

Example of efficient evaluation of management:

Letter of U.S. Secretary of Energy Samuel W. Bodman, re-written for clarity

*This example demonstrates an important fact
about evaluation of an organization:
Analysis of social and psychological factors often gives
the first indication of the quality of management.*

We have re-written the most recent op-ed letter of U.S. Secretary of Energy Samuel W. Bodman, on page 5. We copied the letter from the DOE web site. The original is on pages 3 and 4.

The re-written letter expresses the same ideas much more clearly. Thorough research would probably improve the letter enormously, but that's not the purpose here.

The purpose of re-writing the letter is to show that often social and psychological factors such as sloppy communication give an accurate initial understanding of managerial quality. In this case, an important letter is poorly expressed, and that makes us consider whether the entire organization is poorly managed.

It does not matter if Secretary Bodman wrote the letter, or even saw the letter before it was sent. What matters is that the head of the Department of Energy allows disorganization.

Mental clarity is fundamental to knowing how to manage. Communicating clearly is a fundamental part of managing. An organization with an understanding of the importance of communication would not allow the kind of sloppiness shown in the letter.

Not only is a poorly written letter less likely to be read, poor communication discourages everyone who works in an organization. The mentality of the top manager soon spreads through an entire organization.

However, an initial impression can be mistaken. The initial result of noticing an instance of confusion is only a guide that gives an indication of where to look to decide if the initial impression is correct. Examining the Department of Energy web site, documents about the DOE available on the internet, and checking by asking Department of Energy employees in widely separated parts of the organization helps us determine if our initial understanding is correct.

That analysis shows that in this case the initial impression is correct. The indications in just one letter are in this case a good guide to how the entire Department of Energy is run. There is wasteful disorganization everywhere. The DOE is badly managed.

There are two big challenges in doing analysis like this. First, it is necessary to be aware of psychological and social factors like mental disorganization. Many people lack that aware-

ness, partly because they have been trained from childhood to focus on reality outside ourselves, not what happens inside.

Second, it may be difficult to accept the conclusions because the conclusions may have a strong effect on the analyst's assumptions about life. For example, many U.S. citizens want to believe that their government is mostly efficient, and find it difficult to accept evidence of serious imperfection.

(The re-written letter is not intended to indicate anything about support or lack of support for the policies expressed.)

Supporting evidence: A quick search supported the initial impression given by the letter.

An April 6, 2006 report, *Hanford Waste Treatment Plant: Contractor and DOE Management Problems Have Led to Higher Costs, Construction Delays, and Safety Concerns* indicates that the disorganization of the U.S. government's Department of Energy extends over the huge amount of radioactive waste at Hanford in Washington state.

The July 12, 2000 report, *Department Of Energy: Uncertainties and Management Problems Have Hindered Cleanup at Two Nuclear Waste Sites*, indicates that the problems have existed for years.

A June 1999 report, *Nuclear Weapons: DOE Needs to Improve Oversight of the \$5 Billion Strategic Computing Initiative*, gives the same impression.

The disorganization of the DOE's department, the Energy Information Administration (EIA), is characterized by a graph on page 56 of the *Annual Energy Outlook 2008* publication. That

graph shows that in the future oil prices may go up, stay the same, or go down.

Links, in the order cited:

<http://www.gao.gov/cgi-bin/getrpt?GAO-06-602T>

<http://www.gao.gov/cgi-bin/getrpt?GAO/TRCED-00-248>

<http://www.gao.gov/cgi-bin/getrpt?GAO/RCED-99-195>

Link, U.S. Energy Information Administration:

<http://www.eia.doe.gov/oiaf/aeo/>

Link, *EIA Annual Energy Outlook 2008* (PDF), page 56:

[http://www.eia.doe.gov/oiaf/aeo/pdf/0383\(2008\).pdf](http://www.eia.doe.gov/oiaf/aeo/pdf/0383(2008).pdf)

Conclusion: The DOE is badly managed.

This is just an example. In a thorough evaluation, much more evidence would be gathered. But long experience has shown us that the evidence we have already seen, including plenty of information not presented here, is enough to draw a reliable conclusion.

The fix? Analysis doesn't stop there, of course. The next step is to get an initial impression of *why* the DOE is badly managed.

Besides being someone who tolerates disorganization, the evidence suggests that Secretary Bodman's technical experience is too limited. Experience shows that someone with insufficient technical ability cannot successfully lead an intensely technological organization. For more discussion of that subject, see pages 3 to 7 of our manual, *Futurepower Technological Due Diligence*.

Time: Time to re-write the letter and write the explanation above, 1 hour 11 minutes. Editing and formatting, 4 hours 2 minutes.

Secretary of Energy Bodman's original letter, as published in the Washington Times

*This is the original letter from the
Department of Energy web site,
as printed in the Washington Times
on July 30, 2008*

Congress must work now

Link: <http://www.doe.gov/news/6438.htm>

Menu Link:

<http://www.energy.gov/news/op-ed.htm>

The United States must come to terms with a new global energy reality that is not the result of any one event. It arises out of several decades of our inability to face the hard truths about how energy is produced and consumed and its impact on the environment. And it has an impact on the lives of every American, every day, the most obvious of which is the roughly \$4 per gallon we are now paying for gasoline.

By supporting the diversification our energy supplies, investing in new technologies and enhancing our energy efficiency, as the Energy Department is doing, we are supporting the development of long-term answers and creating a more energy secure America.

But we must begin by taking the fundamental step of developing more of our resources here at home. As he has many times before over the course of his administration, President Bush last month called on Congress once again to remove the barriers to domestic oil exploration and production it has imposed.

Two weeks ago, he rescinded the executive order prohibiting access to the estimated 18

billion barrels of technically recoverable reserves in the Outer Continental Shelf. But for those reserves to be made available to the marketplace, Congress still must act.

Unlike other options currently being considered, the effort to permit energy exploration in the deep waters of the Outer Continental Shelf is not a matter of political expediency. It is a fundamental step toward addressing the supply and demand challenges which underpin the increase in the price of oil.

Producing these resources will not happen overnight, but by lifting the barriers to production today, we can realize those benefits in years to come and send an immediate signal to the market place that our domestic resources are open for investment and clean, environmentally friendly development. Let us begin the process now, so that we will not lament our failure to act a decade from now, as we are now doing over our failure to act to stimulate domestic production 10 years ago.

What we are now experiencing has been decades in the making. In the bigger picture, energy exploration on the Outer Continental Shelf is one small but important step toward addressing the current energy crunch. U.S. domestic oil production peaked in 1970. Since then we've relied on increasingly larger amounts of imported oil to allow our economy to thrive, arguably at the expense of our domestic exploration and production.

America will eventually move away from the use of hydrocarbons to produce energy - and

the Energy Department has been aggressive in its support for the development and deployment of new, alternative, clean energy technologies. We are making extraordinary progress in this area, but significant change in the market place will come only after a long transition period that, in my judgment, has only just begun. America will continue to need oil and gasoline as we see this transition through. That's why the president is again proposing ways to re-energize U.S. oil production.

In addition to requesting congressional approval for development of the Outer Continental Shelf, Mr. Bush again asked Congress to allow the development of oil from oil shale on federal lands, and for the authorities to expedite the necessary upgrades and expansion of our oil refineries. And he has asked Congress to allow for environmentally responsible energy exploration in the frozen and uninhabited areas of Northern Alaska.

These proposals are all languishing on Capitol Hill.

Congressional leaders have failed to act on virtually all of the president's proposals. In fact, the House and Senate majorities won't even bring these measures to the floor for an up or down vote.

The high price we now pay for gasoline is a problem for everyone. American families must stretch already tight budgets even further. And businesses are feeling increased pressure on the bottom line. The president has made his proposals. It is now time for Congress to act, before it adjourns for the summer recess.

Samuel W. Bodman is secretary of the Energy Department.

This is the letter re-written for clarity.

*Letter to a newspaper from
U.S. Secretary of Energy Samuel W. Bodman,
re-written by Michael Jennings of
Futurepower Technological Due Diligence*

Originally titled "Congress must work now".

We need action from Congress.

We need immediate and thorough action from Congress to diversify our energy supplies, improve energy efficiency, and invest in new technology.

The present reality of global energy is not the result of just one event. It is the result of several decades of failing to consider problems with production of energy resources. Now the failure to act is having a direct impact on the lives of every American, every day. The most obvious impact is the roughly \$4 per gallon we are now paying for gasoline.

President Bush last month once again called on Congress to remove the barriers to domestic oil exploration and production Congress has imposed. Two weeks ago, he rescinded the executive order prohibiting access to the estimated 18 billion barrels of recoverable reserves in the Outer Continental Shelf. But for those reserves to be made available, Congress must act.

Permitting energy exploration in the deep waters of the Outer Continental Shelf is a fundamental step toward improving the nation's energy supplies. Beginning to produce from those resources will require many years, but we

can be sure that we will need the production when it is ready.

Exploration of the Outer Continental Shelf is only one important step toward resolving our nation's energy problems. The Department of Energy is helping support the development and deployment of new, alternative, clean energy technologies, and we are making extraordinary progress.

The advancements we need will require many years. We need more support from Congress now.

In addition to requesting congressional approval for development of the Outer Continental Shelf, President Bush has asked Congress again to allow the development of oil from oil shale on federal lands, and for permission to expedite the necessary upgrades and expansion of our oil refineries. He has also asked Congress to allow environmentally responsible energy exploration in the frozen and uninhabited areas of Northern Alaska.

Those proposals are receiving insufficient attention from Congress. The House and Senate won't even bring these measures to the floor for a vote. It is time for Congress to act, before it adjourns for the summer recess.

Samuel W. Bodman is Secretary of the U.S. Department of Energy, DOE.

[This re-written letter is not intended to indicate anything about support or lack of support for the policies expressed.]

Links

The links mentioned in this article are available at the DOE menu choice on our web site at:
http://futurepower.net/DOE/Management_Evaluation_of_the_DOE.html

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(Minor corrections and formatting changes were made to the October 20, 2008 version. Only this page and the footer format were changed.)