

## Homeland Security ‘failings’ highlight a broader problem

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Chris Edwards, director of tax policy at the CATO Institute, posted a lengthy column – “Make America Safer: Shut Down the Department of Homeland Security” -- on the libertarian website, Reason.com.

The argument here is that this action is not a solution. His focus on DHS problems is clearly warranted – the list is long – but the column is silent on how this would “make America safer” or lead to better performance by DHS agencies.

Edwards and conservatives are not alone in their criticism. Last year an equally critical column was published in the ‘flagship of the left’, The Nation. Similar articles critical of DHS and arguing it should be dissolved have been posted on other websites and publications.

Edwards summarized “three types of DHS failing: general mismanagement, misallocated investment, and civil liberties abuse.” Other critics have cited additional problems. Although mission creep and abuses concern me, I’ll let Edwards and others tackle those issues. The thread running through the failings highlights poor management as the central problem.

The examples of mismanagement reflect failed leadership (e.g., former President Bush’s now-infamous declaration, ‘Heckuva job Brownie!’), the cost of poor morale, and/or workforce problems that were ignored. The recent FEVS survey shows once again that employee morale across DHS is the lowest of all departments. However, that is a problem that can and should be addressed. The USPTO story confirms poor morale can be reversed.

His misallocated investments illustrate what happens when management does not adopt a rigorous project planning and evaluation process. A key is that the nature of the problems cited is not limited to DHS. Procurement and project management problems are not new.

### **A Reason to Keep DHS**

When DHS was created, I was on a National Academy of Public Administration team developing a report on federal pay. A DHS group was then working to plan what was later dropped – the MaxHR personnel system. It was readily apparent they were unsure of what they were doing. In fairness no employer, private or public, has created a new organization that rivals DHS in size or complexity – but mistakes were made.

Despite the shaky beginning, DHS serves an essential purpose. The DHS agencies do not fit another department. If they were freestanding, there would be less oversight. The agencies and their leaders are likely to perform better if they are routinely accountable to a higher entity. The importance of ongoing oversight cannot be overstated.

In the private sector there are a number of relatively large, diversified companies. GE is the most prominent. I worked as a manager for two that had 40,000+ employees. One was a global conglomerate comprised of 24 subsidiary companies. The second was a hospital management company that operated 30 hospitals along with surgical centers and mental health facilities. Coincidentally, one of the facilities it managed was the George Washington University hospital.

The key is that the business units are managed as largely independent businesses. Each has a specific business strategy, operating plan and annual performance goals. Each month, corporate and business unit executives discuss results and deviations from plan. Those discussions are known to be brutal when executives fail to achieve goals. Action plans are developed to address problems and goals are modified as necessary. Year-end results are then the basis for determining financial rewards.

It's the linkage tying rewards to performance that reinforces executive accountability. Government is not the same as business but the intent of the Government Performance and Results Modernization Act (GPRAMA) is solidly compatible with the corporate approach. A key difference is that the unit executives are rewarded as a team, not as individuals.

### **Wanted: Proven Executives and Managers**

As a consultant to both public and private employers, I observe that a conspicuous difference is the absence of individuals in leadership positions – both elected and appointed – who have prior experience managing operations and people in large organizations. The appointment of Robert McDonald as Secretary of Veterans Affairs is an important exception. There will always be political appointees but it would be highly advantageous if members of the leadership team worked previously in large organizations.

Another difference is that all executives in business report directly or through other executives to the Chief Executive Officer or Chief Operating Officer. In every business unit, all functions report to the equivalent of a CEO (titles vary). A single executive is accountable for the day-to-day management of all operations. When problems arise, they can bring together the needed resources and people. Individuals without proven management skills should not serve in that role.

Successful companies also place far more emphasis on the selection and training of supervisors and managers. Pay for performance is virtually universal.

### **GE's "Workout" to Address Problems**

Many companies now rely on an idea that would help to avoid agency "failings." It's GE's "Workout". This is a structured way to bring people together to tackle problems. Its best

described by former GE CEO Jack Welch: “Trust the people in the organization – the people in the best position to improve a business are the people in the job every day.”

That goes to the heart of why it’s so widely successful. By design it engages the best thinking of those who are closest to the processes, who “live them” daily and who invariably have a lot of ideas for improvement. It’s similar to reengineering plans from the early 1990s.

It’s unfortunate there appears to be so little trust in government agencies. There is underutilized talent at every level. They would gain considerable satisfaction if they were asked to tackle problems. Tapping their understanding of problems and potential solutions is a win-win for everyone.

### **Holding Agency Executives Accountable**

The problems cited by Edwards were attributable to management “failings” at the agency level. With adequate DHS overview, they could possibly have been avoided. But DHS cannot mandate top-down solutions; I know from experience that would be resisted.

Workforce problems in particular can only be solved by agency leaders. DHS agencies have unique workforce issues that only local managers can resolve. DHS can and should expect agency leaders to address the morale problems – and progress should be reported in those periodic meetings.

Dissolving DHS would not improve agency performance.