Can Government Grow Great Leaders?

Results of a Symposium Conducted by the

National Academy of Public Administration

and

Human Capital Solutions

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Senior level federal government senior executives and managers function in a world of constant change and transformation. Developing leaders to face these constant changes is maybe the single most important component of effective human capital management. Over the past decade, the Academy and Human Capital Solutions (HCS) have focused on the need for public sector organizations to strengthen their leadership development and succession planning programs. In particular, the Academy has published a five volume series that produces a clearer picture of the behaviors, skills, and competencies of successful 21st Century federal managers. Likewise, a number of HCS partners have developed and implemented innovative leadership development programs, many of which focus on these same behaviors, skills, and competencies. The premise of these projects was that federal agencies should be able to strengthen their leadership teams and to create and sustain high performing organizations. This symposium continues the Academy and the HCS focus on leadership.

As a part of the Academy's Executive Consortium, the Academy and Human Capital Solutions[1] conducted a symposium on June 23, 2005 that addressed key issues regarding federal leadership development. Discussing leadership issues was a panel composed of:

- Ambassador Prudence Bushnell—Dean of the Foreign Service Institute, U.S. Department of State

- Dr. James E. Colvard—Faculty Member at Indiana University and former Deputy Director of the Office of Personnel Management

- Mary E. Lacey—Program Executive Officer of the U.S. Department of Defense, National Security Personnel System

- Dr. Ronald P. Sanders—Chief Human Capital Officer, Office of National Intelligence

- David M. Walker—Comptroller General of the United States

The panel was moderated by C. Morgan Kinghorn, President of the National Academy of Public Administration. Brief bios of the panel are provided in Appendix I.

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[1] A description of the sponsoring organizations, the National Academy of Public Administration and Human Capital Solutions, is provided in Appendix II. The views expressed in this document are those of the panelists.

Great leaders, in the words of our panel, are:

> *"Individuals who help to create the future and strive for continuous improvement, with and through others while also discharging their stewardship responsibilities."*
> —David Walker
>
> *"Those you follow because you want to, not because you have to."*
> —James Colvard
>
> *"Ensure change and not put up with the same ways of doing business."*
> —Ambassador Prudence Bushnell
>
> *"Engaged in finding talented front line folks and nurturing them a year or two before they ever think about becoming managers."*
> —Dr. Ronald P. Sanders
>
> *"…not just the top, it's the middle, it's the bottom, it's the unsung hero's and we pay too little attention."*
> —Mary Lacey

Can government grow great leaders? What the panel said:

Government is in transformation. Successful leaders will emphasize and reward:

- Measuring results, focusing on clients and customers, promoting employee involvement, working partnerships and informed stakeholder relationships.
- Developing human capital strategies and training programs that match business goals.
- Building leadership succession and development linked to performance.

Leadership requires global thinking and the modernization of today's OPM leadership competencies. Some examples:

- Defining "who" leads must include all who contribute, not just "managers."
- Mastering diverse cultural and multi-sector workforce challenges.
- Dealing with ambiguity and working the "gray" areas across organizations.
- Balancing management and leadership strategies to have immediate impact.

The DNA of our organizations must be revitalized. This includes:

- Leadership competencies linked to performance management systems.
- Reward and recognition systems that hold leaders accountable.
- Flat organizations demanding leadership at all levels.
- Core values embedded in the organizational culture.
- Personnel authorities consistent with new organizational models and workforces.

"Stewardship" for growing great government leaders of the future means:

- Building capacity for leadership at all levels.
- Sharing power with many to identify the few who will excel….moving from a controlling to an empowering culture while managing the risks.
- Changing the people to "change the people." Move people around, not just up.

Key Leadership Themes from the Symposium

Various studies have underscored the importance of having agency leaders and managers with the skills and commitment to drive cultural change focused on results. Agency leaders, career and political alike, should be held accountable and should hold others accountable to ensure continuous effectiveness, constant improvement, and increased mission accomplishment within the agency. This leadership is critical for an agency to overcome its natural resistance to change, to marshal the resources needed in many cases to improve management, and to build and maintain an organization-wide commitment to improving its way of doing business.

> *"There are a lot of changes and challenges facing us that are going to require top leadership. The federal government is the largest, most complex, most diverse and ultimately the most important organization on the face of the earth. You've got to have top quality leadership running that operation. It's critically important to our economy. It's critically important to our homeland and national security. It's critically important to the world's economy and to stability around the world."*
>
> *—David Walker*

Symposium participants stressed the importance of agencies focusing on ways to build and sustain leadership. Key themes identified by the panel and participants were:

- New competencies are needed for the leaders of today and tomorrow.
- Federal agencies need to better transfer successful military leadership practices to civilian leadership development.
- The culturalization and institutionalization of leadership is critical.
- New personnel authorities are needed to enhance government leadership development programs.

These themes are discussed in more detail below.

New Competencies Needed to Grow Great Leaders of Today and Tomorrow in a Changing and Challenging Landscape

In its report titled "*Leadership for Leaders: Senior Executives and Middle Managers,"* the third of the five series "*21st Century Manager"* reports, an Academy panel provided a list of changing environmental factors that are creating the need for new leadership competencies. Symposium panelists emphasized many of these changes and the new competencies that will be needed to deal with them. These include managing a multi-sector workforce, network management skills, globalization, and a high tolerance for

ambiguity. Panelists also pointed out how crisis situations provide opportunities for leadership.

Managing in a Multisector Workforce

Increasingly, the federal workforce is not simply civil servants. The federal workforce is comprised of civil servants, contractors, grantees, state and local workers, and, with the Department of Defense (DoD), the military. Paul Light discussed this total workforce in his book *"The True Size of Government"* and has developed estimates of its size. For example, he estimated the total federal workforce to be 16.7 million people, including 1.8 million civil servants, 5.2 million contractors, 2.9 million grantees, 1.5 million military, 900,000 Postal Service, and 4.7 million state and local employees, who work on federal programs and are paid with federal dollars. Thus, civil servants comprised only a little more than ten percent of the total workforce as is depicted in Figure 1.

Figure 1: The Federal Workforce
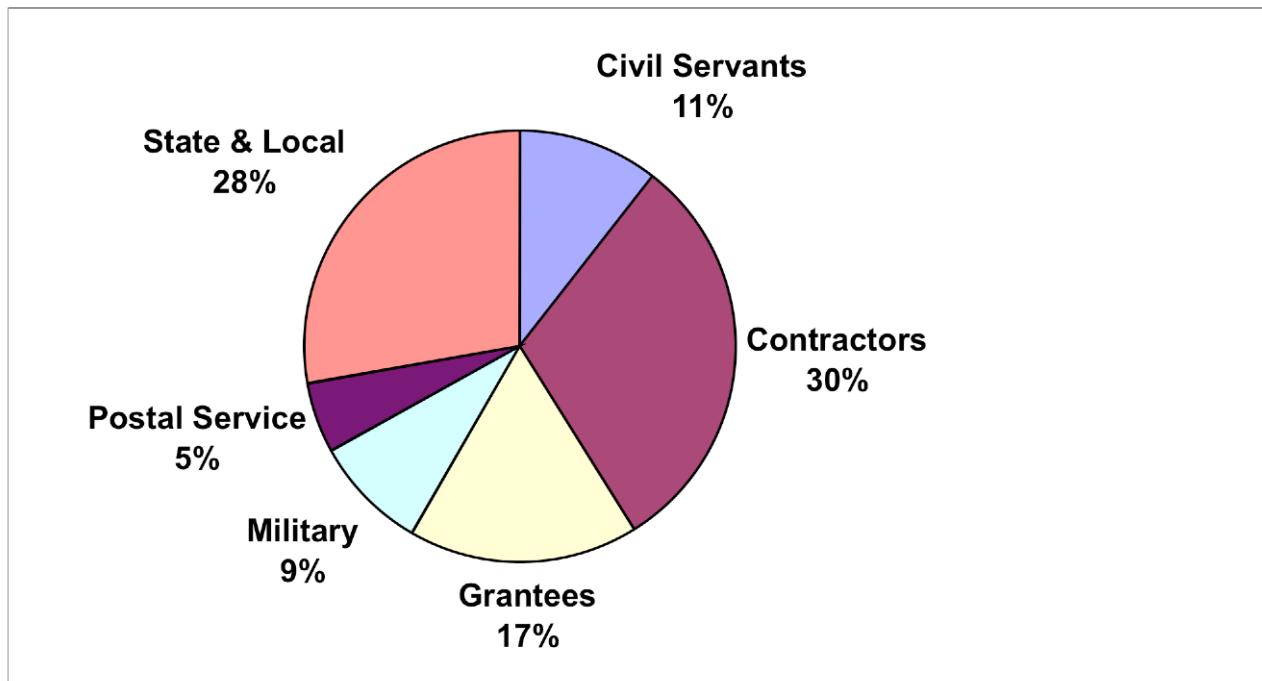
Source: Paul Light, "*Fact Sheet on the True Size of Government*", The Brookings Institution, 2002.

Symposium participants said managing such a complex multisectored workforce required new competencies. Leaders must lead their own civil servants, but they must also influence the work of a large number of other employees over whom they do not have direct control. The National Aeronautics and Space Administration has had a lot of experience dealing with this type of workforce, especially in developing and deploying the Space Shuttle. Participants noted that the DoD is developing workforce planning processes for its workforce that is comprised of civilians, military, contractors, and

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foreign partners. It is systematically questioning each position and saying what needs to be civilian, what needs to be military, and what can be either, depending on the particular competencies needed for that position at a given point in time.

Leading Through Effective Partnering

Symposium participants pointed out that a key leadership skill to deal with the multi-sector workforce is the ability to manage networks. Such skills were described in a recently published book by Stephen Goldsmith and William D. Eggers entitled, *"Governing by Network: The New Shape of the Public Sector."*

In the past, leadership primarily focused on a very singular mission—focus on getting A done and then after A, do B. It was very linear and to manage this linear process, agencies generally developed hierarchical organizations focused on a particular goal or sub-goal. The world is not that simple anymore. Looking across the federal government, there is starting to be a merging of missions and more and more gray stage in what used to be black and white. Panelists noted there is a big challenge to refocus many federal organizations to address this ambiguity. Organizations should not get rid of the gray stage: gray stage generates a lot of creativity. Yet in the process of making so much gray space, organizations have lost a little bit of black and white that is needed to maintain, sustain, and keep people focused on where organizations are going and what they should be doing.

Today, we need to develop a cadre of leaders that can operate across department missions and that gray stage others have called networking. Governing, leading and managing by networking are a dimension that has emerged in DoD in the last few years as its organizations need to work together.

> *"It's no longer win/lose. It's work together, lead together to accomplish a greater good. I've seen organizations that have been at each other's throats for decades that in the last couple of years that started to emerge as partners, strategic partners, as they align for more complex missions. We can't go it alone anymore."*
>
> *—Mary Lacey*

Symposium participants said that other federal agencies are also beginning to realize that they must work with each other, not just focus within their agencies.

Globalization

Federal organizations and the people who lead them increasingly find themselves thrust into the global context. The combined and accelerating forces of globalization and technology have forged an interconnected world in which change and the need to anticipate and respond to it are faster and more complex, and where the international and domestic are inextricably linked. Key globalization leadership competencies include multi-cultural knowledge and sensitivity, understanding global macro and micro economics, and geopolitical boundaries.

This global aspect of leadership is critical. It was noted that the United States is at a threshold in terms of power and the issues that it faces, many of which are truly international and global. A panelist noted that 80 percent of the challenges that the United States faces are those that other countries face, as well.

The United States is not number one in all things—it lags in such critically important things as K-12 education while health care outcomes often are not aligned with money spent. The United States is facing many challenges such as homeland security, national security, energy, environment, and fighting infectious diseases. These must be dealt with more on a multi-lateral basis. Geopolitical boundaries are becoming less and less important.

High Tolerance for Ambiguity

Increasingly, leaders need to have a high tolerance for ambiguity because many organizations are facing new and unique management challenges. The federal government's Senior Executive Service leadership competency model is more than a decade old. Although there are some enduring competencies in that model, it needs to be modernized. If leadership competencies are linked to vision and strategy, they can become much more powerful.

One of the leadership competencies that is far different than the decade's old model in use is a high tolerance for ambiguity. This is the ability to literally be plopped down in an organizational situation, reconnoiter and have an impact quickly—being able to operate with literally a clean slate. Nobody's telling you what to do. You've got to figure it out. How do you define that? How do you develop it? How do you reward it?

Crisis Provides Leadership Opportunities

Panelists also discussed the role of crisis in bringing about leadership and the application of those leadership abilities to a crisis situation. They pointed out that as a new leader in an organization it is easier to make the transformation when there is chaos and uncertainty. That gives the leader the opportunity to transform—but not every leader or organization takes advantage of it. Leadership in crisis situations is

easier than it is with an organization that is not experiencing major change, crisis, or transformation.

A panelist noted that the Internal Revenue Service (IRS) was under attack in the 1990s. There was a series of very visible hearings. And, there was clearly a demand, not an expectation, for fundamental change. When new leadership came to the IRS, it knew it had to change the organization.

It is tougher to change when you do not have a clear and compelling external case and have to build a case for change. Where you have to convey to people we are on a "burning platform," the status quo is unacceptable and unsustainable.

Transferring the Life-Cycle Military Career Approach to Civilian Leadership Development

In addition to new leadership competencies, a second major theme was the need to transfer successful military leadership practices to civilian leadership development. Panelists noted that there are great leadership models with both the military and the Foreign Service—where in both organizations it's far more of a life cycle approach to leadership development.   Both organizations look at senior leadership requirements, but more important they focus on the pipeline of leaders all the way down to front line employees, not just first-level managers.

The key reason the military does leadership development better is that the military is a career. It develops leaders with each assignment—assignments are made for the purpose not of just doing that job, but of developing the individual for the next job. Leaders are evaluated not just on how they are doing, but how they will do in the future. The entire personnel system in the military is geared toward leadership. However, it is far tougher to develop leaders on the civilian side where they are under the general schedule.

A panelist noted that DoD is identifying some of the best of what the military does with its leadership development, and trying to transfer that to civilian leadership development. DoD is realigning its thinking around career competencies, career paths, and career fields. It is looking at the DoD workforce through a different set of lenses. Instead of looking at it just through the organization and the mission, DoD is looking at it through the career, the community, across the entire broad organization. It is identifying not only the skills, knowledge and abilities needed to be successful, but the interconnections needed across those communities. As a result, some of the aspects that have always been a part of the military culture are starting to migrate over into the civilian workforce.

In addition, DoD's new personnel system, the National Security Personnel System (NSPS), will be designed to focus on performance-based management and leadership. NSPS will have performance standards and performance factors. One of these factors

will be for managers and leaders to assess how well they manage and lead. Using measurable results will enable DoD to put more visibility and granularity in defining the kinds of leaders that are needed. This way, the NSPS is also being informed by the military experience.

The New Genetic Code—Culturalization and Institutionalization of Leadership Roles and Responsibilities

The third theme of the symposium was how to institutionalize change and leadership so that the positive traits will continue even with leadership turnover. A critical part of this is embedding the organization's culture with the ability to continue to change.

Panelists noted that institutionalizing positive leadership behaviors is critical to continued progress and achieving program results. Important components of this process are:

- The development of a strategic plan.
- An organization aligned to support the strategic plan.
- A redefinition of success based upon results, clients and customers, people and partnerships.
- A competency-based performance appraisal system that is linked to the strategic plan that is linked to institutional units and individual performance measures.

Panelists noted that the institutionalization process needs to ensure that a genetic code of the right kind of leadership competency is embedded into the organization. An organization may have a great leader with the values and visions that that leader brings to an organization, but unless you want it to disappear when that leader leaves, it must be embedded in the system. It is not just the human resource system, but others (e.g. finance, information technology, procurement) that send cues to employees about what is valued. Those systems send the messages that help to embed the values in the organization.

> *"Unless you get it rooted in the organization and are around long enough so that the roots take hold, then it is not sustained. I've been part of too many organizations where frankly we just didn't have enough time to get the roots sunk deep enough to get the system."*
>
> *—Dr. Ronald P. Sanders*

Linkages are critical to the institutionalization process. You can define and develop leadership, but unless it is linked, it is irrelevant. There are two dimensions to these linkages. First, it has to be linked to every other aspect of your human resource system and second it needs to be linked to the agency's vision, mission, goals, and objectives. The human resource system needs to link expectation setting, training, development,

performance evaluation, and compensation, to the desired values. If any one of those human resource system components is out of whack, they cancel all the others out. Trainers know this instinctively. Organizations have wonderful leadership development courses that focus on desired behaviors, but these behaviors are inconsistent with the culture in the workplace. However, when the employee returns from training, the desired behaviors evaporate. Organizations must pay attention to linkage.

One way to promote that genetic code is to ensure that the performance factors that are in an appraisal system are promoting appropriate values. Such a performance appraisal system should not just focus on compliance issues, but on values that can stand the test of time. If the things used to measure people for rewards or promotions are consistent with articulated core values, this sends signals to both managers and employees that the organization is serious about these values.

Panelists said stewardship is another aspect of institutionalization and one of the key responsibilities of a leader. This is not just leaving things better off than when the leader assumed his/her position, but leaving things better positioned for the future. That is a much higher bar. "Sharing power" can also assist with the institutionalizing process. Leaders must be willing to share power with their subordinates. Unless power is shared, subordinates will not be in a position to assume leadership. Panelists also said that moving people around helps to build an organizational culture. This is because an important part of embedding a culture in an organization has to do with making sure that more of the people know what the whole organization is about. People can only get that through experience.

Institutionalization is especially important in the government. Leaders have to be there long enough in order to know the job and maintain continuity.   Panelists noted that one of the biggest problems in government is that people who are the hierarchical leaders, the people who have the titles, typically are not there very long. Typically, they are policy oriented and do not really care that much about management issues.

The January 2003 Report of the National Commission on the Public Service (Volcker Commission) titled, *"Urgent Business For America: Revitalizing The Federal Government For The 21st Century,"* noted that President George W. Bush was faced with identifying more than 3,300 individuals for political positions. The report noted that the number of political appointees had steadily increased from just 286 political appointees in the Kennedy Administration. The Commission recommended that Congress and the President work together to significantly reduce the number of executive branch political positions.

Embedding the leadership culture into the organization and linking it to human resource systems and the organization's vision and mission are especially important. The leader must promote this culture and change.

> *"The driving forces of that transition are the driving forces that bureaucracies need to have very different expectations. Leaders need to ensure change and not put up with the same ways of doing business."*
>
> *—Ambassador Prudence Bushnell*

Finally, the leader is quintessentially the person who influences desired behaviors. Organizations should train to that behavior, but most of all, the leader must model the desired behavior. For example, a leader who has an open door policy had better keep his door open and "swallow his irritation at the people who walk through it"—because leaders align their behaviors and their intentions.

It was noted that a leader is somebody you follow because you want to, not because you have to. A boss is somebody you follow, but they may or may not be a good leader. If one looks at some of the greatest leaders in the world, many had very little authority.

> *"Nelson Mandela, who I submit was one of the greatest leaders of this century, spent most of his time in jail. He didn't have any authority. He didn't have any troops. He didn't have any money. He got things done. Leaders get things done through inspiring other people."*
>
> *—James Colvard*

New Personnel Authorities Needed to Enhance Government Leadership Development

A final theme of the symposium was a discussion of how limitations in certain aspects of Title 5 hamper the leadership process. This is particularly true of the classification process, which essentially requires that to give a technical expert more money the organization needs to promote him/her to a supervisor. These technical experts can often be poor supervisors.

Panelists explained that the promotion of those who do their job well technically are the ones who have traditionally been promoted to leaders. Federal organizations continue to believe that they are not training their technical employees well when it comes to leadership. It was posited that these technical employees may not have the capacity to or interest in developing their leadership skills. IBM, which probably has one of the largest and most successful research entities in the world, addressed this issue by creating a position of research vice president. These are individuals who are at the top of their field and paid more than anyone else in the firm, including the CEO. These

positions do not require the leadership or supervisory skills of line managers. In addition, IBM created a dual track compensation system which acknowledged that technical skills and manager/leader skills were two entirely different, but equally valuable, skill sets. The compensation system gives them equal value.

A similar situation exists in the military with its "up or out" philosophy and strategy.

> *"In the Navy, it's either up or out. For a very, very good fighter pilot, the next logical step is to take over a wing and then a series of wings. Well, some of these are great fighter pilots because they like to fly. And you get to a certain point in your military career, at least in the Navy, and if you don't take that next leadership promotion, you don't take over the large wing, you don't become a desk jockey, you're out. Now, at this point in time, if somebody's an O5 or O6, we've got a couple of million dollars in training and development invested in this pilot. And they can walk out the door and they get a job as a commercial pilot. And they're very successful. They make lots of money. And then we start spending a couple of million dollars to train the next pilot. During the early days of the Afghan situation, we had quite a number of Navy fighter wings that were over there. And we had quite a few reserve wings that were activated to supplement the forces. And guess which wing had the best record by order of magnitude? It was the reserve wing. This was the O5 that were told to get out. All they wanted to do was fly. So you had a whole wing made up of incredible flyers who didn't want to be the leader. But they were not the leader in name, but they were the leaders in fact. They led in what they did. They had the competency. They knew what they wanted to do. They focused on that mission that they were assigned to. And they were very, very successful."*
> —*Mary E. Lacey*

A panelist noted that one of the advantages of the NSPS will be changing the limitations of the classification system. DoD will be able to pay people additional pay without requiring them to move into supervisor or manager positions and therefore break the mold created by the outdated Title 5 classification rules. DoD assessed the experiences of more than 30 years of demonstration projects. Those organizations created a career path for the technical depth and allowed employees to distribute along the continuum based on their competency.

A panelist noted that another limitation of Title 5 is the basic career profile. NSPS will create some needed flexibility, but additional flexibility is needed. Specifically, one flexibility that needs to be assessed further is a career profile change that an Academy

panel outlined in a report released in February 2005 titled, *"NASA: Human Capital Flexibilities for the 21st Century Workforce."* This proposal would provide agencies with additional flexibility at the beginning and end of employees' careers. At the front end, the agency would be able to lengthen the probationary or trial period for up to five years depending on the nature of the position, a potential increase from the more traditional one year at NASA and most federal agencies. At the back end, retirement rules could be changed to allow the agency to separate an employee eligible for optional retirement if doing so would help it achieve workforce reshaping or downsizing goals.

Summary

Developing strong leadership in federal agencies and institutionalizing a leadership culture is the key ingredient in assuring a high level of government performance. The final report of the *"21st Century Manager Series*," "*Final Report and Recommendations: The 21st Century Manager,"* noted that today there is an enormous gap between what is expected of federal leaders and what they are capable of delivering. Closing this gap is essential to effective government programs and the overall fundamental well-being of the United States.

The results of this symposium provide real information of what is needed to help address this fundamental leadership need. These included ensuring leaders have new competencies to address today's and tomorrow's challenges, learning from the positive leadership development experiences of the military, culturalizing and institutionalizing leadership, and providing needed changes to personnel rules that could enhance leadership development.

Appendix I: Biographies of Panelists

C. Morgan Kinghorn,* President, National Academy of Public Administration. He has more than three decades of public and private sector leadership experience, having managed and reengineered some of government's most complex organizations

Prudence Bushnell,* Former Dean of the School of Foreign Service. There, she oversaw the preparation of U.S. Foreign Service officers for overseas service. Her former positions included Ambassador to the Republic of Guatemala from 1999 to 2002, and Ambassador to the Republic of Kenya from 1996 to 1999.

James Colvard,* Faculty Member at Indiana University and former Deputy Director of OPM and Director of John Hopkins Laboratories. He is a frequent speaker and writer on management and leadership issues.

Mary E. Lacey, Executive Officer of the National Security Personnel System. A DoD employee since 1978, she is a recognized technical, management and business leader within the Department's research and development community.

Dr. Ronald P. Sanders, Recently appointed the Intelligence Community's Chief Human Capital Officer, working for the new Director of National Intelligence. Previously, he was the Associate Director for Strategic Human Resources Policy at the Office of Personnel Management.

David M. Walker,* Comptroller General of the United Sates and head of the U.S. Government Accountability Office (GAO). He has increased attention to human capital concerns throughout government. During his tenure at GAO, he has transformed that organization by bringing new emphasis to linking pay and performance, recruiting, retention, leadership development and succession planning.

***** *Denotes Academy Fellow*

Appendix II: The Sponsoring Organizations

The National Academy of Public Administration is the preeminent independent, non-profit organization for public governance. Established in 1967 and chartered by Congress, the Academy has become an independent source of trusted advice for every branch and level of government, congressional committees and civic organizations. The Academy works constructively with government agencies to improve their performance and management through problem solving, objective research, comprehensive analysis, strategic plans, and connecting people and ideas. The Academy is led by its elected membership of more than 600 distinguished Fellows. The Academy's **Executive Consortium** is a forum of key federal agency managers joining forces across disciplines and functions to share solutions, develop best practices, and learn from leading practitioners. The Academy's reports are available on the website—www.napawash.org.

Human Capital Solutions is a consortium of large and small firms who have brought together their senior talent to focus exclusively on providing assistance to government organizations. The firms, as a team, support the delivery of human capital management solutions that range from staffing, consulting, leadership development to HR information systems. The team includes:

> **Kelly, Anderson & Associates, Inc.**—a company that applies methodologies to achieve results in the three major aspects of human resources management: strategic planning, management, and operations.

> **Macro International, Inc.**—a large firm that provides to its federal clients a full spectrum of organization development consulting services and leadership training grounded in the understanding and experience of systems dynamics—especially as they affect human resource functions and issues.

> **Monster Government Solutions**—a subsidiary of Monster, Inc, that provides a performance continuum to meet the challenges of human capital management by helping agencies attract the best and brightest to meet the mission, assess potential candidates, streamline the hiring process, and manage performance.

> **MRF Consulting Systems, LLC**—a small business that supports federal agencies with qualified and highly experienced organizational and human resource planning and operations experts.

> **Signature Resources**—a small company that provides strategists in individual and organizational performance offering leadership development, organizational change, breakthrough improvement, strategic planning & communication services.

PRM Consulting, Inc.—a small firm that offers full service management consulting and outsourcing to include: organizational development studies and analysis, design of pay programs, executive searches, and diversity training.

International Computing Systems, Inc.—a small business that supports the strategy, design, testing, and deployment of personnel information systems and applications.

Aero Tech Service Associates, Inc.—a company that provides staffing and resources for information technology specialists.

National Academy of Public Administration—a non-profit Congressionally chartered organization for public governance (see description on previous page).