

Organizations Growing Leaders: Best Practices and Principles in the Public Service



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HUMAN CAPITAL SERIES

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in the Public Service

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The PricewaterhouseCoopers Endowment for
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F O R E W O R D

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On behalf of The PricewaterhouseCoopers Endowment for The Business of Government, we are pleased to present this report by Ray Blunt, "Organizations Growing Leaders: Best Practices and Principles in the Public Service."

This report is, in many ways, a sequel to Blunt's earlier report published by The Endowment, "Leaders Growing Leaders: Preparing the Next Generation of Public Service Executives." In both reports, he addresses the crucial question of how well the federal government is developing its next generation of leaders. In Blunt's first Endowment report, he examined four ways—as exemplars, mentors, coaches, and teachers—that individual senior executives can grow leaders within their organizations. In this report, he examines how government organizations can take on the same important challenge: developing the next generation of government leaders.

In "Organizations Growing Leaders," Blunt examines five organizations within the federal government—the Pension Benefit Guaranty Corporation, the U.S. Coast Guard, the Western Area Power Administration, the Veterans Benefits Administration, and the Social Security Administration—that have created exemplary development programs for their future leaders. While each has undertaken the task in different ways, all have demonstrated a commitment to providing future leaders with development assignments, training, self development, and other state-of-the-art leadership-development practices.

In the foreword to Blunt's earlier report, we noted the forthcoming wave of retirements facing the federal government. We reported that within the next five years, about 30 percent of the government's 1.6 million full-time employees will be eligible for retirement. We are now even closer to this increasingly well-known "wave." We trust that this report will be useful to all government organizations preparing the next generation of leaders to replace those who will be leaving.

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EXECUTIVE SUMMARY

There is a “quiet crisis” in government that involves people serving in the public service. It is real, it has the potential to seriously compromise mission performance, and it is upon us.

This report focuses on providing practical help to organizations seeking to solve one aspect of this people crisis—perhaps the key aspect—growing the next generation of public service leaders. The problems of succession loom large. Large waves of members of the Senior Executive Service (SES) are expected to retire in the next five years. Brand-new challenges requiring new leadership competencies and greater emphasis on leadership versus management are now being recognized. So far the response across government has not been adequate. But there are many pockets of great promise where agencies can learn what has been working. This research seeks to capture two things.

First, how do excellent organizations launch significant change initiatives to develop their leaders in the face of daunting cultural and practical barriers?

Second, what practices and underlying principles have been successfully used that can serve as lessons for organizations in the early stages of putting together a leadership development initiative or for those seeking to resurrect a moribund effort?

The findings are both striking and highly applicable. The organizations profiled here were able to launch a succession program because they tapped into a sense of importance that then became

urgency for action. The “imperatives” represent the ways that the different organizations sought to capulize the change urgency they faced and to create their own success story. These include:

- **The Succession Imperative**—The recognition that large numbers of senior leaders would need to be groomed to replace those retiring.
- **The Strategic Imperative**—The existence of major strategic mission challenges that call for new kinds of leaders to bring about significant change.
- **The Performance Imperative**—The failure—often very public—to significantly improve performance, which can only be addressed by growing far better leaders.
- **The Competency Imperative**—Related to the previous two imperatives, the articulation of new competencies for senior leaders, often broader and more oriented to leading people and leading change.
- **The Organization Champion Imperative**—The drive and energy of a single champion who early on identified at least one of the above imperatives and helped serve as a catalyst for other senior leaders.

The five exemplary organizations studied—Pension Benefit Guaranty Corporation, U.S. Coast Guard, Western Area Power Administration, Veterans Benefits Administration, and Social Security Administration—vary in size, mission challenges,

scope of responsibility, type of mission, and location. Each took different approaches to meeting the challenge of growing leaders. Some focused on one component of leaders—the successor cadre at the GS 13-15 (General Schedule) levels. Some focused on growing leaders at all levels including in their initial recruitment and orientation strategy. Individual cases bear a closer look. But the basic lessons and subsequent conclusions that emerged from each of these can be summarized as follows:

- Excellent organizations base their practices consistently on the proven principles for growing leaders.
- Excellent organizations make a business case for succession and leader development.
- Excellent organizations hold themselves accountable for results in growing leaders.

The findings also reveal some highly consistent practices used by the profiled organizations in growing leaders. These include:

- The use of senior mentors,
- The identification of behavioral leader competencies for development (in some cases, behaviors are graduated according to level of responsibility),
- The use of well-targeted internal training courses,
- Self-development study or reading,
- Exposure to the strategic agenda and to senior officials of the organization, and
- The use of individualized development plans.

In contrast to the better private sector organizations and to the research on how leaders develop over time, there are areas, even in the best public sector organizations, where stronger emphasis on growing leaders could bring even better results in the next two or three years. What has differed most between the two sectors has been the level of commitment to the strategic importance of people, in general, and of succession and leader development, specifically.

While it is a clear top priority for the private sector, for the federal government succession remains a work in progress as a practice *aligned to drive strategic intent*. For example, initial recruitment is one area where thoughtful targeting of future leaders can be affected. Another is the widespread use of and support for rotational assignments to develop for future leaders.

These principles and practices are critical for any organization launching a succession program. This report contains recommendations for individual organizations, as well as government-wide recommendations that emerge from this study that cannot be taken by any one organization alone. The President's Management Council would be a good place to provide overall direction for leadership development and accountability for action on the following:

Recommendations

For individual government organizations:

- (1) Each organization should base their succession and leader development practices consistently on the proven principles for growing leaders:
 - Challenging, job-based experiences selected by senior leaders as a development strategy;
 - The involvement of future leaders in a substantial way with senior leaders in the organization strategic agenda, as mentors and through real action learning team projects;
 - The use of Executive Core Qualification leader competencies as a template for development—those that are the same competencies by which senior leaders are selected and held accountable for (alignment).
- (2) Make a business case for succession and leader development and ground it in a real imperative that will urge action by senior leaders.
- (3) Each organization and their senior leaders must hold themselves accountable for results in growing leaders. This begins by involving key senior leaders right from the beginning, but it cannot end there.

For government-wide action:**For the President's Management Council:**

- (4) Provide a clear mandate to career Senior Executives to take the lead in growing their successors and incorporate this human capital initiative into a government-wide business case spearheaded by the President's Management Council.

For the Office of Personnel Management:

- (5) Make mid-level manager, senior leader, and executive mobility a requirement for assumption of future SES leadership responsibility.
- (6) Form a volunteer cadre of retiring Senior Executives and those who have already retired to consult back on a part-time basis to government organizations as coaches, teachers, and mentors of the successor generations.

It takes committed organizations to grow leaders and to respond to one of the most critical crises in government. And it takes leaders within those organizations and at the most senior levels in government to lead the effort. The outcome can certainly be a significant improvement in the public service and tangible results for the American people. The way has been outlined by the five excellent organizations profiled in this study; others need to follow their path.

Introduction

The “Quiet Crisis”

The crisis of human capital may appear to have stealthily crept in by the side door. Some may consider it the latest government fad or flavor of the month. Despite appearances, the human capital crisis is an old stalwart of long vintage. The unfortunate thing is that, “quiet” or not, it is real.

This report addresses one key aspect of the quiet crisis—providing for the succession needs of federal organizations. Or, to put it another way, what will it take for the public service to grow the leaders of the future it needs over the next five years?

This is in many ways a sequel to the report *Leaders Growing Leaders*,¹ which also spoke directly to the critical need to grow the next generation of public service leaders but as a central responsibility of *leaders themselves*. In light of extensive departures expected in the senior ranks in the next five years, the first report sought to show how some senior leaders had taken a leadership role to serve the next generation by acting as mentors, coaches, teachers, and exemplars. They were people who understood that leadership growth is best learned from and initiated by senior leaders. They sought to leave a legacy for others by the choices they made.

The key finding of the first report remains the key finding of this report: Leaders beget leaders. Or, as one person said, “To be a leader you must see a leader.”

This report builds on this initial finding and addresses two new questions: What are the excel-

lent organizations in the public sector doing to grow the next generation of leaders? And, what can we all learn from them? The five organizations profiled are ones that have not simply recognized the need for leadership; they are organizations that have acted.

The Symptoms

The Government Accounting Office (GAO) recently referred to government-wide human capital practices as a “high risk” area of concern. This highlights the gravity of the threat to the mission of government agencies if future leader development is not addressed.² The neglect of the people side of government has a long genesis, and the culture changes that are needed to resolve this crisis will not yield to short-term commitments.

Take just one cogent example that is indicative of a far wider problem. The Office of Merit Systems Oversight and Effectiveness in the Office of Personnel Management (OPM) recently released its findings on perhaps the most critical part of leader development in any organization, that of first-level supervisors. The results were termed “a wake-up call.”

Only four of the 20 agencies surveyed by OPM had formal leadership development initiatives for their beginning supervisors. A relative handful of these individuals received leadership development or supervisory preparation prior to assuming these positions.³

Of even more concern, almost half of the selectees for these initial leadership positions were not given

these leadership responsibilities because they possessed nascent leadership competencies but because they were the best technical experts.

Currently, leaders at all levels of government are often selected using criteria that are completely at odds with the new leader competencies needed today and in the future—flexibility/adaptability, accountability, strategic thinking/vision, and customer service.⁴

Some Remedies

It is not the purpose of this report to lay blame on any one source for the relative inaction of the public service in developing future leaders. Rather, the aim is to highlight the instructive lessons of some selected government organizations that have persevered with foresight and innovation, often out of the limelight, to begin preparing the next generation of leaders.

The purpose is also to again underscore that the strategic response is one that can only be led by senior leaders—leaders who grow leaders—and that it is well within the grasp of a concerted leadership effort by any federal agency given commitment and application of best practices. The exemplary organizations and their leaders examined here have shown the way for the rest of us.

The best practices (or, more precisely, lessons learned or excellent practices) offer learning opportunities for agencies that are beginning to engage the issues surrounding growing future leaders or seeking to revive a flagging effort. These lessons can be both a starting point and a roadmap of ideas and principles from which succession and leader development efforts can greatly profit—the lessons of practical experience.

But first a warning: Simply imitating these practices is not a complete blueprint for healthy leadership growth. Long-term cultural barriers must be identified and overcome.

The Importance of Culture

Change is the central task of the leader.⁵ Changing the culture of an organization, even in small ways, is highly difficult. Yet it is the culture of an organization that fundamentally shapes the nature and

intensity of such “soft” factors as effective recruitment of excellent young graduates, the climate (non-bureaucratic) for high-energy motivation, and the commitment to service that encourages retention of the top performers. It is such a culture that fundamentally produces consistent and superior results for the American people. This type of culture is shaped primarily by its leaders.⁶

As we will see, the excellent organizations in the private sector have recognized this central truth for many years now; however, it is still an insight not yet widely shared by the public sector. For government, far more reliance is placed on new forms of control systems, enhanced oversight, and the creation of job titles when dealing with organization performance problems. While this report will focus on practices and principles, the deeper implications of culture change are also implicit throughout and are briefly discussed in the next section. The importance to success should not be underestimated.

Approach

The following findings on five exemplary organizations have been drawn from interviews with senior organization leaders, succession program managers, and program participants themselves. In each case, I made site visits to the organizations and reviewed existing documentation.

The next section, “Launching a Succession Initiative,” is designed as a starting point for organizations considering launching a leader development initiative. Through studying the five organizations, it became clear that for most agencies, succession and leader development is not so much launching a new program as it is transforming an organization culture and its long-held assumptions—managing large-scale change. One of the toughest challenges organizations face is getting off the launch pad. The lessons from their experiences make the case for change: Why they took the first steps they did; why they were able to overcome organizational inertia; why they were able to overcome the current leadership myths embedded in so much of government culture.

“Lessons Learned” is a discussion in some depth of the “what” and the “how”—what each organization is doing and how they are doing it as they seek to

provide for the succession of senior leaders. This is a summary of the lessons to be learned from their experiences. It is intended to be practical in nature for use by any organization. It is also consistent with the principles contained in the latest and best research on leader development.

“Making Sense of It All” is a summary containing a comparison of the practices of the five public sector organizations as well as a brief contrast with the practices of the best businesses in America. This is another way to uncover the key success factors and the underlying principles for growing leaders. This analysis results in three key conclusions for action by individual public sector organizations.

The final section, “Recommendations,” closes the discussion with broader recommendations for government-wide change to resolve the leadership and succession aspects of the human capital crisis in the next five years.

Launching a Succession Initiative

This section examines two important factors in initiating the programs and practices to be discussed. First, there are barriers to change that exist in almost every federal agency, but most of them are seen here more as myths that the five exemplary organizations have overcome. Second, the reasons are examined regarding why a succession initiative could be successfully launched in these agencies by capitalizing on unique factors of urgency and/or importance.

Overcoming the Myths

For the past several years a number of sources of analysis, thinking, and experience have documented the tepid response of the public sector to the importance of growing leaders for the future. The impact that failure is having on the ability to continue to accomplish the public service mission is now a matter of record. What is not known is the response this knowledge will engender in the next two to three years. But if the past is prologue to the future, there may be unfortunately little reaction. How and why did these five organizations take a different and more successful course?

Past studies by the National Academy of Public Administration (NAPA) and others have identified the reasons behind such levels of inaction. The most frequent response to a 1996 NAPA survey as well as to other inquiries since then can be summarized: "It's the culture."

In his research on world-class organizations, Harvard Business School's John Kotter has identified what he refers to as a "leader-centered culture," an environment supportive of the time and effort to

grow leaders. He has concluded from his research that this is the key distinguishing factor in organizations that do an excellent job of leader development.

It would appear from both formal study and my own experience in teaching and coaching young leaders from across government the past five years that there is a strong consensus that an opposite type of culture may be a major—if not the major—impediment within the federal sector. While lack of funding, small rewards, and lack of political priority are also cited as factors, culture seems to be where it all returns. Is this just an all-purpose cop-out? I don't think so.

Where there are serious gaps between what is said and what is actually done (e.g., "people are our most valued asset," but when the budget knife appears training is cut first), we find clues to the existing people culture in government. These clues are what I refer to here as "myths." These myths are underlying barriers that the five exemplary organizations have had to overcome to engender the organizational energy and the funding for growing leaders as a change initiative. They are widely (and wrongly) accepted arguments that stand against the need for leader development, the need to base it on the factors that really grow leaders, and the possibility that such an investment in developing people will generate real results. These myths are explored in Appendix I.

Initiating Change: The Imperatives

If there are deeply held cultural myths about growing leaders, why were these five exemplary organi-

zations able to overcome these entrenched assumptions? And, why did their agencies make decisions to take such relatively bold steps to initiate an organization-wide response to developing future leaders? The answers are that they tapped into a real, immediate sense of urgency.

In brief, these are the factors—the change-urgent imperatives—which were discovered (either in combination or separately) when examining the launching of leader development initiatives by the five agencies.

1. **The Succession Imperative.** In almost all cases, the strongest imperative for action was the glaring visibility of the number of senior leaders who would likely depart within the next five years and an understanding of the implications that this held.
2. **The Strategic Imperative.** Each organization, in one way or another, made leader development a strategic decision that was reflected in official strategic plans submitted with the annual budget. While not all decisions reflected line-item funding, the substantive presence in the strategic plans did indicate that senior leaders made an intentional decision, which served as a “blocking back” when contrary voices were later raised.
3. **The Performance Imperative.** Environmental factors (e.g., competitive challenges, changing agency roles, industry changes) and current dissatisfaction with organizational performance from external sources (e.g., GAO, Congress, Office of Management and Budget, interest groups) led to a positive response to focus on developing leaders as part of the strategy.
4. **The Competency Imperative.** Closely aligned with the Performance Imperative was the recognition that the changing landscape for performance also required a change in the type of leader being developed. This was consistently seen as a leader with the competencies of the new Executive Core Qualifications (ECQs)—leading change, leading people, results driven, business acumen, and building coalitions. In short, a broader based type of leader with more sophisticated “soft” skills and less emphasis on technical expertise.

5. **The Organization Champion Imperative.** Finally, in almost all instances, there was a clear initiative taken by a senior leader who stood behind the initial impetus for change and allowed leader development to be on the strategic agenda and to be associated with needed strategic change. That key leader also had a strong strategic partnership that developed either with a staff organization or with a specially convened group that developed the initiative for implementation.

Taken together, these offer organizations a beginning point for launching change. It is often the lack of urgency, the absence of what some like to call a “burning platform,” that often dooms good ideas for change from getting airborne. Having launched such a change initiative, what practices and underlying principles do these organizations have to pass on to others who are in the early stages of change?

Five Exemplary Organizations: Lessons Learned

Regarding the five organizations discussed in this section, I offer the following framework to give context and meaning to the the “lessons learned.”

- An overview of the *Mission Challenge* that each organization faces.
- The *Approach* taken (or strategy for change) once the change imperatives had driven an organizational launch.
- A *Description* of the succession and leader development programs.
- A more detailed look at the *Lessons* that can be learned from the particular efforts of the individual organizations.

Their practices are offered not so much for complete emulation, but to understand that they are based on sound principles that contain certain truths and that they have been adapted to the particular challenges, culture, and realities (e.g., resources) of each of the organizations.

These organizations range in size from large to small. Some are highly technical or engineering organizations, some in the human services business, and some are in the business of law enforcement and national defense. It is likely that there are instructive lessons for almost any government organization, and that, of course, is the purpose. We begin with one of the smaller organizations.

Pension Benefit Guaranty Corporation (PBGC)

Mission Challenge

PBGC has the mission of protecting participants’ pension benefits and supporting a healthy retirement plan system. It employs just over 700 employees and several hundred contract workers, primarily actuaries, accountants, auditors, pension law specialists, and general attorneys. These individuals have highly technical backgrounds and tend to remain within their functional areas for the duration of their careers with PBGC. The corporation falls under the aegis of a board of directors chaired by the secretary of labor, but functions day-to-day as a relatively independent agency.

Early in 1999, the PBGC strategic plan set four corporate strategic goals. While the first three reflected operational, service, and financial long-term priorities, a fourth identified the importance of improving internal management, which included a decision to launch a succession management initiative to respond to projected widespread retirements:

Working with senior staff, begin to implement a well-regarded Succession Management Program.

It would be more than two years before the pilot program was officially launched.

During interviews, many of the senior leaders articulated the importance not only of replacing so many potentially departing leaders but also of developing new leaders with new leadership skills. These new competencies would include strategic thinking, team skills, customer service focus, and interpersonal competencies.

Approach

Chief Management Officer John Seal assigned the succession management corporation objective to the human resources department under the leadership of Sharon Barbee-Fletcher. She tasked the Training Institute (Karen Lunn, project director, and Dr. Ellen Roderick, institute director), with designing and implementing the succession program. John Seal then championed this initiative for the executive director as the project went from design to implementation.

In turn, a seasoned group of cross-organizational managers served as a work group to develop a succession program based on principles that would best apply to the culture of PBGC. They also used an outside consultant for technical assistance, conducted extensive research, and benchmarked the Social Security Administration (discussed later in this section).

The work group members made several presentations to a wider circle of the senior leadership and to potential candidates regarding the succession program's design and scope. That collaborative process took more than one year from inception to the launch of the pilot and included an open invitation to eligible applicants.

The initial response of the eligible pool of managers was quite limited and, in retrospect, reflected that the limitation of eligibility to one component of the organization as a pilot sent a confusing signal. In addition, skepticism about the extent of senior managers' support and the extra work that would ensue for participants were other factors contributing to the initial tepid response. This resulted in a cancellation of the original pilot and some rethinking of strategy before the pilot was reinitiated on a wider scale.

Description

The Leaders Growing Leaders (LGL) succession program is a systematic approach to develop a pool of future leaders that begins with selection of a few participants from a pool of voluntary applicants (over two dozen applied in the first phase). The initial pilot was open to all individuals in the GS 13-15 grades in non-bargaining union positions. A Senior Leader Review Board (SLRB) which represented a broad range of operational and staff disciplines accomplished selection of the seven LGL program candidates.

Once selection was made, each participant selected a senior advisor who would work with the participant to develop an individualized plan for development over the course of the next two years. The individual plans themselves were expected to be based on the candidates' 360-degree Leadership Assessment and reflect six components that the PBGC work group and the SLRB agreed were all essential to future leader development:

- *Action learning.* The team of candidates is expected to work on a "hot" strategic issue as a team and to work with senior leaders to provide a solution for a corporate decision and implementation. The issue is selected by the SLRB from actual strategic issues of the corporation.
- *Challenging work or job assignments.* Short and longer-term assignments outside the candidate's organization experience are used during the two years to broaden learning and are made in conjunction with the SLRB, the supervisors, the participants, and their mentors.
- *Regular interaction with the senior advisor.* Acting as both coach and mentor for the duration of the program, these individuals play a key developmental role. They are selected for being able to provide exposure to the senior-level strategic agendas and decision forums.
- *Leadership training.* Individuals are to identify online, on-site, and external training opportunities as their developmental needs dictate. Funding may be by the sponsoring organization or through the Training Institute or some combination.

- *External programs.* The Council for Excellence in Government (CEG) Fellows Program comprises much of the first developmental year for the candidates. This includes a team action learning results initiative, extensive organizational benchmarking, and exposure to other Fellows and senior leaders across government.
- *Self development.* Consistent with much recent learning about leader development, a strong emphasis has been placed by PBGC on individuals taking responsibility for their own development through, for example, professional reading programs, involvement as a community leader in church or nonprofit organizations, and attendance at professional seminars.

Lessons

There are a few factors that stand out in the approach PBGC has taken that are important for other agencies to consider.

1. *Involve senior leaders in leading the initiative.* What particularly stands out in the PBGC example is perhaps the central principle of any excellent succession and leader development initiative—the active involvement of senior leaders in the effort.

That lesson of the importance of the senior leader role came from the less than successful experience in the application process for the initial pilot. Enthusiasm and commitment had not spread beyond the line and staff members of the work group and the chief management officer, and a few others in the Training Institute. With the relaunch of the program under the rubric of Leaders Growing Leaders, a determined effort was made by several senior leaders to encourage the potential candidates. That effort and the widening of the succession program to all non-bargaining unit employees at the GS 13, 14, and 15 levels produced a far wider pool of potential candidates. Then with the successful relaunch, the SLRB was constituted, comprised of six committed senior line leaders, and a group of senior advisors was recruited—one mentor for each candidate.

The PBGC training director then ensured that the board itself received training in its role and in the ideas behind the concepts of the program, and did the same for the senior advisors in separate and joint

sessions. This has produced a strong cadre of senior leaders who are already demonstrating that they are in this for the long haul, and not deferring the selection process, candidate assessments, or individual development plan (IDP) development process to a staff. The deep engagement of these senior leaders is a good indicator of longer-term success.

2. *Build on existing success.* A second key aspect, perhaps in retrospect, is that PBGC already had some important components in place that had paved the widening of an effort to grow leaders. Rather than jettisoning these, they were incorporated.

For three years, PBGC has had a strong mentoring program pairing several senior leaders with employees who express a desire for mentoring. The corporation has also been using a form of action learning in the composition of what is called a REACH program, using cross-functional teams to solve problems and to learn from their wider involvement in the life of the organization. Another component in place was the existence of a leadership competency model designed for PBGC leaders along with a 360-degree Leadership Assessment linked to the competencies and customized to PBGC leadership situations. All of these were incorporated as key parts of the LGL Program.

3. *Make it part of the strategic plan.* It has been vitally important to have the organization's commitment to developing people and to a succession initiative as a strategic plan initiative—particularly when the initial impetus stalled.

That visibility and the alignment of these as strategies that will help drive the mission have given the work group and the organizational champions leverage to make things happen despite initial disappointing results.

4. *Emphasize leader learning from challenging experiences.* The commitment to a design that emphasizes challenging, cross-organizational job-based experiences and action learning as the central learning factors is also extremely important as a principle for emulation.

What PBGC anticipates (beginning in this first year and accelerating in the second year of the program) is that candidates will have an opportunity for cross-

organizational assignments. That will allow them to do substantive work in other areas of the organization. It will also allow others to step into their shoes for a time and to be similarly stretched—an unanticipated developmental product.

Participants will also be included in task forces, in teams for strategic learning, and in senior forums such as strategic planning meetings and budget reviews. There may be temporary assignments to other agencies, such as the Department of Labor, for wider learning.

The CEG Fellows program is also an opportunity for a team action learning project and for exposure to real experiences in private and public sector organizations through benchmarking and working with a larger team of 25 or so Fellows from different government agencies.

We turn now from an excellent example of an individual succession program to examine a strategic response to leadership at all levels in the Coast Guard.

U.S. Coast Guard

Mission Challenge

The U.S. Coast Guard has been charged with a complex mission—lifesaving and helping to make the coasts both safe and secure. This includes boating safety and search and rescue, aids to navigation, maritime safety, inland bridges, and even lighthouses. The Coast Guard also has responsibility for coastal security and national defense, including the growing need to interdict drugs, monitor for illegal immigration and counteract terrorism. Its domain consists of 95,000 miles of coastline and 3.4 million square miles of ocean and all inland waterways, ports, and harbors. It provides coastal and waterway defense in the event of an attack on the homeland. Finally, its complex portfolio embraces pollution enforcement and prevention as well as inspection of ships for potentially harmful contents and seaworthiness.

Unique within the armed forces, the Coast Guard is located within the Department of Transportation during peacetime but falls under Department of Defense during a declared war. In an otherwise

civilian department, the Coast Guard competes for resources and priorities within a different milieu than the other armed services—both an advantage and a disadvantage. Also somewhat unique to the Coast Guard is the presence of an enormous cadre of volunteers, the Coast Guard Auxiliary, with over 35,000 members who primarily reinforce the boating safety mission. The Coast Guard has approximately 35,000 uniformed people and 6,000 civilians augmented by 8,000 Reservists, for a total of nearly 85,000 people.

The Coast Guard has recently received plaudits for its exceptional efforts at defining and achieving results under the Government Performance and Results Act requirements and is generally considered one of the best managed and led organizations in government today. We turn now to the challenges that have impacted its approach to growing leaders for tomorrow.

Approach

The increasing complexity of its mission (and competing resource decisions) was probably the key impetus for a reinvigorated leader development approach. The Workforce Cultural Audit, conducted from 1995 to 1997, was a catalyst for identifying a number of changes that were needed in the arena of human capital and leadership development. In addition, a Training Infrastructure Study pointed out how the gaps identified could be closed through a range of improvements and changes.

These factors led to the creation of the Leadership Development Center and, on a broader scale, to an emphasis on people as a top strategic priority for the Coast Guard as expressed in its strategic plan and associated budget. Development of the competencies of all of its people to needed levels, recruiting for a full strength force, and retaining the right levels of knowledge and experience are expressed as priorities second to none.

The Commandant, Admiral James Loy, has also been clear that the Coast Guard can no longer take on all additive missions and that an honest calculation of workload versus resources needs to be a part of the thinking for the future if results are to be retained at current levels. How did this vision for change impact the Coast Guard leader development strategies?

In late 1997, the Coast Guard announced a decision to consolidate all leadership development training into one location as a center for excellence—what was to be called the Leadership Development Center (LDC)—on the grounds of the U.S. Coast Guard Academy in New London, Connecticut. The decision to integrate all leadership development activities and to encourage synergy among leader program planning arose out of the goal to provide leadership and a working environment that enables all people to maximize their full potential and the Coast Guard to maximize mission success.

This strategic decision led to a number of subsequent actions that are now playing out in what the private sector would refer to as a “corporate university” environment—even though a good deal of training is provided off site. The co-location of leader program planning with a good portion of the leader training for officers, civilians, enlisted, cadets, and other officer candidates on site provides an opportunity for generational and experiential cross-fertilization that is rare in government.

Description

The mission at the LDC, currently under the command of Captain Margaret Riley, is threefold:

- Prepare Team Coast Guard (all components of the Coast Guard) to demonstrate leadership competencies and live the Coast Guard core values;
- Support Coast Guard units through service-wide leadership and quality development efforts; and
- Identify future organizational needs and requirements through ongoing research and assessment.

The core values of honor, respect, and devotion to duty and the 21 leadership competencies have been aligned with the new Coast Guard strategic direction as well as to its historical mission of service. This is the central organizing principle that allows integration of each of the programs and courses run at the New London LDC and in leadership courses given on site at various locations around the country. It also allows the LDC to serve as a clearinghouse for information on leadership

for the entire Coast Guard and to be a valued research center on new approaches to leader development.

The various leadership programs under the LDC have been designed to be just-in-time, at key transition points in people’s careers, when new command challenges lie ahead or when new operational and leadership challenges are anticipated. This is in addition to programs of accession into the Coast Guard such as the Academy.

Thus the leadership programs offered at and through the LDC include separate preparatory courses for rising chief petty officers and chief warrant officers, initial leadership development for mid-grade civilians (GS 12-14), a one-week Leadership and Management School for civilians and military (currently offered 48 times each year at the unit level in the field), and two-week leadership schools for prospective commanding officers and other leaders.⁷

The LDC also provides resources to leaders for growing leaders in the field through an online source of leadership lesson outlines in what is referred to as a “cookbook” approach offering 10 leadership modules. The design is aimed at simplicity so that material is easily taught through a Socratic or coaching approach, discussed among the participants, and integrated with work in real-life applications.

A sample of these modules includes: Followership, Teamwork, Personal Ethics, and Leadership Competencies. For example, a module is included that integrates a viewing of the film *Apollo 13* with a series of questions about how leadership is demonstrated from this real-life historical dramatization.

Another example is an online learning module entitled “So You Want to Be a Mentor (Or Find a Mentor)” —which includes methods of learning for beginning an eight-step mentoring program locally and training for being a mentor or a mentee.

In short, what the Coast Guard has done is to mount both an integrated and a strategic approach to leadership development that is concerned with its cultural distinctives (core values) and essential leader competencies at all levels of the organization.

Lessons

The Coast Guard has distinguished itself among federal organizations in the results it has accomplished and in the overall excellence of its management. But despite good results, the initiative to focus more acutely on the people side of the Coast Guard—and more particularly on growing its leaders—has brought about a number of changes in the last four years that are still being integrated and widened in reshaping not only methods but culture. Lessons learned from the Coast Guard's experience include:

1. *Make people and their development a top priority in the strategic plan.* Coast Guard's strategic plan and budget make it very clear that people are the top priority. This starts with Admiral Loy, himself. Despite resource constraints that affect all government organizations, this choice of people (not technology or capital expenditures) has been central over the past several years and continues to be revalidated by the USCG Leadership Council (a high-level committee that supports the Commandant on leadership initiatives).

The groundwork was laid for this in the mid-1990s with the initiative of the Workforce Cultural Audit under the direction of Admiral Loy, who was then the assistant commandant for human resources. The Coast Guard has consistently made people a top priority in a visible way, backing it up with action plans, resources and specific steps over the past five years, including establishing the LDC.

2. *Focus on organization socialization as well as individual development.* The establishment of a corporate university approach to leader development offers the potential for what some organizations refer to as "socialization"—an emphasis not entirely on leadership as a skill set, but on leadership as an embodiment of core values in behavior and as a set of aligned competencies that are common and expected for leaders at all levels.

Leader and organizational socialization is about an emphasis on reshaping the organization milieu toward a leader-centered culture. A corporate university also capitalizes on a synergy of effort what the Coast Guard calls "leadership across the curriculum" in all Coast Guard training courses.

In contrast, the dominant form of leadership development in the federal government today is an ad hoc approach that relies upon serendipity for success and on the assumption that leader development consists of attending leadership courses. By consolidating leader development program planning and many of its leader courses under a single organization at one location, the potential exists for the Coast Guard to achieve what they have begun namely, to bring together leaders at all levels, to share a common philosophy (centered on the USCG core values and 21 leadership competencies) of leadership and public service, and to have ongoing involvement of line managers as teachers and contributors to the curriculum.

The Coast Guard also has established a unique opportunity for young people in the process of becoming members of Team Coast Guard to learn from those with experience in an interactive setting. That opportunity for interaction among cadets, officer candidates and line managers is still a work in progress, but it is far beyond what even the best private sector companies are able to offer through such programs as summer internships.

The use of a corporate university model also has allowed the Coast Guard to develop online materials for empowering leaders to grow leaders throughout the Coast Guard.

3. *Provide senior leaders tools and the incentives to grow leaders.* The presence of user-friendly online leader development programs provides a means for senior leaders to grow other leaders in the field and on board ships. Similarly, the opportunity to establish formal and informal mentoring programs throughout the Coast Guard has a great potential for shaping a leader-centered culture and is a powerful means of leadership development. The establishment of the Commandant's Leadership Advisory Council (LAC) has been instrumental in spearheading some of these initiatives and in demonstrating the importance and expectations for other leaders.

What is excellent here is the practicality of the leadership development program—conducted by leaders themselves (not trainers or consultants)—for units in the field. Another plus is the way in which the Coast Guard solicits real involvement and input in the evolution of the curriculum by establishing what

amounts to a budding community of practice. They have established a web-based compilation of leadership development practices that are currently being used (hence field-tested) and have been placed online for use by others across the Coast Guard. Currently, 27 such “Proven Initiatives” are available under the categories of Leadership, Professional Development, Training, Education, and Other.

The underscoring of expectations for line manager ownership of leader development is an outcome of the formation of the LAC. This group, representing all levels of the USCG, has been charged by the Commandant with gathering leadership development concerns, evaluating the Coast Guard leadership development programs, and disseminating information back to the field. The Proven Initiatives project is one of the innovations under the auspices of the Leadership Development Center.

4. *Make self-development a key part of leader development.* The emphasis on self development as a responsibility for all leaders in the Coast Guard has been enhanced by support of the LDC.

The generation of extensive leadership reading lists available to all people online is one tool that has been developed through the LDC. Another leadership self-development activity includes encouraging mentoring and giving practical advice on selecting a mentor. The LDC also sponsors a leadership essay program for individuals to share their practical leadership insights and to reward the sharing of earned wisdom.

The point here is not so much the tools and programs themselves, but the principle that self development is more and more expected of leaders and is not solely an organization or programmatic effort.

The Coast Guard provides an excellent example of a corporate and strategic approach to the challenges of leader development. Organizations with neither the size nor the resources that the Coast Guard possesses nevertheless have ample means at their disposal to tackle this critical need. The Western Area Power Administration is just such an exemplary organization.

Western Area Power Administration (WAPA)

Mission Challenge

The Western Area Power Administration is a business-type organization under the aegis of the Department of Energy. Michael HacsKaylo is the administrator and initiator of the recent emphasis on succession and leader development. WAPA's responsibility is to deliver power for commercial use from federal hydro-generation dams and the 56 power plants of the Bureau of Reclamation, the U.S. Army Corps of Engineers, and the International Boundary Water Commission. As such they own and operate the third largest high-voltage transmission system in the United States. The 17,000 miles of transmission lines span the upper Midwest to the Southwest and out to California in the West (15 states total), delivering electricity to over 600 transmission wholesale customers, primarily for use during peak-hour needs of their millions of customers. They have almost 1,300 employees and 250 contract workers and generate gross operating revenues of almost \$900 million.

The mission of WAPA is to market and deliver cost-based hydroelectric power and related services. It has a vision of becoming a premier marketing and transmission organization (their core business functions). Their core values are stated as:

- Treat each other with respect
- Live up to your commitments
- Take pride in what you do
- Work as a team

In an era of reemerging focus on energy and low cost measures, WAPA stands at a strategic point.

Approach

Two factors provided the urgency for and the shape of a change strategy. First was a 26 percent employment downsizing in 1995. This produced not only anxiety but also the realization that an incredible amount of knowledge would be lost. In the process of holding focus groups with employees, the issues of developing the people who remained became more acute.

But WAPA also had a cultural barrier to overcome—assumptions about a past management development program that was viewed as less than successful. With the downsizing and reengineering in 1995 came the elimination of the management development program, which had been seen by many employees as for the “anointed” few as well as simply a career “ticket punch.”

Second, there was a change in the nature of the business environment. Energy markets became both more complex and more competitive. WAPA had to become leaner in costs and more mature in their customer service skills. As a result, the strategic plan reflects three major goals around products and services, people, and industry. The people goal is to:

Recruit, develop and retain a safety-focused, highly productive customer-oriented and diverse workforce.

Curiously, even though the succession program is now in its second year, it is mentioned only tangentially in the Strategic Plan and Performance Plan for 2001. The explicit way in which growing leaders is an aligned strategy is not clear yet.

Description

In the wake of downsizing and a competitive business climate for energy, WAPA felt it needed to better understand the organization climate. An organization-wide employee survey and a series of focus groups began to identify the need for leader development, but employees also identified the cultural barrier of anointing the chosen few, as discussed earlier. The insights gleaned from extensive interaction with employees at all levels began to give shape to the succession program design.

The administrator also held a number of sessions with the senior leadership team on the importance of their support for a succession initiative, especially in making available opportunities for details and job rotations for developmental purposes. He made a strong *business case* that would be key to the rationale for this new initiative. This was a critical insight because in a cost-competitive atmosphere, unnecessary overhead costs directly impact customers and WAPA's competitive position.

In October 1999, WAPA publicly launched its Management Succession Program (MSP), identifying a different set of competencies needed in future leaders—skills well beyond the technical qualifications that had previously been considered central. The focus on customer service, and the need to create an organizational climate that would be felicitous for recruiting and retaining the employees needed within a competitive labor market, began to shape the nature of the program design. Included were the Executive Core Qualifications (Leading Change, Leading People, Results Driven, Business Acumen, and Building Coalitions/Communication). In addition, WAPA developed what are referred to as Western-Specific Competencies—Financial/Management Systems, Power Marketing and Operation, Utility Industry, Maintenance, and Safety. It also benchmarked other organizations and did extensive research to understand how best to put a succession program in place for its unique culture.

The Department of Energy was also taking initiative to begin a department-wide succession program, and WAPA staff members participated in these plans and discussions. However, when it became apparent that the department-level initiative was bogging down, WAPA made a decision to move ahead rather than wait for a comprehensive plan to emerge. This was a factor in beginning with a fairly streamlined approach that fit not only the WAPA culture, but also the exigencies of the staffing situation and the need to move ahead with alacrity.

The MSP emerged as a three-year voluntary, primarily self-directed program open to *all* employees who hold a permanent management, supervisory, or team leader position within WAPA. Funding for development and training comes from the individual offices of participants, except for group-wide training that is prorated among all organizations and funded centrally.

Now in its second year, it began with 37 participants from offices around the region with six participants dropping out of the program in the first six months. Since the initiative did not include a selection process, it was able to begin rather quickly after the announcement and application cycle.

While the general thrust is for self development and direction, the program office in the Lakewood, Colorado, headquarters does provide some support as well as overall management of the program. For example, the initial identification of strengths and developmental needs began with a 360-degree feedback process, soliciting feedback from supervisors, peers, and subordinates relevant to the 10 leader competencies. Also, there are group training opportunities approximately once each year for all MSP participants. However, it is the responsibility of individuals to search out advisors, coaches, and mentors on their own.

The development for each individual is set forth in an Individual Progression Plan (IPP) for the three years of the program. Activities are tied to the development of the leader competencies and are subject to supervisory approval. Development activities and challenging job-based experiences are stressed over training, which is viewed as only a supplement, and are focused on gaining new experiences and demonstrating results. In essence this is a “trial by fire,” but one that the individual develops. The type of activities that are expected in a good IPP (as outlined in the MSP guidance) would include:

- Details to other parts of the organization
- Temporary assignments and lateral job changes
- Serving as team lead or chair of teams or committees
- Participating on special projects
- Volunteering to act in vacant managerial positions
- Volunteering for leadership in community or church organizations
- Attending off-duty classes
- Professional reading
- Use of videos, CDs, etc.

In addition, the importance of geographic mobility for developmental experiences is stressed and expected.

There are four training courses that are mandatory for each participant, covering diversity, sexual

harassment, hiring, and other personnel practices. There is also a mandatory reading list of documents pertaining to WAPA (e.g., the strategic plan).

WAPA also has used a limited team project focused on improving effective project management as an action learning component.

A semi-annual self-evaluation provides accountability for progress against the IPP and is submitted to the supervisor and to the senior manager. Corporate Training Director Ann Capps reviews the accomplishments and progress in development. The WAPA administrator also maintains a review of the development activities of the participants to ensure that senior leaders are supporting mobility and challenging assignments.

Lack of progress by the individual is one criterion for removal from the MSP as is removal from a managerial position. Completion occurs when all of the developmental activities in the IPP are accomplished within a three-year window.

Lessons

While relatively young, WAPA’s program has incorporated some unique factors into its MSP design and into its own culture that are noteworthy for a smaller organization considering how best to begin.

1. *Initiative by the senior leaders of sub-organizations is important in a large, complex organization.* The initiative and support of the administrator for a succession initiative has been key, as has the decision to proceed ahead of the slower moving initiative of the Department of Energy.

This is a common thread for all excellent succession efforts. For administrations, bureaus, or other types of sub-cabinet organizations, the politics, complexity, and accompanying inertia of a department-wide effort may likely call for initiative such as this when a need clearly exists. Large organizations also should resist the temptation to centralize succession programs where unique cultural factors exist and where individual initiative is moving ahead effectively.

The administrator not only took the lead in launching the leader MSP development and succession

initiative, but also has continued to do so. He frequently encourages his senior leaders, ensuring they are fully supportive of cross-functional assignments and engaged in monitoring individual progress. He also conducts conference calls with the program participants during the year and teaches courses in law and congressional relations. Moreover he and many of the senior leaders act as mentors for the participants.

2. *Voluntary “selection” can be effective in succession if done wisely.* The voluntary nature of the MSP is a fairly unique approach that offers both strengths and potential weaknesses.

For organizations contemplating launching a succession effort, a “whoever will come” approach makes such a launch occur more quickly and produces a larger talent pool.

In comparison, the PBGC launch of its succession program took longer to get to the starting line because of the time needed to agree on a central program design and because of the concern over any possible perception of favoritism for a particular office. In addition, managing the selection process required time for scheduling, executing, and counseling non-selectees.

The better programs in the private sector take the approach of focusing on the so-called “hi-pos”—high potential candidates—only. Simply because of the effort needed to manage such a program, most for-profit organizations make the practical and cost-beneficial decision to limit the pool being developed to the likely top candidates for future leadership.

The downside of the WAPA approach is that 15 percent of the voluntary participants have already dropped out, which may point to a number of factors that a more rigorous selection would have identified. Even in this streamlined approach to program design, managing over 30 individuals through some of the developmental and assessment activities is time-consuming for a small office and may not pay off for all participants or for the organization. However, the dropouts from the program that WAPA has experienced may be a less painful way to eliminate those lacking the necessary qualities.

3. *Self-development is an important component of any succession effort.* The predominance of self-development in the WAPA MSP design offers great benefits; however, it does have some risks as well.

By relying on individuals to develop their own program of leader development, WAPA has tapped into the initiative of future leaders. This is one method of sorting out those who are truly potential future leaders and willing to pay a price, from those who may realize that leadership is simply not their calling and at a low organizational cost. This may also prove to be a greater factor in self-motivation than a designed program would produce.

It should also be noted that the WAPA program for succession and leader development is not completely random nor is it subject to whim, but is firmly anchored in challenging job-based experiences and the 10 leader competencies. In short, it employs the research findings on how leaders are best grown.

The approach, however, places greater emphasis on the review process by supervisors and senior managers to understand the gaps in the individual’s development and the kinds of experiences best suited to close those gaps. Some senior leaders understand this well; others likely do not, and in those cases the corporate training director is the one tapped to play this role.

4. *Accountability is needed for assessing progress.* WAPA has a system of accountability that is reasonably strong and is an important factor in identifying individual progress. Too often, leadership development is simply seen as completion of a program.

The system of accountability is a strong incentive for individuals to make the time to attend to their “important” development agenda in the face of sometimes “urgent” time demands on the job. It also invests supervisors and senior managers in supporting the development of their MSP participants and gives visibility to individual outcomes. While this may somewhat beg the question of the wider organization performance outcomes it nevertheless, has teeth and is an important factor in ensuring success.

The administrator related that he can already see results, with individuals taking on far broader responsibilities, seeking on their own to develop a strategic sense of the business, and working effectively with many stakeholders, including Congress.

5. *Job-based challenges must be supported by organizational mobility opportunity.* The emphasis on the importance of job-based experiences and the support for mobility in effecting these developmental experiences is a key WAPA insight and one that borrows from the research and best practices of outstanding organizations.

The Center for Creative Leadership has had a strong influence on the design of most of the better leader development programs in the country. The use of varied, challenging job experiences is the single most important method of developing leaders. This addresses one of the particular needs of WAPA that other organizations may have—a relatively constrained budget for more formal, albeit less effective training.

The fact that real work (challenging, outside the normal experience) is the foundation for leadership learning makes such measures very cost-effective. It does place greater emphasis on the “learning” aspect of such activities by requiring that participants discuss them with experienced leaders or observers to ensure that strengths and weaknesses are identified and that the lessons learned are raised up for future application in future assignments.

We turn now to a larger social service organization—one with a more traditional government role in the processing of claims, counseling clients, and providing financial entitlements—the Veterans Benefits Administration.

Veterans Benefits Administration (VBA)

Mission Challenge

The Veterans Benefits Administration is one of three lines of business (health care, and burial and memorial service being the other two) in the Department of Veterans Affairs. This cabinet department is the second largest department in number of employees. The VBA is responsible for the adminis-

tration of services in the areas of disability payments to former servicepersons and their families as well as pensions to impoverished former military and their survivors, the guaranty of home loans, the provision of educational assistance, and the management of insurance programs and vocational rehabilitation for those disabled in service. It has approximately 12,000 employees located in 57 regional offices in every state, the headquarters office, and at a dozen military discharge centers. VBA is responsible for a benefits budget of over \$30 billion, most of it entitlements. It serves over 3 million former military members and their families (out of a total living veteran population of approximately 24 million).

In recent years, VBA has been the target of several critical congressional hearings fueled by veterans and service organization complaints and by external, independent reports from GAO and the National Academy of Public Administration. These criticisms have targeted VBA’s continuing poor levels of service, the slowness of its benefits claims processing, the mounting backlogs of disability claims that have frustrated claimants’ needs, and the mismanagement of its automation projects.

All of these sources of concern implied that leadership was in need of significant change. One report found that new automation and reengineering efforts were still likely to fail without significant human capital improvements and far stronger leadership. It was in that climate that five years ago, a well respected career Senior Executive, Joe Thompson, was elevated to the under secretary position from which he has sought to transform VBA.

The transformation of VBA has been centered on a grounding in its historic core values, of which VBA had lost sight. A central theme has been rekindling an awareness of the long history of assisting the men and women who fought for this country going back to the Revolutionary War. The leadership development strategy falls within that recommitment.

Approach

The approach to transformation, referred to by Under Secretary Thompson as “The Roadmap to Excellence,” has been an emphasis on service to people, streamlining and improving old-line

processes with a strong team component, shaping the culture to embed different attitudes and, particularly for our interest, new leadership and technical competencies that will help drive these changes. Thus, succession is one of the key components of the roadmap.

These improvements are characterized most clearly in the vision core values for VBA established three years ago:

Our **vision** is that the veterans whom we serve will feel that our Nation has kept its commitment to them; employees will feel that they are both recognized for their contribution and are part of something larger than themselves; and taxpayers will feel that we've met the responsibilities they've entrusted to us. Courage, honesty, trust, respect, open communication, and accountability will be reflected in our day-to-day behavior.

VBA used a highly collaborative process in developing a set of 10 core values that would characterize employees interactions with veterans and with each other and which are expected to be modeled by leaders. Four of the **core values** are especially relevant for a discussion of what VBA has taken as a new tack in its leader development and succession initiatives:

- We foster an environment that promotes personal and corporate initiative risk-taking and teamwork.
- We are open to change and flexible in our attitudes.
- Respect, integrity, trust, and fairness are hallmarks of all our interactions.
- We value a culture where everyone is involved, accountable, respected, and appreciated.

The establishment of a function dedicated to the development of people—technical training, general managerial, and leadership development—was a key element of this change. The formation of the Office of Employee Development and Training (ED&T) and the selection of Dr. George Wolohojian as its first director were the first initiatives taken in response to the needs expressed.

VBA also established the Veterans Benefits Academy in Baltimore, which focuses on non-technical and leadership/management training and development, and the Technical Training and Evaluation Staff Office, located in Orlando, which focuses more on technical and computer-based training.

Description

The general thrust of the development efforts by VBA has been toward building a learning organization in response to the climate of change—embedding the notion of continuous learning throughout one's career as a central feature.

The more formal leadership development approach is centered on a competency-based model to meet VBA's leadership succession planning requirements with a consistent set of competencies for both development and assessment of leaders. While the same generic competencies attend at each level of leadership, their expression in leader behaviors is progressive over time. VBA has used the five Executive Core Qualifications (ECQs) as a basic foundation, but added two of their own that apply to their change requirements—Professional and Personal Growth, and Customer Service. (See Appendix II for further discussion.)

The VBA leadership succession program is presently comprised of four (and ultimately five) levels or phases of leadership development, from initial high-potential management candidates to SES development. This approach underscores the importance of continuous and progressive leadership learning. ED&T has developed these programs under the broad direction of the VBA Leadership Steering Group, comprised of senior executives and managers.

Each of the four current leadership development programs features some basic leadership learning principles and methods:

- individual and team action learning projects
- formal classroom training
- cross-functional and shadowing assignments
- mentoring
- stress on self-development actions

The VBA Succession Pyramid

Challenge 2001—While not entirely a leader development program (this would be closer to an organizational socialization initiative), this is intended for the hundreds of recently hired employees as well as others. It aims to foster a deeper awareness of VBA's historical/cultural mission in serving veterans, start to build communities of practice and learning, and begin the practice of continuous learning.

The five leadership development programs are:

- **Leadership Enhancement and Development (LEAD)**—for selected high-potential employees at the GS 9-12 level, providing exposure to the major strategic issues of the organization and using action learning team projects as a centerpiece of leader learning. The 25 selectees meet for a week at a time, three times during the nine-month program.
- **Introduction to Leadership**—includes a basic understanding of human resources policies and practices and a labor relations component for new or potential supervisors.
- **Division Level Management Training Program (DLMT)**—for mid-level employees ready for division supervisory responsibilities.
- **Assistant Director**—(planning stages)
- **SES Candidate Development**—a proactive response to the expected attrition in the VBA SES ranks focusing on the five core Executive Core Qualifications and lasting 12 to 18 months.

In each of these programs, targeted at different stages in a leader's career, individuals prepare a plan for development with their mentors. The plan seeks to capitalize on the application of principles presented in periodic seminars and practiced during the times between seminars, and on the identification of varied, challenging work assignments. A more detailed description of one of these programs—the LEAD Program—will be instructive. (See "The VBA LEAD Program" on pg. 27.)

Lessons

The challenge of transforming an old-line organization whose basic "business" is the processing of claims and applications and interacting with clients, primarily by correspondence and telephone, is a daunting one. The necessity for accuracy, speed, and a human component in customer service has led to a "high-tech, high-touch" response and a strong emphasis on developing leaders throughout their careers. There are three distinctive lessons from the VBA experience:

1. *Take a comprehensive approach to develop leaders at all levels.* VBA has invested in a continuous

approach to succession and leader development that grows leaders at critical career junctures—at all levels almost from the very beginning of the person's career. It also reflects the need to identify high potential younger leaders and to emphasize development of a broad pool (except incumbent SES members, which is a future developmental agenda item).

The importance of this approach is that it stands a much higher chance of inculcating a leader-centered culture throughout the organization because of the broad nature of the programs themselves; because of the emphasis on engaging leaders to be the mentors, coaches and trainers; and because of the extensive use of action learning team projects at the local office and nationally.

2. *Use a competency model as the basis for development of all leaders at all levels and align the behaviors with the strategic direction of change.*

A consistent and progressive leader competency model provides a clear understanding of behavioral and skill expectations for leaders—not simply for development but for performance as well. What will be key for VBA is whether the leaders demon-

The VBA LEAD Program

This is offered once each year to promising GS 9-12 employees. The first class was comprised of 25 individuals, selected by senior leaders from a pool of over 150 applicants. The application process itself is designed to elicit basic experiential and biographical data and to allow candidates to reflect on various topics such as the strategic challenges facing VBA, their career plans, successes they have experienced, and their interest in future leadership.

Each candidate is expected to do a personal essay reflection on “Is This for Me?” It is a means of encouraging each person to consider whether leadership is what they aspire to and to help them understand the implications for future diverse leadership learning experiences including career geographic and functional moves. This exercise confronts individuals with the need to be honest about both the rewards and the pitfalls of leadership and with their own motives.

The LEAD Program has three weeks of formal training seminars during its nine month duration with 10 separate and varied learning components:

1. **Introduction to other VA organizational elements**—This is done through senior-level speakers from throughout the VA and from site visits to different aspects of VA operations in the field, including hospitals and cemeteries.
2. **Mentor Relationship**—A unique web-based process helps to identify the best pairings combining complementary experiences and the individual’s desires. The mentor receives training, as does the mentee, to help gain organizational knowledge, develop a networking system, and to share experiences and advice along the way.
3. **Individual Development Plan (IDP)**—The IDP is based on feedback from personal assessment tools, and input from the mentor and home organization management.
4. **Team-building skills**—Each participant is assigned to work in teams on a variety of assignments, including strategic organizational issues, to help develop or enhance team-building skills, to strengthen leadership and interpersonal skills, and to provide a forum to explore contemporary management issues.
5. **Shadowing assignments**—Each participant selects his or her mentor, plus one of the division chiefs from the home station, preferably in a different division, to shadow for at least one week. The shadowing assignments are designed to give exposure to the challenges of managerial responsibilities and to different approaches to handling them by leaders outside of their normal organization experiences.
6. **Action learning assignments**—Either locally or at another location, office directors coordinate specific team-based assignments to provide work experiences that will strengthen leadership competencies (such as problem solving, conflict management, and written communication) through new challenges.
7. **Presentations**—Throughout the program, there are many opportunities to speak to the group and to senior officials through both spontaneous and planned presentations. As part of the final session of the program, there is a one-hour formal team presentation on the major action learning project.
8. **Management interviews**—Each participant conduct two interviews with senior management officials to gain management insights and knowledge to assist in developing a broader professional understanding.
9. **Assessment tools**—There are several forms of assessment (e.g., 360-degree assessments) used to help provide insights for team learning activities and for preparing the IDP.
10. **Self-study projects**—Several self-study projects are expected including extensive reading assignments and practical learning experiences conducted at the home office.

strating these competencies are actually the ones who advance and are rewarded or whether the “old culture” is reinforced by using the old (unwritten) criteria for advancement. The alignment of all components of the human capital system is critical to the success of a competency-based model.

3. The wide use of mentoring is a great enhancement to the potential success of leader development and engages the senior leaders more readily as key actors in the development of the next generation.

The use of mentoring in all of the leadership programs is important because it provides for training and orientation of the mentors and the mentees in certain behaviors that will be useful throughout. VBA has installed an extensive screening process for mentors and mentees that allows for a good match. The requirement to regularly engage each other and the clear description of expectations helps to frame the mentoring component so that it is aligned with the purposes of the leader development activities.

However, the extensive amount of leader development occurring throughout the organization makes it imperative that these mentoring responsibilities are seen as key requirements for senior leaders and not simply as additional duties to be fit in if convenient.

Social Security Administration (SSA)

Mission Challenge

SSA realized several years ago that it faced a turnover in its executive and senior leader ranks that dwarfed the magnitude of the problem in almost any other federal agency. As a result, it also got on top of the problem well before most agencies.

By way of comparison, SSA has a potential retirement-eligible population of 82 percent of the current SES rank leaders, 91 percent of the GS-15 senior managers, and 93 percent of the GS-14 senior managers. That this comes at a time when the workload is spiking with the generational wave of retirement eligibles, the growing ranks of those filing for disability, and the pressures for Social Security reform, makes the necessity for action on succession a strategic imperative.

Approach

SSA is one of the few agencies in government with a clearly developed strategic plan that links its long-term strategy with the development of future leaders. While the key operational thrusts of the agency’s strategic plan are to deliver customer-responsive world-class service, promote valued, strong, and responsive programs, and conduct effective policy development and research, the primary goal regarding the people who deliver the services and the programs is:

To be an employer that values and invests in each employee

SSA’s strategy to grow leaders has been ongoing for some time and arose out of the transition to becoming an independent agency in 1994. At the time, a GAO report targeted a lack of succession management and leader development as being major issues to tackle for the new organization.

Paul Barnes, one of the key line managers as regional director in Chicago and deputy regional director in Atlanta, has advocated for developing the next generation of leaders. Now, as SSA’s associate director for human resources, he leads the four programs that undergird the succession strategy. It is a strategy that includes developmental programs for leaders at all levels.

As one of the more mature leader development programs, they began with a focus on the SES candidates and the more senior leaders at the GS 13-15 levels. This initiative has now progressed to a program for the recruitment and initial development of future leaders and the development of first line supervisors and potential supervisors (GS 9-12). A key objective in all of this has been to break down the career single path developmental stovepipes that have long existed. Interviewees agreed that this paradigm shift has been the toughest cultural challenge to overcome.

Description

Like the VA, SSA has a comprehensive approach to developing leaders over the course of their careers, but it begins with accession into the federal ranks. The following four programs comprise the scope of the national succession and leader development process in SSA:

- Presidential Management Intern Program (PMI) for initial accession, GS 9
- Leadership Development Program (LDP), GS 9-12
- Advanced Leadership Program (ALP), GS 13-15
- SES Candidate Development Program (SESCDP)

These are each national-level programs and are primarily two years in duration. The particular focus of interest is in developing broader based leaders with people and customer service competencies as well as technical competency. In each case, they involve:

- An orientation to the particular career stage and the developmental challenges faced in SSA;
- Core training components geared to the level of need;
- The use of developmental experiences where individuals are taken off their job and placed into challenging assignments for on-the-job leadership learning; and,
- The use of senior mentors for coaching and advice.

There are also some distinctive components to each of the four programs.

PMI Program

Over the past several years, SSA has been recruiting 30-40 PMIs—the top ranking graduate school students who desire a career in public service. These are truly “the best and the brightest” and SSA has been investing in hiring over 10 percent of the selectees in this flagship OPM recruitment program. SSA says they are particularly looking for individuals with substantive life experience, as well as superior intellectual credentials.

Once at SSA, PMIs are jump-started into mid-level jobs but remain part of a centralized developmental pool where rotational assignments are used to give them varied experiences before being assigned to a permanent position at the end of the two-year program.

LDP and ALP Programs

In keeping with the SSA strategy to begin with the most senior replacement pools, the ALP was launched before the LDP and will take up to four more years to fully implement. The LDP is just emerging from the pilot stage and is on a similar timeline for full implementation. Both programs select applicants in a competitive process that engages senior leaders as selecting officials. The numbers selected are based on replacement projections, flexibility and range of experience and diversity.

Selectees for both of these programs are given temporary promotions and accept new assignments within 90 days of selection. This accomplishes the key developmental task of a new, challenging job-based experience. The added organizational benefit is that their position is also vacated and filled by another person who is also given a job-based development opportunity. The individuals revert to their original position and grade at the end of the two years if they do not find a position at their new, temporary grade.

Both programs also use specially designed structured interviews and self-assessments of the Executive Core Qualifications competencies as a basis for initial selection and later for individual development plans. They also make extensive use of action learning in cluster teams of individuals selected for these programs.

SES Candidates Program

This leader development program is announced government-wide and for selected applicants results in a temporary GS 15 position. The first phase attracted over 400 applicants, 100 finalists and a final class of 35. Senior SSA leaders make the final selections.

Similar to the design for the ALP and LDP, selectees are moved to occupy temporary positions, providing opportunity for a similar “ripple effect” for others assuming temporary positions that have been vacated. For their rotational job assignments, SES Candidates take one temporary position outside of SSA (public or private sector), in operational areas, in the headquarters, and in hands-on jobs serving customers.

There is also an intentional exposure to the most senior executives in SSA and to the strategic agenda and decisions.

Selection into SES positions at the completion of the program is the measure of success used. By all accounts this has been highly successful in accomplishing the initial outcomes. SSA has become a benchmark for several other federal agencies.

Lessons

Given that SSA is further along in addressing succession, there are certain lessons that are highly useful to draw from its experiences:

1. Make a strong business case for leader development.

Too often, anything that sounds like training is relegated into second or third tier priority which cannot withstand competition from operational issues. SSA realized that a massive turnover in its senior leader ranks would ill prepare it for the demographic challenges that all statistical models predicted for its future workload. The political sensitivity of Social Security policy alternatives only enhanced the severity of the challenge. But it was in initially tying the need for leader development to the provision for succession that set the stage for today's success. This priority and the business case made for the strategic plan communicated to decision-makers and supervisors the importance of investing in the development of people at all levels.

2. Get clear senior executive buy-in along with their deep involvement.

SSA chose as its lead champion an experienced operational leader, Paul Barnes, to head the succession initiatives, rather than an HR expert. Barnes had a track record of growing leaders and respect among his peers.⁸ As a result, he was better able to engage other senior leaders as mentors and instructors in their various programs. Senior leaders are active participants as mentors and as selecting officials.

3. Use an approach that is grounded in practical research on "best practices" that apply to the public sector.

In this case, SSA grounded its approach in many of the findings from the Center for Human Resources

Management at the National Academy of Public Administration. Developed in a series of publications during the 1990s, the research found that there is great value in learning from others in the public sector and private sector and adopting the basic principles and approaches where appropriate to the culture and needs of the organization.

4. Challenging, rotational job assignments are not only the best method of growing leaders, but if properly structured can have a ripple developmental effect.

SSA has a unique and innovative approach to the use of job-based developmental experiences. By temporarily promoting participants and by centrally controlling their development, they not only can use different experiences as development tools, they open up opportunities for others as well. This may well be the best of the best practices discussed in this report.

Making Sense of It All: Reaching Conclusions for Action

What Does It All Mean?

This is where it gets difficult. Knowing something, even if it is successfully done by others, is no guarantee that we can do it successfully. It's much like riding a bicycle.

To extend the bike metaphor a bit, what we have done in this report is simply to describe, in some detail, what it takes to ride a bicycle and how others have done so. But with 10 examples or even 20, we would be no closer to learning how to balance and ride without falling. That takes learning by doing. It's the same way with growing leaders.

At some point, these findings do not make sense until an organization actually begins to do the hard work of finding out what works best for them by taking action. This section is meant to offer additional insights for organizational learning by comparing initiatives in the five public sector organizations and contrasting them with the best lessons and examples in the private sector.

It is hoped that the distilled wisdom will provide actions for organizations to take in developing the next generation of leaders.

We turn now to a brief comparison of what we have seen in the five different public sector organizations.

Key Principles and Best Practices in the Public Sector

Key Principles

The following lessons summarize the exemplary leadership development principles gleaned through

the experiences of the five case studies. Embedded within them are several instances of “best practices,” implications, and methods that these and other federal agencies have used to produce and to continue to produce excellent results.

Progress with this component of human capital will certainly take time and persistence. The six principles noted here are perhaps better considered “habits”—the underlying truths, if you will, of thought and action in leadership development and succession management that need to be applied both consistently and together as a whole. They underscore the findings in “Leaders Growing Leaders.”⁹

Best Practices

There seems to be an endless fascination with success and “how to” become like the best companies. This movement probably began with the popular success of Tom Peters and Bob Waterman's *In Search of Excellence: Lessons from America's Best Run Companies*. Unfortunately for the learning enterprise, a decade later many of those companies had gone out of business or were swallowed whole. In truth, what is often posed as “best practices” are more realistically what noted executive educator and author Dave Ulrich calls “interesting practices.”

In some ways comparing the practices of the five exemplary public sector organizations with each other can lead to deceptive conclusions—much as contrasting them with exemplary private sector organizations can. This is one reason that I have also tried to examine underlying principles, which are more enduring. So-called best practices can be

Six Principles in Growing Leaders

- It is fundamentally senior leaders themselves who must provide the leadership for a succession initiative aligned with and helping to drive forward the strategic change direction of the organization.
- The framework for an excellent leadership development program is based upon significant, challenging, and varied job-based experiences, intentionally chosen to advance the competencies and to test the character of future leaders.
- Senior leaders must assume responsibility for the development of future leaders as coaches, mentors, teachers—and most of all, as exemplars—within and without leader development programs.
- Strategic partnerships between a cadre of senior leaders and the HR and development organization is key to success in the design of the succession approach, in the selection of future leaders for development experiences, and in the tracking of their progressive development needs.
- Both the competencies needed for the leaders of the future and the outcome measures used to identify success (and accountability) must be aligned with the strategic direction of the organization and must be clearly defined as a “business case.”
- Leaders must persistently and patiently lead not simply in the strategic direction but in the change in culture—forming a strategy for cultural change, dispelling the myths, identifying the dislocations between word and action and their underlying assumptions, and championing a long-term investment in every aspect of the area of human capital to which leadership and cultural change are the keys to wider transformation.

helpful for insight, but one clear finding is that each organization made decisions about those practices that recognized its own unique circumstances. Size, resources, past experience, change imperatives, and individual culture—each of these has helped to shape the varying approaches taken, and the resulting development and succession initiatives.

It should also be noted that most of these succession programs are relatively new and the lessons of their experience are still being sifted. Even within the same organization (and here I am referring to both private sector and public sector organizations), the existing culture and mission challenges can vary significantly, thus shaping the practices that are adopted.

Observations

There are a few consistent practices used by all of the exemplary organizations. The use of senior mentors, the identification of behavioral leader competencies for development (in some cases keyed to different levels of pending responsibility), the use of well targeted internal training courses,

and the use of self-development study or reading are all consistent practices. In addition, exposure to the strategic agenda and to officials of the organization and the use of individualized development plans are widely used.

But beyond these, the practices and their combinations vary widely including the choice of whom to develop for the future leader pool and when development for leadership begins (i.e., at recruitment and at all levels, or only for a selected level of the organization).

Two comments are appropriate here. First, as noted, the mission challenges vary among the organizations, as does the amount of resources available within the organizations. In general, the larger organizations have committed larger amounts of resources to succession and development and tend to have more comprehensive programs for leaders at all levels. This is similar to findings for the private sector.

Second, we also see that these leader programs are still, except for SSA, in the early stages. The reason-

Table 1. Leader Development Practices by Selected Agencies

Development Practice	PBGC	USCG	WAPA	VBA	SSA
Rotational temporary assignments managed by senior leaders	√		√		
Succession/development at all levels		√		√	√
360 feedback	√	√	√		
Action learning team projects	√		√	√	
Exposure to strategic issues agenda	√		√	√	√
Individual development plan framework	√		√	√	√
Use of senior mentors/advisors	√	√	√	√	√
Self development—volunteer church/community leadership	√		√		
External leadership programs	√	√*	√		
Internal training courses	√	√	√	√	√
Development in specific leader competencies	√	√	√	√	√
Self development—readings/self study	√	√	√	√	√
Observation of senior leaders	√		√	√	
Full-time job rotations managed by senior leaders		√	√		√
Limited selection of high potentials for leader development	√			√**	√
Wide and voluntary participation in succession programs		√	√	√	

* Professional military education for senior officers with other military branches.

** In the LEAD Program.

able expectation is that given success in meeting the mission challenges through developing future leaders, there will be a widening of the types of practices and the scope of the programs. That remains a speculation, however.

Before positing some conclusions from these comparisons, we turn now to a brief contrast of public sector practices and approaches with those of the private sector. But first, we need to consider one question that hangs over such comparisons: Can the public sector and the private sector be compared?

Uniqueness

What lies behind this question is another question I often hear particularly in benchmarking visits: “The federal government doesn’t have a ‘bottom line,’ so what can we learn from the private sector that can ever be applied to us?”

Admittedly, there are unique factors in the public sector. Many would cite the frequent political turnover at the top of organizations, the number of oversight mechanisms that agencies must contend with, the different types of change challenges that are now occurring, the lack of a Profit & Loss Statement for most agencies, and perhaps a more

complex political environment. But the more accurate answer is that the principles and practices of how to grow leaders are not significantly different in organizations. This is borne out by both the research to date and by the results in growing leaders where similar practices have been used by different organizations in the public and private sectors.

Key Principles and Best Practices in the Private Sector

This synopsis of leadership development best practices in the private sector is drawn from a variety of sources.¹⁰

Key Principles

The following principles are deemed by the private sector as being the most important success factors:

- More than anything, by a factor of 10, development of leaders is based on challenging job experiences.
- The wholehearted support and consistent involvement of senior leaders is the single most important factor abetting development through varied and challenging experiences.
- The intentional encouragement of key relationships between younger candidates and older leaders is fundamental.
- Conducting rigorous and continuous evaluation of outcomes based on sound metrics builds commitment.
- Linking leadership to the strategic direction of the organization and incorporating development of key leadership competencies into the specifics of the strategic plan ensures a compelling business case.
- Involving line managers in the design and overall approach is critical to gaining widespread support and culture adaptation.
- Maximizing the opportunity for feedback at all levels of leadership continues to inject both reality and an understanding of progress, and identifies any gaps in fostering continued development.
- A self-development ethos is just as critical to success as the support of senior leaders.

- Development to maximize potential is of fundamental importance as a strategy for recruitment and retention of the best employees.

Best Practices

These are the succession and leader development practices that stand out as most consistently employed to good success:

- Action learning
- 360-degree feedback
- Observing senior executives in action
- Involvement in action with the organization's strategic priorities
- Cross-organizational assignments or networking
- Cross-functional rotations
- Individual development plans
- Coaching and mentoring (primarily informal)
- Leveraging internal resources (e.g., in-house leaders) and technology

Observations

What this surface comparison shows is that there are great similarities in the developmental practices between excellent organizations in the public and private sectors. This should not be surprising because, in almost every instance, the design for succession and leader development in each agency examined was preceded by extensive research and benchmarking.

The major difference between the two sectors (at least as of this writing) has been the level of commitment to the strategic importance of people, in general, and of succession and leader development, specifically.¹¹

While it is a top priority for the private sector, GAO found in the latest round of strategic and performance plans examined that, for the government, succession remains a work in progress and is not yet a priority for immediate action.¹² Similarly, the U.S. Merit Systems Protection Board recently found that the excellent recruitment program for the best and brightest, the Presidential Management Intern Program, was not using future leadership and man-

What the Private Sector Can Teach About Leadership Development

Developing leaders can drive the successful strategic direction of an organization.

Senior leaders' involvement in managing challenging job experiences as a leader development approach in succession is of primary importance.

Clear organizational measures of leader development success and of senior leader accountability are key to effective alignment.

Excellent leader development and succession require the commitment of time and thought by senior leaders.

agement potential as a factor in the candidate selection process.

The highlights from the five selected agencies and the brief comparison with the research on exemplary companies provide the following insights that can help shape public sector actions by an agency whose senior leaders are seriously committed to growing the next generation of leaders. The conclusions from the research lead to the recommendations for action by each organization in government in the next section.

1. **Excellent public sector organizations base their practices consistently on the proven principles for growing leaders found both in research and in the best private sector organizations.**

The primary principles in evidence are:

- Use challenging job-based experiences, selected by senior leaders, as a development strategy;
- Involve future leaders in a substantial way in the organization's strategic agenda with senior leaders as mentors and through real action learning team projects;
- Use the Executive Core Qualification leader competencies as a template for development—typically using the same competencies by which all senior leaders

are selected and held accountable (alignment).

2. **Excellent public sector organizations make a business case for succession and leader development.**

In fundamental ways, the better organizations have built a foundation for success and for cultural and organizational change linked to their strategic agenda and to results. They understand the need for both programmatic excellence and cultural understanding as a foundation for change.

3. **Excellent organizations hold themselves accountable for results in growing leaders and begin by involving senior leaders in significant ways to ensure there is accountability and strategic alignment.**

While clear, measurable indication of successful results in growing leaders and their direct link to operational imperatives—e.g., serving customers, providing a great place for employees to work and produce, and achieving important bottom line mission results—are still a work in progress, senior leaders involvement in these organizations is a clear signal that growing leaders is of strategic importance and ensures wider commitment and results.

Recommendations

The following recommendations are targeted to two different audiences: first, individual government organizations and second, organizations with government-wide program or policy responsibility. These are systemic recommendations that are aligned and interrelated.

The focus of this research has been on the practices and principles of growing leaders in excellent public sector organizations. What I would recommend to individual organizations or components of organizations flows directly from these findings. They are recommendations that can be acted upon immediately and certainly within the next two years.

Following these individual organizational recommendations are recommendations that are for government-wide action, based on the basic principles that have been already clearly identified. Several of the more senior leaders have observed in the course of their discussions with me that there are some fundamental policy changes that would be extraordinarily helpful, even essential, for all agencies. For this purpose they are included for consideration, recognizing that government-wide action is notoriously difficult to achieve and they are likely longer term in nature.

Finally, since these six recommendations are ultimately systemic in nature, I recommend that the President's Management Council recruit a cadre of senior career executives (active or retired) to work with them and to help take the lead in energizing both a shared vision and certain action across government as a critical investment in the future of the

public service to the American people. This would be a legacy well worth committing to.

For individual government organizations:

(1) Each organization should base their succession and leader development practices consistently on the proven principles for growing leaders:

- Challenging, job-based experiences selected by senior leaders as a development strategy;
- The involvement of future leaders in a substantial way with senior leaders in the organization's strategic agenda, as mentors and through real action learning team projects;
- The use of Executive Core Qualification leader competencies as a template for development—those that are the same competencies by which senior leaders are selected and held accountable (alignment).

It must be noted that the widespread commitment to and use of managing challenging job experiences (not simply “shadowing” for example) as a leader development approach orchestrated by senior leaders themselves is much further along as the *sine qua non* of leader development in the private sector.

As we have seen, the range and extent of practices varies widely depending on the mission challenges each organization faces, their culture, and their current strengths. But the selection of “best practices” themselves may be less important than

understanding the fundamental leader learning principles that lie behind them, and that to be a leader a person needs to see real leaders in action.

(2) Make a business case for succession and leader development and ground it in a real imperative that will urge action by senior leaders.

In fundamental ways, we have seen that the better organizations have gone well down the road in building a foundation for success and for cultural and organizational change by linking it to the strategic agenda and to real results. They have built their strategies not as a “good thing to do,” but as a driver of the mission. This alignment as a business case is critical to engage senior leaders in spearheading the effort and moving leader development from being an initiative for the HR organization or the trainers and educators to try to sell.

This can be seen in the fact that each of the agencies examined has embarked on the long path of developing their leaders because of strategic mission imperatives and has formed strategies that align with those mission challenges. In other words, they do not simply start succession programs without making the clear business case. This must be the beginning point not only for success but for energetic senior leader involvement all along the way.

(3) Each organization and their senior leaders must hold themselves accountable for results in growing leaders. This begins by involving key senior leaders right from the beginning, but it cannot end there.

The involvement of a few champions of the need to grow future leaders, then a widening circle of senior leaders, is the means to speak volumes to the rest of the organization. That alone fosters accountability for forward movement with excellence. After that, each organization will need to declare clear, measurable indications of successful results—not only in growing leaders, but also identifying the direct and indirect links to operational imperatives—serving customers, providing a great place for employees to work and produce, and achieving important bottom line mission results. These are the ultimate purposes for any investment in growing people as leaders.

The commitment to the development and rigorous use of meaningful measures, and the level of accountability for senior leaders and all employees, are the key factors. Such rigor in meaningful measures of the impact of developing leaders, particularly in holding senior leaders accountable for developing those around them, must be seen not only as a leader’s legacy, but as a non-negotiable responsibility.¹³

For government-wide action:

What often causes paralysis in the federal government is the need for wider systemic changes in policy that everyone recognizes must occur. While this doesn’t necessarily preclude action by individual organizations with an innovative bent, it is often used as an explanation for inaction when so many priorities compete for attention. The whole area of people is one such issue that has cried out for wider changes for many years, but eluded even the broad reinvention agenda of the last eight years.

To date, the response to this situation has been varied. For example, several organizations have sought individual human resource policy flexibilities. This tack has been used where agencies have either unique challenges or unique political clout. Temporary and demonstration projects are also ways that the “one size fits all” rules are sometimes waived, if only for a time. The organizations profiled in this report have, for the most part, worked around any government-wide impediments without seeking any waivers.

But, government-wide, the response to this need has been a mixed message on leadership, with downsizing of the manager and SES ranks being the most visible message. So far, meaningful changes that benefit people (Civil Service Reform) and allow government to be even minimally competitive with the private sector for the best and brightest (and maybe even that assumption needs reexamination) have languished. There is an apparent lack of policy priority for human capital and succession that is only now beginning to be addressed in policy circles. In short, wider changes are wanted, but it’s tough to get agreement on how to do it.

Based on the track record, widespread changes that support the development of leaders are not likely to

be realized. That is why the first task of a leader is still to grow other leaders, whether or not the senior leader's own organization or even the federal government is fully supportive—in culture or in policy.

Nevertheless, an optimistic reading of the climate for change in human capital government-wide would lead to at least the following recommendations for action at the federal level. These recommendations emerge directly from the implications of the research on the essential principles and practices for growing leaders. The timing, opportunity, and needs all have coalesced to act on the following initiatives.

For the President's Management Council:

(4) Provide a clear mandate to career Senior Executives to take the lead in growing their successors and incorporate this human capital initiative into a government-wide business case spearheaded by the President's Management Council.

Senior leaders in the career public service often see themselves—and are seen by others—as change implementers rather than change leaders. In other words, they are often seen more in the manager role than the leader role. It is one of the myths of leadership development that is unique to the public sector, where over 3,000 political appointees occupy very senior government leadership positions—and this at a time of downsizing in the career manager ranks. (See Myth 6 in Appendix I.)

And while the new Executive Core Qualifications make it clear that those in the SES ranks and those being developed for senior leadership are expected to lead change, lead and develop people, and focus on results, the reality of senior leaders being responsible for growing their successors has not yet penetrated the culture deeply enough except in rare cases. The change leaders identified in this report—Joe Thompson at VBA, Paul Barnes at SSA, Admiral James Loy in the Coast Guard, John Seal at PBGC, and Mike Hacskaylo at WAPA—are the exceptions still.

As the research and experience show, leaders primarily grow by exposure to challenging job-based experiences and by observing leaders in action.

This a long-term proposition, but by the nature of political leadership, there is frequently turnover and often a shorter-run focus on initiating complex policy initiatives within election cycles. This is even truer for those at the assistant secretary or comparable levels than for cabinet secretaries. While the contemporaries of government senior political leaders in the private sector might be responsible for developing their successors, there is no comparable tradition in government. This is one of the factors that makes the challenge of leadership development in the public sector unique.

I need to be clear at this point. There have been and are many extraordinarily good leaders in the political ranks who have done an excellent job of leading change and in growing leaders in the career ranks—James Lee Witt at the Federal Emergency Management Agency (FEMA) and Phil Diehl at the U.S. Mint come immediately to mind. Colin Powell and Paul O'Neill certainly will be included among them as well. They are not only gifted leaders in their own right, they have stayed the course (or, in the case of Powell and O'Neill, likely will) to build the momentum for change over several years and leave a legacy of stronger career leaders after they depart.

While the George W. Bush administration has made a proposal to reduce the number of political positions to approximately 2,000, that will likely not change the culture of expectations for leadership development. The recommendation here is to establish a clear mandate to Senior Executives that one of their primary tasks in the next three years will be to grow their successors. This is an initiative that can best be taken by the President's Management Council on behalf of the President.

For the Office of Personnel Management:

(5) Make mid-level manager, senior leader and executive mobility a requirement for assumption of future SES leadership responsibility.

This was a proposal that was offered in the last administration for the Senior Executive ranks but was quickly taken off the table. It needs to be re-examined in light of today's reality of how future leaders develop.

Mobility is a key to development of leaders as each of these five organizations has demonstrated in one way or another—intentional moves to new and challenging job-based experiences (not necessarily geographical). It is also a norm among the better private sector organizations we have reviewed. It isn't simply a perk nor is it a means to provide greater variety for managers and executives with an itch to move. It is critical to development and to breaking down the stovepiped barriers of culture that permeate almost every organization in some way. For the effective would-be executive, such opportunity is not a threat but an opportunity. But it takes leadership from the top by OPM and support from Senior Executives themselves as we have seen. Given purposeful policy direction from OPM this becomes a task not for the HR shops, but for the senior leadership of organizations like the five studied.

As we have seen in the leader development path, this opportunity must begin early on with mid-level managers or even with incoming future leaders. Movement from operational field assignments to staff assignments in the headquarters; rotation to other agencies or to other branches or levels of government; exchange assignments with leading private sector organizations—these should be the norm for progression to senior leadership. The days of growing expertise in one functional stovepipe or one agency alone should be drawing to a close.

If pay disparity is to be an issue for senior government leaders, then the career challenge disparity needs to be a gap that is also closed.

(6) Form a volunteer cadre of retiring Senior Executives and those who have already retired to consult back on a part time basis to government organizations as coaches, teachers and mentors of the successor generations.

Many observations have been made about the generation of leaders that is about to pass from the scene or has already departed and the resulting knowledge and leadership gap. Yet, current provisions make it extremely difficult for these senior leaders to consult back to their organizations on a part time basis—a common practice in the private sector. I have found that many senior people have a great passion for public service and there are likely many who would accept an offer to serve as men-

tors, coaches, and teachers to help bring along the next generation of leaders.

This, as discussed, is also one of the very best sources for developing future leaders. These experienced leaders are people with the wisdom, the commitment, and the credibility. These are the people who will have the time and inclination to do what their present challenging jobs often deter—grow the next generation. Steps need to be taken now by OPM to revise the policies and to knock down the current barriers. OPM must also lead an effort with individual organizations to recruit those current and former leaders with a bent toward growing others, and to help prepare through selected training sponsored by OPM and the Federal Executive Institute to give back to the next generation from what they have received.

Endnotes

1. Ray Blunt, "Leaders Growing Leaders: Preparing the Next Generation of Public Service Executives" (The PricewaterhouseCoopers Endowment for The Business of Government, May 2000).

2. U.S. General Accounting Office, *High Risk: An Update* (GAO-01-263, January 2001).

3. U.S. Office of Personnel Management, *Office of Merit Systems Oversight and Effectiveness, Supervisors in the Federal Government: A Wake-Up Call*, (January 2001).

4. PricewaterhouseCoopers Endowment for The Business of Government, *Results of the Government Leadership Survey: A 1999 Survey of Federal Executives*, (June 1999), p. 4.

5. John Kotter, *A Force for Change: How Leadership Differs from Management*, (Boston: Harvard Business School Press, 1993).

6. Edgar H. Schein, *Organizational Culture and Leadership, 2nd Edition*, (San Francisco: Jossey-Bass, 1992). These findings have been endorsed for several years by the leading companies in the private sector and help explain the great interest that has been shown in recent years in making the business case for growing leaders.

7. Mid-level and senior Coast Guard officers attend the professional military education senior service schools of the other services (e.g., the National War College, the Navy Command and Staff College).

8. See *Leaders Growing Leaders* for a further discussion of Barnes' approach to growing leaders.

9. Blunt, *ibid.*

10. The following sources have been used as a basis for the research in this section: Cynthia D. McCauley, Russ S. Moxley, and Ellen Van Velsor, eds., *The Center for Creative Leadership Handbook of Leadership Development*, (San Francisco: Jossey-Bass, 1998); Jay A. Conger and Beth Benjamin, *Building Leaders: How Successful Companies Develop the Next Generation*, (San Francisco: Jossey-Bass, 1999); The Corporate Leadership Council, *The Next Generation: Accelerating the Development of Rising Leaders*, (Washington, D.C.: The Advisory Board Company, 1997); David Giber, Louis Carter, and Marshall Goldsmith, eds., *Best Practices in Leadership Development: Case Studies, Instruments, Training*, (Lexington, Mass.: Linkage Press, 1999); "Developing Leaders in the War for Talent," a presentation by McKinsey Company at the Wharton Leadership Conference, June 7, 2001; and the General Accounting Office, *Human Capital: Key Principles from Nine Private Sector Organizations*, (GAO/GGD-00-28, January 2000).

11. See particularly the General Accounting Office, *Human Capital: Key Principles from Nine Private Sector Organizations*, (GAO/GGD-00-28, January 2000) and The National Academy of Public Administration, *Managing Succession and Developing Leadership: Growing the Next Generation of Public Service Leaders*, (September 1997).

12. General Accounting Office, *High-Risk Series: An Update* (GAO-01-263, January 2001).

13. See Larry Bossidy, widely respected CEO of Allied Signal Corporation in his recent article in *Harvard Business Review*, "The One Job a CEO Cannot Delegate."

Appendix I: Leadership Myths and Truths

This material is intended for those who want a more extensive exploration of the “why” issues in leader development. It is framed as a discussion of myth and truth. A bibliography is included for further background reading.

The basic principles or “lessons” for growing leaders and for initiating and managing an excellent program of succession are the antithesis of some

well-honed myths about leadership. As we have seen these myths are dispelled by experience and results, which provide the foundation from which these lessons are drawn for others to apply within their own organization’s culture.

For each myth there are key lessons of experience that contradict it.

Myths

Myths have always existed in societies as a means of explaining the seemingly unexplainable. When the ancient Greeks and Romans could not adequately understand why things happened, they posited the presence of gods—who watched over mankind and interacted with humans (often capriciously and with similar motives to humans). Both the Greeks and later the Romans were also fascinated with heroic leaders and would ascribe their skills to some form of human connection with the gods. Hence, Achilles was half god and half man, but also an archetype for all leaders.

While modern man tends to denigrate such naiveté, we still have our own myths that upon examination do not hold up any better under scrutiny. The problem is that many believe these myths and then implant them in the very marrow of their organizations—the culture. When applying the lessons of growing leaders to their own situations, senior leaders need to confront the myths that are likely present, if unspoken.

The Six Leadership Myths

Myth 1: Leaders are born, not made.

The research of John Kotter, The Center for Creative Leadership, and others demonstrates that early experiences and even genetic wiring have very little to do with shaping a leader. Other than basic intelligence, few things are predictive of future leadership ability. Leaders can be and are being developed, and much research and experience has demonstrated the falsity of this pervasive myth. But it is still an excuse for doing little or nothing and letting nature take its course.

Myth 2: If leaders can be grown, they develop needed skills by attending leadership development training courses; the more expensive, the better the result.

Leaders are grown—say both the research findings and the applied lessons of that research in hundreds of excellent organizations—by the lessons of challenging and varied experiences, by the relationships they forge with senior leaders, and, most surprisingly, by the hardships of career and life experiences. Training courses (even the ones with the cachet of reputation and good marketing) are more

like the teaspoon of salt in the pound of bread dough—a necessary catalyst but a relatively small part that is not tangibly evident in the outcome.

Myth 3: If leaders can be grown, the best people to accomplish this task are (a) trainers; (b) consultants; (c) the HR organization; (d) all of the above.

The reason that this is a myth is that the answer is (e) none of the above. The truth is that *the best people to accomplish this task are experienced senior leaders, themselves*. Experienced leaders have credibility, real life context, and understanding of the culture. They embody the core values and are committed to the core purpose of the organization and of public service. Senior leaders are not only exemplars of good leadership, but they act as coaches, mentors, and even teachers in the process of growing other leaders. That is how the best organizations produce leaders of the future.

It takes leaders to grow other leaders.

To be sure, senior leaders forge strategic partnerships with the HR shop, and use trainers and consultants as well as outside leader development courses. But the key players in all of this are the senior leaders themselves—throughout the organization. (That’s one indicator, by the way, of a leader-centered culture).

Myth 4: Leaders are people who have gained expertise and capability in their field. (Its corollary is that there is serious career risk in moving to another functional area, to another agency, or to the field from the headquarters, and vice versa.)

The typical career path of most Senior Executives confirms the existence of this myth in the federal government: advancement to a senior leadership position within one career field and within one organization and often within either a “field” milieu or a “headquarters” milieu.

This myth is disproved rather simply. Get together some future (early to mid-career) leaders and ask them to describe the “great” leaders they have worked for and the “lousy” leaders. Having done this on a number of occasions, I can predict the results.

First, the qualities that people seek in those they will follow voluntarily are not those of capability and expertise in a chosen field, but those of character: integrity, courage, balance, emotional stability, caring and empathy, selfless service, and humility.

The whole subject of how to grow character in leaders is one that deserves separate treatment in far greater length. Suffice it to say that what successful organizations have found is that leaders with depth of character and capability, those with high EQ (emotional quotient), are most likely to be those who have been grown by varied and highly challenging experiences, including learning from life’s hardships.

Often these leaders have gained a measure of *humility* by the occasional opportunity to learn something completely outside of their core expertise and to call upon those around them (rather than relying on their own expertise) for assistance in learning. Or perhaps they learn courage when asked to take on a challenge where failure is a real option and staying put offers security. Or they may learn *integrity* in a meaningful way when faced with complex ambiguity in an unfamiliar political or global environment that causes them to fall back upon what lies at the core of themselves and the organization—purpose and values. Or they learn to micromanage their team (among the deadliest of the negatives for “lousy” leaders) and to *trust* their people because they are no longer the resident experts.

In short, most leadership development patterns in government show that growing expertise in a single field has been the road to SES and to (apparent) external success. While it may still be an accurate description of the prevailing milieu today, it also confuses “great” leadership with position and rank and career success and flies in the face of the experience of the best organizations. Leadership excellence is not dependent on rank—it is a deception for some of those aspiring to lead.

Myth 5: Leadership is a “soft” skill that defies the tougher challenges of a performance management orientation and the measurement of hard results. (The corollary to this is that leader development is a task for those in the “soft” functions—HR and training—and not

worth the time of senior leaders who engage in the “hard” functions like internal and external budget negotiations.)

The track record of those companies and more recently those federal organizations, that take leadership development seriously and link it to measurable outcomes is far superior to those who don't. What began more than a decade ago as an intuitive response to the need for a different type of leader to transform organizations to meet the challenge of change has now become an established understanding.

Myth 6: Senior Executives are not really the change leaders in their organizations, it is political appointees. If future leaders are to be grown, this is an initiative for the political cadre.

As we have seen, this is one leadership and leader development challenge that is the exclusive province of the public sector (the military and some law enforcement and intelligence agencies aside).

Paul Light has brought a consistent message over the years that the excessive growth in the layers of government with political appointees, Schedule C political support staff, and the use of non-career SES positions to augment political appointments have all worked to the detriment of effective public service in terms of accountability. For growing leaders, this is also true and has two chilling effects related directly to how leaders are grown over time.

One impact is that the initiative for growing leaders passes to those who are least able to invest significant time and energy in what is a long-term proposition. Political leaders have only a short time to implement the policies they wish to enact, and there is little hope of an immediate payoff in growing leaders. And as with every conclusive statement, there are fortunately some good exceptions to the rule—James Lee Witt at FEMA being a most recent example.

A second impact is that the challenging experiences that are so central to growing mature senior career leadership in the SES ranks are often confined primarily to those who are political. This is particularly true where political leaders who are leery of the incumbents do not overcome their ini-

tial suspicions of the career bureaucrats and isolate them from substantive discussions, meetings, and policy decision making. Where these responsibilities are seen as those of senior career leaders, the outcome is quite different.

Nevertheless, this is a myth that the public sector must work hard to overcome if the next generation of leaders is to be grown and if Senior Executives are to see this as their task. Senior career leaders must gain a mindset that is similar to that held by most general and flag officers in the military, who clearly see themselves as the stewards of the development of the next generation to follow them and take that role very seriously.

That attitude and mindset is missing among the majority of the career SES ranks. The culture of the bifurcation of leadership between career and political is still a conundrum in many ways. To some extent, the challenge is to draw back on the incoming administration's understanding of the “spoils” due them; to some extent it is to provide more opportunity for leadership by careerists through both better cooperation and better opportunity through reducing the sheer number of political appointees.

Appendix II: VBA Leader Competencies by Level

Role/Scope	Leading Change	Leading People	Managing for Results	
All employees including team leaders	<ul style="list-style-type: none"> • Creativity and innovation • Flexibility • Resilience • Adaptability 	<ul style="list-style-type: none"> • Conflict management • Cultural awareness • Integrity/honesty • Teamwork • Commitment to people 	<ul style="list-style-type: none"> • Accountability • Decisiveness • Problem solving • Bias for action • Judgement • Technical skills 	
First-Line Managers/Coaches	<ul style="list-style-type: none"> • Encourages innovation • Creative thinking • Implements change 	<ul style="list-style-type: none"> • Empowers others • Team building • Develops people 	<ul style="list-style-type: none"> • Risk management • Technical credibility • Information-based management 	
Mid-Level Managers (e.g., Division Chiefs)	<ul style="list-style-type: none"> • Strategic thinking • Establishes direction 	<ul style="list-style-type: none"> • Develops managers/coaches 	<ul style="list-style-type: none"> • Implementing organizational performance goals 	
Directors/Executives	<ul style="list-style-type: none"> • External awareness • Vision • Benchmarking 	<ul style="list-style-type: none"> • Modeling organization values 	<ul style="list-style-type: none"> • Goal setting • Monitoring organizational performance 	

	Business Acumen	Building Coalitions, Communications	Professional and Personal Growth	Customer Service
		<ul style="list-style-type: none"> • Interpersonal skills • Communication 	<ul style="list-style-type: none"> • Willingness to learn • Continuous learning • Personal development 	<ul style="list-style-type: none"> • Commitment to veterans and families • Responsive to veterans
	<ul style="list-style-type: none"> • Personnel management 	<ul style="list-style-type: none"> • Influencing negotiating • Partnering 	<ul style="list-style-type: none"> • Promotes learning • Coaches employees 	<ul style="list-style-type: none"> • Recognizes excellent customer service
	<ul style="list-style-type: none"> • Resource management • Technology management 	<ul style="list-style-type: none"> • Networking 	<ul style="list-style-type: none"> • Provides opportunities for learning 	<ul style="list-style-type: none"> • Empowers others to take action
	<ul style="list-style-type: none"> • Financial management 	<ul style="list-style-type: none"> • Political awareness 	<ul style="list-style-type: none"> • Creative learning environment 	<ul style="list-style-type: none"> • Breaks down barriers to good service • Establishes customer-oriented culture

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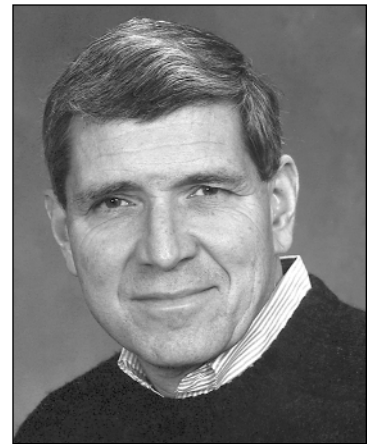
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Ray Blunt primarily focuses on helping to grow public service leaders, on organizational succession, and change management initiatives as a coach, teacher, and mentor. In addition to currently working with several individual government organizations, he has been affiliated as a leadership coach and instructor with the Council for Excellence in Government Fellows for the past five years. He also works with the Federal Executive Institute and the Leadership Development Academy of The Graduate School as a leadership coach and instructor. He formerly served as a senior consultant with the Center for Human Resources Management of the National Academy of Public Administration (NAPA).



Blunt frequently speaks to a variety of forums in the public sector on leadership and strategic thinking issues as well as on the use of storytelling in leadership. He also works with nonprofit organizations on strategic planning and board management.

Blunt served 35 years in public service in the Air Force and the Department of Veterans Affairs—the last 17 of those years as a Senior Executive. He has successfully led a number of significant change initiatives and has headed organizations involved in strategic and human resources planning and policy and organizational analysis.

He is a 1964 graduate of the U.S. Air Force Academy and holds a master's degree in economics from Central Missouri State University. He has done extensive post-graduate studies in management and theology.

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