

7 Management Lessons from the Failed Katrina Response

by Paul Kampas

The failed Katrina response was, unfortunately, no surprise to a friend of mine, a FEMA volunteer who helped out in Florida after last year's string of hurricanes. She said, *"I could write a book about how badly organized things were down there in the Vero Beach area where I was working. Different teams were working at cross purposes because there was no good system. We helped a lot of people, but it was incredibly frustrating the way things were put together."*

Emergencies are clearly stress tests for organizational systems. This makes them powerful laboratories for learning about how well systems perform, how they break down, and how to make them better. Toyota intentionally pushes its production system to the edge to find and eliminate its weakest elements. Below are 7 management lessons we can learn from the failed Katrina response.

Lesson 1: Massive mergers are slow and sometimes impossible to get working well.

Combining 22 disparate agencies, including the Coast Guard, FEMA, Customs, Immigration, and Secret Service, into the Department of Homeland Security (DHS) was intended to greatly improve coordination of disaster prevention and response. This is akin to merging Apple, Microsoft, Cisco, Intel, Oracle, Sun, and Dell into one organization and expecting a collaborative, effective enterprise to emerge anytime soon. Some suggest pulling FEMA back out of DHS and restoring it to cabinet level-status. **Whole System perspective:** Structural changes (i.e., mergers and "reorgs") are disruptive, overused, and often unsuccessful solutions to coordination problems. The real root causes of such problems include poor leadership, insular cultures, lack of pay-for-performance rewards, incongruent goals, and inability or unwillingness to share information. As Toyota and Wal-Mart have shown with their supplier networks, a tremendous amount of coordination is possible across organizations without having to own them.

Lesson 2: Cross-organizational task forces are critical structures for enhancing communication and coordination across disparate constituencies.

In addition to the coordination problems within the merged DHS, coordination with key agencies outside DHS, including the Military and FAA, was also problematic. Though it had been recommended, no permanent, high-level cross-agency task force had been put into place to help coordinate the activities among Homeland Security, the Pentagon's Northern Command, and the FAA. **Whole System Perspective:** Cross-organizational task forces with an empowered "czar" to get things moving can be more successful than massive mergers to create coordination across multiple departments. As you can see, no matter how many agencies got merged inside DHS, you still needed a mechanism for coordinating with others.

Lesson 3: Without an effective communications network, you don't have a system. Many civilian agencies relied on commercial phone service, both wireline and cellular, for communications. When such service became unavailable, coordination was badly disrupted if not totally broken. **Whole System Perspective:** Ensuring effective communication at all times is essential to providing a coordinated response. Having satellite phones (like the one Osama Bin Laden uses in the mountains of Afghanistan) or the equivalent is critical if land-based (wireline or wireless) communication systems go down.

Lesson 4: Without access to mission-critical data, you don't have a system. Due to the extensive wind and water destruction, many organizations lost all of their paper records and computer data not backed-up offsite. This includes patient medical records, financial data, customer data, product data, and even the plot plans in one town. **Whole System Perspective:** Having online accessible, offsite backup is essential for the sustainable success of any

organizational system, whether public or private. An organizational system without access to its data is akin to a human with Alzheimer's Disease.

Lesson 5: Though standardization has appeal, one approach does not always fit all situations. Homeland Security had optimized its approach for terrorist attacks, including many security checks, which was shown to be ineffective for natural disasters. **Whole System Perspective:** Hospital executives are learning that having two sets of operating rooms for emergency vs. scheduled patients improves the performance of both services, and saves money. The name of this concept is managing variability, and it applies to any set of resources that has to handle a variety of circumstances, including FEMA..

Lesson 6: Democratic approaches are not well suited for disaster management. Central to democratic governments are electability, civilian rights, and due process, none of which are well-suited to providing the fast, decisive, highly coordinated, sometimes unpopular responses needed in disasters (e.g., the inability to mandate civilian evacuation). **Whole System Perspective:** In any industry, successful crisis management is necessarily different from successful day-to-day management. To respond quickly and decisively, leaders must often shift gears from a delegative/democratic style to an authoritarian style (i.e., situational leadership). This is why bringing in the military is often essential in natural disasters, and needs to be done early.

Lesson 7: You pay a price with patronage. FEMA leadership was staffed with many political appointees with little relevant experience or competence in disaster management. This may also have been true at the state and local levels as well. **Whole System Perspective:** Selecting leaders based on patronage versus competence and experience is a recipe for disaster, and that's exactly what happened.

The Bottom Line... As you can see with the Katrina response, the quality of organizational results is directly related to the wholeness of the organizational system. By making an organizational system more whole, you can achieve more for less because the whole becomes much greater than the sum of the parts. Addressing structure alone, as with the creation of DHS, is never enough to create wholeness, and may well be counterproductive.

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