful planning about the specific groups that need specific information is essential. The old-age, survivors, and disability insurance program, for example, has somewhat different rules for the coverage of different occupations. For this reason, the cooperation of specific organizations serving specific groups is enlisted. When farmers were brought into the program, the Bureau obtained the help of all the major voluntary farm organizations in getting information to the men and women they serve.

This technique has been widely used by the Bureau with considerable success. Undertakers help facilitate administration by promptly sending in death certificates. Lawyers and accountants help their clients avoid many problems that the Bureau would otherwise have to deal with. Personnel directors of business organizations and heads of workers' unions assist in many ways.

Public Relations Techniques

The public information program uses the major mass communications media—pamphlets, newspapers, magazines, talks before groups, radio, television, motion pictures, posters and exhibits, and direct-mail projects. Since each reaches large segments of the population, the Bureau attempts to use them all in a balanced way without primary reliance on any one. In general, time and space are contributed as a public service; the Bureau pays for the materials.

In trying to obtain maximum public cooperation the Bureau not only has to inform the public but itself must be aware of the levels of public understanding, public attitudes toward the program and toward Government generally, and the extent of response. The techniques of administering the program should not be so unusual as to arouse public antagonism. They should not impose burdens on individuals that will cause opposition. They must, on the other hand, be sufficiently dynamic to stimulate interest and overcome inertia.

A basic ingredient in obtaining public cooperation is that of building up community confidence in the organization—in its integrity and its desire to give maximum service to the public. The public image created by the manner in which a program is administered and its representatives meet the public is therefore of extreme importance in insuring effective administration. Creation of the proper image depends on almost everything that is done every day in carrying out the job.

Public relations work can be looked upon as a two-way flow. In addition to preparing and providing informational matter for the public, the Bureau must pay attention to opinions expressed about it in the press, on the radio, and in other media; it must obtain reports from district office managers of their observations of public reactions in their own communities, it must analyze its correspondence to determine the public attitudes to the Bureau as an organization; it must make special studies and surveys to find out more about problem areas; and it must take steps to ensure that any problems in its relations with the public are quickly resolved.

CLOSING

Management must know what results it is achieving and have a measure of its success or failure. It is not difficult to evaluate the outcome of one particular action. It is much harder to look at the full picture of activities, to stand somewhat apart and determine overall effectiveness at any one time or to trace the fluctuations in accomplishment over a period of years. Even if there were ways of weighting objective measures of performance that do exist for certain aspects of administration and arriving at a single index, the problem remains of assessing and weighting the intangibles and the difficult-to-measure areas.

The kind and quality of service to the public, proper execution of the intent as well as the letter of the law, and cost levels appropriate to the program—all must be considered. The best available information—both subjective and objective—appears to support the conclusion that over the years the Bureau has done a good job. Objective measures of performance indicate a record of continuing accomplishment. Since 1950, for example, the composite measurable workload of the Bureau has increased by 225 percent but manpower usage by only 130 percent; in other words, today 70 persons are doing the work that it took 100 persons to do in 1950.

There is no easy road to management improvement. It takes advance planning, action, follow-through to appraise performance and results, and feed-back to revise plans and objectives. The techniques used have to be tailormade to fit the size and kind of program administered and the many other factors that make one organization differ from another.