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**FIRED UP BY COMMITMENT, EXAMPLE, AND VALUES:  
HOW HIGH-PERFORMANCE ORGANIZATIONS DEVELOP LEADERSHIP**

by

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In Partial Fulfillment of the Graduation Requirements  
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## Preface

When I began the research interviews for this study, I had been in the U.S. Air Force for just over 18 years and had been exposed to and worked for a number of leaders—some good, some bad, and a few truly outstanding ones. For a number of years, I had felt that the Air Force could do a more consistent job of building great leaders—I just didn't know how. And so I embarked on this study of high-performing organizations and how they develop leadership abilities with the hope that I would find some “common threads” that would help the Air Force improve leadership development throughout the organization. I am convinced I found those threads.

At the heart of the five organizations of which you are about to read, you will find first and foremost a strong, pervasive, top-down commitment to developing leaders. In most cases, it is a stated top priority of the organization. You will also find that leaders at multiple levels within these organizations are exceptional at leading by example. And finally, you will find these organizations have an integrated, unambiguous value set that guides organizational and individual actions. For these organizations, it is this “mastery of the fundamentals” that provides the foundation for and guides the success of leadership development.

This study would not have been possible without the support, guidance, and participation of a number of people and organizations and I want to acknowledge that assistance here. I especially want to thank three people that provided “strategic” guidance and helped me point my thinking in the right direction; Wess Roberts, author of *Leadership Secrets of Attila the Hun* and other books on leadership; Brigadier General John “Doc” Bahnsen, U.S. Army (ret), an outspoken warfighter, Vietnam hero, and expert on leadership; and Major General John Sattler,

Commanding General, 2<sup>nd</sup> Marine Division. They may not know it, but their insights and guidance kept me focused when I was poring over hours of interview tapes and notes.

To the men and women whose support, participation, and willingness to open their organizations to me made this all possible, I must give a special thanks. Gary Griffiths, CEO, Everdream; Craig Conway, CEO, PeopleSoft; Pamela Hopkins, Director, Leadership Development, PeopleSoft; James Brooks and Beau Parnell, Organization Effectiveness, Cisco Systems; George Hirschbein, Leadership Development, the Social Security Administration; Gretcha Flinn, Assistant Vice President, Enterprise Wide Leadership and Organizational Development, USAA; and again Major General John Sattler, Commanding General, 2<sup>nd</sup> Marine Division—thank you. Also, a hearty thank you must go to Tom Jones, a Marine that so graciously “opened doors” for me in a number of places.

To all the men and women, Marines, and airmen that were open and honest with me about how they viewed leadership development in their organizations, I give my sincerest appreciation. I only hope that the words that follow do justice to your insights. To all the others who I couldn’t include here, and you know who you are, thank you for all you did.

### **Abstract**

Each year, organizations big and small, public and private spend tremendous resources on programs to develop leaders that will guide those organizations to success, preferably extraordinary success. The United States Air Force is no exception to this effort.

While there is little question that classroom and other formal development programs benefit their participants, a more fundamental question needs to be answered: Is there something more vital, more necessary in developing leadership abilities?

Case studies of five high-performing organizations presented here suggest that three things lay at the foundation of developing leadership abilities: a top-down commitment to developing leaders that is carried out in action, exceptional leadership by example, and an integrated value set that guides organizational and individual actions. As one individual describes it, it is a “mastery of the fundamentals.”

To provide a broad sample set, the study included public, private, big, small, and military organizations. Selection of study participants was limited to those organizations that consistently outperform expectations and are considered leaders in their fields. Once an organization agreed to participate, interviews and organizational research were then used to answer a series of questions on how leadership abilities were developed in each organization. Comments and insight were then summarized into the case studies.

## **Chapter 1**

### **Introduction**

When it comes to developing leaders, there are no silver bullets, but there are fundamentals.

—Wess Roberts, PhD

To drive success day after day, year after year, organizations must have good leaders. Organizations big and small, public and private know that and invest tremendous resources to develop their leaders, spending as much as \$40 billion per year for classroom and other formal training programs.<sup>1</sup> The United States Air Force (the sponsor of the following research) is no exception to this extensive effort to develop leaders. The Air Force, as well as each of the other services, has extensive formal military education and other programs designed to develop leaders at all levels, both officer and enlisted. In addition, just over 2 years ago, the Air Force established the Developing Aerospace Leaders (DAL) Support Office for the sole purpose of helping ensure the Air Force has the senior leaders needed to fulfill leadership requirements.<sup>2</sup>

The goal, of course, of the tremendous resources spent and the extensive programs alluded to above is to help develop leaders who will consistently guide their organizations to success—preferably, extraordinary success. But regardless of the benefit these programs undoubtedly provide, a very fundamental question remains. Is there something more vital, more necessary, that's needed to consistently and successfully drive the development of leadership abilities in an organization? The following discussion suggests that the answer to that question is

a definite yes. In the upcoming pages, five high-performance organizations are studied to determine what drives the development of leadership abilities in those organizations. What's the bottom line? As Wess Roberts, consultant and author of numerous books on leadership, suggested prior to the study, the companies presented here are a "master of the fundamentals." Strong commitment to developing others, leading by example, and alignment with and adherence to values—these are the vital components in developing leaders. As one senior leader described it, if you don't have these...in the long run, the rest won't really matter.

### Notes

<sup>1</sup> Cited in Morgan W. McCall, Jr., Michael M. Lombardo, and Ann M. Morrison, *The Lessons of Experience, How Successful Executives Develop on the Job* (New York: The Free Press, 1988), 1.

<sup>2</sup> NOTE: This effort has focused on developing a competency-based development model to ensure future leaders are developed using a common career map. The model emphasizes two categories of competencies: occupational competencies, defined as "what we do," and universal competencies, defined as "who we are." For a more extensive discussion on DAL, see <https://www.dal.af.mil>. Maj. Kathleen Cook, *CSAF Legacy: Developing Our Nation's Airmen* [on-line, Internet] (Air Force News, 5 September 2001 [cited 6 March 2022]); available from [http://www.af.mil/news/Sep2001/n20010905\\_1236shtml](http://www.af.mil/news/Sep2001/n20010905_1236shtml), *DAL Home* [on-line, Internet] (Developing Aerospace Leaders Support Office, 21 February 2002 [cited 6 March 2022]); available from <https://www.dal.af.mil/homeBottom.htm>.

## **Chapter 2**

### **How the Study Was Done**

In the following pages you'll be introduced to Everdream, PeopleSoft, Cisco Systems, the Social Security Administration, and the U.S. Marine Corps and learn more about how each develops leadership abilities. To provide a common point of reference between the reader and author, the discussion first addresses how the organizations were selected for the study. In addition, to help explain the strengths and limitations of the findings, a review is included of how the study was done.

#### **How Organizations Were Selected**

What better place is there to examine leadership development than an organization that gets results and consistently achieves higher levels of performance than the competition? There are many organizations with exceptionally well-developed formal leadership programs; but the best-developed program in the world won't do any good if the organization cannot build leaders that get results. So instead of selecting companies with "best practice" development programs, the organizations included here were selected because, when it comes to results, they are the best at what they do. In addition, to help identify any "common threads" that might exist across a range of organizational sizes and types, a cross-section of public, private, military, big, and small organizations was intentionally selected. Unfortunately, limited resources for the study resulted in a small sample size of five organizations, and this raises the potential for error when the findings are applied to other high-performing organizations. The consistency of the findings, however, suggests this is not the case.

To select individual organizations, a number of sources were used. These included extensive review of existing research on high-performance organizations and leadership development, as well as recommendations from the following consultants, authors, and leaders: Wess Roberts, PhD, consultant and author of numerous books on leadership including *Leadership Secrets of Attila the Hun*; Ray Blunt, Council for Excellence in Government and author of *Leaders Growing Leaders: Preparing the Next Generation of Public Service Executives*; Jim Barker, PhD, professor at the U.S. Air Force Academy and author of *The Discipline of Teamwork*; Barry Frew, Director, Center for Executive Education at the Naval Postgraduate School in Monterey, California; and Anna Simons, PhD, professor in the Department of Defense Analysis at the Naval Postgraduate School and author of *The Company They Keep*. In the end, organizations were selected because they were recognized leaders in their field. The final group of five is neither comprehensive nor necessarily representative of all high-performance organizations, but still provides a solid foundation for study and analysis.

#### **How the Case Studies Were Done**

Once the organizations were selected for the study, the author conducted personal interviews with members of each organization. Specific effort was made to interview individuals representative of multiple levels of leadership within the organization. In some cases, such as at PeopleSoft, Cisco Systems, and the Marines, interviews were supplemented by other existing research or internal assessments that had already been done by the organization. To identify the vital elements of leadership development, the following questions were used:

From your point of view, how does your organization best develop leaders at various levels of the organization?

Is there one thing above all others you believe is the most critical element in developing leadership abilities at your organization? What have you found is the best way to do or teach that element?

If there is one thing your organization does better than anyone else you know of in terms of developing leaders, please briefly describe it.

What types of things do you do on a day-to-day basis for those who work directly for you that improve their ability to lead? Same question relative to the individual you work for?

How are you able to instill the drive and commitment throughout the organization that's needed to successfully develop leaders at all levels?

It is important to note that answers to these questions represent anecdotal evidence—what people felt and thought in their own words. The intent in taking this approach was to allow people to share their own ideas about how leadership abilities are developed rather than measure or discuss their assessment of a predefined list of items.<sup>1</sup> As a result, what you'll read about here are the original ideas of those interviewed—unbiased by any predetermined agenda of the author.

### **Notes**

<sup>1</sup> NOTE: For the purpose of this study, a leader is defined as an individual that effectively provides direction, identifies and obtains results, manages relationships, and anticipates and responds to the internal and external environment of the organization. This definition was derived by the author following discussions with senior consultants in the management/leadership field and served as a common frame of reference during the case study

## **Notes**

interviews. It was generally accepted by those interviewed as a good, working definition that facilitated discussion about how leadership abilities are developed.

## **Chapter 3**

### **Everdream Corporation: The Desktop Management Company**

There are no heroes! If we fail, no one cares how great we did our job.

—Gary Griffiths, President & CEO Everdream

#### **Company Description and Background**

Everdream Corporation, headquartered in the heart of Silicon Valley in Fremont, California, is a privately owned company specializing in desktop computer management. The company was founded in 1998 and currently employs over 130 people at its headquarters in Fremont and at a major operational center in Charlotte, North Carolina. Everdream products and services provide customers with comprehensive, professional management of their desktop computer infrastructure. Services include a single point-of-contact help desk, proprietary system tools, and an integrated control center that together provide the following capabilities:

Ongoing management and support of end-user desktop computers

Broad scope of services to smaller, distributed offices

Management and support to highly distributed workforces

System tools and robust security

Services priced on a predictable, subscription basis

Overall better customer experience

Everdream enables its customers to control costs, increase overall productivity of employees, and focus resources on more vital, strategic issues.<sup>1</sup> The company holds and has applied for a number of patents based on its innovative technical solutions and has been recognized as a leader in its field with the awards and recognition as shown in the figure below:



Figure 1 Everdream Awards and Recognition<sup>2</sup>

### **Building Leadership at Everdream**

In less than 4 years, the men and women of Everdream have built a leading edge organization from scratch. This achievement is remarkable given it is no larger than many Air Force squadrons and it is competing against established competitors several times its size. Employees of the company are quick to attribute this success in large part to the leadership within the organization and the opportunities that exist to develop leadership abilities.<sup>3</sup> But Everdream has no formal leadership development programs. In fact, Gary Griffiths, the CEO, doesn't call anything he does "leadership development."<sup>4</sup> Yet, there's absolutely no question

that leadership abilities are developed here—everyday and at every level of the organization. How so? Primarily through challenging job assignments and leadership by example—the top two ways leaders are developed according to the Center for Creative Leadership, an organization devoted to helping people become better leaders.

### **Challenging Job Assignments Build Leadership**

The nature of Everdream’s business, a small, young startup company in a fast-paced, technology-based environment, has required that senior leaders place individuals in demanding job assignments and give them responsibilities that in larger organizations such as Cisco would be given to individuals with far more experience and many years their senior. At the same time, senior leadership has built a culture and environment within the organization that helps its employees succeed in their assignments. Everdream begins paving the road to success by first hiring individuals that are willing to energetically adopt the values of the company, are self-motivated, driven to learn, and have previously demonstrated some potential for leadership.<sup>5</sup> Once a part of the Everdream team, employees are given, as one employee put it, “overabundant opportunities to step up and lead.”<sup>6</sup>

Those challenging opportunities to lead are met by strong commitment and action by leaders at every level to set clear objectives, support their people, provide advice and straightforward feedback, and help all to see how what they are doing fits into the “big picture” of what Everdream is all about. During interviews with employees, it was clear the organization has a well-established culture of trust. Failures and shortcomings are used as learning experiences, tough decisions are examined in detail and explained, and feedback is frequent and honest.<sup>7</sup> In short, Everdream makes sure employees have the support they need to succeed.

### **Leaders Set the Example**

Without exception, the individuals interviewed for this study stressed the key role that leadership by example has played in both the success of the organization and the development of its people. The drive and commitment of Gary Griffith to lead and develop his people was clearly evident. In addition, leaders at several levels within the organization were straightforward in stating that their own commitment to developing subordinates was inspired by the example set by those above them. The CEO and other senior leaders were viewed as committed to the company and its people, visible and accessible on a daily basis, open to new ideas, willing to provide advice and constructive criticism as appropriate, and personally driven to improve themselves and others.<sup>8</sup> Given the high praise and positive comments from Everdream's employees, it was not hard to deduce that the company was doing something very right.

### **What Everdream Does Best in Developing Leadership**

While many of Everdream's employees had worked for other larger and successful firms such as IBM and Arthur Andersen before coming to Everdream, they had no trouble in identifying two main ways that Everdream stands out in leadership development. First, as previously discussed, individuals are given challenging assignments and are supported by company leadership in carrying out those assignments—not left to figure out everything for themselves. Certainly individuals are encouraged to handle as much as they can on their own, but they also know they can get help when they need it and are encouraged to be innovative in their solutions. This type of environment was not as prevalent in other “successful” organizations where people had previously worked. Second, Everdream leaders lead by example and “practice what they preach.” Senior leadership has instilled a passion and commitment to

the company's mission that is engrained in everything that's done. A number of those interviewed cited the drive and commitment by those at the top as the primary reason they were committed to developing their own subordinates.<sup>9</sup> How do these leaders lead? The next section looks at specific activities undertaken by Gary Griffiths and other company leaders to answer that question.

### **Day-to-Day Development of Leadership Abilities**

Everdream employees identified a number of leader actions and behaviors that help develop the ability to lead in others. You would likely find a discussion of most of them in leading books and articles on leadership development and none of them should be a surprise.

However, there was something unexpected and somewhat striking about these actions and behaviors—they were virtually identical to the actions identified in each of the other case studies. In addition, regardless of organization, those interviewed used similar language and terminology when describing the activities. What's more, people spoke of the actions primarily in abstract terms (versus specific examples) and in terms of how these actions made people feel (building an emotional connection and commitment.)

The list below includes the most cited leadership developing actions/behaviors at Everdream. (For most of the listed actions, additional detail or an example is included to help provide a better understanding of the activity. In later case studies, this additional detail will be included only for items appearing for the first time in the paper. Main ideas are underlined to improve readability. Please note the endnote on the last item below cites the source for all the items in the list.)

Pass down passion and commitment to business through own example. When leaders from the top down are committed to the organization and their role as leader, it shows, and has a direct impact on development and performance of subordinates

Provide clear direction and evaluate daily business decisions and actions against that direction and the organization's goals—can be in daily staff meetings, one-on-one discussions, or team meetings. Keeps everyone focused on what is important

Take time each day to get to know employees. Learning about individuals' private and professional aspirations, concerns, and fears helps leaders better understand what motivates their people and how best to lead them

Set high standards and hold people accountable to them. Correct individuals on the spot if possible, use feedback, and/or include in performance evaluations

Model standards in own life....one of the best ways to motivate others to do the same

Give people challenging assignments, give them flexibility to carry out, provide support

Keep communication channels open at all levels by being honest and creating a non-threatening environment for two-way communication

Explain and discuss how tough decisions were made and how those decisions fit into the organization's mission and performance

Explain to people how valuable they are to the overall mission

Provide timely, honest feedback

Be accessible to coach and mentor as required or requested<sup>10</sup>

In summary, Everdream leaders “model the way” and hold others accountable to do the same. They provide subordinates with challenging opportunities, and give individuals the

support needed to ensure success. The resulting combination of leadership by example and challenging assignments has helped build other exceptional leaders. What's important to understand about Everdream is the behaviors discussed above happen on a *daily basis* and at multiple levels within the organization. Why? Because leaders at Everdream are committed to making them happen and are convinced these activities are essential to the survival and success of the company.<sup>11</sup>

### **Insights From Everdream About Developing Leaders**

Four things stand out about Everdream's success in developing the leadership abilities of its people. First, the company carefully screens potential employees to make sure they are good fit for Everdream's values and mission. During a leading research study on what makes companies great, this action was identified as the second of six essential factors that determined the long-term level of success of a company.<sup>12</sup> Second, individuals are encouraged to take on challenging opportunities. Their leaders support them in those challenges by providing honest feedback, coaching and mentoring to build or improve needed skills and behaviors, and using setbacks as learning experiences. Third, Everdream's leaders lead by example. From the top down, they are committed to the organization, its values, its mission, and its people.<sup>13</sup> This commitment is evident not only in what they say but in what they do...day after day after day. Finally, it is clear that those in leadership positions within the organization strongly believe they must develop themselves and their subordinates if the company is to survive and succeed.<sup>14</sup>

### **Notes**

<sup>1</sup> Everdream Corporation, *Everdream, Gartner Presentation* (Fremont: Everdream Corporation, 2001), Multimedia Presentation.

<sup>2</sup> Ibid.

## Notes

<sup>3</sup> Chris Laurent et al., interview by author during visit to Everdream Corporation, 4 December 2001.

<sup>4</sup> Gary Griffiths, interview by author during visit to Everdream Corporation, 5 December 2001.

<sup>5</sup> Laurent et al.

<sup>6</sup> Peter Krickovich, interview by author during visit to Everdream Corporation, 4 December 2001.

<sup>7</sup> Laurent et al.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Griffiths, Laurent et al.

<sup>11</sup> Laurent et al.

<sup>12</sup> James C. Collins, *Good to Great*, First ed. (New York: HarperCollins Publishers Inc, 2001), 41-64.

<sup>13</sup> NOTE: As discussed earlier in the paper, challenging job assignments and leadership example were the top two ways identified by the Center for Creative Leadership that leadership abilities are developed in individuals. At Everdream, people are not just given tough jobs and expected to deliver results. Leaders assess the assignment, state values, set expectations, provide support and advice, and coach and mentor.

<sup>14</sup> NOTE: A study of corporate executives identified that learning and developing because you believe you have to in order to succeed is a potent teacher and developer of leadership

## Notes

abilities. For more details see: McCall, Lombardo, and Morrison, *The Lessons of Experience, How Successful Executives Develop on the Job*.

## Chapter 4

### **PeopleSoft Incorporated: Premier eBusiness Provider**

At PeopleSoft, people are hungry to develop their abilities. It's often hard for us to provide enough opportunities and training.

—Pamela Hopkins, Director, Leadership Development, PeopleSoft

#### **Company Description and Background**

PeopleSoft Incorporated, headquartered in Pleasanton, California, and less than an hour drive northeast from Everdream's offices, is a premier supplier of what the company describes as the most advanced eBusiness application suite in the world. The company employs just over 8,000 people (about the same number as the Air Force Special Operations Command headquartered at Hurlburt Field, Florida) and has offices located in 25 countries worldwide. PeopleSoft 8, as the eBusiness application suite is titled, provides its users with an integrated, collaborative way to manage almost all enterprise functions; it does so by linking customers, suppliers, and employers through internet-based access. Applications within PeopleSoft 8 are widely considered best in class and cover almost every aspect of customer relationship management, supply chain management, human capital management, and financial management. Many of the applications include a relatively new feature in business software called analytics—that means the application is able to measure, analyze, and optimize core business operations in addition to just automating the process. This capability helps companies more quickly predict

and respond to change.<sup>1</sup> The figure below provides a brief description of the major functions provided by PeopleSoft's software:

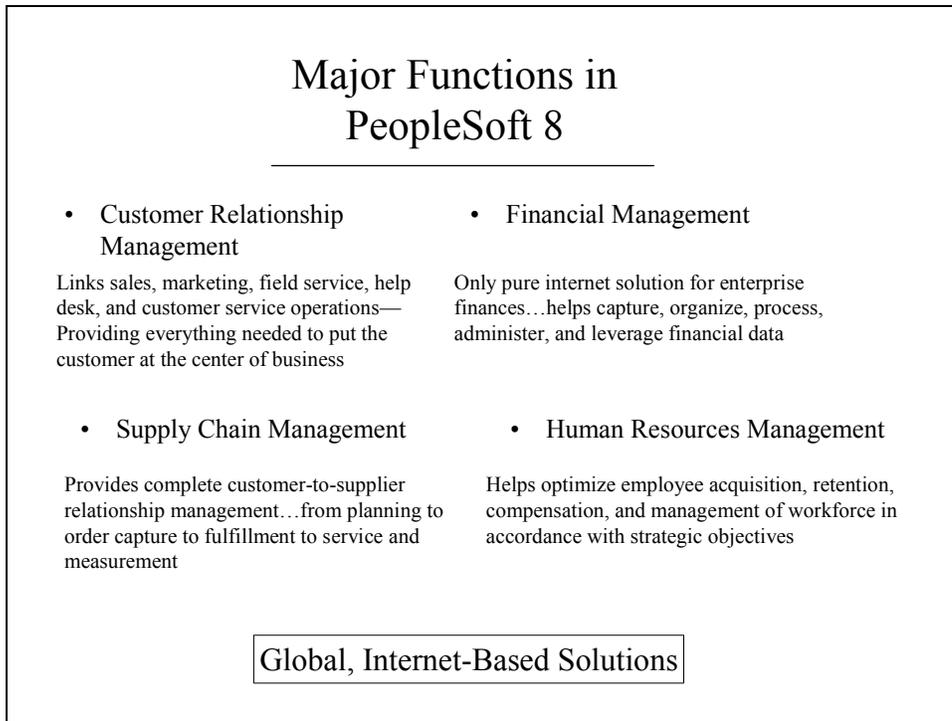


Figure 2 PeopleSoft 8 Functions<sup>2</sup>

In support of PeopleSoft's application suite, the company also provides customers with application hosting services, global support and consulting services, and numerous live webcasts and skills-on-demand training courses. The company's applications are used by more than 4,700 organizations located in 107 countries.<sup>3</sup> Since 1998, PeopleSoft has garnered a number of national and regional awards for its exceptional products and services as highlighted in the following figure. Competition in the industry is intense, but so is the company's commitment to remaining the leader in its field.<sup>4</sup>

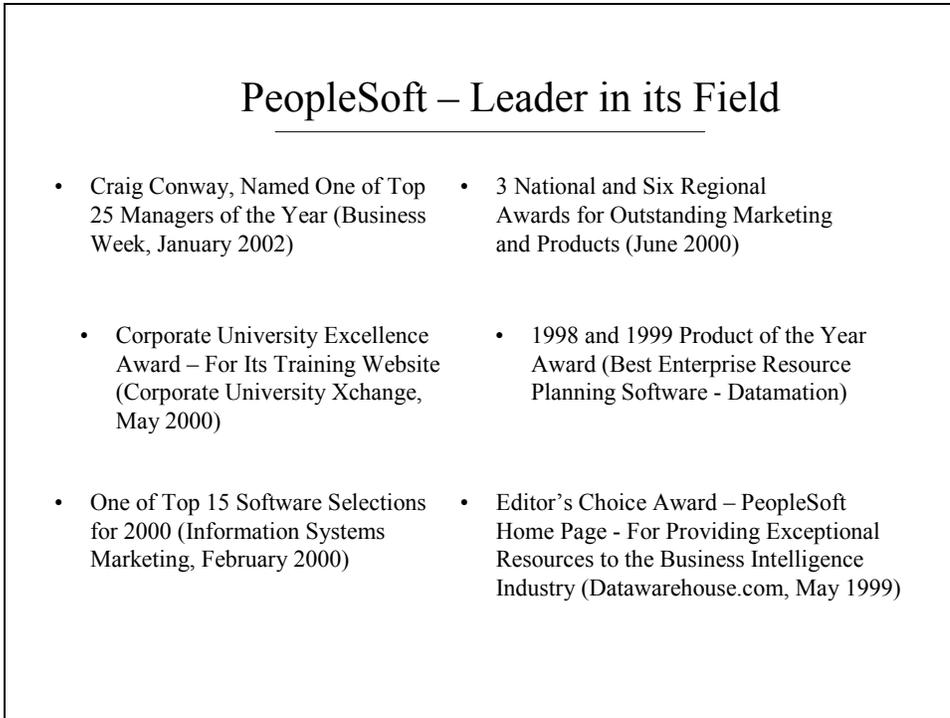


Figure 3 PeopleSoft Awards and Recognition<sup>5</sup>

**Leadership Development at PeopleSoft**

Today PeopleSoft is a leader in its field, but that has not always been the case. As recently as 1999, profits were scarce and Craig Conway, the company’s newly hired chief executive officer (CEO) at that time, couldn’t even get executive hiring firms to work for the company. “The implication was,” said Conway, “they didn’t feel good about recruiting to losers.”<sup>6</sup> All that has changed since Craig Conway took over as CEO. According to sources both inside and outside PeopleSoft, today’s success is attributed both to the new direction in which Conway has taken the company and the committed emphasis he has placed on company values, leading by example, and developing leadership abilities on the job and through formal training.<sup>7</sup>

## **Socializing Company Values**

The development of employee leadership abilities is one of PeopleSoft's top 5 overall priorities. The company's core values...competitiveness, intensity, and accountability...serve as the heart or foundation for that effort—and for everything else the company does.<sup>8</sup> From initial hiring considerations to formal leadership development programs, to informal coaching and mentoring sessions, to strategic decisions and day-to-day activities, PeopleSoft employees consider how their core values could and should direct their decisions.<sup>9</sup> How are these values instilled? Primarily through leadership by example and formal and informal development programs—the next two topics in this case study.

### **Leading By Example**

When you begin talking to employees about leadership development within PeopleSoft, it is readily apparent how enthusiastic they are about the example set by Craig Conway and other senior leaders.<sup>10</sup> In their view, PeopleSoft's top leaders are exceptional in modeling the core values and showing others how to integrate them into decisions and processes. Also significant is Craig Conway's deep commitment to developing others. He is adamant about taking time to develop those working for him and expects and holds other leaders accountable to do the same. Informal surveys taken by the company indicate this commitment has filtered down to even the lowest levels of the organization. Finally, Conway makes sure his expectations and guidance are clear. Meeting with all managers at least once each quarter, he reviews expectations and discusses the “teaching points” of the company's recent successes and shortcomings. At PeopleSoft, leaders are expected to lead the way...and they do.<sup>11</sup>

## **Developing Leadership Abilities Through Assignments and Training**

In PeopleSoft's fast-changing, competitive environment, almost every job is a challenging, developmental assignment. The company stands behind its employees and does all it can to ensure success. This support begins with the selection of an employee for an open assignment. Using the company's own human resources application, human resources personnel help identify the right person for the open assignment by comparing the competencies and requirements needed for the position with the competencies and performance history of prospective candidates. Once placed in the new position, employees receive tailored orientation training that addresses skills and other knowledge they'll need.<sup>12</sup>

To gain additional skills or receive training in areas of personal interest, employees can access PeopleSoft University, an on-line virtual academy that provides live webcasts and skills-on-demand courses to employees' desktops (and homes if desired.) Courseware covers a broad range of subjects including technical training, best practices, emerging trends, and product overviews.<sup>13</sup> In addition to this virtual academy, PeopleSoft's leadership development division provides additional programs in executive development, communication skills improvement, and other topics related to leadership. These courses are provided in a blended learning environment using both classroom and electronic formats. The company's goal is to make development programs accessible to employees at almost any time of the day or night and in a format best suited to the topic.<sup>14</sup>

### **“Turning things on a dime!”—What PeopleSoft Does Best**

Pamela Hopkins, the company's director of leadership development, used the phrase “turning things on a dime!” when describing what PeopleSoft does better than other companies in developing leaders.<sup>15</sup> Her comment refers to the firm's commitment to quickly provide

training and other relevant development materials as soon as new requirements are identified. Senior leadership plans to grow the company and more than double revenues in the next three years; they're convinced the only way they can do that is by developing their people and their leaders as best they possibly can.<sup>16</sup>

### **Day-to-Day Activities That Develop Leaders**

The day-to-day activities highlighted by employees at PeopleSoft as contributing to leadership development were similar to those observed at Everdream. Activities below were identified both during individual interviews and from the company's own internal assessments (again, the endnote on the last item applies to all items in the list):

Pass down passion and commitment to business through own example

Focus on common goals and how daily actions mesh with those goals

Set high standards and hold people accountable to them

Model standards in own life

Give people challenging assignments, give them flexibility to carry out, provide support

Conduct weekly professional development sessions at departmental level. Use this dedicated time to discuss successes/challenges and help develop needed/requested skills

Encourage team members to share struggles/difficult times with fellow team members.

Helps individuals learn from experiences of others

Explain and discuss how tough decisions were made and how those decisions fit with the organization's mission and performance

Help people see how valuable they are to the overall mission

Provide timely, honest feedback

Coach and mentor as required or requested

Encourage use of development courses and PeopleSoft University<sup>17</sup>

As at Everdream, these actions are an integral part of the way the organization's leaders lead and reflect an understanding that leadership by example, challenging assignments (properly supported), and targeted development are very effective in developing the leadership abilities of others. The behaviors discussed above were evident at multiple levels within the organization and also, as at Everdream, were considered essential to the success of the company.<sup>18</sup>

#### Insights on Developing Leaders From PeopleSoft

Three things stand out about PeopleSoft's success in developing leaders. First, the company has made leadership development one of the top five priorities of the organization. Beginning with the senior executive, Craig Conway, there is an expectation that leaders will develop other leaders and be held accountable for doing so. Senior leaders see this as essential to the ongoing success of the company and provide support needed to follow through on the stated commitment.

Second, leaders at PeopleSoft model the way. They embody the core values of the organization and instill them in others by showing how those values should and do effect decisions and company processes. Leaders, no matter what level of the organization, take an active role in the actions, welfare, and development of their people. By setting clear objectives, carefully selecting individuals for challenging assignments based on required/possessed competencies, supporting employees once in those assignments, providing honest feedback, and holding people accountable, leaders have succeeded in instilling a culture within the company that elicits commitment to PeopleSoft's mission and values.

The final stand out in PeopleSoft's success in developing leaders is the world-class set of training resources the company has developed and made available to employees and customers. PeopleSoft University, the on-line virtual academy, has been recognized for its innovation in training and education of employees and partners.<sup>19</sup> Tailored development programs provided by the company's leadership development division are just as exceptional. At PeopleSoft, employees at every level receive the training they need, when they need it, tailored to match requirements.

### Notes

<sup>1</sup> PeopleSoft Incorporated, "PeopleSoft Corporate Report 2000," (Pleasanton, California: 2001), 1-3.

<sup>2</sup> Ibid., 6.

<sup>3</sup> Ibid., 8,11.

<sup>4</sup> Pamela Hopkins and Kathy Cassidy, interview by author during visit to PeopleSoft, Inc. headquarters in Pleasanton, California, 6 December 2001.

<sup>5</sup> *Craig A. Conway, PeopleSoft* [on-line, Internet] (Business Week online, 14 January 2002 [cited 16 February 2002]); available from [http://www.businessweek.com/magazine/content/02\\_02/b3765043.htm](http://www.businessweek.com/magazine/content/02_02/b3765043.htm), PeopleSoft Incorporated, *PeopleSoft, Awards* [on-line, Internet] (2001 [cited 16 February 2002]); available from <http://www.peoplesoft.com/corp/en/about/overview/awards.asp>, *The Top 25 Managers of the Year* [on-line, Internet] (Business Week online, 14 January 2002 [cited 16 February 2002]); available from [http://www.businessweek.com/magazine/content/02\\_02/b3765001.htm](http://www.businessweek.com/magazine/content/02_02/b3765001.htm).

<sup>6</sup> *Craig A. Conway, PeopleSoft* ([cited]).

<sup>7</sup> Ibid.([cited]), Hopkins and Cassidy.

## Notes

<sup>8</sup> NOTE: PeopleSoft's values should not be viewed as model values that would be relevant for other organizations. The important point is that these values are "right" for PeopleSoft and that the employees of the company embody those values and apply them to their everyday actions. For PeopleSoft, it was clear these values help employees connect to a purpose higher than themselves.

<sup>9</sup> Hopkins and Cassidy.

<sup>10</sup> NOTE: Craig Conway has been recognized as one of the leading senior executives in the world. Fast Company magazine identified Conway as one of ten senior executives "who create value through the power of their ideas, the intensity of their commitment, and authenticity of their character." (Paul Cabana et al., "The Fast 50," review of The Fast 50, The Fast 50 Leaders, *Fast Company*, March 2002, 97.) Likewise, Business Week recognized him as one of the "Top 25 Managers of the Year" for turning the company around and developing a culture of discipline within the organization. (*Craig A. Conway, PeopleSoft* ([cited].))

<sup>11</sup> Hopkins and Cassidy.

<sup>12</sup> Ibid.

<sup>13</sup> PeopleSoft Incorporated, "PeopleSoft Corporate Report 2000," 8.

<sup>14</sup> Hopkins and Cassidy.

<sup>15</sup> Pamela Hopkins, interview by author during visit to PeopleSoft, Inc. headquarters in Pleasanton, California, 6 December 2001.

<sup>16</sup> Ibid, *The Top 25 Managers of the Year* ([cited].)

<sup>17</sup> Hopkins and Cassidy.

<sup>18</sup> Hopkins.

## Notes

<sup>19</sup> PeopleSoft Incorporated, *PeopleSoft Wins Corporate University Excellence Award* [online, Internet] (PeopleSoft, 10 May 2000 [cited 16 February 2002]); available from [http://www.peoplesoft.com/corp/en/about/press/press\\_release.asp?doc=8ED70AE37B77F51E88](http://www.peoplesoft.com/corp/en/about/press/press_release.asp?doc=8ED70AE37B77F51E88).

## Chapter 5

### Cisco System, Inc—Empowering the Internet

I view my role as President and Chief Executive Officer at Cisco with three main responsibilities: first, to determine, with the leadership team, the strategy of the organization; second, to develop and grow the leadership team to implement that strategy; and third, to drive the culture of the organization.

—John Chambers, President and CEO, Cisco Systems

#### Company Description and Background

Cisco Systems, Incorporated, founded in 1984 by a group of computer scientists from nearby Stanford University, is a worldwide leader in networking. Cisco products are considered the best in their class and can be found in most corporate, education, and government networks around the world.<sup>1</sup> The company employs over 37,900 people (for comparison, the United States Special Operations Command has approximately 46,000 personnel), has offices in countries worldwide, and is headquartered in San Jose, California.<sup>2</sup> Cisco Systems provides both products and services in a number of networking related fields as shown in the figure on the following page:



Figure 4 Cisco Products and Services<sup>3</sup>

Cisco's long-time leadership in the networking industry is remarkable given it competes in a market where hardware is obsolete in 18 months and software is obsolete in 6. What's even more remarkable is the company has often used corporate acquisitions to gain the technology and people it needs. Cisco has completed more than 40 mergers since 1993 and spent more than \$18 billion on acquisitions in 1998 and 1999. While most mergers typically fail, Cisco has succeeded time and time again in a difficult environment where intellectual capital is scarce and competition is fierce. At the same time, the company's turnover rate is one of the lowest in Silicon Valley.<sup>4</sup> The reason for this success can be found in the way Cisco manages its people

and adheres to core values as a foundation for everything it does. From day-to-day activities, to creating new initiatives, to evaluating prospective acquisitions, Cisco succeeds by sticking to the basics.<sup>5</sup> The figure below highlights some of the company's most recent achievements:

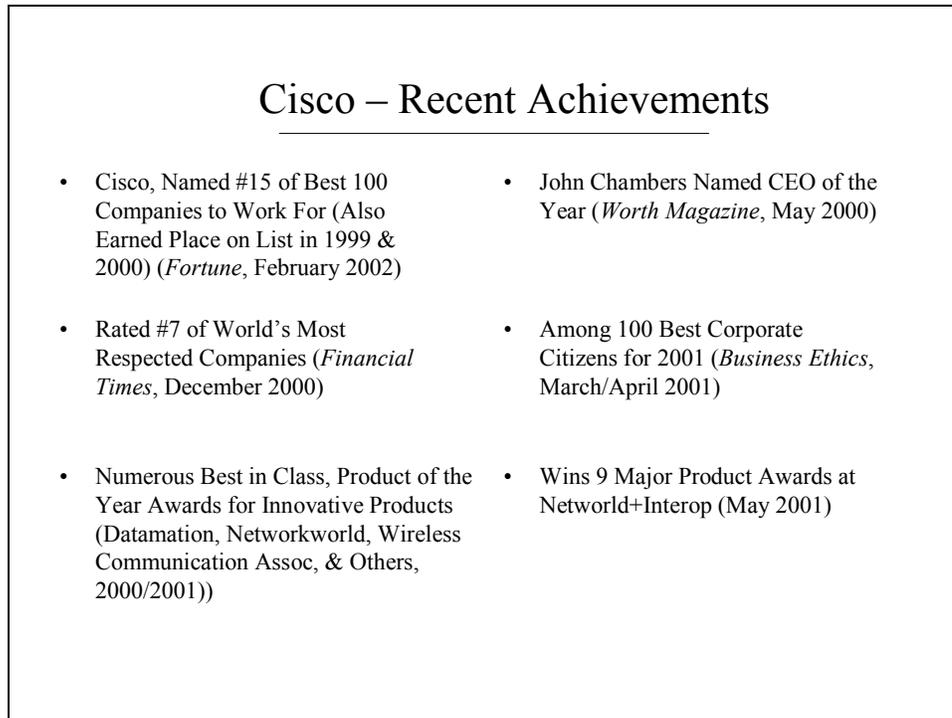


Figure 5 Cisco Systems Awards and Recognition<sup>6</sup>

### **Developing Leaders at Cisco**

Cisco Systems succeeds in almost every market it is involved in and John Chambers gives the leadership team credit for making that happen. As a result, you might expect the company to have an extensive leadership development program that is well integrated with Cisco's strategic plan...but you'd be wrong<sup>7</sup>. While the company is currently in the process of implementing and refining just such a program, Cisco's past development of leaders has relied on much more basic methods.<sup>8</sup> Through leading by example and hiring the right people/acquiring the right company and then instilling Cisco values, senior leaders have developed a team that's built the fastest-growing company of its size in history.<sup>9</sup>

## **Leaders Lead the Way**

Beginning with John Chambers, the CEO, leaders are expected to lead the way at Cisco—and they do. The opening epigraph of the chapter demonstrates the importance the CEO places on developing people and instilling values. Chambers sets clear objectives and makes sure that every single employee knows what these are by giving him or her a small card with the key objectives listed.<sup>10</sup> He expects employees to know and be able to cite key company initiatives, and he expects lower level leaders to know the status of those initiatives.<sup>11</sup> As Chambers puts it, “everybody here knows what we want to accomplish.”<sup>12</sup> Chambers also believes personal mentoring is key to developing the abilities of others and maintains up to five mentoring relationships at any one time. He expects and holds his subordinates accountable for doing the same.<sup>13</sup>

To ensure employees feel part of the Cisco team and have the big picture, Chambers and other senior leaders hold “all hands” meetings and webcast key events to employee desktops.<sup>14</sup> Of three things that will get an individual fired at Cisco, two of them—not hiring and developing the right people and not being a team player—illustrate the extent to which senior leadership believes people account for the success of the company.<sup>15</sup> Beau Parnell, Cisco’s human resource director, emphasized that leaders at Cisco truly care for and develop those who work for them; he suggested this is something that cannot be found in many other companies today.<sup>16</sup>

## **Right People, Right Acquisition, Adherence to Values**

At the heart of Cisco’s success in developing its people is this straightforward concept—make sure you hire the right people or acquire the right company to start with and then instill and reinforce Cisco culture and values. When considering a perspective candidate for employment, company staff begin by knowing exactly what they are looking for and making sure the

candidate's goals and desires are a match with Cisco's culture.<sup>17</sup> Likewise, when considering a company for acquisition, the company being acquired must have both a technology Cisco wants, as well as a vision and culture that are compatible with Cisco's.<sup>18</sup>

After hiring or acquiring new employees, Cisco wastes no time in socializing them into its corporate culture and five core values: customer success, innovation and learning, partnerships, teamwork, and doing more with less. Various methods are used to do this including a Fast Start program (a collection of initiatives to let facility teams know a new recruit is on the way and needs to be integrated into the Cisco way), assigning a "buddy" Cisco peer, sending employees to a Cisco Business Essentials course, and ensuring supervisors follow up on reviewing values and goals with new hires.<sup>19</sup>

With the right people, leaders build leadership abilities in others by continually emphasizing the importance of the core values; encouraging, challenging, and supporting individuals to make decisions that are consistent with those values; and then honestly evaluating performance against those values. Cisco is so successful at doing this and instilling the company culture, that some supervisors have complained they have a big problem convincing employees to go home at night—employees are that enthusiastic about working in this organization.<sup>20</sup> The company's senior leadership is convinced this commitment to values has helped Cisco employees at all levels develop their abilities to set clear guidance, face challenges, identify objectives, and manage relationships—all key expectations of a leader.<sup>21</sup>

### **Does Cisco Do Any One Thing Better in Developing Leadership Abilities?**

James Brooks, Cisco's organization effectiveness manager, had a difficult time identifying any one thing he felt Cisco did better than other companies when it came to developing leadership abilities. The company had used a variety of sources in the past to

improve skills of leaders at various levels—but so had many other successful organizations. Likewise, at the time of this study, Cisco was in the process of refining and implementing a new, more formal leadership development program and it was too soon to see measurable results. But one thing did stand out; Cisco sticks to its core values and that means it openly and directly challenges and supports its people to take risks, be innovative, and be part of team.<sup>22</sup> What better way is there to improve an individual’s ability to lead?

### **Day-to-Day Activities That Develop Leaders**

When it comes to the day-to-day activities that help develop leadership abilities at Cisco, the activities identified were very similar to those described at Everdream and PeopleSoft. The following developmental actions were identified during interviews with Cisco’s human resource director and organizational effectiveness manager and from a review of a case study on Cisco included in *Hidden Value, How Great Companies Achieve Extraordinary Results with Ordinary People*:

Pass down passion and commitment to business through own example

Values, values, values. Using Cisco values as a guide for decision making helps ensure a company-wide emphasis on what’s most important to the organization

Set high standards and hold people accountable to them

Model values in own life

Give people challenging assignments, give them flexibility to carry out, provide support

Help people see how valuable they are to the overall mission

Provide timely, honest feedback

Coach and mentor as required or requested<sup>23</sup>

As at the previous two companies, these activities reflect the significance of leadership by example and challenging assignments (properly supported.) In addition, as at Everdream and PeopleSoft, these actions were identified as daily activities of leaders at multiple levels within the organization—not just things people wished they did.

### **Insights on Developing Leadership Abilities at Cisco—Values, Values, Values**

It should be clear by now that Cisco’s success as a company and the success of its leaders and employees cannot be linked to formal, intensive development programs such as those we are about to see used by the Social Security Administration and the U.S. Marine Corps. Cisco’s highly successful people learned how to lead from something else and that something is the company’s apparent unwavering commitment to the basics: lead by example, make development a priority, base all you do on core values, and hold people accountable.

A key point to understand here is that many competing companies have tried to follow Cisco’s model and have failed. Cisco succeeds because it is committed to its core values and integrates them in all activities. From the way it hires people, acquires other companies, develops business strategy, and instills culture, Cisco is clear in signaling core values. As Charles O’Reilly states in his book *Hidden Value*, “if a person or small company does not fit their vision and values, they won’t be asked to join.”<sup>24</sup> All Cisco employees understand this vital role of company values and teamwork; if they don’t or won’t, they won’t be working at Cisco for long.

## Notes

<sup>1</sup> Cisco Systems Incorporated, "Cisco Systems 2001 Annual Report," (San Jose: 2001), 1.

<sup>2</sup> Standard & Poors, *Register of Corporations, Full Report* [on-line, Internet] (Standard & Poors, February 2002 [cited 20 February 2002]); available from [http://www.netadvantage.standardandpoors.com/netacgi/nph-brsprog?S1=\(cisco+Systems\).CNA](http://www.netadvantage.standardandpoors.com/netacgi/nph-brsprog?S1=(cisco+Systems).CNA).

<sup>3</sup> Cisco Systems Incorporated, *Technology Innovations* [on-line, Internet] (Cisco Systems, Inc., January 2002 [cited 20 February 2002]); available from <http://newsroom.cisco.com/dlls/innovators>.

<sup>4</sup> Charles A. III O'Reilly and Jeffrey Pfeffer, *Hidden Value, How Great Companies Achieve Extraordinary Results with Ordinary People* (Boston: Harvard Business School Press, 2000), 50-51.

<sup>5</sup> *Ibid.*, 52, 75.

<sup>6</sup> Cisco Systems Incorporated, *Cisco Achievements and Awards* [on-line, Internet] (Cisco Systems, Inc, February 2002 [cited 20 February 2002]); available from <http://www.cisco.com/warp/public/750/awards>, Robert Levering and Milton Moskowitz, "The 100 Best Companies to Work For," *Fortune*, 4 February 2002, 73.

<sup>7</sup> Thomas J. Neff and James M. Citrin, *Lessons from the Top* (New York: Doubleday, 1999), 79-83.

<sup>8</sup> NOTE: Cisco Systems does provide extensive training opportunities for its employees, has held leadership development sessions, and sent executives to formal training programs at such locations as the University of Pennsylvania and Harvard. But until recently, these activities were not part of more formal development program integrated with company strategy and values.

## Notes

<sup>9</sup> James Brooks and Beau Parnell, interview with author during visit to Cisco System headquarters, San Jose, California, 5 December 2001, O'Reilly and Pfeffer, *Hidden Value*, 50.

<sup>10</sup> Neff and Citrin, *Lessons from the Top*, 80.

<sup>11</sup> O'Reilly and Pfeffer, *Hidden Value*, 69.

<sup>12</sup> Neff and Citrin, *Lessons from the Top*, 79.

<sup>13</sup> Brooks and Parnell.

<sup>14</sup> O'Reilly and Pfeffer, *Hidden Value*, 73.

<sup>15</sup> *Ibid.*, 67.

<sup>16</sup> Brooks and Parnell.

<sup>17</sup> O'Reilly and Pfeffer, *Hidden Value*, 71-73.

<sup>18</sup> *Ibid.*, 65-66.

<sup>19</sup> *Ibid.*, 68, 73, 76.

<sup>20</sup> *Ibid.*, 69, 73, and 77.

<sup>21</sup> Brooks and Parnell.

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*, O'Reilly and Pfeffer, *Hidden Value*, 63-77.

<sup>24</sup> O'Reilly and Pfeffer, *Hidden Value*, 77.

## Chapter 6

### Social Security Administration—Out Front in Leadership Development

That's why I'm here! There's a pervasive commitment to develop people.

—Wanda Shannon, Social Security Administration

#### Organizational Background

The organization known as SSA (Social Security Administration) traces its origins back to the 1935 Social Security Act signed by President Franklin D. Roosevelt.<sup>1</sup> Having undergone many changes since those early years, SSA now employs over 65,000 employees with headquarters in Baltimore, Maryland. The agency is organized into 10 regional offices, 6 processing centers, and close to 1300 separate field offices.<sup>2</sup> SSA's workload and the services it provides to Americans are extensive; the agency pays benefits to over 46 million people each year and provides services that protect over 150 million American workers. Though many people do not realize it, the agency provides much more than just retiree benefits. The figure on the following page briefly describes SSA's primary services:

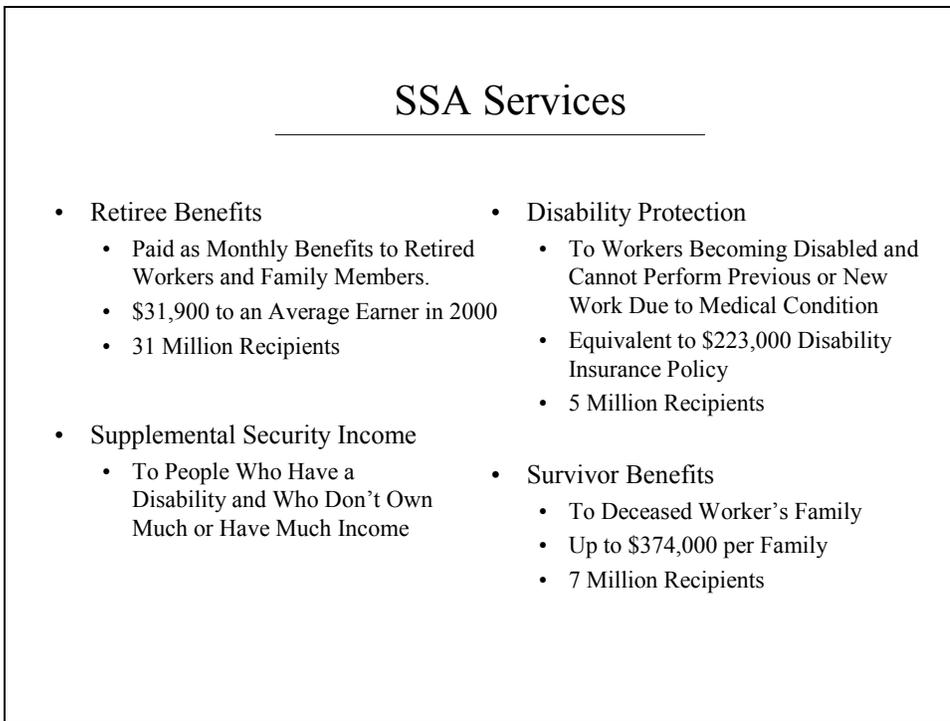


Figure 6 Description of Services Provided by SSA<sup>3</sup>

**Developing Leadership Abilities at SSA**

In the mid 1990s, the senior leadership at SSA began to develop what is today one of the best formal leadership development programs in government *or* business.<sup>4</sup> SSA leaders realized the organization was not building enough leaders to ensure continued success in the decade ahead—many middle and senior-level leaders had been hired in the 1960's and 70's and would soon begin to retire. Today, SSA has a formal leadership development program spanning all management employee levels and is one of the few in government that links the development of future leaders to the organization's long-term strategy.<sup>5</sup> In addition to its formal programs, SSA leaders at several levels cite two other factors as playing a vital role in developing leadership abilities—a pervasive commitment to developing leaders and leadership by example.<sup>6</sup> During a visit to agency headquarters in Baltimore, Maryland, it was easy to see that the SSA had built a winning leadership development program as well as an exceptional group of leaders.

## Formal Leadership Development Programs at SSA<sup>7</sup>

SSA's formal development program consists of two main pieces—extended, comprehensive programs for high-potential employees (at multiple levels of management), and a leadership competency training model for all employees.<sup>8</sup>

The programs for high-potentials are tailored to individual grade levels, vary in length from 1 to 2 years, and include the following:

Presidential Management Intern Program	GS-9 entry level
Leadership Development Program	GS-9 through GS-12
Advanced Leadership Development Program	GS-13 and GS-14
Senior Executive Service Candidate Development Program	GS-15

Entry into the programs is highly competitive and potential candidates must demonstrate how their experiences and leadership abilities qualify them for selection. After initial selection, candidates for all but the lowest level program go through additional assessments of leadership potential before final acceptance into the program. Each program is then tailored to meet the development needs of a given individual and typically includes the following components:

- Written, individualized development plan
- Common core of formal training courses
- Additional orientation and training courses
- Multiple developmental assignments (with one outside the individual's home component)
- Formal mentoring relationship with senior leader
- And, in some cases, a shadow assignment with a senior level leader.<sup>9</sup>

During interviews at the agency's headquarters, leaders who were graduates of these courses had high praise for the quality of the training, relevancy of developmental assignments to their individual careers, and the positive impact of the formal mentoring relationship on their development.<sup>10</sup>

In addition to the above development programs for high potentials, SSA uses an in-house developed leadership competency model to help match or tailor formal training to the needs of all employees. This model provides employees with an identified set of key core competencies needed to succeed at SSA, a self-assessment tool to help identify areas for improvement, and a selection of possible courses to take covering those areas. (Competencies are described as key knowledge, skills and personal characteristics that promote superior performance.)<sup>11</sup> Employees can then obtain appropriate training through a variety of sources including an online university, leadership seminars, outside courses, and an interactive video format. SSA is currently piloting a new, more automated leadership development system that will allow employees to do their own self assessment, register for and evaluate courses on-line, and include completed coursework in employment histories.<sup>12</sup>

### **Pervasive Commitment to Develop Leaders and Leading by Example**

One of SSA's top two commitments or core values is "to be an employer that values and invests in each employee."<sup>13</sup> The individuals interviewed during this case study felt strongly that senior leadership commitment to this core value was the reason behind the success of the formal programs discussed above. These individuals also felt the positive example set by their superiors was a key motivating factor in their own drive to improve. Leaders at SSA were seen as setting clear objectives, promoting openness and honesty in decision making, providing challenging assignments and supporting individuals in those assignments, and making it a top priority to

coach and mentor their people. As one senior leader described it, there is a pervasive commitment among those in leadership positions to develop other leaders and to be great leaders themselves; this is an expected norm at SSA—not an exception.<sup>14</sup>

### **Providing Opportunities to Grow—What SSA Does Best**

As previously mentioned, SSA’s entire leadership development program and related activities are considered a “best practice.” But providing employees with individually tailored leadership development programs is considered the keystone of the entire development process and something SSA does better than other organizations.<sup>15</sup> Leading research confirms this and has shown that this type of tailored approach has more impact on individuals than either “lockstep” course sequences given to all individuals at certain phases in a career cycle or generic course models that provide the same course materials to all.<sup>16</sup> In any event, SSA’s developing leaders were extremely enthusiastic about this part of the agency’s leadership development program; it was not a surprise when several mentioned they had joined SSA primarily because of these opportunities.<sup>17</sup>

### **Day-to-Day Activities at SSA that Develop Leadership Abilities**

When asked about the types of actions that occur on a daily basis that helped develop leadership abilities, employees responded with the following (again, the endnote applies to all items listed):

Pass down passion and commitment to business through own example

Provide clear direction and evaluate daily business decisions and actions against that direction and the organization’s goals

Set high standards and hold people accountable to them

Model SSA values in own life

Take time each day to get to know employees

Take an active role in developing other people

Give people challenging assignments, give them flexibility to carry out, provide support

Help people see how valuable they are to the overall mission

Provide timely, honest feedback

Initiate and maintain successful mentoring relationships<sup>18</sup>

As in previous case studies, those interviewed cited these activities as present across multiple levels of leadership within the organization. Interviewees also felt it important to emphasize that they and other SSA leaders perform these actions on a daily basis—not once a quarter, once a month, or even once a week, but all the time.<sup>19</sup>

#### Insights on Developing Leaders at SSA

Developing leaders is serious business at the Social Security Administration. The formal programs, positive examples by other leaders, and day-to-day activities just discussed are a winning combination that is right for SSA. During the visit to this organization, two things stood out about how the agency develops leaders—commitment to developing people and tailoring development to the individual.

To put it simply, SSA is exceptional at developing leaders because all leaders, from the top down, are strongly committed to doing so. So much so, they have made it one of the top priorities of their organization. Their commitment is evident in day-to-day actions, support of formal development programs, and the personal interest they take in developing and mentoring other leaders. Leaders at SSA know that others will learn from their actions (good or bad) and strive to lead their people the way they themselves want to be led.

The other insight to be gained from the SSA is that tailored formal development programs are highly effective. They provide employees with relevant training, make good use of employee time and resources (SSA is under budget constraints similar to those of other government agencies and is continually pushed to do more with less), and can take advantage of best timing and opportunities for the individual. As alluded to earlier, employees at SSA place a high value on the impact these tailored programs have had on leadership development.

### Notes

<sup>1</sup> Social Security Administration, *A Brief History of Social Security* (SSA Publication No.21-059) [on-line, Internet] (Social Security Administration, August 2000 [cited 25 February 2002]); available from <http://www.ssa.gov/history/reports/briefhistory.html>.

<sup>2</sup> Social Security Administration, *Social Security Administration Organizational Structure and Functional Information* [on-line, Internet] (Social Security Administration, 6 February 2002 [cited 25 February 2002]); available from <http://www.ssa.gov/org/>.

<sup>3</sup> Social Security Administration, *Basic Facts About Social Security* (SSA Publication No.05-10080) [on-line, Internet] (Social Security Administration, January 2001 [cited 25 February 2002]); available from <http://www.ssa.gov/pubs/10080.html>.

<sup>4</sup> Ray Blunt, "Leaders Growing Leaders: Preparing the Next Generation of Public Service Executives," (Washington, D.C.: Council for Excellence in Government, 2000), 21.

<sup>5</sup> Ibid, Office of Human Resources Social Security Administration, "SSA Leadership Competency Training Model," (Baltimore, Maryland: Social Security Administration, 1999), 4.

<sup>6</sup> Shelby Hesterly et al., interview with author during visit to SSA headquarters in Baltimore, Maryland, 8 January 2002.

## Notes

<sup>7</sup> NOTE: The formal leadership development programs discussed in this study are SSA's national level programs. In addition to these, each of the 10 regions has additional formal development programs. As a result, whether a high-potential individual or not, SSA provides extensive developmental opportunities to its potential and existing leaders.

<sup>8</sup> Social Security Administration, "SSA Leadership Competency Training Model," 4.

<sup>9</sup> George Hirschbein and Shirley Stone, interview with author during visit to SSA headquarters in Baltimore, Maryland, 8 January 2002.

<sup>10</sup> Hesterly et al.

<sup>11</sup> Social Security Administration, "SSA Leadership Competency Training Model," 4-6.

<sup>12</sup> Richard Ryan, interview with author during visit to SSA headquarters in Baltimore, Maryland, 8 January 2002.

<sup>13</sup> Social Security Administration, "SSA Leadership Competency Training Model," 4.

<sup>14</sup> Hesterly et al.

<sup>15</sup> Ibid.

<sup>16</sup> McCall, Lombardo, and Morrison, *The Lessons of Experience, How Successful Executives Develop on the Job*, 182.

<sup>17</sup> Hesterly et al.

<sup>18</sup> Ibid, Hirschbein and Stone.

<sup>19</sup> Hesterly et al.

## Chapter 7

### **The United States Marine Corps—A Builder of Leaders**

The Marine Corps' most important responsibility is to win our nation's battles. Our second most important responsibility to the American people is to make Marines...how we recruit them, train them, instill in them our core values, and equip them, will forever be our institutional focus.

*—Making Marines & Winning Battles*

#### **Background of the Marine Corps**

The United States Marine Corps traces its origin back to a November 1775 resolution of the Continental Congress that directed establishment of two battalions of Marines for service as a landing force with our country's then burgeoning fleet. Since that time the Marine Corps has continually distinguished itself in combat and other actions ranging from the Revolutionary War to today's operations in Afghanistan.<sup>1</sup> The figure on the following page provides a brief chronology of the Marine Corps:

## U.S. Marine Corps Chronology

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1775	Corps is born through resolution of the Continental Congress
1798-1848	Marines protect American interests around the world in actions against the Barbary pirates, the War of 1812, and the Mexican War
1820-1859	Commandant Archibald Henderson demonstrates to Congress his unyielding commitment to cost discipline by repeatedly <i>returning</i> funding allocated to the Marine Corps
1918	World War I: Marines such fierce fighters at the Battle of Belleau Woods that the Germans began referring to them as <i>teufelhunde</i> , “devil dogs”
1941-1945	World War II: At the Battle of Iwo Jima, Marines, raise the flag atop Mount Suribachi. Admiral Chester Nimitz describes the thirty-six days of fierce fighting: “Uncommon valor was common virtue”
1950-1953	Korean War: The First Marine Division defends against eight Chinese army division in minus-twenty-degree temperatures in the Battle of the “Frozen” Chosin Reservoir
1990s	2 <sup>nd</sup> Marine Division storms into Kuwait; Bangladeshi flood victims refer to the Marines who provide them with disaster relief as <i>faresta</i> , “sea angels;” Marines conduct numerous operations to evacuate American citizens from foreign countries and conduct humanitarian and disaster relief efforts

Figure 7 Marine Corps Significant Events<sup>2</sup>

The Corps consists of over 170,000 Marines; is the only service tasked by Congress to operate combined arms in the air, land, and sea dimensions; and, serves as the nation’s premier expeditionary force, ready to operate across the continuum of conflict. The Marines have a long history of delivering performance above and beyond what was expected and have proven time and time again they are ready to respond “to the international brushfires of disaster, emergency, crisis, and when necessary, war.”<sup>3</sup> Through the years, the Marine Corps has continued to meet the emerging challenges in the world through a commitment to innovation and developing people.<sup>4</sup> Today’s Marines are ready to fight in the deserts and mountains of Afghanistan as well as the urban environments that may face them in the future.

## **Developing Leadership in the Marine Corps**

As the opening epigraph of this chapter should make clear, the Marines are all about developing people, and for them that means developing leaders. Without question, the Marine Corps framework for leadership development is the most comprehensive of any examined during the course of this research and it's probably the most rigorous and balanced of all the U.S. military services.<sup>5</sup> Depending on rank structure, this framework includes various combinations of resident schools, distance learning, command-level development programs, and self-study. But the real linchpin to the organization's success in developing leaders and leadership abilities lies in two more fundamental things—strong adherence to core values/leadership framework, and an intense, selfless commitment by leaders to lead by example and to develop others.<sup>6</sup> The following discussion will focus on these latter two topics.

### **Core Values and Leadership Framework**

From day one of an enlisted or officer candidate's entry into the Marine Corps, the core values of honor, courage, and commitment are instilled as the foundation for leadership development and warfighting success. In fact the majority of the Corps' initial training efforts are considered value shaping, not skill building.<sup>7</sup> Along with the core values, a set of fourteen leadership traits and eleven leadership principles serve as an overall leadership framework. All are considered part of Marine Corps culture and are consistently incorporated in everything from training courses, to professional development sessions, to public statements.<sup>8</sup> Officers and enlisted alike are expected to embody these values, traits, and principles (regardless of previous beliefs), and likely will not find success without embracing them.<sup>9</sup>

How does the Marine Corps succeed in instilling these values and the associated leadership framework? And how does the Corps make them an integral part of every Marine?

First, core values are instilled as part of Marine culture and history. They are presented and reinforced as the keys to warfighting success—and they are reinforced day after day throughout an individual’s service career. To help people connect with the core values and see how to apply them in their own lives, stories and histories about past and present Marine heroes are used to show each of the values “in action.”<sup>10</sup>

Second, the leadership framework is simple enough to be understood by all while still clearly applying to every Marine at every level. The framework incorporates a single leadership model and focuses on attitudes, behaviors, and beliefs needed to achieve success. In other words, the Marines focus more on action than on theory. In addition, because every part of the Marine Corps uses and refers to the same set of leadership principles and guidelines, all Marines have a clear and unambiguous model for how to lead others—and of what to expect from their leaders. There is no question about the standards against which they’ll be evaluated.<sup>11</sup>

### **Selfless Commitment to Develop Others**

The Marine Corps would not be so successful in instilling the leadership framework discussed above if it were not for the intense commitment of its leaders to developing themselves and others. It is hard to describe this commitment, except to say that every single Marine interviewed for this study had it and felt it was essential to the success of the Corps.<sup>12</sup>

By living the core values in their own lives and showing others how to do the same, the ability to lead becomes an everyday, natural part of Marines at every level. Wherever you look, leaders are close at hand, sharing the tough times as well as the good with their men and women. They give direction, expect action to be taken and decisions to be made in line with the core values, and then they “release the hounds.” They reward good performance and punish bad.<sup>13</sup>

To show just how committed the Marines really are to developing others, all one has to do is look at the quality of instructors in various training and education programs. The Marines select only the best.<sup>14</sup> As Major General John Sattler, Commanding General of the 2<sup>nd</sup> Marine Division puts it so well, “you can have a great syllabus, but what message does it send if you don’t have your best folks teaching it.”<sup>15</sup>

A final comment must be made here about the commitment Marine leaders have to developing people and leadership abilities. They do this out of selflessness, the ability to put aside personal desires and ambitions, and focus their actions on a purpose that goes far beyond themselves—winning battles and making Marines. As General Sattler firmly believes, this selflessness is “the foundation of every successful leader.”<sup>16</sup> Needless to say, the Marines have a lot of successful leaders.

#### What Marines Do Best in Developing Leadership Abilities

When asked what Marines do better than any other organization when it comes to developing leaders, interviewees responded with these five things:

We instill and embrace core values in all we do

We never forget the heroes of the Marine Corps (living or dead)

We hold Marines accountable for their actions and lack of action

We reward good behavior and we punish bad behavior

We are willing to let Marines use their imagination and leadership abilities<sup>17</sup>

While each of these topics is self-explanatory and needs no further discussion here, it is important to understand that they are all related and are all a result of implementing and reinforcing the leadership framework discussed above.

## Day-to-Day Activities That Develop Leadership Abilities

The day-to-day activities highlighted by Marine leaders as developing leadership abilities are very similar to those cited in the previous case studies. The following list should be no surprise (again, the endnote applies to the entire list):

Model core values and leadership framework through personal example

Provide clear direction and evaluate daily decisions and actions against that direction and the organization's goals

Give people challenging assignments, give them flexibility to carry out, provide support

Provide timely, honest feedback

Set high standards and hold people accountable to them

Take active role in developing other Marines (including weekly/monthly leadership development sessions)

Take a sincere interest in their Marines

Never strip a Marine of his/her decency or self-respect<sup>18</sup>

As in previous case studies, the main point to be made is that Marine leaders do a lot more than talk about the above actions; they are committed to doing them, do them on a routine basis, and expect others to do the same.

## Insights on Developing Leadership – U.S. Marine Corps

There is no question that the Marines have the most comprehensive leadership development programs of any organization studied here. From weekly/monthly professional development sessions tailored to the requirements of different leadership levels to formal military education curricula used to instill and reinforce Marine core values, almost every aspect

of what the Marines do is exceptional. However, during the course of the study interviews, two things (and they've been addressed already) continually stood out well above all others as the underlying reason for the Marines' success in developing leadership—leader commitment and the role of core values.

The sine qua non is this—Marine leaders are committed to developing other leaders because they believe without question that the future success of Marines in battle depends on it. As a result, Marine leaders strive to be exceptional role models for others—not just good or okay role models, but exceptional ones. They devote significant time to conducting unit-level sessions to talk about leadership and how to handle specific situations, many on a weekly or at least monthly basis. Never once did one of the leaders interviewed state they were too busy or just didn't have the time to spare to develop others. In addition, senior leadership ensures only the best are selected to teach other leaders. As the previous comment from General Sattler made quite clear, how else can an organization expect to develop outstanding leaders if the teachers are not outstanding themselves?

Combine the intense commitment discussed above with a set of core values that are easily instilled, serve as a foundation for warfighting success, and are readily embraced by all your people and it's no wonder the Marines are a high-performance organization. The core values and leadership framework are seamlessly integrated into everything the Marines do and provide a single framework upon which all will be expected to perform. They enable every Marine to emotionally connect to the higher purpose of the Corps and winning battles. This point is essential to understand. As Jon Katzenbach states in *Peak Performance*, the Marines (along with several other organizations) “uniquely and consistently fire up the positive emotions within their

workforces and channel the extra energy to higher levels of performance than their competition can.”<sup>19</sup>

## Notes

<sup>1</sup> United States Marine Corp History and Museums Division, *Brief History of the United States Marine Corps* [on-line, Internet] (January 2002 [cited 28 February 2002]); available from [http://hqinet001.hqmc.usmc.mil/HD/Historical/Customes\\_Traditions/Brief\\_History\\_USMC.html](http://hqinet001.hqmc.usmc.mil/HD/Historical/Customes_Traditions/Brief_History_USMC.html).

<sup>2</sup> Ibid.([cited), Jon R. Katzenbach, *Peak Performance, Aligning the Hearts and Minds of Your Employees* (Boston, Massachusetts: Harvard Business School Press, 2000), 57.

<sup>3</sup> History and Museums Division, *Brief History of the United States Marine Corps* ([cited), United States Marine Corp History and Museums Division, *Marine Corps End Strengths* [on-line, Internet] (United States Marine Corps, [cited 28 February 2002]); available from [http://hqinet001.hqmc.usmc.mil/HD/Historical/Frequently\\_Requested/End\\_Strength.htm](http://hqinet001.hqmc.usmc.mil/HD/Historical/Frequently_Requested/End_Strength.htm), United States Marine Corps, "Making Marines and Winning Battles," (United States Marine Corps), 6.

<sup>4</sup> History and Museums Division, *Brief History of the United States Marine Corps* ([cited).

<sup>5</sup> Joseph M. Eagan, "The U.S. Marine Corps Leadership Development Program: Description, Assessment and Recommendations for the U.S. Navy," (2001), 15.

<sup>6</sup> John F. Sattler, Maj Gen, USMC, interview with author, 22 January 2002.

<sup>7</sup> Katzenbach, *Peak Performance*, 60.

<sup>8</sup> Eagan, "The U.S. Marine Corps Leadership Development Program," 15-17.

<sup>9</sup> Katzenbach, *Peak Performance*, 60.

<sup>10</sup> Sattler.

## Notes

<sup>11</sup> Eagan, "The U.S. Marine Corps Leadership Development Program," 15-17.

<sup>12</sup> Sattler, U.S. Marine Corps officers speaking under agreement of academic privilege, interviews with author, 1 November 2001 - 28 February 2002.

<sup>13</sup> Sattler, U.S. Marine Corps officers speaking under agreement of academic privilege.

<sup>14</sup> Katzenbach, *Peak Performance*, 62, Sattler.

<sup>15</sup> Sattler.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid, U.S. Marine Corps officers speaking under agreement of academic privilege.

<sup>18</sup> Sattler, U.S. Marine Corps officers speaking under agreement of academic privilege.

<sup>19</sup> Katzenbach, *Peak Performance*, ix.

## Chapter 8

### Conclusions—Mastery of the Fundamentals

First, you must be a true believer.

—Brigadier General John “Doc” Bahnsen, U.S. Army (Ret)

As highlighted in the opening paragraphs of this paper, organizations commit vast resources, both in terms of time and money, to develop the ability of their people to lead. Their goal? To build individuals that will successfully lead the people of their organizations and deliver extraordinary results—not just acceptable ones.

#### **Commitment and Example**

Based on the case studies of the high-performance organizations presented here, success in building leaders has its roots more in the “mastery of the fundamentals” than in extensive, formal leadership development programs or commercial education. When an organization is, as General Bahnsen puts it, “a true believer,” and makes development of leaders a top priority, and when actions of leaders at every level exemplify that commitment (and this is a key point), leadership abilities are successfully developed and extraordinary results can be achieved. Without question, well-developed, formal development programs such as those of the SSA and the Marines play a significant role; so do the challenging, developmental assignments at Everdream, PeopleSoft, and Cisco. But the reason these programs and assignments have great impact in these organizations is because of overall top-down commitment to them and reinforcement of lessons through the day-to-day activities cited in each of the case studies.

## **Core Values**

For the organizations discussed here, there is one other fundamental of developing leadership abilities—the existence and adherence to a set of core values that members can easily connect with, emotionally *and* conceptually. Each of the organizations studied had core values that were embraced by employees as a foundation for action. (The exception was Everdream...and more on that in a minute.) Those individuals interviewed felt these values were unambiguous, represented the “right” values for the mission or purpose of the organization, and were well integrated into all organizational actions.<sup>1</sup> It is important to understand that it was not just the presence of the “right” core values but the adherence to and integration of those values into daily activities that helped build people’s ability to lead.

While Everdream did not have any stated core values at the time of the study, it was clear that the organization used an unambiguous value set to guide decisions and develop its people.<sup>2</sup> In any event, in each of the organizations, an adherence to a set of values provided individuals with a clear understanding of expected behavior to which they were held accountable and to which they could hold others accountable. These guidelines, along with the commitment and positive example of leaders at every level, helped individuals grow in their ability to lead—to provide direction, identify and obtain results, and manage their relationships and environment.

## **One Additional Point Must Be Made**

In each of the study organizations, there was a definite sense, almost from the moment of entering, that something was different, something was special, about the organization. As many of the people interviewed described it, this difference was a result of the passionate commitment people had to the organization and its mission. The source? The intense commitment and positive example by leaders at every level to the mission, to values, and to

developing people. It was obvious in these organizations that leaders did a lot more than talk about leading, commitment, and values; they lived them day after day.<sup>3</sup> In the author's opinion, that's what truly drives the development of the fundamentals—great, committed leaders modeling the way, instilling in others a passion to be just as great and just as committed.

### **Notes**

<sup>1</sup> Brooks and Parnell, Hesterly et al, Hopkins and Cassidy, Laurent et al, Sattler, U.S. Marine Corps officers speaking under agreement of academic privilege.

<sup>2</sup> Griffiths, Laurent et al.

<sup>3</sup> Brooks and Parnell, Hesterly et al, Hopkins and Cassidy, Laurent et al, Sattler, U.S. Marine Corps officers speaking under agreement of academic privilege.

## Chapter 9

### Recommendations—What This Means for the U.S. Air Force

The implications for the Air Force are clear. If you want to consistently develop leaders capable of driving high-performance, start by mastering the fundamentals.

#### **No Question—Today’s Air Force Has Room to Improve**

No doubt there are individual organizations and leaders within the Air Force today that are just as “fired up” as those included in this study; however, this does not appear to be the case consistently across the organization. On one leading Air Force wing’s 2000 Chief of Staff survey, some of the lowest ratings on the entire survey were related to unit leadership and leading by example.<sup>1</sup> Interviews of U.S. Air Force officers from a variety of occupational and career backgrounds confirmed this finding and also showed that many believe Air Force core values are not as unambiguous as might be believed. These same officers also commented that while the core values are addressed in professional military education courses, those values are not well integrated into unit and individual decisions and actions. In addition, few of those interviewed could provide multiple examples of leaders they had seen or worked for whose behaviors reflected a deep commitment to developing others similar to that cited in the case studies.<sup>2</sup>

While these findings are not necessarily characteristic of the entire Air Force, they do suggest the service has room for improvement when it comes to the fundamentals of commitment to developing others, leadership by example, and integration of core values.

## **DAL Will Move the Air Force Forward**

The Developing Aerospace Leaders effort, mentioned in the opening pages of this study, is a step forward. One major aspect of that effort is to define and implement a number of career pathways to give individuals better opportunities to gain both the breadth and depth needed to be effective in senior leadership positions. In addition, a standardized list of “universal” competencies developed through the DAL effort will provide an institution-wide guide for curriculum development and should improve military training and education.<sup>3</sup>

But there are limitations to the DAL approach. Extensive research has shown that while career pathways may ensure exposure to desired areas and functions of an organization, they do not necessarily ensure successful development of needed leadership abilities. What’s more, almost no successful executives have followed anything that might resemble a “career path.”<sup>4</sup> Research has also shown that most development does not occur in classrooms or in formal development programs; instead it occurs through on-the-job experiences.<sup>5</sup> Formal programs do have a significant role to play, but as Morgan McCall, author of *High Flyers*, puts it, “unless it is integrated into the larger context of experience, training can end up an expensive but isolated set-piece with little, if any, lasting impact.”<sup>6</sup> A number of the Air Force members interviewed for this study felt this to be the case with various sections of professional military education courses.<sup>7</sup> The important point is this: best practice development programs and career paths do not guarantee that leaders will be well developed...far from it.<sup>8</sup>

## **Mastering the Fundamentals is the Foundation, But How Do You Do It?**

There is little question that the Air Force could better support our nation’s interests by continually delivering performance beyond expectations and finding better ways of doing

business. Exceptional leaders can help deliver this high performance; and, as the case studies presented here suggest, the foundation to building those leaders is a mastery of the fundamentals.

How, then, does the Air Force consistently build and maintain this commitment to developing leadership abilities, promote positive leadership by example, and instill adherence to core values as decision-making guides? First of all, definitely not through a complicated, multi-step formal process or training program. As almost every interviewee of every study organization stated, it all must begin with the senior leader at the very top of the organization. It is the senior leader (or, in some cases, a senior leadership team) that must first set the direction for the entire organization. His or her commitment to and expectations about leadership development, leadership by example, and values must then be reflected in the actions and priorities of the leaders beneath him and those throughout the organization.<sup>9</sup> As Chett Paulsen, President and Chief Operating Officer of Assentive Solutions, Inc., stated when asked how he instills commitment to developing leadership abilities, “you decide, you make it public, you hold people accountable.”<sup>10</sup>

In each of the organizations presented in this paper, leaders from the top down lived the fundamentals in their daily lives with energy and passion—and expected and held others accountable to do the same. In many cases, it was the example set from above that motivated lower level leaders to be positive examples for their subordinates—leading to a “snowball” effect as the commitment to developing others and setting a positive example cascaded down to the lowest levels of the organization.<sup>11</sup>

Undeniably, setting the example and holding others accountable is not always easy and it takes time out of already busy schedules. However, as the case studies suggest, *this is* how the fundamentals are mastered, and the fundamentals *are* the foundation for consistently developing

exceptional leaders. Yes, formal leadership programs and classroom training can play a significant role, but they will have more impact when based on and supported by a pervasive commitment within the organization to leadership development, positive leadership by example, and adherence to values.<sup>12</sup>

### **Epilogue**

There are many good leaders in today's Air Force and the process we've used to develop their abilities to lead has not been a bad one—but it is also not the best it can be. As Jim Collins, author of *Built to Last* and *Good to Great*, has stated, “good is the enemy of great.” In other words, when we are good at something, it makes it hard for us to see that we either can or should be better at it. Perhaps that's why it has been so hard for the Air Force to identify that the best development of leaders comes through a mastery of the fundamentals. Perhaps the Air Force has become satisfied with good enough and just doesn't realize it. It is time to change that. It is time “to decide, make it public, and hold people accountable.” There is no question that the Air Force could significantly improve the way it develops leadership abilities; the real question...will we make it happen?

### **Notes**

<sup>1</sup> U.S. Air Force officer speaking under agreement of anonymity, interview with author, October 2001.

<sup>2</sup> U.S. Air Force officers speaking under agreement of academic privilege, interviews with author 2002.

<sup>3</sup> John T. Correll, "Developing Aerospace Leaders," *AIR FORCE Magazine*, December 2001, 63,66.

## Notes

<sup>4</sup> Morgan W. McCall, Jr., *High Flyers, Developing the Next Generation of Leaders* (Boston, Massachusetts: Harvard Business School Press, 1998), 81,159,217.

<sup>5</sup> *Ibid.*, 62,137.

<sup>6</sup> *Ibid.*, 75.

<sup>7</sup> U.S. Air Force officers speaking under agreement of academic privilege.

<sup>8</sup> McCall, *High Flyers*, 92.

<sup>9</sup> Brooks and Parnell, Gretcha Flinn, Nancy Witte, and Mike Dickinson, interview with author at USAA corporate headquarters in San Antonio, Texas 2001, Hesterly et al, Hirschbein and Stone, Hopkins and Cassidy, Laurent et al, U.S. Marine Corps officers speaking under agreement of academic privilege.

<sup>10</sup> Chett B. Paulsen, interview with author during visit to Assentive Solutions headquarters in San Francisco, California, on December 3, 2001, 3 December 2001.

<sup>11</sup> Hesterly et al, Laurent et al, U.S. Marine Corps officers speaking under agreement of academic privilege.

<sup>12</sup> NOTE: In addition, it is the positive, hands-on leadership as practiced in the study organizations that helps individuals connect both emotionally and conceptually to the organization and its leaders; and, as previously mentioned, this connection is another key ingredient in building a high-performance workforce. So, for example, when Major General Sattler, 2nd Marine Division, commits time each week to "touch the lives" of at least 1,000 Marines by joining them for physical training, a meal, or formal and informal ceremonies, he's doing a lot more than talking with his Marines, highlighting his expectations, and talking about commitment. He's building an emotional/conceptual connection with his Marines that will

## **Notes**

increase their motivation to perform. The same is true when Gary Griffiths, CEO at Everdream, takes time to explain the reasoning behind tough decisions and how those decisions fit within organizational goals; or, when John Chambers, CEO at Cisco Systems, takes time to stop people in the halls and talk to them about the organization's top initiatives.

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