Thomas H. Stanton, ed., *Effective Government: Blueprints for Responding to the Challenge of September 11*, M.E. Sharpe Publishers, in press, 2006.

Introduction

Meeting the Challenge of September 11

By Thomas H. Stanton

The Challenge

From the perspective of institutions of government, September 11 hit the United States at a very difficult time. The public and private sectors, working together, need to organize to meet a new and unprecedented challenge. Government must play a critical role. Yet, the organizational strength of many parts of government, and of the federal government in particular, has been in decline for some time. The challenge of September 11 demands not only new policies, programs, systems, and organizational relationships to deal with the threat, but also the revitalizing of old programs and agencies to carry out their missions more effectively.

How to make government more effective, especially in the realm of national and homeland security, is the subject of this book. Its thrust is not that we always need to spend more money, although that is the case with many aspects of homeland security, but rather that we must improve the organization and management of government, both generally and as it relates to the urgent need to strengthen homeland defense. This requires restoration of the capacity that once existed in the Executive Office of the President to learn and adapt lessons on how to make government more effective, and then apply these lessons to critical areas of government involvement.

The decline in quality of executive branch institutions has occurred over several decades. In 1988 then Comptroller General Charles A. Bowsher delivered a major address to the National Academy of Public Administration (NAPA) in which he warned of an emerging crisis, what he called the "disinvestment of government."[1] He pointed to the increasing gap between the responsibilities of government agencies to carry out their missions and their capacity to do so.

By the 1990s, the crisis foretold by Bowsher began to emerge. Budget and staff cuts turned many agencies into hollow organizations[2]. Prosperity in the private sector attracted many capable government officials and their departure further lowered the tone of organizations. The United States Commission on National Security/21st Century looked at the activities of agencies relating to homeland security and found that the

---

[1] Charles A. Bowsher, "An Emerging Crisis: The Disinvestment of Government," James E. Webb Lecture (Washington, DC: National Academy of Public Administration, December 2, 1988).
[2] Mark L. Goldstein, *America's Hollow Government*, McGraw-Hill, 1992.

Department of State was "starved for resources."[3] Moreover, "The Customs Service, the Border Patrol, and the Coast Guard are all on the verge of being overwhelmed by the mismatch between their growing duties and their mostly static resources."[4]

The Commission reported that the problem of hollow government was widespread, and not confined merely to the domestic side of government:

> As it enters the 21st century, the United States finds itself on the brink of an unprecedented crisis in competence in government….Both civilian and military institutions face growing challenges…in recruiting and retaining America's most promising talent.[5]

The September 11 showed that the Commission's warnings were not misplaced. We must revitalize the government's capacity to deal effectively with the threat to our homeland security. In areas such as border and immigration control, cybersecurity, and the need to strengthen first responders, September 11 and later disasters such as the botched response to Hurricane Katrina in 2005 revealed shortcomings in organization, people, and systems. We must improve our systems and infrastructure to prevent or mitigate hostile acts, increase our capacity to detect potential threats, and be able to deliver an effective response. To do so, we must upgrade government's ability – at the federal, state, and local levels – to act intelligently, both alone and in concert with the private sector.

In addition to improving systems and infrastructure, organizational changes are needed. An overarching theme of this book is that traditional hierarchical government departments and agencies alone are no longer adequate to meet the challenges of effective governance, much less those of September 11. While traditional public administration has concerned itself with hierarchical and governmental organizational models, an effective response to terrorism also will require design, creation, and management of nonhierarchical networks that include private as well as public actors.

This is an acceleration of a development that was perceptible before September 11. As Harold Seidman has observed,

> The principles...which call for straight lines of authority from the President down through department heads with no entity exercising power independent of its superior are not adapted to current circumstance. Straight lines of authority and accountability cannot be established in what has become in major degree a non-hierarchical system. Federal agencies now rely for service delivery on third parties who are not legally

---

[3] United States Commission on National Security/21st Century, *Road Map for National Security: Imperative for Change*, February 15, 2001, p. 47.
[4] *Ibid.*, p. 16.
[5] United States Commission on National Security/21st Century, *Road Map for National Security: Imperative for Change*, February 15, 2001, p. xiv.

responsible to the President and subject to his direction. Federal powers are limited to those agreed upon and specified in grants and contracts.[6]

The need to manage a non-hierarchical system that includes governments and private sector organizations is especially pronounced in homeland security. Coordination, which has always been difficult for government agencies is now an imperative:

> Biodefense: The Center for Disease Control (CDC) is funding states to create a Health Awareness Network to centralize and strengthen state and local responses to bioterrorism. The recommended systems would include secure high-speed Internet connections for local health care officials, capacity for rapid, secure communications for first responders, electronic laboratory reporting of infectious diseases, drug inventories and biological agents, distance learning systems to provide training for health care workers and response teams, and early warning broadcast systems. Figure 1, from the Government Accountability Office, shows the many actors whose coordinated participation is needed for effective early detection and response to an incident.
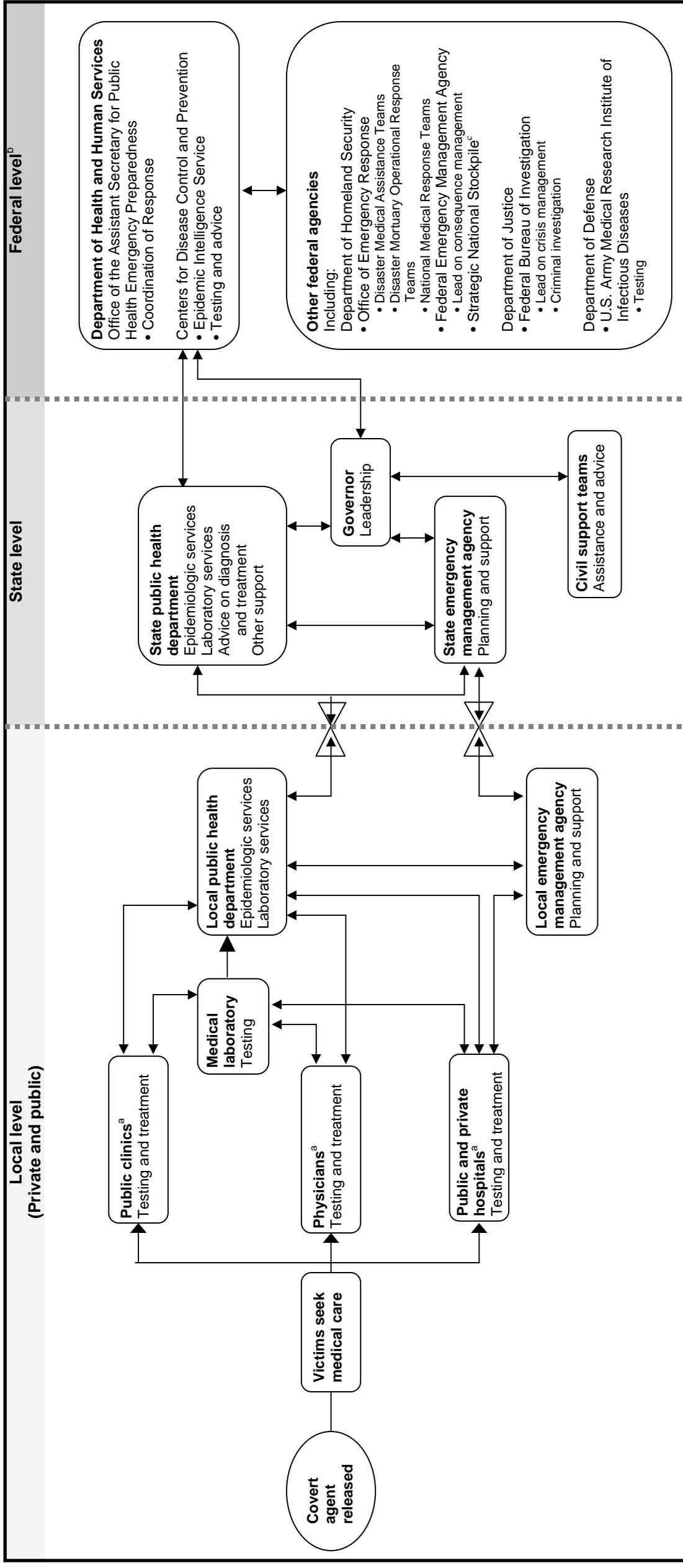
[PLACE FIGURE 1 HERE]

- Agrodefense: We need the capacity to detect a threat to our food supply and respond by isolating the affected part of the food system without disrupting unaffected parts. This requires seamless communication between agricultural areas and firms in the food-supply chain and central monitors who have the ability to detect and act on early warning signals.

- Border Security: In 2002 the Customs Service processed some 6 million cargo containers arriving at U.S. seaports. Inspectors at over 300 ports of entry inspected nearly 450 million travelers. The Border Patrol apprehended nearly 960,000 aliens trying to enter the U.S. illegally between ports of entry.[7] Resources alone cannot deal with this problem. Also needed are organizational changes which result in better coordination among agencies and functions such as the U.S. Coast Guard, customs, immigration officials, the Border Patrol, and state and local officials, at and between ports of entry.

- Immigration Control: The processes for granting visas, checking them at points of entry, and monitoring temporary visa holders is anything but seamless. The U.S. Consular Service needs to be able to detect fraudulent

---

[6] Harold Seidman, "Foreword," to Thomas H. Stanton and Benjamin Ginsberg, eds., *Making Government Manageable*, Johns Hopkins University Press, 2004, p. x.

[7] U.S. Government Accountability Office, *Homeland Security: Challenges Facing the Department of Homeland Security in Balancing its Border Security and Trade Facilitation Missions*, GA0-03-902T, June 16, 2003

<<**FIGURE I.1**>>

Local level (Private and public)

Covert agent released

Victims seek medical care

Public clinics[a] Testing and treatment

Physicians[a] Testing and treatment

Public and private hospitals[a] Testing and treatment

Medical laboratory Testing

Local public health department Epidemiologic services Laboratory services

Local emergency management agency Planning and support

State level

State public health department Epidemiologic services Laboratory services Advice on diagnosis and treatment Other support

Governor Leadership

State emergency management agency Planning and support

Civil support teams Assistance and advice

Federal level[b]

Department of Health and Human Services Office of the Assistant Secretary for Public Health Emergency Preparedness • Coordination of Response

Centers for Disease Control and Prevention • Epidemic Intelligence Service • Testing and advice

Other federal agencies Including: Department of Homeland Security • Office of Emergency Response •Disaster Medical Assistance Teams •Disaster Mortuary Operational Response Teams •National Medical Response Teams • Federal Emergency Management Agency •Lead on consequence management • Strategic National Stockpile[c]

Department of Justice • Federal Bureau of Investigation •Lead on crisis management •Criminal investigation

Department of Defense • U.S. Army Medical Research Institute of Infectious Diseases •Testing

applications while accommodating legitimate visitors. Immigration authorities need computer systems that accurately identify visitors and monitor the length of their stay. Federal officials need to improve coordination with local police officers who can detect and apprehend dangerous visitors.

- Infrastructure Protection: Many parts of the country's infrastructure and systems, ranging from chemical and nuclear facilities to seaports, rail systems, and systems dependent on the Internet, require upgrading to protect against potentially serious incidents. Voluntary efforts will not be enough and proposed mandatory solutions are complicated by the unresolved question which parties should bear the costs. Yet in major areas the federal government has failed to bring the affected governmental and private parties together to determine (1) the most cost-effective approaches for making high-priority improvements to infrastructure and systems; and (2) a reasonable approach for sharing the costs. Unless these issues are addressed, efforts to coordinate protective measures are not likely to succeed.

The federal government must play a crucial role on these issues, but not necessarily as the manager of a hierarchical organization. Instead, the federal government must help to align the actions of multiple federal, state and local agencies, and private sector organizations which can contribute to coping with problems that single actors cannot address by themselves.

Harold Seidman, who characterized government attempts at coordination as "the search for the Philosopher's Stone,"[8] is among those who have pointed out the difficulty of coordinating autonomous organizations. Yet, coordination is imperative if we are to respond effectively to ongoing terrorist threats. An entirely new organizational form may be needed, one that provides a template for coordinated organizations to trade off their individual interests against those of the larger whole and be compensated for their losses. Such an organizational form would rival in achievement the development of the joint stock company in the seventeenth century[9] and the general-purpose corporation charter in the nineteenth century.[10] Meanwhile, we will need to muddle through, but quickly.

The Lessons of This Book

---

[8] Seidman titled one chapter of his book *Politics, Position and Power*, fifth edition, Oxford University Press, 1998, as, "Coordination: The Search for the Philosopher's Stone." The Philosopher's Stone was a medieval fantasy that was believed to catalyze the transformation of lead into gold.

[9] John P. Davis, Corporations: A Study of the Origin and Development of Great Business Combinations and of Their Relation to the Authority of the State, G.P. Putnam's Sons, 1905, Vol. 2; Samuel Williston, "History of the Law of Business Corporations Before 1800," Harvard Law Review, Vol. 2, 1888; Lyon, Leverett S., Myron W. Watkins and Victor Abramson, *Government and Economic Life: Development and Current Issues of American Public Policy*, Vol. I, chapter IV, The Brookings Institution, 1939,.

[10] Lyon Watkins and Abramson, *Ibid.*; *Louis K. Liggett Co. v. Lee*, 233 U.S. 517 at 541 (1933) (dissent of Justice Brandeis).

The authors in this book have long experience in managing government organizations at a senior level or in analyzing government organization and management. Most are Fellows of the National Academy of Public Administration (NAPA) and active participants in NAPA's Standing Panel on Executive Organization and Management. Their analyses of government organizations would have been important at any time; on September 11 they gained special salience.

Public Administration Since September 11

The book begins with Thomas Stanton's overview of organizational forms that enhance the capacity of government to carry out public purposes. These forms range across governmental and private organizations. Critical criteria for assessing the quality of an organization include (1) capacity, (2) flexibility, (3) accountability, and (4) the organization's life cycle.[11] It turns out that when government uses departments or agencies to deliver public services such as homeland security, the key issues revolve around capacity and flexibility. Government agencies are usually subject to annual appropriations and have often been subjected to the process of disinvestment described by Charles Bowsher years ago. Law and rule-bound systems of personnel, budgeting, procurement, and asset management may promote accountability to elected officials in the executive and legislative branches, but they may also restrict flexibility of the organization to carry out its mission, especially when compared to private sector organizations.

On the other hand, when government uses third parties to provide public services, the critical issues revolve around accountability. Privately owned firms must obey the law and honor their contracts. This aside, their first and foremost responsibility is to their owners, even if they also have a responsibility to carry out their public purposes. Nonprofit organizations, such as state public authorities,[12] sometimes may gain autonomy from the political process to the point that they are not accountable on many issues to anyone except their managers. Life cycle is a dynamic force that besets all organizations, public and private: they may peak, stagnate or undergo mutations over time. Effective organizational design seeks to anticipate such forces and maximize the benefits and reduce the likelihood of serious dysfunction or stasis.

This chapter makes another point: good organizational design is not a universal panacea. Reorganization alone will not solve many problems of interagency coordination, which can continue to pose major challenges even within a single department such as the Department of Homeland Security (DHS). Also, poor leadership, unmotivated staff,

---

[11] These criteria can be applied to a variety of governmental and private organizations. Compare, Thomas H. Stanton, "The Administration of Medicare," *Washington and Lee University Law Review*, vol. 60, no. 4, Fall 2003; and National Academy of Public Administration, *Grid West: An Assessment of the Proposed Governance Structure*, panel report, October 2004.

[12] Public authorities are described in Annmarie Hauck Walsh, *The Public's Business: The Politics and Practices of Government Corporations*, Twentieth Century Fund, MIT Press, 1978; and Jerry Mitchell, *The American Experiment with Government Corporations*, M.E. Sharpe Publishers, 1999.

insufficient resources, and glacial or irrational procedures will not be overcome merely by restructuring.

As the creation of DHS has shown, reorganization is not a cure for poor coordination, and can make matters worse, at least during the shakedown period. This was seen with tragic consequences in the failure of the Federal Emergency Management Agency (FEMA) to respond to the destruction of New Orleans by Hurricane Katrina and the subsequent flooding. The reduction of FEMA from a cabinet-level agency to become a small part of the new DHS, combined with a shift in emphasis to homeland security from FEMA's mission of responding to natural disasters, demoralized FEMA staff and led to an exodus of capable people from the agency. When Katrina hit, FEMA had become a shadow of the effective agency that it once was.

The chapter closes with the observation that the federal government has lost much of its former capacity to design of organizations and management of programs so that might operate more effectively. Neither the Executive Branch nor the Congress now possesses the wealth of design talent that once existed. This theme recurs in different ways throughout the book.

James Carroll argues in the second chapter that the form of the American state is evolving. The old administrative state was superseded by an entitlement state in which many federal outlays were fixed in law rather than being left to agency discretion. The entitlement state now is being superseded by what he calls the "domestic security state," in which issues of coordination are paramount:

> The administrative core of the domestic security state is mutuality of understanding, unity of purpose and interoperability of systems in sharing and using information across boundaries to anticipate, prevent, respond to, and recover from terrorist action and cataclysmic events.

In the past, government usually dealt with known actors and defined threats. By contrast, in the domestic security state, a continuous process of identifying and defining the threat is central. This places a premium on government's ability to develop and share information on changing circumstances and events in real time.

Carroll sees the elements of this critical intelligence function as forming a triangle. At its base are extensive intelligence gathering and sharing of information across governmental and national and public-private boundaries. It is critical to obtain a fast and comprehensive view of developments. On one side of the triangle, intelligence must be transmitted to a central point so that apparently unconnected pieces of information can be scrutinized and patterns recognized. On the other side of the triangle, intelligence is transmitted from the apex to the base so that timely investigation, prevention, or remedial action can be taken.

In biodefense, for example, a single point in government, probably the federal Centers for Disease Control and Prevention, must have access to information about a surge in doctor or pharmacy visits by people reporting flu-like symptoms. The central agency must unleash a team of experts to diagnose the cause and determine a response.

Time is of the essence. Given the speed at which some pathogens can spread, early diagnosis and wide dissemination of a response protocol can help to contain an outbreak.

This was one of several lessons from the SARS outbreak. Another was that biodefense is likely to need to be international in scope, which again makes Carroll's point about the need for the domestic security state to operate across traditional boundaries. Perhaps the most serious lesson from the SARS outbreak, relating to anticipating an emergency than to the response, is the need to assure that we have invested in the needed infrastructure: properly equipped and staffed hospitals, laboratories, and state and local public health agencies, in anticipation of an outbreak.

Carroll closes with a warning: the domestic security state must learn to meet the needs of security while doing the least possible damage to our precious liberties:

> The challenge is stark. It is whether governance in a system of constitutional democracy, separated powers, and individual liberty can develop methods of countering terrorism that are consistent with the principles and values of this system. Public administration in America has never faced a greater challenge.

Organizing for More Effective Government

The second section of the book includes three chapters on government organization. Chapter Three, by Frederick Kaiser, takes up where James Carroll's chapter left off. If, as Carroll contends, the old hierarchical model is facing obsolescence, then why create a Department of Homeland Security to meet the challenges of September 11? Frederick Kaiser's chapter presents a conceptual and historical overview of the decisions that led to creation of the department. He says that the creation of the department was not a foregone conclusion.

The new DHS combined 22 federal agencies with 170,000 employees and a total budget of $ 37.5 billion. In employees, it is the second-largest Cabinet department, behind the Defense Department; in budget, it is fourth, behind Defense, Health and Human Services (HHS), and Education. DHS absorbed the Coast Guard, Border Patrol, Customs Service, Transportation Security Administration, Federal Emergency Management Agency, functions of the Immigration and Naturalization Service, and over a dozen smaller entities such as the Secret Service and the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture. On the other hand, Kaiser points out that more than more than 100 other agencies, from the Agriculture Department (USDA) and the Central Intelligence Agency (CIA) to the Federal Bureau of Investigation (FBI) and the US Postal Service (USPS), have responsibilities and jurisdiction in homeland security.

The creation of the department involved contending ideas and issues. The core debate concerned the choice between coordinative mechanisms and creation of a new department. Interests as well as concepts were at stake. Kaiser reminds us that the organizational arrangements have implications for political power and control. President

Bush initially opted to create two coordinative mechanisms, an Office of Homeland Security and a companion Homeland Security Council. This approach allowed the President to specify organization, operations, and management, without sharing control with the Congress. The President determined the membership and leadership of the two bodies and their budgets, responsibilities, jurisdiction, authority, activities, operations, and the extent of their power. A clear signal of this independence from Congress came when the director of the Office of Homeland Security refused to testify before the Senate Appropriations Committee about anti-terrorism funding.

Legislation creating DHS changed everything. While the President's design for the department largely prevailed, Congress altered particular elements. The use of enabling legislation to authorize the new department opened the door for Congress to apply its influence at later points. Congress had a say in the particular agencies and functions to be included in the department, their degree of autonomy, their responsibility for pre-existing missions other than homeland security, and funding levels and resources. Congressional authority over expenditures and the confirmation process for top officials also applies, and these officials must report to and testify before Congress.

The chapter closes with a review of eight coordinative mechanisms that have been employed among homeland security agencies both before and after September 11. We have come full circle: the new department changed the locations of the various functions that need to be coordinated; it did not change the need for such coordination and in some instances made coordination more difficult by creating new organizational relationships.

In Chapter Four Alan Dean and Dwight Ink endorse a feature of the new department that they believe should be widely replicated across the executive branch. This is the position of Undersecretary for Management, which the legislation spells out in careful detail. The DHS enabling law, they say, gives the new Undersecretary authority "over the broadest scope of subject areas ever specified by law for a management official in a Federal department."

The office was created to establish a center for comprehensive management leadership. The lack of such a focal point is a serious omission in most executive departments, resulting in the dispersion of responsibility for promoting effective management among numerous second and third tier officials.[13] As Dean and Ink conclude, "Only by creating a post at the undersecretary level with this broad scope could a DHS secretary hope to shape this extraordinarily complex department into an organization that could operate effectively under stress."

DHS was unwilling, for some reason, to share details of the Undersecretary's first year of operation with the authors, who apply their long experience with federal organizations to set forth factors that will be critical if the office is to live up to its potential:

---

[13] An excellent account of these problems is found in, Barbara Wamsley, "Technocracies: Can They Bell the Cat?," chapter 9 in, Thomas H. Stanton and Benjamin Ginsberg, *Making Government Manageable*, Johns Hopkins University Press, 2004.

- Keeping the office strong: this will require high quality appointments to the Undersecretary position, preferably of professionals who will serve through a change in political administration. The DHS Secretary, OMB, and committees of the Congress should work to support the undersecretary.

- Overcoming fragmentation: The authority of the office should be kept broad so that it can overcome the tendency, found in other government organizations, of fragmenting administrative functions. For example, it makes no sense for one set of officials to have responsibility for designing the department's headquarters, and another set organizing its field offices. Yet there are disturbing signs that such fragmentation is beginning to occur.

- Broader use of the audit function: While the audit function is a key part of the responsibility of a departmental inspector general, the Undersecretary also needs this capability. In the hands of the Undersecretary, the audit function can be an important management tool for identifying and responding to weaknesses in departmental practices or for addressing an emerging scandal before it escalates into the public domain.

- Strengthening management analysis: This function can help the new department break down the walls of its component organizations through design of organizations, operating systems, and improved processes that cut though organizational barriers.

- Program management: The office should assist program leaders to develop effective program systems and should provide leadership in the management dimension of designing and improving DHS programs.

- Monitoring: The Secretary should hold this office responsible for identifying deficiencies in the department's organization and management systems, and designing measures to bring about improvements.

- Departmental culture: The office can offer critical support in the Secretary's effort to create a cohesive and vital organizational culture. It can block "stove piping" and parochial concepts that undermine teamwork. It can establish both formal and informal incentives for recognizing and improving performance.

In Chapter Five, Ronald Moe calls for another major step in improving the capacity of government to organize and manage itself. Moe calls for an Office of Federal Management (OFM) in the Executive Office of the President (EOP) to strengthen the capacity of the President in his role as chief manager of government.

Moe seeks to restore a capacity that once existed in the EOP. In 1970, the management side of OMB had 224 employees. By 1980, when President Jimmy Carter left office, the number had fallen to 111. The Reagan Administration's concentration on budget-cutting and regulatory review further reduced the management staff to only 47. Finally, the Clinton Administration implemented a reorganization in 1994 that simply

eliminated most of the management positions and integrated the management function into the budget side of the agency. This was a complete departure from the Nixon Administration's view that the budget should be part of management, not vice versa.

Moe proposes that the new Office of Federal Management (OFM) would exercise authority in at least the following areas:

- organizational design and management oversight
- central legislative review and advice
- information technology policy
- financial systems management
- regulatory review and clearance
- procurement, contracting policy, and privatization
- government corporations and enterprises
- real and personal property management
- federalism and intergovernmental relations

Moe argues that career federal officials should largely staff the office, noting that most management issues, unlike most budgetary issues, lack high political saliency and rarely follow party lines. There are no Republican or Democratic principles for structuring field offices or for creating a government corporation. Reliance on career staff would help provide some continuity in executive branch management in support of politically accountable officials. New administrations want to begin their initiatives early; this office can help.

Moe makes the same point as Dean and Ink, that many management functions have become stovepiped, leading to an unhealthy fragmentation of functions. Personnel, financial management, procurement, and information management should be considered together in designing and improving government organizations and programs.

To illustrate the costs of not having an Office of Federal Management, Moe points to the shortcomings in the process of creating DHS and the problems that inadequate design have created.

> It is difficult not to conclude that if an OFM had been in existence, it would have begun on September 12, 2001, to develop the organizational and management issues and options available to the President and other executive decision makers on how best to organize to meet this new national challenge. Having institutional memory of other reorganization challenges and what complex issues are involved in bringing together, in this instance 22 separate agencies, would have put the White House ahead of the management curve rather than behind.

Moreover, Moe points out, the absence of such an office as a lead player in designing DHS means that there will not be one agency where the lessons learned can be kept, studied, and integrated into administrative doctrine to serve in the future.

Managing for More Effective Government

The third section of the book addresses management as well as organization. In Chapter Six, Murray Comarow offers insights based on his half-century of public and private service on public issues, backed up by knowledge gained both as an academic and as Executive Director of President Nixon's Council on Executive Organization (Ash Council). His observations are instructive for the reorganization of homeland security functions:

- The core principle [of government organization] on which most practitioners and organizational theorists agree…is that an enterprise should be organized in a way best calculated to achieve its purpose, its goals. This requires that those goals be clear and consistent, unlike those in the Agency for International Development or the old Atomic Energy Commission (AEC). In the later case, AEC's mission to promote the use of nuclear energy conflicted with and sometimes overrode its safety mission.
- No structural arrangement can reconcile all interests or resolve all conflicts; nevertheless, there is no substitute for organizing according to purpose, logical assignment of functions, and establishment of centers of accountability.
- Opposing interests should be drawn together at the right levels of government, so that the vast majority of conflicts can be resolved below the level of the Executive Office of the President.
- The objectives of the agencies involved must be plainly set out and must respond to a distinct and enduring public need.
- There must be some assurance that the functions to be grouped under one head not only belong together, but that, collectively, they can be managed efficiently.
- The agencies should be so structured that a high order of public interest is served in making policy rather than narrower advocacy positions.
- There is no perfect arrangement that will mediate among all interests, much less resolve all conflicts. Admit mistakes ungrudgingly, and make adjustments as required.

Comarow criticizes Presidents Carter, Reagan and Clinton for their demeaning treatment of career federal officials. He says that their contempt for "bureaucrats" has seeped into public consciousness and has become embedded in our culture. The consequences are grave, but they have remained largely unexamined.

This chapter's observations about leadership provide the distilled wisdom of years of direct experience. Comarow says that good leaders:

- Will share responsibility with their managers;
- Have the courage to take reasonable risks;
- Will not rely on formal communications systems; they go among the troops and listen hard;
- Are scrupulously fair, have integrity, and avoid the appearance of conflict of interest or favoritism;
- Where possible, will establish mutually agreed goals, not objectives imposed without consultation;
- Will insist that their managers act like managers by wiping out unnecessary functions, controlling costs, and removing marginal or incompetent people; and
- Care about their employees as people and visibly show that they care.

Comarow places some of the blame for government inefficiency on the Congress, citing DHS as an example:

> On August 8, 2004, *The New York Times* reported that since January 2003, Department of Homeland Security officials "testified before 300 Congressional hearings and held 2,000 briefings for members of Congress or their staffs . . . an average of 4 hearings and 25 briefings a week." No fewer than 88 committees and subcommittees are involved. The drain upon executive energy is enormous. Congress, impatient with inefficiency in the executive branch, thus contributes to inefficient management. One committee in each house should be established for homeland security.

In Chapter Seven, Dwight Ink, one of the federal government's most seasoned senior career officials, presents strategies for achieving meaningful change. From watching a multitude of reforms that more often failed than succeeded, Ink culls five examples of change that made a difference. He personally played a leading role in four of these as a top career civil servant; in the fifth he was an invited evaluator. Each of these case studies provides important lessons for today's managers. "In developing new approaches," says Ink, "it is a mistake to neglect past experience that can be of great help when adapted to new circumstances."

This chapter is a must-read for officials at the beginning of each new administration. The facts of the five case studies help to illustrate the management strategies that Ink extracts from the five case studies:

> Rapid Action. Delays can increase costs and weaken support for major management initiatives. If an incoming administration can rely on proven management strategies, it can move quickly, mobilize for broad reforms, and institutionalize major changes before the next election.

Political-Career Partnerships. Sharply contradicting the conventional wisdom about career people allegedly resisting change and lacking innovation, each case study involves the political leadership benefiting from the experience of the career leadership and developing a working partnership. Within this framework, the political leadership sets broad policy and may withdraw delegated authorities, should that become necessary. Conversely, the effectiveness of career men and women depends heavily on good political leadership.

Innovative Design. All major presidential initiatives for change occur under conditions, and with objectives, that differ from past initiatives. Managers need to be skilled and grounded in basic management concepts to permit innovations to succeed. Otherwise, innovations run a much greater risk of causing expensive mistakes whose consequences may emerge later.

Openness and Outreach. An important component of the five initiatives was the close working relationship with key congressional committees and the openness and level of consultation between the executive branch and those committees. A heavy investment of effort in working with Congress saves time, usually reduces the extent to which Congress changes presidential management initiatives, and results in a more supportive congressional attitude.

In contrast to these proven management strategies, Ink sees management reforms in recent years as neglecting critical issues, such as the need to strengthen internal departmental communication systems and contract management capacity, both of which are woefully inadequate in many departments. He finds that departmental organizations and operations often are designed and implemented ad hoc, with insufficient attention, to accountability, or the relationship between headquarters and field offices, or to intergovernmental and interagency management. Ink adds the weight of his experience to the observations of Carroll, Kaiser, and others in this book, concerning these areas of special significance for effective homeland security.

Beryl Radin's chapter on Developments in the Federal Performance Management Movement: Balancing Conflicting Values in GPRA and PART, Chapter Eight, provides a striking contrast to Dwight Ink's chapter. While Ink shows how to carry out major successful management initiatives, Radin explores currently fashionable formalistic exercises such as those of the Government Performance and Results Act (GPRA) and the Performance Assessment Rating Tool (PART).

GPRA is the law enacted in 1993 that requires all federal agencies to develop strategic plans, annual performance plans, and performance reports. PART is a Bush Administration initiative that began with a pilot program in 2003 as an effort to integrate budget and performance assessments. GPRA applies to departments and agencies; PART applies to government programs. PART seeks to rate the effectiveness of programs

according to four dimensions: program purpose and design, strategic planning, program management, and program results. OMB budget examiners complete questionnaires on agency programs for which they have responsibility.

Radin notes that, although performance is an appealing idea, it may be misleading because performance criteria often fail to reflect the conflicting values inherent in government agencies and programs. Indeed, users of performance information include people and organizations with positive, neutral, and negative agendas concerning the agencies and programs whose performance is to be measured. Radin argues that both GPRA and PART, because of their virtually total focus on efficiency, do not easily fit into the conflicting structures, values, and political realities of the American system of government.

Radin finds that GPRA and PART operate largely as rhetorical devices and lack influence over substantive policy and budgetary processes. Of the multiple functions within the performance rubric – planning, budgeting, and management – each contains its internal contradictions, beyond the conflicts across the functions: "The one-size-fits-all, government-wide approach to management reform that is illustrated by both GPRA and PART does not fit easily into the reality of policy design and politics."

Radin also observes difficulties with the implementation of PART and GPRA:

- The relationship between PART and GPRA requirements is not clear and is often confusing to program officials.

- PART focuses only on the President's budget and is thus limited to an executive branch perspective.

- The assessment of program purpose and design by OMB staff has been viewed by some critics as an attempt to preempt the role of the Congress.

- While program goals often include several purposes and multiple values, PART appears to focus only on the achievement of efficiency goals. There is little in the process that highlights broader goals of program effectiveness, and basically nothing that assesses the achievement of equity goals within programs. This is similar to the GPRA experience.

- In order to satisfy both GPRA and PART requirements, agencies need to collect new data. They are constrained, however, by the mandates of the Paperwork Reduction Act, budget limitations, and by the difficulty of collecting program performance data that involve block grants to states.

- The autonomy of OMB budget examiners has created a highly variable pattern of dealing with PART.

She concludes that there is little to suggest that GPRA and PART have improved agency or program performance.

Addressing Critical Issues

The final section of the book includes five chapters that address issues that have gained in significance since September 11.

In Chapter Nine Michael Maccoby addresses in greater depth the issue of organizational culture that Dean and Ink raised earlier. In Maccoby's view, cultural factors primarily determine organizational behavior and effectiveness. The DHS leadership would be well-advised to address cultural aspects of the effort to combine so many disparate organizations. Cultural differences divide not only the various organizations but also create a gulf between the political leadership of an agency or department and its career civil servants. Such differences need to be managed, and are ignored only at peril.

Maccoby argues that the DHS leadership should not try to impose a uniform organizational culture: "The sub-cultures of Homeland Security are unlikely to shed the histories and sense of identity that provide pride and meaning for people. To attempt to blot out these identities would provoke resistance and undermine positive motivation for work." Instead, DHS leadership should aim to develop effective collaboration among the different sub-cultures and across the organizational boundaries.

How should this be done? Maccoby turns to the experiences of leading companies that have successfully addressed similar cultural challenges. They utilize "network leaders" who develop relationships of trust. DHS should use career civil servants for these roles and should select those people whose social attributes most lend themselves to playing such a role.

Managers must learn how to lead organizational cultures into effective collaboration: "This requires not only designing new leadership roles but also developing new leadership skills, and selecting people whose social character motivates them to build relationships of trust and facilitate participative decision-making. It requires aligning measurements and rewards to support the strategy."

How well is DHS doing? Although extensive information is not available, it appears that DHS managers are meeting resistance. In addressing problems of communications across organizations, Maccoby reports, the "easy part was to install communication technology. The hard part was getting people to communicate in a timely way. Another problem was determining who was in charge when there was need for collaboration across organizational barriers. Here the political and civil service cultures clashed."

Chapter Ten, by Dan Guttman, also raises a warning, about the rush to contract out important functions of government. Guttman argues that government agencies can and do lose the ability to supervise their contractors and hold them accountable. The result can be wastefulness or worse, as in some U.S.-administered prisons in Iraq. The resulting management challenges can be immense. A major concern is the disregard of the principle that certain governmental activities must be performed by agencies and officials, and should not be delegated to non-governmental actors. The state is subject to a different body of law than that applicable to private individuals. If we continue to blur the boundaries between the public and private workforces we may lose the very qualities that we most value in each.

Guttman believes that the root of the contractor accountability issue is conceptual. Developments have pyramided on top of one another to the point where the United States government has become substantially dependent on its contractor workforce:

> [B]ipartisan limits on the number of civil servants ("personnel ceilings") assured that as government grew, third parties would be increasingly needed to perform its basic work –planning, policy and rule drafting, managing the nation's nuclear weapons complex, serving as go betweens in dealings with citizens and other governments, and managing the federal official and contractor workforce themselves.

In the process the nation has lost any useful theory about the legal and political basis of the relationship between government and its citizens on the one hand and the contractor work force on the other. Guttman asks how we will know if muddling through without an organizing concept is not good enough. He proposes a research agenda to obtain solid information about the extent and nature of contracting out and the extent to which contractors in fact are accountable for their performance. It is time, he warns, for the United States to develop a clear concept of the boundaries between the use and misuse of contractors to carry out the public's work.

Cindy Williams, in Chapter Eleven, reviews the military personnel system. Especially with the added strains in coping with the war on terrorism, weaknesses in the military personnel system are beginning to show. The pay disparity has continued to grow between critical military specialties and the comparable civilian occupations. This is exacerbated by increased use of contractors to perform functions that military personnel could perform. An additional complication is the concept of equal pay across all military specialties, which prevents the military from offering increased pay to attract and retain people with critical skills in short supply. The military may be able to get by in peacetime, "But in wartime, even modest setbacks in filling the ranks with the right people can ripple rapidly through the force and its leadership, increasing the risks to fielded troops and making it more difficult for them to achieve military aims."

Williams lists seven major problems with the military personnel system and proposes improvements for each. For example, reforms of pay and benefits of the

National Guard and the Reserve are especially important because of their essential role in homeland security, besides being called upon for combat service. The unusual military pension system is another problem. Military personnel who serve for twenty years receive an annuity tied to the cost of living. Those who decide to leave earlier receive no pension at all. This all-or-nothing approach results in retaining unneeded people and losing others who are at the peak of their experience.

Reform is not yet on the horizon. The military is a conservative institution and pay and pay equity issues are especially sensitive. Stakeholders include members and committees of Congress, civilian leaders in the Pentagon and White House, military family and retiree associations, veterans organizations, contractors that provide goods and services to military members and their families, and political figures who treat military pay and benefits as campaign issues.

In Chapter Twelve Enid Beaumont and Bruce McDowell look at the critical role of intergovernmental relations in homeland security. In their view, the nation can either use the imperative of homeland security to improve upon federal relations with state and local governments or else may simply adopt ad hoc approaches, e.g., to providing grant funds, that replicate past problems.

Past problems have been substantial. The federal government manages itself through hierarchical administration that often involves a command-and-control approach; yet, intergovernmental relations within our constitutional system are best managed through a collaborative approach that emphasizes problem solving. States and localities are a prime example of the types of third parties that Seidman believed required a relationship other than through the traditional hierarchical model.

Beaumont and McDowell call for a collaborative approach. They cite NAPA panel studies showing how federal managers neglect collaboration, even when the traditional hierarchical approach is not helpful. To work together successfully, diverse groups require four ways of approaching problems: trust-building, skill at crossing organizational boundaries, flexible funding, and the all-hazards approach championed by the former Federal Emergency Management Agency (FEMA).

Federal officials will need training in the first two of these skills. Flexible funding will require a new approach to relations between DHS and states and localities. The all-hazards approach will be critical in dealing with sporadic and, one hopes, infrequent homeland security incidents so that first responders and the practice of intergovernmental coordination can keep their tone between incidents.

Legislation causes many problems of intergovernmental relations. Beaumont and McDowell point to the fragmentation of federal grants. Federal grants for first responders display considerable overlap: funding for seven of the 16 relevant grant programs can be used for equipment; twelve for training; eight for exercises; and twelve for planning. Grant funding formulas frequently bear little relation to the security needs of particular states and localities. Long experience with federal grant programs has generated lessons

to apply to give states and localities greater flexibility, within guidelines, to use their grant money more effectively. It is not clear whether DHS and other federal grantmaking agencies will apply that experience, despite the importance of these scarce funds to develop state and local capabilities.

Beaumont and McDowell conclude that it is not clear whether homeland security will increase the centralizing tendencies of a stronger federal government vis-à-vis states and localities or – because of the need to get homeland security right – will serve as a model for improving intergovernmental relations in other areas: "All of the governmental partners will need to be extraordinarily vigilant as this new program unfolds to make sure that its centralizing tendencies do not overrun and dampen the vitality and essential capabilities that come with the dispersed responsibilities in our federal system of government."

The inability of the City of New Orleans and the State of Louisiana to respond appropriately to the 2005 Katrina disaster, combined with an inadequate federal response, led to many avoidable casualties. The result of that demonstration of weakness in the federal relationship, involving, for example, a failure of the governor to call for federal support in a timely manner, is likely to tip the balance even further in the direction of the centralizing tendencies that are the subject of concern in this chapter.

Chapter Thirteen concludes this book with a new template for an organized process of enhancing the design and management of stakeholder networks. Thomas Stanton proposes applying to selected homeland security issues the "Stakeholder Council Model" of collaboration of federal agencies, state and local governments, and private organizations. Two good candidates for the model are the development of interoperable identity management systems and interoperable systems for container and port security.

Stanton cites Harold Seidman's caution that, "Agencies are most likely to collaborate and network when they are in agreement on common objectives, operate under the same laws and regulations, and do not compete for scarce resources." This poses challenges; policymakers need to determine (1) where the Stakeholder Council Model is most applicable and (2) under what conditions.

The Stakeholder Council Model is similar to standards-setting groups in many sectors of the economy. The most relevant case is the Electronic Benefits Transfer (EBT) Council, which began in 1995 as an organization composed of federal agencies, states, merchants, payments networks, financial institutions and other EBT service providers, including consultants and processors. OMB encouraged these stakeholders to develop operating rules for the electronic delivery of government benefits, including food stamp and cash benefits. Instead of giving beneficiaries food stamp coupons or paper checks, state governments provide them with a debit-type card that contains the value of their food stamp or cash benefits and that can be used at retailers and in ATMs.

The process took many years, but 48 states now offer statewide EBT programs. As the use of the EBT Council's operating rules has expanded, states are adding to

functions that are served through their EBT card systems, including payments for Temporary Assistance for Needy Families, Medicaid, and child care. The U.S. Department of Agriculture announced in 2004 that food stamp delivery has moved completely to electronic form, and is seeking to rename the program because "food stamps" has become an anachronism.

Stanton reviews the applicability of this model to another issue involving interoperability, the development of identity management systems. The weakness of the driver's license and other identification such as the Social Security Number has led governmental and private organizations to design and implement their own identity management systems. However, if these systems are not interoperable, the result can be confusion, loss of time in having one's identity verified, and creation of potential gaps across systems that can be exploited by undesirable people.

The Stakeholder Council Model can bring governmental and private parties to the table to devise standards of trust for identity documents based on their quality. However, it remains to be seen whether this process can generate the needed degree of collaboration among the parties to achieve a useful and timely outcome. Experience will determine the conditions under which it is most effective.

This book, then, is a compilation of analyses that show the state of executive organization and management as the country gears for effective governmental action. Each chapter highlights a different area where government can and should be better organized and managed both generally and with respect to homeland security.

Acknowledgements