

Roundtable on Leadership and Administration



Virginia Polytechnic Institute & State University
Alexandria, Virginia

July 2008

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Virginia Polytechnic Institute and State University

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Roundtable on Leadership & Administration

Leading, Organizing and the Stand-up of DHS

*A Conversation with
Beryl Radin*

*Professor of Public Administration
American University
and*

Janet Hale

*former Deputy Secretary
Department of Homeland Security
and presently with Deloitte Touche*

**Center for Public Administration & Policy
Virginia Polytechnic Institute and State University**

SUMMARY REPORT

July 2008

Purpose of the Roundtable Series

The Virginia Tech Center for Public Administration and Policy Roundtable Series on Leadership and Administration:

- Brings together leading scholars, practitioners, students, members of academia, public managers, and participants from the nonprofit and private sectors;
- Stimulates insightful and thoughtful conversation with
- Focuses on the exchange of ideas;
- Advances our knowledge and understanding of leadership in public administration through the sharing of research and experiences.

Participants have the opportunity to explore the links between theory and practice in an intimate setting of conversation.

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Leading, Organizing and the Stand-up of DHS

Wednesday, July 23, 2008

The subject of this Roundtable session was "*Leading, Organizing and the Stand-up of DHS.*" CPAP's own Dr. Colleen Woodard interviewed led a panel discussion with Beryl Radin, Professor of Public Administration at American University and Janet Hale, former Deputy Secretary of the Department of Homeland Security and presently with Deloitte Touche.

Janet Hale
Former Deputy Secretary,
Department of Homeland Security
and presently with Deloitte Touche



On the Stand-Up of DHS: I thought if I had five minutes I would tell the five-minute version of the stand up for the department and why no private sector would do it the way this public sector just did it. But just to be sure you've got the time table, September 11th, 2001, I think the government spent five or six or seven months just dealing with the crisis at hand, the Pentagon's smoldering, the clean up, and New York, and again, the tragedy in Pennsylvania. And then the should we reorganize. For those of us that had handled many of these agencies, when I was at OMB almost each one of these, we often talked about whether there should be a reorganization of some of these, especially in the law enforcement. And so there had been 1,000 different schemes. I think 9/11 became somewhat, not only because we had to focus a different way to look at homeland security because, as I've often said, Al-Qaeda doesn't have to go to OMB for clearance. They are agile. They are fast. They can change. And we needed a structure that did. We said we were going to be the 21st Century department, you and Beryl and others will be the sort of long-term view of that. But let me go back to the time line.

September 11th, 2001. The Hill started talking about in probably early 2002. The White House said no thanks, we've got it, we've got a Homeland Security Council, the world is fine. As many people know, five people went into the basement of the White House and came up with what the grand design was. And the President had the opportunity to call the Cabinet secretaries and say, congratulations, you're losing this, this, and this. And those Cabinet secretaries just couldn't believe the call they got that night.

Remember that Congress went home at the end of 2002 without creating a Department of Homeland Security, and a Democratic senator lost his reelection in Georgia because he was on the wrong side of this. Congress came back, and in November 2002 passed the legislation and we became a department January 24th, 2003. Tell me any organizational structure wouldn't do anything about moving from November when finally someone said, yes, go do it.

So there had been a small transition staff that was set up, but they were afraid of doing anything because what if the leaders came in and wanted something different? So I went over in December of 2002. We became a department January 24th; that meant we filed our thing in the Federal Register. And on March 1st, 2003, 180,000 people came in, and we were at war. We kept saying that we didn't want a person to lose their paycheck. We didn't want them to have to worry about what their jobs were because those front line men and women, whether it's the Border Patrol or TSA, we needed them concentrating on this.

So as you think about leadership, the role, the structure, not a lot of planning, not a lot of management, so we really had to sort of a little bit make it up as we went. And I have now had the opportunity to spend time with the British government who are integrating their immigration department because the prime minister has now said they will do it. And they are

horrified at the time line put out. As I think back about it when the President told us we would stand up January 24th, I literally came close to saying, are you nuts? And I thought, this is the President of the United States, and it wouldn't be a career-enhancing move on my part. But I would do it again the exact same way. There are a lot of things we would do differently, and there are two of you here from the Department and you know all of our awards. The press has well documented them. But I don't think it could have sat out there. I think we could have done it better, but I don't think time would have been. I think it was sort of the right people at the right place needed to make it happen.

So that's the end of the stand up story is that we literally had those seven and a half weeks, if that's what it is, and I had no idea what it took to stand up a department. We didn't have a headquarters. Tom Ridge will say we didn't know how to buy pencils and pens. But I think my very most favorite story is on January 23rd when we didn't have a headquarters, the lease of a building had fallen through, a guy who was just a gift came into my office and said, we have a zip code. Who would think you needed a zip code? And do you know that it takes seven to eight months to get a zip code created if you're lucky, and we got one in three and a half days because we were waiting to get a zip code when we knew where the office was. So if I were ever to write a book, it would be And We Had a Zip Code: The Story of the Department of Homeland Security. That and a lot of alcohol are parts of all of that. When I often talk about this, a lot of my former staff will say, and tell zip code story again, because it really is so fundamental. That's Homeland Security in five minutes.

About Establishing the Department: We talked about DHS being the 21st century department and could we set it up differently. I fear some of that didn't happen as much as we would like. I often joke if you listen to the rhetoric about DHS, this was the largest reorganization since the creation of DoD, and our rhetoric was that 47 years later, Goldwater-Nickles passed, and they tried to get it right, and they still haven't gotten it right. And we then said DHS will be right. It's a very interesting to me that we never looked at HEW because I didn't thinking taking the "E" out because I was at HHS, and so I learned, my staff were the ones at HHS that had been part of splitting off social security, and some of them had worked on the "E" part. And so each one of us is very different, but there hasn't been, if you look at the Pentagon and you look at HEW, nothing was like DHS. When you talk about 22 agencies, I still can't count them. I cannot tell you who they are. I can tell you the seven that we know are the large operating, but then there were bits and pieces torn out of other agencies that some I offered to give back, like you want them, you can have them.

And so I think part of the problem with DHS's structure was that it wasn't a standard reorganization. There hadn't been a model because they were taking bits, those poor agriculture inspectors that came with their beagle dogs. I often joked that I was going to become the supply chain for dog food because of those poor dogs. So some of that efficiency stuff, I think there is a little bit of rhetoric about efficiency, but that wasn't what we did this for, and it really was much more can we do more a effective one. My office tried. I think there'll be miles to go before they get some of those efficiencies. It really was much more of an integration of law enforcement and a structure.

Institutional Challenges: That's why I talked about the, and interesting given your background, the Senator lost not on the issue of the Homeland Security Department; he lost on the issue of whether or not the personnel issues ...the labor unions, and he was on the wrong side. And so it sort of, I mean, this was a great senator. This guy was very good and lost on it, so it kind of

came back. So it was very much, we took \$100 million out of the agencies which was stupid. I mean, OMB did their normal thing. And we took money out of the agencies. One of the problems was setting up the Department. Those seven agencies came from four major departments, Transportation, Treasury, Justice, and then you can throw in either Commerce or GSA. But there was no institutional knowledge that came, so we didn't have the institutional knowledge, although there was supposed to be.

But some of that came about when you bring the seven large operating entities to try to structure them in a different direction and you try to put a policymaking frame work over it. I knew, I use the one example, because I had been the Assistant Secretary at DoT, I knew the Coast Guard's budget, and there was a guy at the Department, they'd get mad at me every time I talked about this. But there was a guy that had done the Coast Guard budget at the Department of Transportation for 22 years. He wasn't coming for his last three years over to DHS. No. He was going to retire at DoT. I lost 22 years of institutional history. So in a corporate world you can sort of say you've got to go. In the federal world, and probably because I know this wonderful guy, I should have said if he doesn't want to come, and there was some emotion around DHS. For those who had loved ones overseas, they were in Iraq. So lots of that stuff. So it was about people. It was about process. It was about technology. It was about finances. But then it was also how you meld that, so we had to look at sort of the leaders at the top and the institutional structure down below.

Anyway, it's the structure and what we did in those first -- from January 21st to March 1st -- about how did you bring over those people, what do you do if Treasury is losing two-thirds of itself? IRS is what's left of Treasury and the financial markets. ATF went over to Justice. So you took a large part of Treasury out. Justice, we got INS, one of the largest parts, not the most powerful, but Justice lost its, sort of, so understand it wasn't just about DHS as a structure, but what also happened in this federal environment of those very large -- DoT, it's got highways and mass transit and rails; they did lots of other things. So you can look at DHS, but part of the history of DHS is also what came from the agencies and who didn't want to lose what, and the politics of it all....

There are 88 committees that are -- it was 88 and it's down to 86. I think thank goodness they're reorganizing now, too. The Secretary testified 400 (phonetic sp.) times in his first year and a half. If you think about what it takes to get any secretary, any deputy secretary, any assistant secretary. We finally estimate that in the first year it was 3,000 man years to get ready for testimony and/or briefings up on the Hill. Then there was the food fight about testifying in front of this committee before that one. So that part of, and you mentioned this, the authorizers versus the appropriators. The food fight in the very beginning was the House wanted to have its own appropriations committee, subcommittee for Homeland Security, and the Senate said no, and that was Ted Stevens saying that if you have a subcommittee that has nothing to do but focus on the Department, that's what they'll do. And so you can get hidden in some of these other ones. So it was very much -- we were fortunate with Senator Collins and Senator Lieberman and Congressman Cox because those guys had a very different view of oversight than the other committees that kept wanting to have us out there because they had lost some.

...And it's good fun and we all complain about the '86 committees, and this is a drum beat because I think we all hope that in the next Congress maybe somebody will give up some turf. I read the [recent *New York Times*] article [about Congress and DHS], and that's all part of the strategy to try and get Congress to change. I think they are pretty significant about whether some of the right agencies should have gone, bits and pieces, the agriculture inspectors, those poor 300 people that came from the FBI. We've got vacancies and we've got no people. And so

a lot of it was, sort of about, were those the right pieces, and then, did we put the structure in place right to manage it and/or lead, which is a very interesting question because one of the things we spent a lot of time on was the communications outward to both the interest groups, the Hill, whatever committee we were talking to at the time, but much more importantly, our employees. And if you think about it, sort of those community outreaches, what the Customs commissioner did. I think the seven agencies fared better than the Department structures because there was an institutional structure that was ready.

Facts about DHS: Let me give you just a couple of facts on DHS and organizational structure. DHS has been reorganized eight times in six years.... We did it without legislation except for appropriations. And so we had the authority in the beginning, we could just send up a letter and people would say, oh, I want to move this here or here. So eight times. They have now taken away that authority...

[For example,] FEMA has been reorganized, it was created, I think, in 1977. Somebody would have to check my facts. FEMA was created in 1977, I'm going to say 77. It came into the Department in 2003. In that period of time it was reorganized 26 times and it's been reorganized seven times since it's been in the Department....The management structure, the boxes, inside FEMA. So there were some large food fights about where did the DHS grants go. So did the three billion dollars go into a separate, that was a committee structure, or did it come to FEMA? Some of that is large policy; some of it is moving important organization that I call (indiscernible) because it wasn't in that same level. So the interesting topic about sort of management versus leadership and policy, I think there are some important lessons about what we did and how we did it, but I think also I often quoted Dave Walker, the head of GAO, that it would take five to seven years to get DHS right or get the culture, get the structure. And that's why I think my first three years was a little bit of a breakthrough because they kept going, oh yeah, you've got four more years. I was smart enough to get out of there. But it is partially did we have the right people, did we have the right processes in place, and did we have the right sort of strategy that would inform it?

About Reorganization: This is the Department, the stand up at the Department. I think reorganizations are overblown and my one and only to both, any candidate that would listen to me is, don't promise a reorganization until you have a better understanding of what you're going to do.

... So when you think about DHS's reorganization, we were created in 2003. Michael Chertoff and Michael Jackson came in in 2005, January/February, and they had what was called 2SR Second Stage Review, and that was a major reorganization because we all said if we didn't get it right in the beginning, what we need to do. That's when they eliminated a couple of layers, took out a couple of undersecretaries.

...[The DHS superstructure is] a component, except they took a management layer out of the integration of the Border Patrol agency, so there was somebody that was in charge of that when they eliminated that layer. But then some pretty significant reorganizations that moved within those deck chairs. One of them was that when we set up the Department we didn't have a policy office.

... There is a policy office of 80 people that has, I think, got a structure of long-term policies and short-term policies in getting regs to OMB. That will mature and evolve. And that's where you are.

... The policy office, I think the question is what kinds of people have they hired and how are they, because policy can take so many different forms. But let's look at the intergovernmental office because as I've looked at the organization chart, it seems sometimes it was buried. Sometimes it was a little bit more, seemed to have more visibility. But if you think about what happened during FEMA, during Katrina with FEMA, one of the major concerns was the inability to really see this as a major intergovernmental set of issues, and that there didn't seem to be capacity in the Department to really deal with that and whether you could deal with it in departmental terms or whether it had to be dealt in programs terms. And so you're absolutely correct about Katrina, again, the largest disaster since the Dust Bowl that happened over how many years. We have to always put that sort of caveat in front of it.

FEMA, I think of any of them, probably had the hardest time coming into the Department from an independent agency and its relationship with the White House and the leadership interaction. The massive structure of this federal government after Katrina hit, and how are we going to coordinate the HHS impact, the Army Corps of Engineers, that had been done as FEMA, with a very strong, when Hurricane Andrew hit in Florida, I handled it for the White House from OMB. Well, this White House wasn't going to have that happen because they had the Homeland Security Council and they had the Department. So some of it I think is the government structure, I think some of it was the structure of FEMA...

...So if you talk with the FEMA people, James LeWitt (phonetic sp.) was a fabulous leader and spent more of his time on the Hill and with the interest groups. And inside he did a fabulous of that, and I agree because I've been involved with FEMA for many years. I do think that the reorganization ball of FEMA will be interesting. I think it is as much about who the leaders are that are appointed there. And the thing that I've said about Homeland and any and of all of our agencies is, I started to say this on every organization, I wouldn't reorganize again. I'd put people in there and fire them if they don't do their job. And I think as much about the leadership and getting qualified people to do the job....

We started that with the agencies. I don't think we knew enough at the time to know how to do that. But remember these agencies heads are appointed by the President, and some of them came with gifts and friends from other places. So if you look at the kind of people they put in the first round, I think they thought they had it right. I think we all learned, as you said, in times of crisis there are some better. Mike Brown was the shining example of a leader. But I think it's much more if you look at sort of DHS and sort of structure (indiscernible). We were sort of talking about the early structure of IAIP and what that -- I'm sorry. In the beginning structure -- I don't know how to English. In the beginning structure, it was the Cabinet secretary, the deputy secretary, and there were five undersecretaries. One was the undersecretary for management, had all that stuff she talked about. One was the assistant secretary for border and transportation, so that was legacy Customs, legacy INS, PSA. Brand new undersecretary for science and technology, let's get the next generation of how do we stop bad things from coming in. And then there was an undersecretary for intelligence, analysis, and infrastructure protection, and that was, I believe, a gift from the Hill. I don't think it went up in the Administration package, but I could be wrong. And that was how do we get the intelligence to know how to have our front line guys on the border, sort of the guys keeping the bad guys out. Do we have the right intelligence and do we have the right infrastructure? And that organization I think has struggled as much as any because those were not a natural two to put together. Intelligence interacting with the CIA, the FBI, the DNI, those guys didn't want to come and be at DHS. They wanted the CIA badge, so we had a hard time finding the right person to be the head of IAIP and IA.

...So we changed some of those structures. We sort of went back and we sort of said maybe we shouldn't have somebody between the Cabinet secretary and those very powerful operating heads, and so we took that layer of management out and we broke up IA so that it had a direct report to the Secretary because that became important to being able to get the kind of leader, and we had a very great guy that was there. So it was, what was the functions and could you when Pat Hughes left, could you get somebody else? So a lot of it was about sort of what's the reporting structure. Where do I have a seat at what table? FEMA didn't like not being any more considered a direct report to the President in the time of disaster, so you'll see that reorganization now. Obama said I think he'll take it out. McCain hasn't said yet.... I was going to use the one example of some of the tools that we have in our toolbox if we can get them right, and there isn't a department yet that I think has gotten them really right. But an investment review board and the thing that the Defense Department does, that DHS does as well, called the Joint Requirements Council. And it was my proudest moment when we had a JRC meeting that none of the leaders went to. We made the agencies talk to themselves, and they were going to figure out how to buy ammunition and how to do repairs on their small ships. And one by one, they came in and put their badges and their guns on the desk and said, "We're going to figure this out."

So if you can give the agencies the structure and the tools, the higher up the food chain, the worse the food fights get. Our theory was get those people, get them in power, and they'll make the right decision, and 90 percent of the time they do. We haven't used it enough. It had a very good leader. Admiral Thad Allen was the head of the JRC when we first set it up as the chief of staff before he went down to Katrina, before he became commandant. But getting leaders in places to be able to make those tools and processes I think get you some of that.

... So half of those were probably very good organizations. The value of this -- you don't get away with a reorganization if the Hill doesn't agree because there'll be some language in the appropriations, but no money shall be spent in this act to do this. Whether you actually have to ask for the Hill, whether or not you have a stakeholder, customer, congressional outreach, you can get almost anything through. You're more a Hill fan than I am and I think that's probably because -- not Hill fan, that's not the word.

But I think it is about, for me in the reorganization, it takes management time, and I hope that there is some threshold about -- is it just because somebody wants to move this in this direction. And almost all of you come with, "boy, I think this will make us more effective." I think there has to be some threshold about the six times FEMA has had their organization change. Nobody has asked what does that do to the finance staff, and do they even know where the money is. And so some of it is, if you're going to do a reorganization, have you really thought through what is the cost benefit analysis of that to sort of the ongoing mission versus, I'm from the management side, so I actually look at sort of what has happened to some of those admin staff. I hope it's worth it.

...I got a lot of advice about sort of take and put a whole bunch of CFO human capital and mission people, and just have them go concentrate on this. Well, I don't know how many you know, but sort of there's a dearth of procurement people. There's a dearth of human capital people. There's a dearth of finance people. And I didn't have the luxury of having Carly (indiscernible) 1,000 extra people when she was merging two finance staffs.

And I also worried inside the Department about the competitive, competing power structures, if I had a CFO office that was responsible for the day in and day out operations and somebody else that was doing the long-term renovation. Customs and Border Patrol, Rob Bonner said 80 percent of the private sector mergers fail; I'm going to bring in an M&A firm

because public sector wants it. And I think if you look at sort of what ICE did, what CDDP did, and what I did as a Department, the most successful was what Bonner did because he had an outside group of real professionals to help in that.

That sounds like an advertisement for outside consulting firms, but if I had it to do again, I would have gone and gotten one to help us more in the Department because I didn't have the arms and legs. The budget went up two days before we became a department, and somebody had to go up and explain to the Hill what we wanted to spend at DHS, and we were all going what is that. So we didn't have the luxury of having bodies (sounds like), and a lot of it because so many of those admin and management functions had been declining over the years....

What Bonner did, which I think was very interesting about his reorganization because he was merging, is that he had them do sort of the prioritization. Tell me the policy issues, have their process so that all parts are fit in....Bonner was the commissioner of Customs and became the Customs and Border Patrol. And he came enough from the outside, even though he was a judge and the former head of DEA. He had enough private sector, and the guy that worked for him and became our CFO sort of said we need to get some outside help. ICE had some help, but they didn't have, just different and they didn't use the same sort of structure. So I only use that not to come up with what the plan is....But is there a neutral broker that somebody can be sure all the stuff is fed in because if you're just going to do it on your afternoon when you're done with your day job, these are very tough things to do.

About the Power of the Department: There has been a very large set of debates, both in public policy terms, about whether DHS should have had all the budgets flow through the CFO of the Department and me. They thought we should have control of the HR people, they thought we should all control of the CIOs in the components, and they thought we should have CFOs.

have been on both sides of that issue numerous times. I personally believe that's a food fight that isn't worth having. When the Department wants something, we have been able to do it with Customs. We've been able to do it even with the Secret Service, the Coast Guard, just because it saves a lot of family members up on the Hill. But there is nobody that was stronger in helping us set up the Department than partially the Secret Service and Coast Guard because they weren't having to fight for their own entity.

I don't believe, this is just me personally and I finally came down on the side that I didn't need that power because when it was really important I could get it done. And I believe that those agencies that have 45,000 men and women on the front lines probably have a little bit better than all the help they got from the Department. So there are a lot of people that think I absolutely -- I could have done it that first day with the stroke of a pen. We did it with the General Counsel and we did it with the press office. I don't think the General Counsel has any more authority than ours did, but there are a lot of people that debate that both on the Hill, inside the Administration, and also in academia. But if you sort of, when you talk about the term "pracademic," it is an academic exercise about what I couldn't do, and I never quite figured it out. Every once in a while somebody will go get two million dollars more, but we talk about it being a \$40 billion department. It's about an \$80 billion department now because of FEMA and some of the other stuff....

So what it is important about the Department is the coordination. And so, going to the HHS example, after 2001, September 11th, you'll remember the Anthrax occurred where Tommy Thompson went out and said, I mean, he had a conversation with the FDA administrator, the CDC, and the NIH, and his first statement was, "Well, that person was fishing; maybe that's

where he got Anthrax.” So that’s when you sort of decide to get the white lab coats out. But it really was -- it is about the coordination because it is not -- you want to be sure the policy is coordinated. You want the information. So it’s why it’s for me as important about people, process, and technology because what Secretary Ridge kept saying was, “I want information sharing and why isn’t the CIO doing this?” Well, tell me where the business owner is that’s going to allow me to have access in the FBI, the case information that we need at DHS.

So it’s the process, it’s the policy stuff that is as important. So I’m a strong proponent of leaders that coordinate and operators that know what they’re doing.

About FEMA’s Role: The term we use is “all hazards,” and FEMA always said they were all hazards and we shifted too much in the beginning to, I think, homeland security/terrorism. And I think the balance has been put back into FEMA. FEMA does a great job when you look at what they’ve done out in the floods in the Midwest. They know how to do all hazards; they just hadn’t seen one that large, and that complex, and with the magnitude of the housing crisis that was down there, and those 500 bus drivers that left those buses that flooded. So for me, all hazards is important. For those of us that sit at the Department and our biggest critics, but it’s also FEMA and understanding that FEMA is national, so it is state, local, federal, and private sector, and the debate about what FEMA should do. Are the first responders or are they support after the first 24-48 hours? You don’t see as much of that, but we are clearly shifting back more to all hazards versus just terrorism. But there has to be a different debate about sort of the, what’s the national responsibility and is FEMA the first stop or the last?

About INS: If you look at the history of the INS and sort of when you say DHS is too large, I think a lot of people thought INS needed to be reorganized. This, as I said, gave the opportunity for ICIS. INS was blown into four pieces. So I sort of think you’re right somewhat about the organization. I think INS will be better off with immigration services split off from some of the detention and removal stuff. So probably a good structure, if you look at that institutionally. I think the law enforcement, I was at DoT and watched the Coast Guard and Customs fight over four airplanes. Two agencies wanted four airplanes that were coming from the Pentagon. They’re now at least under the same Cabinet department that could say, if the Pentagon ever wants to give us four U2Cs we don’t have to sort of do the natural government thing; we give two to Treasury and two to Transportation and have two supplies.

About Leadership: I think you have to look at our system of putting political appointees, and I’m one. Some will say I’m good, some will say I’m terrible. I’m probably more on the terrible side than the other one. James LeWitt very effective externally. Is that the kind of leader you want? It sort of depends. I’m much more interested in the development of the career people inside and changing that culture, and we’ve done a couple of very interesting things, I think. One was the JRC. Because we kept having turnovers at the Department for various and sundry reasons, we brought an admiral from the Coast Guard to be the CIO, and just watching an agency person be up there leading, very complex technology integration. And we’ve now started, they have started that rotation. So part of it is interesting about who’s at the top, and every presidential candidate will talk about putting quality people in there, and the Senate will confirm the right ones. I think it is the senior executive service putting the right people in there, giving them cross-functional responsibilities, and having to be a little bit like the joint command where they are rewarded and promoted.

So there's a DHS fellows program. There are sort of rotations. I think that in the next months you'll see some very good retired people coming back into the Department in some of those slots. And so institutional knowledge, cross training. And we have an Executive Resources Board that looked at every FDS that came through so that it wasn't, there's a lot of threat in the law enforcement world that it's the good old boy, and, this is my friend whatever fire department or police department should come from.... So I do think there are some of those tools that the Department has to concentrate on, and having somebody spend a lot of time hearing about the management, the development of the next generation of leaders that will take this into the 21st century.... I think part of it is getting the right leaders. Part of it is having career folks that, I mean, we tried to put a performance management system in that was sort of really holding people that you've got, I don't think the government does those systems very well. So some of it is the government isn't, am I saying that right?

... So some of it is do we hold the executive branch like a private sector firm that was, and I'm going to pay for performance because I spent three years on that. I do think that the performance management forcing people to sort of actually sit down and talk to their employees. I mean, telling the Border Patrol agents that they have to talk to their employees out in the field sometimes, it's not in their natural course of stuff. So getting a performance management system that works, holding people accountable, having some processes, that's about leadership and making people do those kind of things. And we had a couple of instances at the Department when people brought the wrong types of new senior leaders, and we turned those FDSs, and it wasn't because they were bad, but they didn't have the sort of, can we get a senior management cadre that will understand the cultural process?

Beryl Radin
Professor of Public Administration
American University



Beryl's Background and Interests Related to the Work of DHS: What I thought I would do is sort of give you a little bit of a sense of who I am because you heard what I do as an academic, but that doesn't really necessarily reflect or describe, I think, the way I look at this field. I know when you wrote us a memo you used the term "for academic," and that's clearly something that I, a term that I resonate to where you're a combination both of a practitioner and an academic because that's how I think about my role. And I think partially it's important to acknowledge that because I think that public administration is a field where practice, it's not a field where practice follows theory. It's really much more the opposite where theory really follows practice. And so for people who see themselves as academic, it's really, I think, important to stay close to what's going on in the world.

Now I actually did start out my career in the world of practice in the 1960s. I was actually working for a labor union outside of government and I was active in the Civil Rights Movement. And so my exposure to the federal government came actually, I came to Washington on November 22nd, 1963, and I went to work at the U.S. Commission on Civil Rights, so that was my exposure to the federal government for the first time. And I don't see people here who have my Methuselah view of the world, but that's the period when the passage of the 1964 Civil Rights Acts was really very central, and I was particularly interested in Title VI of that Act, which was the requirement that federal funds not be spent in a discriminatory fashion. So sitting inside the Civil Rights Commission, I watched the policy moved from legislation to administrative practice. And it's interesting, at that point the term "implementation" wasn't in anybody's vocabulary. And in fact, I think most people, as they thought about putting a piece of policy into practice, thought about the practice being government as a machine, that you fed it policy and it produced results. But it was clear that that's not what actually happened.

So that experience made me decide to go back to school, and that's when I did a doctorate in a field called social policy planning at the University of California-Berkeley. I always say that I chose it because it was the least structured Ph.D. in the United States. But it allowed me to have this problem in my mind. Why was this piece of legislation that I had been advocate for, that I had watched from the inside, why wasn't it working in the way that I expected? And so that problem framed my doctoral studies. And that's when I really when I discovered the public administration field as an academic field. And my dissertation, which became my first book, I was really interested in the importance of organization structure, and that wasn't something I had any knowledge of beforehand, and that how you structured your effort really made a tremendous difference in what you were able to do. And I began to understand that decisions about structure directly related to your ability to carry out a policy and to do something substantive.

So a number of years went by and I was wearing an academic hat at this point, although I would take either summers or IPAs. I was always in and out of government or doing consulting work because, again, I thought that's where the things that were interesting were going on. So I was on an IPA, and part of that IPA was working in the White House in the President's reorganization project during the Carter Administration. And I was working on human service stuff, but I was constantly having conversations with somebody who became my colleague who was trying to create the Department of Education. So he and I actually did a book on the creation of the Department of Education, and it was on the politics of federal reorganization.

So what I would just like to do is to sort of highlight a number of things that I think I learned from that project, which really seems to me to provide the framework for thinking about what's happened at DHS because the whole experience of creating a department, a federal government departments, and trying to reorganize has some pretty predictable processes. So there are three things I just would like to focus on.

One is I think much of the public administration work and organization structure draws its concepts and its assumptions from the private sector, and that it looks like structural decisions totally in management terms, and often that means you're focusing only on achieving efficiencies. You're looking at functions like, our favorite wonderful term, "POSPORB" (phonetic sp.), all those functions that go inside an organization, and that we look at kind of rules of administration, like span of control. And what's interesting to me is that for many people in the public administration field, that decisions are made deductively from those rules. And what really happened is that the literature that flows from this really focuses almost entirely on the executive branch despite the reality that the executive branch has to get explicit reauthorization authority from Congress. So that's my first thing is that what are the biases of our field.

The second thing that I'd like to focus on is rarely does the public administration literature acknowledge that decisions about structure are political decisions and must involve actors and values that are highly political. When you make determinations about structure, you're determining who wins and who loses. And when we talk about politics, we're not just talking about kind of narrow winning and losing; we're also talking about the importance of a highly-fragmented political system where we have multiple congressional committees and a federal system. Now what's interesting is that where, that sort of my first point suggests that decisions were done deductively, the political approach is usually inductive. It starts with impacts on policies and programs. And I think one of the things that we often forget is that when we're talking about congressional involvement in issues like reorganization, we're looking only at the government reform committees. We're forgetting that we have appropriation and authorizing committees that really are the ones that are focusing on the substance of the policies and programs.

And then my third point is that rarely does the literature focus on the substantive policy consequences of reorganization. And it's interesting, very few of the elements that are in the reorganization literature actually answer the "so what" question. It really doesn't focus on the outcomes of reorganization decisions, that there's much more attention to the process of reorganizing.

So one of the things that makes me really interested in the Department of Homeland Security is this past experience dealing with issues of organization, structure and reorganization. I have just finished a reader on federal reorganization that I've done with one of my doctoral students, and what it is, it actually -- I was telling Colleen about it because I had

taught a course in reorganization a little over a year ago, and I found that almost everything that I wanted to use was out of print -- so I thought it would be really useful to have a reader that would allow people to see different perspectives that are out there.

And what we tried to do in this book is to use these two lens to say that you can think about reorganization from a management lens, but you also can look at it from a policy lens. And that when you actually look at those reorganizations that have actually taken place, most of the time it's from the policy lens because Congress has to get involved and interest groups have to get involved in some ways. And I think one of the things that's interesting about the DHS experience is because of the crisis effort, that there really wasn't any ability to go through kind of the normal process.

The other thing that we've done in this book is presenting different views on four specific reorganizations, and one of them is DHS....

One of the things, though, that we discovered in the Department of Education, I mean, there was a lot of rhetoric about efficiency. There was discussion about changing American education. But the two that I think were really the strongest, and they were not usually articulated, one was just kind of the symbolic status of having a department that was on its own, and I think some of that was clearly true on DHS. And the other thing was just the politics of the story.

Institutional Challenges: There was an article...in the New York Times.... It's by the current deputy assistant secretary for policy at DHS, (indiscernible). Do you know her? He's a lawyer. He's not trained as a policy analyst, I must say. He wrote this op-ed piece that says the reason why DHS has not been able to do what it should is because Congress is a mess.... But, see, I think to me, though, because we're always trying to define lessons from experience. And to me, I don't think anybody either on the Hill with the government reform people or in the White House stopped to think about the fact that there were going to be all those committees that people were going to [need to report to] -- ... And I remember the New York Times had this wonderful visual that was just, and actually there was something very similar to that in the Department of Education discussion...

About Reorganization: ...there clearly is a transition period in the reorganizations. There's going to be disruption and you're not going to avoid that. But have you anticipated it when you're doing, when you're planning for a reorganization, or are you just assuming that people will just accept what they've been told to do? And things like, I remember with the Department of Education that there were a number of the function, the centralized department functions, that had a chunk of the staff had to move from HEW over to Education. And it was obvious that it wasn't the, those components sent their dregs to the Department of Education....

I'll give you an example, though, of where you have to be wary about bringing in consultants. CDC has gone through a reorganization, and the Centers in the agency have been reconfigured. And one of them actually that had been changed was a center that was explicitly given autonomy by Congress, and she suffered a lot from that, but she listened to her external consultants because they didn't think about the fact that this is not the private sector.

Political Aspects of Reorganization: Well, there's also the political because any sort of federal department that moved from being a disaster, disaster in a different sense, to really being a successful agency under Clinton, it was FEMA. It was viewed as somebody who was very

effective, and so that at least a lot of people perceived that this Administration did not want to have the kind of positive aura of the Clinton years with FEMA come alive again....

But there's also the concern that for many people if you were going to take the Department of Homeland Security seriously, you had to have the intelligence function. And so the fact that basically CIA and FBI, FBI just does a little bit of movement.... So it seems to me that that organizational unit was to sort of compensate for the fact that there weren't functions that were moved over so that it was kind of symbolic that, well, we care about it. I mean, I've had students who have been part of some of those interagency efforts, and I've never heard about the kinds of failure to, for people to really share information and that all kinds of games that have been played. So it's not only in the Department that those two functions maybe didn't make sense, but that the attempt to do an interagency effort really did not get many people to share anything.

About the Power of the Department: ...how do we think about the role of the Office of the Secretary? And do we think of the Office of the Secretary being sort of the, sitting in a command and control mode or whether we think about the program component in the agency as having different cultures, having a level of discretion and autonomy, still having sort of policy direction, but you don't constantly look upward. And I spent a lot of time before you got to HHS, and that was something that Donna Shalala did. She really believed in having an Office of the Secretary that not only didn't do operations, it wasn't there to tell people you shall do this. There were always conversations, and one of the things that she always thought was really important is that when you had, she said if you had a crisis and it involved anything dealing with a health question, it was much more effective for somebody in a white lab to be in the front of the press than her. She's too short.

About Leadership: ... I can get us back a little bit to talking about who these leaders are, what kind of leader, how are we developing leaders to play in this arena. I mean, clearly it's a difficult, complex environment, but there are other perhaps somewhat less complex, but still difficult environments. How are developing people? I don't know that we can count on the charismatic person rising up and saving us. Not "24." I expect Jack Bauer to come save us all the time, and somehow it doesn't work....

I think the picture we're really painting seems to me is that we're talking about leadership not in the heroic leader model. I don't know if any of you have ever read the piece that Richard Danzig wrote about he went about creating the department, his leadership role in the Department of the Navy. Have any of you read that? What he did is he went around talking to everybody, the top people in the Department, and said, what do think are the important things in this Department? What would you think is really the culture of this organization that you really want to highlight? And then he sort of did an analysis of it, and he showed people that everything that they were doing was not consistent with what they had told him. And that served as this really interesting process in the Department of the Navy.

At the Table

*Beryl Radin, Professor of Public Administration,
American University
and Janet Hale, former Deputy Secretary,
Department of Homeland Security
and presently with Deloitte Touche*

A Scholar in Residence, Professor **Beryl Radin's** specializations include public management, intergovernmental relations/federalism, administrative reform (reinvention), and public policy. An elected member of the National Academy of Public Administration, she just completed a five year term as the Managing Editor of the *Journal of Public Administration Research and Theory*.

Her recent government service included two years as a Special Advisor to the Assistant Secretary for Management and Budget of the US Department of Health and Human Services. Professor Radin has written a number of books and articles on public policy and public management issues. Her most recent book is *The Accountable Juggler: The Art of Leadership in a Federal Agency*, published by CQ Press in 2002.

Prior to that she published *Beyond Machiavelli: Policy Analysis Comes of Age*, issued by Georgetown University Press in 2000. She is currently completing a book on the unanticipated consequences of the performance movement and has written about issues related to the implementation of the Government Performance and Results Act (GPRA) and the Program Assessment Rating Tool (PART).

Dr. Radin has been a past president of the Association of Public Policy Analysis and Management and has been active in the public administration section of the American Political Science Association. She is currently a member of the board of the Public Management Research Association. She was the recipient of the 2002 Donald Stone Award given by the American Society for Public Administration's section on intergovernmental management to recognize a scholar's distinguished record. She was a senior Fulbright lecturer in India and has continued research in that country. She also has been involved in teaching and research in Australia. She is currently a fellow of the Center for Accountability and Performance of the American Society for Public Administration. She has served as an evaluator for the Innovations in American Government program.

Janet Hale is a director with Deloitte Consulting LLP.

Prior to Deloitte Touche, Janet was the undersecretary for management for the Department of Homeland Security (DHS), the former assistant secretary for Budget, Technology and Finance for the Department of Health and Human Services (HHS), and the former associate administrator to the finance/ chief financial officer (CFO) for the U.S. House of Representatives.

As the undersecretary for management, Janet was responsible for financial, information technology (IT), human capital and administrative services for the \$40 billion DHS. Janet was responsible for the integration of 22 agencies and 180,000 employees, including consolidation of 22 different human resources servicing offices, 98 different payroll systems, 19 financial management centers, 13 procurement systems and hundreds of legacy IT systems.

As the assistant secretary for Budget, Technology and Finance, Janet was responsible for the development and execution of \$475 billion budget as well as supervising a staff of 140. Additionally, she designed a new financial system that unified the financial system across HHS as well as coordinated \$1.9 billion for IT expenditures, network modernization and IT security.

Janet also formulated the policy and budget for 300 HHS programs for a total expenditure of more than \$400 billion, including: Medicare, the National Institutes of Health, the Centers for Disease Control and Prevention and welfare.

As the associate administrator for Finance/CFO, Janet was responsible for the development and execution of a \$750 million budget, in addition to supervising a staff of 60. She designed a new financial system to reduce costs and provide greater financial information to the House of Representatives.