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## The Enterprise Leadership Challenge

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**D**o any of the following scenarios sound familiar?

—In the midst of a hurricane, communications and organizational breakdowns force a Coast Guard officer to step in and try to coordinate the disaster relief efforts of an alphabet soup of federal, state, and local agencies. The National Guard, a host of non-governmental agencies like the Red Cross, and even citizen volunteers are all trying to do what is right but according to their own and often conflicting rules of engagement. And the only ones the officer actually commands are the relatively few uniformed “Coasties” who report directly to her.

—The Defense Department designates a senior federal executive as its official representative to an interagency task force charged with helping find work for thousands of veterans discharged at the end of more than a decade of war in Iraq and Afghanistan. He finds himself at the table with departments as diverse as Labor, Veterans Affairs, Education, and even the Small Business Administration, and he realizes that they do not even speak the same bureaucratic dialects, let alone see the challenge the same way.

—A CIA station chief somewhere in the Middle East looks at a critical piece of intelligence just handed to her by one of her case officers. It includes an obscure reference to an individual just returning from the United States on a tourist visa, and she needs to know exactly what he did (and whom he visited) while in Detroit. Distant in both geography and authority, she finds herself quickly needing to mobilize FBI agents in the Midwest to investigate.

—During a routine plant inspection, an Agriculture Department inspector finds a tainted piece of meat and evidence that it may be part of a larger shipment imported from the Far East several weeks ago. The rest of the shipment already is en route to processing plants and grocery stores all over the southeastern United States. Furthermore, indications suggest there is more meat from the supplier due to arrive in port in a few days. Investigating the current shipment requires a rapid response from not only several units within the Department of Agriculture but also from Customs and Border Protection agents at the port. His last experience with Customs and Border Protection was anything but rapid, requiring several hours on the phone.

These vignettes represent a growing reality in today's federal government. More and more of the challenges that government leaders face—from the drama of disaster to matters of meat inspection—extend beyond their narrowly authorized and specialized missions. In today's rapidly changing and chaotic world, the problems that government must address are increasingly complex, cross-jurisdictional, amorphous, and difficult to solve—what is commonly referred to as “wicked” problems.

We argue that wicked problems ultimately require enterprise solutions. “Enterprise” here refers to the resources and capabilities found in the constellation of public and private organizations that must act in concert if they are to successfully address cross-cutting national and international challenges. Such entities include federal,

state, and local government agencies; tribal governments; private and not-for-profit organizations; and even international organizations like the United Nations, Interpol, and the International Monetary Fund.

Wicked challenges may be strategic and long-term, like global climate change, or they may be operational, like food safety and counterterrorism. In any case, while the contours and composition of the enterprise may vary depending on the situation, there is one common denominator: an enterprise consists of multiple organizations, each semiautonomous or independent, but with at least some overlapping common goal or interest in tackling a wicked problem.

The American public looks to the federal government to successfully respond to and resolve wicked problems, especially those that span the enterprise. Yet the current federal organizational structure is not well designed to provide such enterprise-wide responses; indeed, it may never be perfectly structured to deal with such problems if its operating environment continues to change rapidly and unpredictably. Given the size of the federal government and the substantial political and legal hurdles for redesigning and modifying structures and authorities, attempts to reconfigure the government, while needed, always will greatly lag behind these environmental changes. Organizational change may be a necessary response to environmental shifts, but with substantial inertia slowing such processes, structural responses always will be insufficient for providing enterprise-wide solutions to wicked problems.

If structural solutions are not sufficient, how then can the federal government respond to and resolve wicked problems? We argue that these challenges, both fleeting and enduring, require a new kind of leader and a new kind of leadership development approach. These challenges require a type of leader who understands that *tackling wicked government problems* requires building and

drawing upon a network of critical organizational and individual actors, no matter where they may reside. They require a type of leader who can encourage and facilitate collaboration by leveraging shared values and interests to achieve a resolution that is greater than the sum of individual actions. We call individuals who are imbued with or have developed such abilities “enterprise leaders,” and they are increasingly in demand.

Given the constraints of existing management authorities, governmental structures, and historical approaches to leadership development, many of today’s government leaders simply are ill equipped to tackle wicked government problems. Put plainly, the government needs to substantially increase the number of enterprise leaders in its ranks, and to do so, it needs to change its paradigm for developing such leaders.

Recognizing that developing a new leadership paradigm is itself a wicked government problem, we reached out to a set of enterprise-wide actors—government executives, academics, think tanks, thought leaders, and consultants—to assemble a collaborative, interdisciplinary, and broadly experienced network of individuals with overlapping interests. Sponsored by Brookings Executive Education and Booz Allen Hamilton, we held a symposium at the Brookings Institution in March 2012 to discuss the issues of enterprise leadership and leading through collaborative networks. Participants were subsequently invited to write chapters to contribute to this edited volume.

The purpose of this book is to heighten recognition of the need for enterprise leadership, to explore alternative views of the capabilities needed to be an enterprise leader, and to highlight some early steps being taken by agencies to develop a new cadre of enterprise leaders.

The first part of book, “Contemporary Enterprise Leadership Challenges,” focuses on the individuals who are charged (formally

or otherwise) with tackling wicked problems. Our assumption is that, while these leaders are likely to be senior officials in one or more of the enterprise's constituent organizations, they will rarely have any sort of formal, chain of command authority over most of its constituent components, not to mention the enterprise as a whole. This is an all-too-common contradiction to the classic axiom that authority must match accountability. The second part, "What Makes for an Effective Enterprise Leader," offers several perspectives on various skills and capabilities required of successful enterprise leaders. The third part, "An Enterprise Approach to Leadership Development," describes several practical approaches implemented by federal agencies in their efforts to develop enterprise leaders.

We conclude the book by summarizing lessons learned from these contributors and laying out a bold alternative and practical guide for how to develop enterprise leaders. The following paragraphs provide an overview of the issues discussed in each of the three sections and briefly summarize the contribution of each chapter.

## **Part 1: Contemporary Enterprise Leadership Challenges**

The definition of enterprise leadership is admittedly imprecise, in part because those of us who worry about the state of leadership in today's federal government are only now beginning to recognize the distinction and differences between leading an enterprise (as we have defined it) and leading an organization that by that definition is almost always going to be part of the larger whole. In so doing, we are also beginning to recognize the inadequacy of "traditional" leadership development strategies to prepare those who must lead that larger whole—sometimes by design but more often by default.

With some exceptions—most notably the U.S. military and, more recently, the U.S. intelligence community—the vast majority

of leadership models and the development strategies that operationalize them implicitly assume that leaders function in an intra-organizational context, that is, they are embedded in a formal organizational structure with a defined mission, limits of authority, and accountability. While these formal structures are shaped by a culture as well as the informal organizational relationships that make leadership so interesting, even these intangibles are implicitly intraorganizational in nature. Actors (individual, organizational, and institutional) external to that formally and informally bounded structure are normally treated as part of the leader's external environment: important but implicitly extraorganizational, something to be aware of and to navigate through but largely outside the leader's sphere of influence.

To be sure, lots of boundaries exist internal to an organization—for example, between operating divisions and geographic units, line and staff functions like human resources and finance—and leaders are most certainly developed (in the classroom as well as on the job) to be aware of and operate across those internal boundaries. For the most part, however, these boundaries remain embedded in a larger formal structure (a company, an agency), and that larger structure is defined, in many cases legally and through authorities, by what is inside and outside the responsibility of the organization. Importantly, these organizations typically possess a clearly defined chain of command that stops with some official who is ultimately accountable for the performance of that organization and who serves as judge and jury for any internal, “cross-border” disputes between organizational units under their responsibility.

Such intraorganizational landscapes are important considerations for leaders in government today; after all, most of leadership's challenges originate in the immediate organizational environment. Leaders are developed in the classroom and on the job to effectively lead in their intraorganizational environment.

This approach is undoubtedly necessary, but it is no longer sufficient for those leaders who must confront wicked government problems that transcend organizational and institutional boundaries and span the greater enterprise. These wicked problems, which we believe are no longer exceptions, require a different kind of leader, one who can discern where their organization fits in the larger enterprise, is charged with comprehensively framing and formulating the wicked problem, and can bring together the networks of actors from across the enterprise who share an interest in resolving the wicked problem. To get a better grounding in the challenges of enterprise leadership, we turn to three enterprise leaders who share with us the wicked government problems they faced and how they responded to their enterprise challenges.

A former director of national intelligence, the Honorable J. Michael “Mike” McConnell, shares his story of how he was charged with unifying the intelligence community to work together as an enterprise (see chapter 2). In response to 9-11, his mission was to create a culture of “jointness” across various agencies responsible for our national security. McConnell, recognizing the importance of sharing information and leading thinking, had to counter the resistance of agencies to sharing information and did so by creating a “forcing function.” He describes how he contributed to solving the wicked problem of sharing information and the lessons he learned throughout the process as he reshaped the institutional architecture of the intelligence community. McConnell reflects on how his enterprise leadership abilities were molded through networks, particularly informal networks, and how his connectedness to others across the government sector contributed to his success.

Pat Tamburrino (chapter 3) describes the impact enterprise leadership had as he served as the chief of staff to the under secretary of defense for personnel and readiness, when he partnered with the Department of Veterans Affairs (VA) and other agencies to maximize

the career readiness of all servicemembers. The enterprise goal in his case was to reduce unemployment for veterans by giving them the support and resources they needed to enter the civilian workforce. With very different perspectives and missions, the Department of Defense, the VA, and the other agencies involved had to find common ground upon which to build and deliver a program to ease this transition. The chapter outlines four features of the delivery model and, more importantly, how agencies collaborated to accomplish their joint goal within a short period of time.

Finally, in chapter 4, Admiral Thad Allen, Leonard Marcus, and Barry Dorn discuss the concept of meta-leadership and its critical components and their impacts in the aftermath of Hurricane Katrina and the Deepwater Horizon oil spill. Dorn and Marcus, both affiliated with the Harvard School of Public Health, have conducted research and developed the concepts and practices associated with meta-leadership, which offers a mindset for managing a complex catastrophic disaster well. This approach contributes to enterprise leadership by describing how a leader faced with such a challenge can unify and leverage the agencies, organizations, and people that are involved. The chapter goes on to describe five essential dimensions of meta-leadership practice: the leader, the situation, leading down, leading up, and leading across.

## **Part 2: What Makes for an Effective Enterprise Leader?**

The first part of the book offers examples of the challenges that face enterprise leaders and hints at some of the qualities and competencies necessary for success. The second part of this book asks, “What makes for an effective enterprise leader?” To start, the enterprise leader needs to identify and understand the missions, structures, budgets, and bureaucratic processes of all relevant enterprise actors. But this knowledge is only the beginning; enterprise leaders



must also understand and appreciate their histories, cultures, traditions, stories, “heroes,” and lore—in other words, their DNA—in order to empathetically see the enterprise’s shared challenge through the “eyes” of each actor.

Second, understanding the depth and breadth of information, knowledge, and motivation of the enterprise actors, the enterprise leader needs to engage the relevant network of actors so that they comprehensively and collectively see and understand the wicked problem. Framing and formulating the wicked challenge often depends on the dynamic social system, with complex formal and informal interrelationships and interdependencies, positive and negative feedback loops, and so on that exist between and among the directly relevant actors, organizations, and institutions. This understanding needs to extend to how the relevant enterprise actors interact with the broader institutional environment.

Third, the enterprise leader needs to engage the relevant network of enterprise actors in developing and implementing a comprehensive and feasible solution without formal authority and well beyond his or her chain of command. The use of commitment instead of command is a quality that helps to distinguish the enterprise leader from more traditionally trained and more internally focused leaders, for while they too must be able to exercise influence over peers and colleagues of equal stature and rank, they typically do so in the context of a shared chain of command that ultimately leads to the head of the agency or department—where the buck stops. In most cases, the enterprise leader enjoys no such luxury.

With few exceptions, today’s federal departments and agencies operate as semiautonomous stovepipes (or as one official described them, “cylinders of excellence”), with separate missions, budgets, and congressional oversight. And, while constitutionally all government leaders and their organizations report to the president, there is no such practical reality. Add state and local governments,

international organizations, nongovernmental organizations, and the private sector into the mix, and there is no way to “delegate leadership upward.”

Without effective enterprise leadership, interagency impasses often fester, or worse, become muddled and mired in the search for a lowest-common-denominator consensus among actors who will not budge. Experienced enterprise leaders have (sometimes painfully) learned to focus on building upon shared interests and a sense of common mission, or the bond of shared values and experiences. They have learned to leverage those commitments through networks of trusted extraorganizational relationships or a personal reservoir of social capital built and employed to achieve the ends of the enterprise.

This ability to build and leverage boundary-spanning networks is a common theme in the case studies of enterprise leadership, which suggests that much can be learned from the science of organizational network analysis. To explore what makes for an effective enterprise leader, we turn to four researchers to understand how they think about this still-emerging notion of enterprise leadership.

In chapter 5, Jackson Nickerson, a chaired professor at Olin Business School and director of Brookings’ Executive Education program, discusses strategies for enterprise leadership through network governance. He explains how Rick Thomas, of the Department of Defense’s Test Resource Management Center, improved the management of U.S. missile ranges by coordinating and collaborating across a network of thirty-three different agencies that lacked a central authority. Nickerson highlights four practical components of network governance through which enterprise leaders tackle wicked government problems: establishing language and communication channels, building and maintaining trust and reputation among collaborating actors and entities, balancing dependence so that one organization is not at significantly more at risk

than the other, and determining mutual incentives or common goals that encourage collaborative action.

Rob Cross, an associate professor at the University of Virginia's McIntire School of Commerce, and his coauthors, Andrew Hargadon, professor of technology management at the University of California, Davis, and Salvatore Parise, associate professor at Babson College in the Technology, Operations, and Information Management Division, introduce in chapter 6 the idea that innovation is not always the result of an individual effort but instead often arises from a collaborative effort that organizations can foster by focusing on using expertise at the critical points of need. The integration of multiple great ideas and technologies can be achieved through informal networks that allow for innovation. Cross, Hargadon, and Parise discuss the three main challenges to innovation: fragmentation, domination, and insularity. They then propose five practices for using networks to drive innovation and recommend they be applied in a holistic way. Governments face many challenges in innovation, but it is critical that they adapt to their environment. By learning to collaborate, agencies can overcome barriers to innovation and survive in today's complex environment.

Thomas Valente, an associate professor at the University of Southern California Department of Preventive Medicine, discusses in chapter 7 the detrimental effects of organizational silos and the benefits of a network-oriented perspective. He demonstrates the difference between formal and informal networks and relationships and the far-reaching effects that informal relationships can have on an organization. Using computer simulations, Valente shows the impact of networked leaders, who use a relational approach instead of one based on more formal authority. His results illustrate how silos slow the spread of information, and how by using opinion leaders and meaningful ways of creating networks, enterprise leaders can be much more effective.

In chapter 8, Donna Chrobot-Mason, associate professor at the University of Cincinnati, and her colleagues Kristin Cullen and David Altman, from the Center for Creative Leadership, offer a boundary spanning leadership model as a guide for addressing problems that require intergroup collaboration. While their approach seems counterintuitive, Chrobot-Mason and her colleagues have found that boundaries must first be managed before they are spanned. Leaders first must encourage groups to define their own strengths, values, and responsibilities so that when they collaborate with others, they can do so in a constructive way that maintains group identity. Once groups find common ground, leaders can help them work together more effectively by establishing a shared mission and encouraging connections at the individual level. Finally, Chrobot-Mason, Cullen, and Altman describe how leaders can guide their groups into new frontiers by integrating differences to achieve a common mission or transform the groups by identifying a new direction and collective joint values and beliefs.

### **Part 3: An Enterprise Approach to Leadership Development**

The qualities of enterprise leadership rarely are included in formal agency leadership development programs, which are implicitly inwardly biased. Far more often than not, enterprise leadership qualities, to the extent that they exist, evolve incidentally and most often are learned on the job through a series of trials and errors involving the proverbial school of hard knocks. The costs of developing enterprise leaders in such a way is immense because using trial and error to solve wicked problems not only makes success unlikely but also increases solution fatigue, cynicism, and mistrust with each unsuccessful trial. What is needed is a more disciplined and deliberate way to develop enterprise leaders.

The third part of the book calls upon government leadership development experts to describe some of the approaches they have advocated, or in some cases taken, to develop enterprise leaders. Some of these strategies are already in practice; thus, while they may be nascent in many respects, they do offer some initial steps forward.

In chapter 9, Jim Trinka, former chief learning officer at the FBI, shares the lessons he learned in the Department of Veterans Affairs as executive director for Leading EDGE (Executives Driving Government Excellence), a program that facilitates cross-agency collaboration and, implicitly, the development of enterprise leaders. Trinka identifies systemic barriers that make enterprise leadership difficult to develop and execute: a culture that views collaboration as a short-lived event rather than a lasting relationship, departments competing for limited resources and talent, the prevalence of short-term appointees with limited time and relationships to leverage for interagency efforts, and a lack of training to develop executives' enterprise leadership competencies, skills, and attitudes. The VA has invested in one such leadership development program with Leading EDGE and has reaped tangible benefits as a result.

Chapter 10, by Ron Sanders, vice president and fellow at Booz Allen Hamilton and former associate director of national intelligence, discusses the impetus for developing an enterprise-focused approach to leader development in the intelligence community following the intelligence failure of 9-11. Sanders provides an overview of the challenges overcome by the Office of the Director of National Intelligence (ODNI) as it spearheaded the intelligence community's civilian joint duty program in an effort to develop enterprise leaders. Overcoming substantial bureaucratic resistance to the program, the ODNI and leaders of other intelligence agencies collaboratively determined what would qualify as joint duty, how employees would be selected and evaluated, and how to handle

other operational concerns. Sanders provides lessons learned from the multiyear effort, including the importance of establishing clear administrative and operational guidelines, providing proper incentives, and strongly engaging senior leadership.

In chapter 11, Laura Miller Craig and Jessica Nierenberg of the Government Accountability Office draw conclusions from government surveys and research reports that indicate interagency job rotation has proven successful in developing enterprise leaders. In one survey, 86 percent of participants in rotation programs found their experience to be “very effective” in helping them develop skills necessary for leading in an interagency environment. Designing and managing interagency programs is not without its challenges; however, Miller Craig and Nierenberg offer strategies for successfully implementing rotation programs. Among other things, they argue that agency and individual goals should be aligned, and incentives must be implemented to encourage participation. The U.S. Army Command and General Staff College Interagency Fellowship Program illustrates how these strategies can be used to establish a successful program and develop enterprise leaders.

Finally, in chapter 12, Stephen T. Shih, deputy associate director of the Senior Executive Service (SES) and performance management at the U.S. Office of Personnel Management, discusses strategies for developing an executive corps of enterprise leaders at the seniormost levels of the federal government. Since its inception in 1978, the SES has become increasingly agency specific, with a focus on technical, rather than leadership capabilities. However, Shih argues that to solve today’s wicked problems, the SES must return to developing a cadre of enterprise leaders, able to provide government-wide vision and produce results through interagency collaboration. Whether through a centralized, top-down, management system or a decentralized management structure in which individuals coordinate enterprise collaboration, the government’s

senior executives must be recruited, selected, developed, and managed to emphasize enterprise leadership capabilities.

### **Conclusion: The Key to Developing Enterprise Leaders**

To conclude this book, we reflect on the contributions of the various authors and offer our assessment of what we think are the key and pragmatic insights on how to develop enterprise leaders on a large scale. We note that there is no single “silver bullet” strategy that guarantees the development of enterprise leaders; rather, we believe a variety of approaches and methods are available, some easy and relatively low cost to implement while others require breaking existing paradigms of leadership development. Whatever the approach, we believe that there are several key ingredients that are critical to success, which we enumerate in the concluding chapter. All of the success factors we identify will require considerable enterprise-wide focus, commitment, and effort to change. However, we believe that these changes are feasible and necessary to develop the enterprise leadership the nation needs to tackle wicked government problems.