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Title: The Performance Management System of the Federal Emergency Management Agency (FEMA)
Abstract:

In 2005, the Federal Emergency Management Agency (FEMA) was tasked with responding to Hurricane Katrina. In the aftermath, the agency received widespread criticism for a slow and ineffective response, largely as a result of limited organizational capacity and bureaucratic inefficiencies throughout the different phases of disaster management including preparedness, response, and recovery. As a result, FEMA has established performance measurements to prevent such inefficiency from happening again. Specifically, they have made it a goal to align their strategic goals with performance measures, such as the percentage of satisfied customers, average time to provide logistical services, and the per capita loss of life. Yet, the organization can still improve its performance management system by broadening its performance measures, the population they survey, and the people who can contribute to developing performance measures. While federal level accountability acts are out of the control of FEMA, a larger government dialogue should commence regarding the expectations (and the impact of these expectations) that may hinder the level of innovation and efficiency organizations like FEMA can experience.
I. Introduction

In 2005, the Federal Emergency Management Agency (FEMA) was tasked with responding to Hurricane Katrina. In the aftermath, the agency received widespread criticism for a slow and ineffective response, largely as a result of capacity issues and bureaucratic inefficiencies throughout the different phases of disaster management, including preparedness, response, and recovery. As a result, FEMA has established performance measurements to prevent such inefficiency from happening again. Specifically, they have made it a goal to align their strategic goals with performance measures, such as the percentage of satisfied customers, average time to provide logistical services, and the per capita loss of life.

FEMA has an intricate performance management system that thoroughly collects the input of employees and citizens that it directly affects. Its detailed comparison of performance measures to targets and past performance measures helps keep the organization lean and accountable to the public and upper-level administrators. Additionally, FEMA's consistent evaluations and company-wide discussions of performance measurement data are used for budgeting and incentivizing performance. Yet, there are several inefficiencies in FEMA's management system, including narrow measurement criteria and data collection methods. Additionally, the organization's focus on accountability to other federal government entities as a result of Program Assessment Rating Tool (PART) and Government Performance and Results Act (GRPA) leads to waste and more inefficiency because they do not accurately measure outputs and outcomes while utilizing vital resources. The presence of GPRA and PART limit the employment of FEMASStat, a management tool that looks at outcomes across the agency to determine progress on state priorities, monitor FEMA's readiness posture, and identify opportunity to improve performance (Fugate 2011). At the same time, FEMA can actively
improve its performance management system by: 1) utilizing more open-ended performance measures; 2) surveying a more diverse population of U.S. citizens; and 3) incorporating more public participation in order to become a fully accountable and efficient government agency.

II. Strategic goals

FEMA is an agency in the Department of Homeland Security that is tasked with coordinating responses to disasters that occur in the U.S. and that overwhelm the resources of local and state authorities. According to FEMA's Strategic Plan for Fiscal Years 2008 - 2013, its five strategic goals are:

<table>
<thead>
<tr>
<th>Goal 1</th>
<th>Lead an integrated approach that strengthens the Nation’s ability to address disasters, emergencies, and terrorist events.</th>
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<tr>
<td>Goal 2</td>
<td>Deliver easily accessible and coordinated assistance for all programs.</td>
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<tr>
<td>Goal 3</td>
<td>Provide reliable information at the right time for all users.</td>
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<td>Goal 4</td>
<td>FEMA invests in people and people invest in FEMA to ensure mission success.</td>
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<tr>
<td>Goal 5</td>
<td>Build public trust and confidence through performance and stewardship.</td>
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III. Performance management and measures

a. Background

In order to audit its work, FEMA performs annual diagnostic checks, to gauge employee/agency performance in relation to the agency's strategic goals and objectives. These measures are refined annually and adjusted to reflect timely priorities and budget realities. FEMA has identified 19 performance measures to completely evaluate the organization and its impact on society. The entire list of 19 performance measures can be viewed in Addendum 1. Performance on the 19 measures is assessed by comparing the yearly outcomes to pre-set yearly...
performance targets. In those instances where FEMA significantly exceeds or fails to meet its targets, individual program offices, in conjunction with FEMA's central Program Analysis and Evaluation Division, conduct analyses to determine reasons for the discrepancy and suggest adjustments to be made accordingly (FEMA 2008).

The measures specifically examine the outcomes of FEMA's efforts, such as the reduction of injuries and loss of life from fires, or losses to the American public that are avoided or averted through natural hazard risk management actions. Some of the measures strictly target FEMA’s efforts, such as the readiness of selected disaster response teams or the service time involved with providing logistical support, including the provision of generators, food and water. Other measures are targeted more broadly, examining national capabilities that include the efforts of federal, state and local partners.

FEMA is also looking at how it is perceived by customers. For example, FEMA gauges customer satisfaction with how well it provides disaster assistance through customer service surveys for individuals affected by disasters. FEMA will continue to assess its programs and to recalibrate associated program measures, thus ensuring program effectiveness and support in implementing their Strategic Plan.

b. Analysis

FEMA's strategy follows several well-accepted guidelines for accurate performance measurement. Hatry (2007) notes that actual values for each performance indicator should be compared to the pre-determined target. Indicators with substantial differences – whether the actual values are much better or much worse – should be identified along with why the difference occurred. Necessary information to explain the variance should be gathered from discussions with personnel and focus groups, customer surveys, and a breakout of data. Hatry
(2007) provides the example of the Texas and Louisiana legislatures who have required state agencies to provide quarterly variance reports. An explanation is required for any performance indicator if the difference between the actual and expected value is not within five percent. This example highlights one potential critical flaw in FEMA's analysis of deviant measures. Rather than having a standard margin of error, like the Texas and Louisiana legislature, FEMA looks into deviant measures when they are "significant." This language implies that the decision to conduct further analysis is subjective, and potentially inconsistent, which could lead the agency to miss opportunities to identify areas of improvement. Furthermore, Hatry highlights several approaches to conducting the research to explain variant statistics, whereas FEMA simply states an "analysis" will be conducted. To remain consistent and in-depth, FEMA should maintain standard approaches when approaching variant statistics so as to guide future evaluations and establish common criteria so that evaluations can be better compared.

Almost all of FEMA's data collection is done through surveys of organizations and citizens so as to obtain a better perspective on how well their services, as well as their organizational structure, are prepared. These surveys are sent to people who are immediately affected by the disasters, the effects of which FEMA helps mitigate. Yet, data collection could be improved by drawing upon a wider sample of survey respondents. Not only are the opinions of people immediately affected important, but so are the opinions of the general public, e.g. a relevant inquiry is that pertaining to the confidence U.S. citizens have in FEMA should an emergency surface. Given that FEMA is a public organization, it should obtain and consider the opinions of the general public in order to improve its services.

While FEMA's performance measures are fairly thorough, there are several unmeasured factors that affect the livelihood of U.S. citizens. FEMA does a thorough job of
using measures that aim at learning how well FEMA staff effectively tends to several disasters. These include overall customer satisfaction, response time for large communities, per capita loss of life due to fire, percent reduction in firefighter injuries, and response to nuclear power plant issues. Yet, the breadth of disasters and other emergency situations being measured is surprisingly narrow. Issues regarding earthquakes, floods, tornados, and other natural disasters are not mentioned in the performance measures but should be, given the extent of danger and loss of life they present. While the selected measures do identify important criteria for the functionality of FEMA, they do not measure the entire breadth of situations that the agency aims to manage, thus leaving uncovered several opportunities to improve.

The weakness of data collection methods and breadth of performance measures begs the need for several improvements to the agency’s Performance Management system. One way the organization can improve is by realizing and using the diverse opinions of the U.S. society to comprehensively improve the organization. Members of a diverse society such as the U.S. experience different perceptions and desires by regional, racial, and ethnic background. By surveying a narrow segment of the U.S. population, responses are not likely to be entirely valid. Those who are engaged in performance management activities should reach out to a range of stakeholders and actors (Radin 2006).

Additionally, FEMA can benefit from having a repertoire of performance measures that span across several different emergency situations and not based solely on the end result of its services. This reflects the diversity of the society with different expectations about programs and policies. Performance measures may focus not only on outcomes of programs but also on inputs, processes, or outputs. (Radin 2006).
Additionally, FEMA should include qualitative performance measures to complement the quantitative measures it currently uses. According to Fryer (2009), there needs to be a balance between qualitative and quantitative measures. This allows organizations to objectively review the situation, and come up with a customized solution that addresses their individual problems. Therefore, using surveys that give citizens and employees the opportunity to provide open and lengthy feedback will allow FEMA to stay agile and innovative.

IV. Using performance measurement information

a. Budgeting

FEMA program managers primarily use results on performance metrics to develop justifications for components of FEMA’s five-year budget submission, the Future Year Homeland Security Program or FYHSP (FEMA 2008). This application of performance metrics corresponds with Hatry's (2007) opinion of how they should be used. Performance measurements help officials determine what resources and incentives are likely to produce the best outcomes. Past outcome information, in addition, can be used to help agencies develop their budget requests -- rather than first formulating their requests and then including available outcome information as part of their requests and their budget submission. Subsequent reviews of budget requests should look for evidence on whether the resources (e.g., funds and staffing) and activities requested are likely to lead to desired outcomes.

In a similar fashion, FEMA has established its own initiative to track the budget and its relation to organizational outcomes. Through the Budget to Performance Integration (BPI), leaders can look across activities that FEMA performs and determine whether the organization's resources are being optimally used to achieve organization objectives. To advance its ability to track data in real-time, the agency has implemented FEMAStat, a performance-based
management process. As part of the process, FEMA will hold an ongoing series of frequent, integrated meetings during which principal members of different FEMA components and regions will use current data to analyze specific, previously defined aspects of past performance in each functional area. The meetings allow leadership to provide feedback on FEMA's progress towards achieving outcomes; follow up on previous decisions and commitments to results; examine and learn from program efforts; identify and solve performance problems; and set and achieve new performance targets (FEMA 2013). This new formal process integrates all headquarter employees as well as regional offices.

Analysis

With this strong system of accountability, FEMA can better track outcomes and give potential federal budget decision-makers greater confidence that any money they provide will be used beneficially. If a program does not have substantial evidence that it is producing the benefits, the program's budget is likely to become more vulnerable to being cut. If a program's measured outcomes are poor or decline over time, funders may decide that the program should be cut or at least changed in some way. Furthermore, outcome data can also be used to help secure funds through private sector partnerships since funders will be able to increase or at least sustain their contributions given the evidenced correlation between contributions and beneficial outcomes (Hatry 2007). In addition to resource allocation, FEMAStat allows for a more efficient way of organizing personnel. The frequent meetings can utilize the outcome data to identify elements with poorer outcomes so that additional resources can be focused on them. This allows priority organization, such as selecting among disaster relief, hazard mitigation, and emergency management projects (Hatry 2007).

b. Pay for Performance
FEMA has been operating under a senior executive service pay-for-performance system that requires linkage of individual executive performance plan objectives to department and agency strategic plans. The intent is to ensure that each employee-specific performance objective includes quantifiable and meaningful performance targets that support the organization’s strategic goals. The FY 2008 performance rating guidance required component heads and senior executive service rating officials to consider organizational performance results in determining individual senior executive performance ratings. Each senior executive service performance plan must include mission-oriented performance measures and targets that link to the new DHS and FEMA Strategic Plans, including at least one GPRA/FYHSP measure. The senior executive’s performance rating will factor in his or her contributions to actual program results. It can be expected that the goals and performance targets included in each of the senior executive performance plans will, in turn, be reflected in program priorities and cascade to individual employee performance plans within the various FEMA components. This alignment of strategic goals and performance targets—from the departmental level to the individual—helps ensure that all employees are working toward the same strategic ends and that progress toward achieving those ends can be measured.

Analysis

While FEMA is convinced that a pay-for-performance strategy is the most effective means of organizing, Hatry (2007) highlights that it may not be the most accurate system. A major dilemma is that external factors can play major roles in affecting outcomes, efficiency, and even outputs. A desirable condition for monetary incentives is that employees explicitly accept they will be rewarded if outcomes improve, regardless of the extent to which the employees have actually contributed to the improved outcomes. Yet, FEMA's pay-for-performance system
attempts to undermine the concern that external factors affect outputs and outcomes. Through the careful eye of FEMASat, outputs are thoroughly critiqued, which allows pay-for-performance to be more accurate.

c. GPRA and PART

During the past decade, the concern about performance has taken many different forms. It is the basis for a federal law, the Government Performance and Results Act (GPRA), enacted in 1993 and implemented several years later. It is the basis for a process undertaken in 2001 in the federal Office of Management and Budget (OMB) called the Program Assessment Rating Tool (PART), which attempts to link executive branch budget recommendations to the performance of specific federal programs. Unfortunately, as a result of GPRA, the federal government was imposing another layer of internal management controls, performance measures, and strategy plans, resulting in more rigidity. Rather than focus on performance that values flexibility and discretion, the federal government pushed the agency towards a more traditional compliance-oriented posture. As for PART, it is unclear how the PART scores impact budgeting decisions within OMB as there are no consistent patterns to follow. Therefore, it is hard to determine whether the PART is measuring programs accurately, consistently and in a value-neutral way, which must be addressed moving forward (Radin 2006).

These acts cause the federal government to define the issues and shape interpretations of what is considered relevant in making budgetary decisions in the federal government. While FEMA must comply with and be accountable to the rules set by these federal acts, a larger conversation must be initiated about the expectations imposed. GPRA rules must be altered to encourage organizational innovation and efficiency, while PART expectations should be changed to show a stronger connection between efficient performance and budgetary allocations.
V. Performance trends and concerns

According to FEMA's Performance Addendum, the organization has met all but two of its performance measurement targets for fiscal year 2008. FEMA fell short of meeting its goal in "Average time in hours to provide essential logistical services to an impacted community of 50,000 or fewer (FYHSP)" and "Percentage of Federal Departments and Agencies with fully operational Continuity of Government (COG) capabilities (FYHSP, PART)". These two categories highlight inefficiencies in serving citizens, as well as inefficiencies in organizing the various federal departments and agencies. These are causes for concern as they are vital to the functioning of the organization and its ability to execute on "Goal 1" and "Goal 2." The reasons for these poor results given by FEMA include: staff and/or funding changes, such as cutbacks, legislation or regulatory requirements that have changed; poor implementation; and problems in the program's own practices (FEMA 2008). Yet, with the introduction of FEMASStat, these concerns may be mitigated, but require an extensive amount of time to see if these concerns are corrected.

VI. Performance management system issues and recommendations

In addition to the suggestions mentioned earlier, FEMA can further improve its performance management system by incorporating public opinions in evaluating itself. According to Woolum (2011), citizen involvement in performance management will influence organizations to look beyond traditional measures (i.e., input, output, efficiency) to (1) consider measures which are more useful, meaningful, and understandable to all managers and citizens; (2) emphasize a more responsive government by thoroughly considering the views of citizens regarding performance; and (3) enhance the organization's relationship with citizens through meaningful dialogue and deliberation about goals and objective. Since FEMA outputs and
outcomes are readily observable and significantly involve the public, defining expectations and performance measures can and should involve the public (Poister 2013).

VII. Conclusion:

FEMA's performance management structure examines both internal and external performance through a thorough set of surveys, conversations, and various evaluations. Its annual audits of its performance are carefully used throughout the organization as it dictates how much funding it receives from higher federal agencies, how much divisions are allocated, and how much employees are rewarded, therefore reducing any concerns of ineffective use of this important data. Yet, the organization can still improve its performance management system by broadening its performance measures, the population surveyed, and the people who can contribute to developing performance measures. While federal level accountability acts are out of the control of FEMA, a larger government dialogue should commence regarding the expectations (and the impact of these expectations) that may hinder the level of innovation and efficiency organizations like FEMA can experience.
Addendum 1: 19 Performance Measures of FEMA

- Percent of customers satisfied with Individual Recovery Assistance (FYHSP)
- Percent of customers satisfied with Public Recovery Assistance (FYHSP)
- Percent of response teams reported at operational status (FYHSP)
- Average time in hours to provide essential logistical services to an impacted community of 50,000 or fewer (FYHSP)
- Percentage of Federal Departments and Agencies with fully operational Continuity of Operations (COOP) capabilities (FYHSP, PART) System (GIS) format (FYHSP)
- Percentage of Federal Departments and Agencies with fully operational Continuity of Operations (COOP) capabilities (FYHSP, PART)
- The per capita loss of life due to fire in the U.S (FYHSP)
- Percent of States and territories accredited by the Emergency Management Accreditation Program (EMAP) (PART)
- Percent of analyzed capabilities performed acceptably in exercises (FYHSP, PART)
- Percent of grantees reporting significant progress towards the goals and objectives identified in their State homeland security strategies (FYHSP)
- Percent of participating urban area grant recipients reporting significant progress made towards identified goals and objectives (FYHSP)
- Percent reduction in firefighter injuries in jurisdictions receiving Assistance to Firefighter Grants funding compared to the national average (FYHSP, PART)
- Percent of significant progress toward implementation of National Priorities (PART)
- Percent of the national population whose safety is improved through the availability of flood risk data in Geospatial Information System (GIS) format (FYHSP)
- Potential property losses, disasters, and other costs avoided (FYHSP)
- Percent of respondents reporting they are better prepared to deal with disasters and emergencies as a result of training (FYHSP)
- Percent of Radiological Emergency Preparedness Program communities with a nuclear power plant that are fully capable of responding to an accident originating at the site (FYHSP)
- Percent of Federal, State, Local and Tribal Governments compliant with the National Incident Management System (NIMS) (PART)

- Percent increase in knowledge, skills, and abilities (KSAs) of State and local homeland security preparedness professionals receiving training (FYHSP)
Sources:


