

The Essence of Leadership

Medina Lecture for the National Capital Area Chapter
American Society of Public Administration

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I'm honored to deliver this year's Medina Lecture, and to share the evening with three fine awardees – each of whom exemplifies excellence in leadership.

My remarks tonight stem from a career in which leadership has been a central interest. For over 30 years, I've watched private executives struggle with the challenges of leading in times of change. For the past four years, I've focused on federal leadership, watching the government work its way through some of the most sweeping changes in its history.

All of this “leader watching” has led me to some biases about leadership:

- First, leaders exist at all levels – not just at the top.
- Second, leadership is a personal thing – there's no secret formula.
- Third, leadership will fail unless it's built on strong and genuine values. Norm Schwarzkopf said, “Leadership is a combination of strategy and character. If you must be without one, be without the strategy.”
- And, finally, with one notable exception – the military – the public sector needs to do a much better job of developing leaders.

So, on point one: who are leaders? Robert Jarvik, who invented the artificial heart, said “Leaders are visionaries with a poorly developed sense of fear and no concept of the odds against them.” I like to think of leaders as people at any level who can drive the achievement of significant goals – people without whose vision, motivation, encouragement, and support, the goals would not be achieved – people who can persuade others to change the way they think and act.

And these leaders do not have to come from the top. In most organizations today, people work in collaboration, in teams. During my career at Watson Wyatt, highly motivated, creative individuals who were a part of much larger teams often took the initiative to create substantial change – in one case, building our Tokyo office to a strong market position in Japan, in another, creating a dominant U.S. flexible benefits practice. Wherever you are, you have the potential for leadership, too.

In this regard, Peter Drucker said: “No institution can possibly survive if it needs geniuses or supermen to manage it. It must be organized in such a way as to be able to get along under a leadership composed of average human beings.”

My second point is that leadership is derived from the personal abilities and traits of the individuals doing the leading – there is no set model for successful leadership.

There are 76,000 volumes on leadership listed on Amazon – ranging from “Leadership Secrets of Attila the Hun” to “Primal Leadership: Recognizing the Power of Emotional Intelligence” to a book entitled “Leading Ladies: Transformative Biblical Images for Women’s Leadership” – which among other things extols the leadership virtues of Mother Teresa.

So that’s it – if we can only find the common thread between Attila the Hun and Mother Teresa, we’ll know the true secret of leadership.

In fact, one of Amazon’s featured volumes is entitled “The 21 Indispensable Qualities of a Leader.” Twenty-one indispensable qualities! The list isn’t intimidating, just long: character, charisma, commitment, communication, competence, courage, discernment, focus, generosity, initiative, listening, passion, positive attitude, problem-solving, relationships, responsibility, security, self-discipline, servanthood, teachability, and vision.

These books can give you ideas, maybe inspiration, perhaps a hint or two. But can you imagine Jack Welch running around with this list, berating himself at the end of the day because maybe he paid too little attention to generosity?

Let’s apply this list to other renowned leaders. Did Winston Churchill have outstanding listening skills? I’m not so sure about that. Was John F. Kennedy a model of self-discipline? Did Harry Truman promote a broad, far-reaching vision?

Books about leadership don’t give you the answers. What differentiates great leaders is not style, image, process. In these respects, successful leaders are often very different.

Then what do they have in common? My list, based on leaders I have known and watched, is fairly short:

First, they have integrity of mission. They have a genuine, deep concern for an important, worthwhile mission – there’s nothing false or contrived – and the vision is so strong that it can easily be felt by others. It’s tangible, it’s exciting, it draws people in.

Second, the mission is more important than the leader. The best leaders I’ve known are not self-promoters. While they are comfortable with power and authority, they do not abuse their position, or emphasize the perquisites of their office, or use their status to distance themselves from others. In fact, most of them greatly enjoy interacting with the rank and file, being where the real work is done.

If you want role models for this, you don't have to go any further than Admiral Loy at DHS, or former IRS Commissioner Charles Rossotti, or David Walker at GAO.

Third, great leaders have a genuine interest in the views of others. They can empathize. There was an excellent example of this recently in the "NOVA" public television special about NASA's successful landing on Mars. NASA's leadership was divided on the best landing sites – the scientists looking for science-rich environments, with lots of wind and geology and the potential for showing past forms of life; the engineers looking for a flat, windless plain where the risks of a landing failure were far less. It was an understanding of these differing, valid points of view that enabled NASA's leaders to work out solutions that achieved both objectives.

Fourth, the most successful leaders are adept at understanding people's individual skills and deploying them in the right places.

At Watson Wyatt, this was demonstrated to me with remarkable clarity in a training session where teams of our consultants (in groups of six each) competed in a task assembling cut-up shapes into perfect squares. Each member of each team was given an envelope containing the shapes and two rules: 1) there could be no written or verbal communication during the competition, and 2) the team that assembled all their squares first was the winner.

I watched as the consultants each struggled with their own pieces, trying to make their individual squares. One consultant, an actuary named Diane, assembled hers in less than two minutes. Then another consultant on her team, whose name was Gus and who was getting nowhere with his shapes, pushed them all in front of Diane. She completed his square in another minute or two, during which Gus encouraged, with emphatic body language, the other four consultants on his team to let Diane do their squares. Which she did, in record time. When she finished, the second place team had only two squares done.

Until this experience, I hadn't had much respect for Gus, even though he reported directly to me and managed one of our most important consulting teams. He worked 9-5; I was a workaholic. He delegated tough work to others; I rolled up my sleeves and jumped right in. His idea of impressing clients was to take them to a football game; mine was to do good work.

But – and you know this is coming, of course – Gus' team was one of the stars in our company, primarily because he respected his people, knew their strengths, allocated work where it would be done best, and got out of the way.

Finally, the best leaders deal decisively with difficult personnel problems. In Casey Stengel's terms, this meant – and I quote – "keeping the people who hate me away from those who are still undecided."

Another sports example comes from football coach Lou Holtz, who was once asked how he developed such extraordinary motivation on his teams. “It’s easy,” Holtz replied. “We just get rid of the ones who aren’t motivated.”

These comments reflect important aspects of leadership – recognizing that the goal is not personal popularity, and having the courage to deal with poor performance. And it’s with these qualities that I would like now to turn your attention to the challenges of leading in the public sector.

First, as to popularity. In making decisions, public administrators face a massive overlay of political considerations that often either slow the process or lead to poor outcomes. Slowing the process is not always a bad thing, especially when it relates to key policy issues. Should we invade Iraq? Increase foreign aid? Tighten environmental regulations? These decisions should not be made swiftly or in a vacuum.

But political considerations often intrude on management issues, and it requires exceptionally strong leadership to stay the course and make the right decisions.

Think of the challenges involved in creating the Department of Homeland Security or transforming the Department of Defense. The paths forward for things such as new HR programs are relatively clear, and in the private sector they would not be all that controversial. But the political implications are so powerful that the decision-making undergoes long delays, leaving antiquated programs and processes in place for years beyond their useful life.

When it comes to management, the politically correct answer isn’t always the right one. Rosalynn Carter said, “A leader takes people where they want to go. A great leader takes people where they don’t necessarily want to go but ought to be.”

Leaders in the public sector often fail to deal with problem employees, as well. The rationale usually is that regulations make the process difficult. Well, firing someone should be difficult – in any sector. But it’s important that it be done. Poor performers reduce productivity and lower morale.

In the private sector, no one understands this better than GE. Among GE’s many excellent HR policies is the expectation that their performance ratings will be distributed on a forced curve, with 10 percent of professionals each year rated at the bottom level.

This sounds harsh, but in practice, it is very well accepted within GE. As it works out, usually a third of those rated as poor performers admit they’re in the wrong job, and voluntarily either leave the company or move to another position. Another third successfully challenge the rating, and are moved up to a higher level. Thus, only about a third of those with the lowest rating – 3 percent overall – are fired each year.

What’s more important is how GE treats the remaining 90 percent. For these people, there are only two performance levels: highly valued and exceptional. There are many opportunities for training, job rotation, and mentoring, and the concept that “we can’t

guarantee you employment, but we will do our best to guarantee you employability” is integral to GE’s culture.

But leadership development is rarely integral in public sector cultures. I find it curious that the Defense Department can do such an excellent job of educating and developing military officers in all the services, even across the services, while most other federal agencies have relatively weak leadership development programs. Training budgets are tight, programs aren’t supported, and when executives are invited to attend top-ranked academic or private sector courses, permission is often denied.

The creation of the Senior Executive Service and the Federal Executive Institute were supposed to address this problem. There are some great leaders in the SES, and valuable training is done at the FEI, but neither organization is seen as a renowned source of leadership. Mobility – and with it the opportunity for growth – is discouraged. Succession planning is dismissed as “pre-selection.”

Think of yourself. Do you think this government is committed to developing your leadership to its full potential?

A friend of mine was asked last year to educate the Chinese government on how the best U. S. companies develop leaders. In Beijing, he expected to find relatively basic management training, if that. Instead, he found a government strongly focused, from the highest levels, on advanced leadership development – selecting the top one percent of graduates from the best schools, paying them competitively, giving them significant training from day one and lengthy rotational assignments thereafter, and evaluating performance regularly.

Returning to the United States, he asked rhetorically “Fifty years from now, as the world continues to shrink, which government will be most prepared to compete – theirs, or ours?”

One issue that affects any government – and represents perhaps the biggest difference between public and private sectors – is rotation at the top. In the federal government, the average tenure for agency heads is about two years, and political appointees at the undersecretary level move in and out of government much more often than administrations change. There’s a similar churn in state and local governments.

Now this is a huge challenge. Creating change takes many years of consistent leadership. People naturally resist change, and if they can avoid it by outlasting the current crop of leaders, they will.

Incoming leaders like change, of course, and often sweep everything out with the new broom – sometimes sweeping out the good with the bad. How much of the good work done by the Clinton/Gore National Performance Review survived into the current administration? And how many of the excellent initiatives that have come out of President Bush’s Management Agenda will survive into the next administration?

This puts enormous responsibility on the shoulders of career leaders. It's your responsibility to carry good change initiatives forward from one administration to the next, to help employees in your agency and their new leaders understand the value of the changes, to capture progress made, and to keep things moving forward.

So leadership in the public sector involves special challenges: overcoming political pressures, weak management, inadequate training, and revolving leadership. The good news is that these challenges are surmountable, largely because of one other very important difference between the private and public sectors: strength of mission.

In my work with federal agencies, I'm constantly impressed by the integrity of public servants and by their focus on mission. I see it in people committed to improving inner-city education, protecting our natural resources, preventing and curing disease, protecting our homeland. Last year, I saw it first-hand on special assignment in Iraq, where thousands of people with different backgrounds and political views were pulling together as one to help Iraq rebuild.

Integrity of mission in the public sector is palpable, and it is a vital element of leadership. Rarely is it as strong in the private sector. Art Friedson, the HR director of CDW, said "In the private sector, we're trying to motivate people to increase quarterly profits. In the public sector, you have 'truth, justice, and the American way!'"

That's a very strong platform on which to build leaders.

This lecture was delivered at the Annual Meeting of the National Capital Area Chapter of the American Society for Public Administration on April 28, 2004, in Washington D.C.