

## Management and Leadership Performance in the Defense Department: Evidence from Surveys of Federal Employees

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### Study Description

More than any other government agencies, the American military services are sensitive to the cultivation, promotion, and teaching of leadership. Indeed, career paths and assignments are designed in a manner to give military officers a breadth of training in order to promote leadership experience and skills.

The reason the military services and the DOD as a whole are so attentive to teaching leadership is that the costs of its absence are so great with possibly immediate consequences in loss of life. But the defense bureaucracy in the United States is also by far the largest component of the federal bureaucracy with a budget that dwarfs the rest of the federal service. Managerial skills are essential for ensuring effectiveness and efficiency in meeting mission requirements. Poor performance in executive roles can not only cost lives but also waste billions of dollars.

An increasingly important component of military leadership is management of civilians and contractors that provide mission critical services and products.

Consequently, an important means of evaluating military leadership and professionalism is success or failure in managing these large defense bureaucracies.

Given the importance of leadership and management of the defense agencies, researchers still know very little systematically about what influences the quality of leadership and management in the U.S. defense apparatus. But a new study, "Management and Leadership Performance in the Defense Department: Evidence from Surveys of Federal Employees," by MAJ Paul Oh and David Lewis of the Woodrow Wilson School of Public and International Affairs at Princeton University, offers new insights into how to determine what defense agencies are led and managed well.

### The U.S. Defense Apparatus

The Department of Defense is the single largest employer of civilian government workers. The military services have different practices for promoting and training leaders so that comparable jobs in the services and the DOD generally are filled by persons with quite different backgrounds and skills.

The Department of Defense is unique in structure and culture among other federal agencies. The services within the DOD are "organization professions", serving both as a profession and a bureaucracy. As a profession, the primary concern of its executive leaders is providing national security in peacetime and war. As a bureaucracy, the DOD is the largest executive department in the federal government. Its executive leaders must manage a workforce consisting of 2.6 million military members and 654,000 civilians, as well as overseeing a budget of hundreds of billions of dollars - 19.2% of the entire federal budget.

Since the 1960s, the services have sought to increase both the civilian education level and the political sophistication of its officers. But what has been consistent over the history of the services is the focus on developing persons even at the expense of organizational performance. Conversely, many civilian agencies have focused on organizational performance often with little attention to the cultivation of leaders. A key tenet of leader

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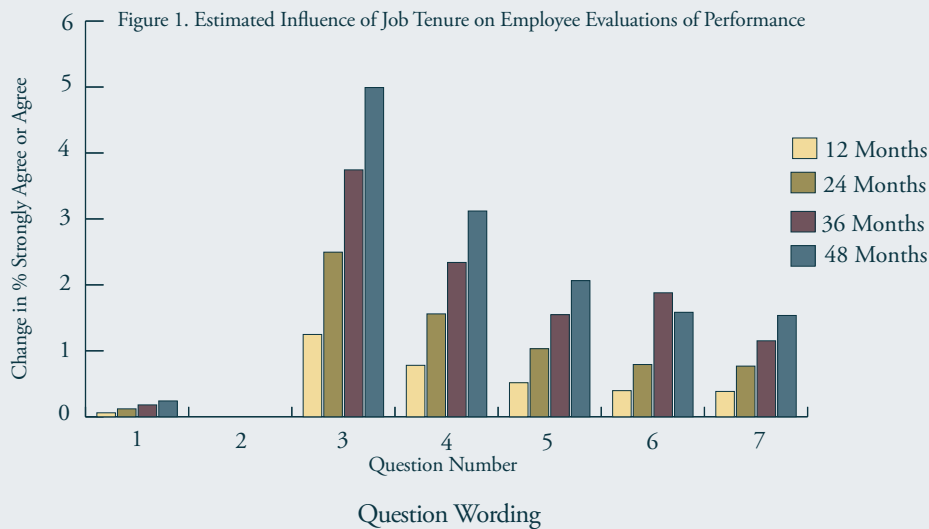
development in the military has been the frequent job rotation of officers. The services normally rotate their leaders through positions every two to three years.

Determining whether these differences among the services or other parts of DOD matter for performance has been difficult since measuring comparative management performance systematically is both complex and costly. One difficulty is that it is hard to define good performance. How do policy makers and analysts know if the Army Materiel Command is performing well compared to the Naval Air Systems Command? For White House officials a definition of good management must include responsiveness to the president’s policy agenda. This is not the case for Congress, clients of the agency, or other interested parties. Additionally, it is hard to measure agency executives against each other since military agencies have different mandates, operating environments, and constraints.

## Study Methodology

In this context, study authors Oh and Lewis examined data from the Federal Human Capital Survey, which provides a unique means of measuring comparative management performance within the defense agencies. Since few direct operational measures of performance exist that are comparable across organizations, employee evaluations across agencies provide a useful indirect measure. In the summer of 2002 and the late fall of 2004, the U.S. Office of Personnel Management (OPM) surveyed over 200,000 and 275,000 federal civilian employees, respectively, across the government about different aspects of their work environment.

In total, employees from 58 different defense agencies were surveyed although not all agencies were surveyed in both years. Among those surveyed were eleven agencies within DOD proper and an average of fifteen to sixteen agencies



### Leadership

1. “I hold my organization’s leaders in high regard” or “I have a high level of respect for my organization’s senior leaders. (Strongly Agree, Agree)” for 2002, 2004, respectively.
2. “In my organization, leaders generate high levels of motivation and commitment in the workforce. (Strongly Agree, Agree)”

### Management

3. “Managers review and evaluate the organization’s progress toward meeting its goals and objectives (Strongly Agree, Agree).”
4. “The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals (Strongly Agree, Agree).”
5. “Managers promote communication among different work units (for example, about projects, goals, needed resources)” or “Managers promote communication among different work units (Strongly Agree, Agree)” for 2002 or 2004, respectively.

### Work Climate

6. “I recommend my organization as a good place to work (Strongly Agree, Agree).”
7. “How would you rate your organization as an organization to work for compared to other organizations? (One of the Best, Above Average).”

in each of the services. During this period there were 82 different executives of these agencies. Oh and Lewis obtained background information about each manager using publicly available biographies. The researchers found that interesting differences in backgrounds exist among executives in the different portions of DOD, particularly in military background and tenure.

Included within the survey were questions about leadership, management, and overall work climate (See figure 1). There is substantial variation across DOD agencies in answers to these questions that provides insight into which agencies are being led and managed well and which agencies are having difficulty.

### *Study Findings*

Among the study's findings, three stand out. First, Oh and Lewis find significant differences exist between performance in the military services and non-service portions of DOD. The military service agencies get systematically higher evaluations in leadership and work climate but not management.

Between 3 and 9 percent more employees in the Army, Navy, and Air Force reported high levels of respect for their senior leaders than their counterparts in non-service portions of DOD. They were between 1 and 7 percent more likely to report that their leaders generated high levels of motivation and commitment in the workforce.

Similarly, between 5.5 and 8 percent more employees in the military services reported that they would recommend their organization as a place to work and that it compared favorably with other organizations. Executives in the military services get higher marks for leadership than their DOD counterparts even when controlling for a host of other factors.

One explanation Oh and Lewis offer for the differences between the services and the non-service DOD agencies may be the clear delineation between professional organizations and bureaucratic organizations. Executive leaders in the services can appeal to esprit de corps, sense of duty and mission, and service traditions and cultures when leading their agencies. The nature of the non-service agencies does not lend itself to the same sense of mission.

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Second, Oh and Lewis report that a key background characteristic that is clearly related to performance is tenure in the job. The authors found that longer tenure in the job increases employee evaluations of both management and work climate, though not leadership. Employees are more likely to report that executives review organizational progress, provide the workforce with job-necessary knowledge and skills, and promote communication within the organization the longer their executives have served.

Compared to when a manager has served one year, for each additional year in the position the employees are estimated to be:

- 2.5, 3.7, or 5 percentage points more likely to report that their executives review the organization's progress toward organizational goals.
- 1.5, 2.3, or 3 percentage points more likely to state that their organization has the job-relevant knowledge and skills necessary to accomplish organizational goals.
- 1, 1.5, or 2 percentage points more likely to agree that managers promote communication among different work units.

These apparent improvements with respect to management lead to higher percentages reporting work satisfaction, according to Oh and Lewis. Employees who serve under an executive who has served for four years are 1-2 percentage points more likely to report that they would recommend their organization as a good place to work and that it compares favorably with other organizations.

This finding is important given that the Army, Navy and Air Force had generally better evaluations than non-service DOD agencies but managers in the non-service DOD agencies had significantly longer tenures. The management benefits of long tenure and low turnover are well established for civilian agencies but not entirely expected here.

These findings highlight the profession-bureaucracy tradeoff within the Defense Department. The military services focus on the cultivation of leaders while civilian agency leaders focus on organizational performance. The conscious choice of military services to cultivate persons by rotating them regularly through positions may enhance the leadership capabilities and evaluations of military leaders but hurt the management of the specific programs within the defense bureaucracy. Specifically, regular rotation and short tenures decreases the likelihood that managers have a long term perspective toward the organization's goals and resources needs.

A third finding is that differences among the services matter for evaluations of leadership, management, and work climate. Among the services, the Air Force consistently received the highest evaluations. Air Force executives have the highest ranks, longest military service, and a high level of graduate education when they assume executive positions, and these characteristics are positively correlated with performance as evaluated by civilian workers in DOD. While Air Force executives were also the most likely to have political experience, this experience was not correlated with performance.

Two consistent findings across the evaluations of leadership, management, and work climate was that higher levels of education were correlated with high performance as was private management experience. Defense executives with private management experience were estimated to rate 5-10 points higher on all the questions. Most of the executives who served in private sector held executive positions after retirement from active duty in firms that did significant contracting with the military. This suggests that DOD recruitment of retired military personnel of high rank, long experience, and private management experience can help performance.

### *Policy Implications*

Although warfighting remains the essential focus for a military executive, an increasingly important component of military leadership is performance in managing large, often civilian-populated organizations in a complex

political environment. The research by Oh and Lewis has important implications for the way policy makers, military professionals, and researchers understand the modern training and education of military leaders. To some extent, the differences in service performance in leadership and management reflect the tension between training war fighters and managers, professionals and bureaucrats.

Oh and Lewis found that short tenures in a position do not adversely affect leadership – the main measure of performance for the military. The frequent rotation does seem to shortchange an executive's ability to manage an organization, however. But, the authors note, continued attention to graduate education appears to be one means of improving managerial performance.

From a policy perspective it would be worthwhile to conduct a careful evaluation of the primary mission of an agency and who is needed to lead that agency. Certain agencies may be best led by active duty officers. Others may be just as well led by recently retired officers or retired officers with private management experience. Some agencies may warrant the current billet in terms of the rank and grade of the executive. But perhaps the departments can explore placing more senior and higher ranking executives in these billets.

In total, efforts to improve our understanding of the nexus between military and DOD employment and changing requirements of military leadership may provide us a means of improving the ways the armed forces interface with society but not at the expense of war fighting capacity.

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A copy of the policy brief can be found at :  
[http://www.wws.princeton.edu/policybriefs/Lewis\\_Surveys.pdf](http://www.wws.princeton.edu/policybriefs/Lewis_Surveys.pdf)

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