



## A Month after Katrina: Lessons from Leadership Failures

Published : October 05, 2005 in [Knowledge@Wharton](#)

Hurricane Katrina not only devastated the city of New Orleans and much of the Gulf Coast of the U.S., it initiated a bitter debate about the leadership -- or lack thereof -- exhibited by government officials before, during and after the storm. Called into question have been the actions of an array of leaders: President Bush, Louisiana Gov. Kathleen Babineaux Blanco, New Orleans Mayor Ray Nagin, Homeland Security Secretary Michael Chertoff and former Federal Emergency Management Agency director Michael Brown. To identify some of the leadership challenges raised by the New Orleans disaster, Knowledge@Wharton interviewed two Wharton faculty members and a former Wharton official who is now dean of the business school at Arizona State University, which publishes [Knowledge@WPCarey](#).

[Morris A. Cohen](#), professor of operations and information management and co-director of the Fishman-Davidson Center for Service and Operations Management, has conducted research on global operations strategy and supply chain strategy. Management professor [Lawrence G. Hrebiniak](#) recently wrote a book entitled, [Making Strategy Work: Leading Effective Execution and Change](#). Robert E. Mittelstaedt Jr. is dean of the W.P. Carey School of Business at ASU, former vice dean and director of Wharton Executive Education, and author of [Will Your Next Mistake be Fatal? Avoiding the Chain of Mistakes that Can Destroy Your Organization](#). Mittelstaedt grew up in New Orleans, graduated from Tulane University, and has strong personal ties to the Big Easy. His 81-year-old mother remained in the city during the flooding to take care of her 108-year-old aunt, who was a resident in an assisted-living facility. Mittelstaedt's mother's home was spared damage during the storm, but the home of his brother, an executive at a children's hospital in New Orleans, was left under water.



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Mittelstaedt and Wellington Reiter, also a Tulane graduate and dean of ASU's College of Architecture and Environmental Design, wrote an op-ed piece for the September 18 issue of *The Arizona Republic* proposing a plan for rebuilding New Orleans that would leave the city looking much different than it did before Katrina. Among other things, the plan calls for the French Quarter to be turned into a national historic park and for the construction of a "new" New Orleans -- perhaps simply called Orleans -- upriver on higher ground.

**Knowledge@Wharton:** The U.S. system of government is, by design, decentralized, and each level of government has a specified role to play in a disaster like Katrina. President Bush has been criticized for not stepping in sooner. But weren't his hands tied by procedures that called for local and state officials to be in control of the situation, with federal authorities responding to their requests for assistance?

**Cohen:** [Bush] was very reluctant to [send in troops]. He would have been roundly criticized. But in hindsight I think he should have. The resources were sitting there within miles.... He, or someone, made the wrong decision. And yet it's an uncertain process. If the President had been too aggressive, that would have engendered all kinds of criticism. The next time that leader had to make a decision, he would be more careful.

**Mittelstaedt:** Despite all the laws about what a president can or can't do -- or what approval you need

from state governors -- when the chips are down, leaders step up and take action and worry about the consequences later. Bush should have declared martial law on Tuesday [August 30, one day after Katrina swept through the city], sent troops in there and started to marshal resources. Bush's later statement [in which he took responsibility for any shortcomings on the part of the federal government] was a halfhearted answer. The picture that comes to mind is Bush reading the little goat book [to schoolchildren when White House Chief of Staff Andrew Card informed the president of the terrorist attacks on Sept. 11, 2001]. On Monday [August 29], Bush was in Phoenix talking to people in an old folks home about his Medicare prescription plan. In both instances, he ends up with a dumb look on his face. I have never seen him as a leader. He's just a politician managed by his handlers. And I'm a Republican.

Imagine if Bush had stepped up on Tuesday [August 30] and sent massive troops in there to evacuate people and offer medical aid. Suppose afterward you had a congressional investigation into whether he should be impeached for violating the *posse comitatus* law [an 1878 statute prohibiting federal troops from being used for law enforcement on U.S. soil]. Would he rather have his people in front of the commission saying, 'Didn't you understand how bad this crisis was?' rather than sitting by while people drowned? I'd much rather be in that position than where he is now. Leaders don't worry about consequences. Leaders are born, not made. He has amazing power but inherently doesn't have much leadership ability. There is no leadership test to be elected.

**Hrebiniak:** Our government is decentralized, but only to a point. We have both centralized and decentralized resources. If that system is to work, both sides must be well prepared for action. There should be some integration between the local and the central level. Bush should have had the right people in Homeland Security or FEMA contact these [local and state] people and say, 'We've got a hurricane coming. Who should respond first? What resources do you need?' You talk to them and you find out where they are short of capabilities and you make up the slack.

**K@W:** Was any leadership exhibited in New Orleans?

**Mittelstaedt:** Where did leadership show up? The Coast Guard. They had deployed helicopters to the area, so they were able to move resources in right behind the storm. That's why choppers were all over the place rescuing people. People at the middle level in the Coast Guard knew it was their responsibility and they just did it. They understood their mission and they were there and they saved thousands of lives.

**K@W:** Did the political culture of New Orleans contribute to the failure of local leadership?

**Mittelstaedt:** One of my relatives, a judge, once ran for mayor of New Orleans and lost. The only explanation I had for his loss was that he was politically connected but not corrupt. It's a place with a long history of political corruption and a lack of concern for the broader public good. Even with somebody like Nagin, who has made some attempts to try to improve that environment and go after the corruption, it's still far down on the list of cities that have things under control. The poverty level is horrible. Crime is terrible. The public school system is terrible. I don't believe the response [to the aftermath of the storm] was related to racism; you have seen white flight out of New Orleans for decades. All of that contributes to an environment where there are no leaders who can effectively deal with the bulk of the problems, many of which go back to Huey Long [the corrupt former governor of Louisiana]. It's been an anti-business state in many ways. The economy is totally dependent on shipping and tourism. If you don't have leaders who want to solve these things, you get what you saw on TV.

**K@W:** Was there a failure of leadership, organizational structure, planning, or all three, in New Orleans?

**Hrebiniak:** Clearly all three are related, and all three contributed to the problems in New Orleans. Start with planning. It seems the government has an aversion to good planning. New Orleans is almost a continuation of the poor planning we saw in Iraq. We have known for years about the dangers [of potentially serious flooding]. The tragedy was predicted three years ago. *The Times-Picayune* did a series

on the dangers and the federal government ignored the problem. If we can't plan and respond to dangers like Katrina, which we knew about days in advance, how can we plan for terrorist attacks?

Second, look at structure. FEMA is important. But FEMA has been swallowed up by the Department of Homeland Security whose emphasis is on terrorism. Putting them together makes some sense, but FEMA is being overwhelmed by Homeland Security, which was warned that [the reorganization] had endangered FEMA's structure. FEMA needs general management attention. Third, there were leadership failures, like Brown's appointment by Bush as FEMA director. He's a buddy. We see a pattern of cronyism in politics, placing inexperienced and unqualified people in important positions. So the leader who appoints them is acting poorly, and then he appoints people who can't do the work. [Mistakes] feed off each other. It's a disastrous situation.

**Cohen:** I do a lot of work in support of mission-critical problems and systems prone to random and infrequent failure that lead to catastrophic results, like in aerospace and semiconductor companies. With these companies -- although they are on a smaller scale, of course, than New Orleans -- you have comparable issues where unforeseen events that never happened before do happen, and if they do happen, the results can be catastrophic. We have no ability to predict whether events will occur. So the problem is, how do you prepare in advance for difficult-to-forecast, high-cost, life-and-death situations? Is it a failure of leadership or a failure of not having made the right decisions in advance? What my work teaches me is the need for 'event management.' You might have had some prior warning, but when events occur you find yourself in real-time management. You have to bring resources to play at the right time and manage the process of repair or replacement. One's ability to do that is almost completely determined by the decisions and systems in place prior to the event. You have to position resources, create redundancies, create protocols -- all those things cannot be done in real time. You can only do them by investing in advance.

So were the wrong processes created and the wrong decision structures developed in advance of New Orleans? Or was everything in place, and was it just event management that fell down? That's the question. It looks like a lot of this was a failure to execute rather than a failure to plan.

I wouldn't lay blame at the feet of all the people there. I understand that the communications systems failed, so there was a lack of awareness and control mechanisms regarding who could make decisions and a lack of experience among certain people in management. The implication was that all resources were there but that [those in command] didn't know they needed these resources or where they were. They had the buses [to transport residents out of the city]; they just didn't put the buses on high ground. So I think it's a combination [of failure in leadership, organizational structure and planning]. We probably didn't plan for this properly because it was the kind of event that had never occurred in this country. I bet studies were carried out as to who needed to respond if the levees failed. But nobody acted on it. Partly that's a failure of preparation. If the mayor has no backup communications when all the power and cell phones go out -- I can't understand why every mayor in every city doesn't have backup communications systems -- it's not because the technology doesn't exist. It's like having a spare tire but not having it in the trunk of the car when you get a flat.

**Mittelstaedt:** There was a whole chain of mistakes. Mistakes don't always initiate disasters but can make them worse. Some mistakes in New Orleans took place over a period of 50 years such as the failure to build infrastructure. Those of us who grew up in New Orleans always understood [that massive flooding caused by a storm] was possible. Then there were the short-term mistakes. The in-the-heat-of-battle leadership was stunning in the level of incompetence on the part of Blanco, Nagin, Bush, Brown and Chertoff.

**K@W:** So what are some leadership lessons from New Orleans?

**Cohen:** The next time there is an emergency, leaders will be much faster to react. Research shows humans tend to overreact to the most immediate event. It's hard for us to be consistent when we face

random shocks. The feeling is, 'If we were too low this time, let's be higher next time.' That's not rational. It's just completely random. Having models, systems and procedures does help inject a certain level of consistency. The problem comes when you deal with things rarely or only once. But it's human nature to give a lot of weight to the most recent event that happens. The closest parallel event to New Orleans was the hurricane that hit Galveston, but that was more than a century ago.

**Hrebiniak:** I've been studying some government agencies from a management perspective. What falls between the cracks? What are the information flows? Structurally, these agencies are a mess. If you tell someone to do something, size and bureaucracy inhibit functionality. We are not efficient and not effective. I am becoming afraid of what might happen in the future, especially if we have an unannounced terrorist attack. The government is very complex. We have too many organizations within larger organizations, and too many vested interests. I'm beginning to see qualified people leaving government more and more as we appoint cronies. I'm not optimistic. I see a need for change. I hope we start appointing qualified people to important positions. But I'm afraid there will be a flurry of activity [in the wake of Katrina] where we will help rebuild the city, but then go back to the normal way of doing things.

**Mittelstaedt:** This crisis is an amazing opportunity to see whether there is a will on the part of the people who live there to make New Orleans a world-class place again. If leaders are ever going to step up, this is the time because the circumstances are so dire.

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