

# Issue Paper

RAND

## Rebuilding the Supply Chain of Foreign Affairs Leaders

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The United States was facing a long-term shortage of foreign affairs expertise long before the events of September 11, 2001, further complicated the nation's policy agenda. But September 11 added a special urgency to rebuilding the "supply chain" of talented foreign affairs leaders. The United States is fighting the war on terrorism on many fronts, at home and abroad, on the battlefield and at the negotiating table, and through a dense thicket of public, private, intergovernmental, and nongovernmental partnerships. It must have leaders who bring talent, creativity, judgment, and courage to the task.

Such leaders do not spring fully prepared from graduate schools, government agencies, private firms, or non-profit organizations, however. They must be recruited, trained, retained, and seasoned.

Unfortunately, September 11 revealed significant weaknesses throughout the supply chain. On the production end of the chain, too many students see foreign affairs as a destination of last resort, too few graduate programs offer the kind of rounded training that employers so clearly want, and even fewer undergraduate curricula have kept pace with the rapidly changing world. On the deployment end of the supply chain, too many recruits

end up in dead-end jobs in overlayered, undersupported organizations, too few believe they are making a difference for their country, and even fewer have the option to move from sector to sector as their careers advance.

These weaknesses are most visible in the federal government, where recruiting practices were designed for a workforce that no longer exists and career paths deny the lateral movement that tomorrow's foreign affairs workforce desires.

The weaknesses might not matter if today's foreign policy leaders were immortal. But they are not only mortal, many are certain to retire from foreign affairs in the not-too-distant future.<sup>2</sup> At the State Department, for example, one out of three employees has at least 20 years of service, and one out of four has at least 25. At the Agency for International Development, one out of two employees has 20 years in, and one out of three has 25. Except for the Peace Corps, where all but a handful of employees have time-limited appointments, the foreign affairs workforce is graying at the same rate.<sup>3</sup> Although these employees will not all leave at the same moment, the retirement bulge is unmistakable and unavoidable.

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<sup>2</sup>See Mitchel B. Wallerstein, "Whither the Role of Private Foundations in Support of International Security Policy?" *The Nonproliferation Review*, Spring 2002, pp. 83-91.

<sup>3</sup>These statistics were generated online through use of the U.S. Office of Personnel Management's FEDSCOPE database at <http://www.opm.gov>.

The weaknesses cannot be repaired with better advertising and a faster hiring process. What is required is far deeper change throughout the supply chain, among producers and consumers alike.

## PRODUCING FOREIGN AFFAIRS LEADERS

The first challenge in recruiting the next generation of foreign affairs leaders is to ensure that the recruits are prepared to succeed. Simply asked, how can the nation's educational institutions add value as these future leaders pass through their training? Employers, alumni, and undergraduates offer surprisingly similar answers.

### What Employers Want

Employers have strong opinions about what they need from foreign affairs leaders. According to a RAND survey of senior managers and human resource officers at 75 leading governmental, private, nongovernmental, and intergovernmental organizations, employers are seeking foreign affairs leaders with skills and experiences well beyond the "four corners" of the contemporary public policy curricula. As RAND researchers Tora K. Bikson, Gregory F. Treverton, Joy Moini, and Gustav Lindstrom write,

The bad news is that, at present, these organizations lack the multidimensional competence in their human resources that future leadership cadres will need to carry out their global missions effectively. The good news is that contemporary demographic and cohort factors combine to create an unprecedented opportunity for organizations with a global reach to repopulate their upper ranks.<sup>4</sup>

The nation's leading corporations accepted the changes required by growing globalization in the 1990s. Past RAND research suggests that multinational corporations are looking for leaders with a mix of old and new competencies, including

a revolutionary way of understanding the structure of the world economy and the position of US firms within it, [along with] the skills and attitudes necessary to translate that understanding into new ways of performing business missions that are more responsive to local opportunities and threats.<sup>5</sup>

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<sup>4</sup>Tora K. Bikson, Gregory F. Treverton, Joy Moini, and Gustav Lindstrom, *New Challenges for International Leadership: Lessons from Organizations with Global Missions*, Santa Monica, Calif.: RAND, MR-1670-IP, 2003.

<sup>5</sup>Tora K. Bikson and Sally A. Law, "Toward the Borderless Career: Corporate Hiring in the '90s," *International Educator*, Vol. 4, No. 2, Winter 1995; available as RAND RP-443.

Regardless of the sector, however, RAND researchers are convinced that the events of September 11 intensified an already developing demand for a new kind of international leader who understands the impact of globalization in different settings and under heightened stress. According to Bikson et al.'s 2003 survey of 135 experts across the sectors, government, businesses, and nonprofit organizations share a common need for leaders with general cognitive strengths such as problem solving and analytical ability; strong interpersonal and relationship skills, tolerance for ambiguity and adaptability; and personal traits such as character, self-reliance, and dependability.

Skills and attitude topped the RAND list, while specialized knowledge fell below. Note, for example, that written and oral English language skills are more highly ranked than foreign language skills, which came in 19th on the RAND list. Also note that ability to work in teams came in 6th, well ahead of competitiveness and drive at 15th. Because knowledge and operating environments are changing rapidly, what has been learned in the past is subject to obsolescence. At least for the 135 respondents, operating knowledge can be continually acquired as long as the learning skills and openness to ideas exist.

### What the Supply Chain Holds

Future leaders who recently entered the supply chain after completing graduate training in some of the nation's top foreign affairs programs have strong opinions about what they need to be successful in their careers. According to a 1998 survey of 1,000 alumni of the nation's top public policy schools, most master's degree graduates believe their training prepared them very well for the different jobs they have had, regardless of sector or field.<sup>6</sup>

Nevertheless, these alumni also saw significant gaps in their training. Not unlike their potential employers, alumni said that leadership; maintaining ethical standards; influencing policymakers; managing conflict, information, and diversity; and a rigorous grounding in policy analysis were more important to their success than raising money, budgeting, or media relations.

However, when asked how helpful their schools had been in teaching those important skills, alumni of the top schools reported significant shortfalls. Given the large amount of time devoted to quantitative methods and microeconomics in the core curriculum at most of the top schools, it is no surprise that 65 percent of alumni would conclude that their schools were very helpful in teaching policy analysis. But the rigor came at a cost. Only 48 percent said their schools had been very helpful in teaching

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<sup>6</sup>See Paul C. Light, *The New Public Service*, Washington, D.C.: Brookings Institution, 1999.

ethics, 40 percent in leading others, 28 percent in managing conflict, 27 percent in information management, and just 22 percent in managing diversity.

Some of the schools simply do not believe leadership can be taught, focusing instead on “hard” skills such as policy analysis as both teachable and testable. Others respond that their graduates emphasize leadership and ethics because they want to be both—that is, ethical leaders. Forced to allocate slots in a time-limited core curriculum, most schools put problem solving and analytical skills first.

Perhaps that is one reason why RAND reported little difficulty finding employees with the substantive professional and technical competencies that the sampled organizations need. “Rather, what they lack are individuals who combine such competencies with managerial skills and international vision and experience,” write Bikson et al., 2003, “the kinds of individuals who should comprise the future leadership cadre in organizations with a global mission.”

### What Future Entrants Want

College students who are still deciding what to do with their lives may not know just where they will be in five to ten years, but they do know what they value in a job and what they expect from an employer. Although many will not pursue graduate degrees in law, international relations, or public affairs, the vast majority of students are searching for opportunities that give them the chance to grow and learn. If the foreign affairs workforce is to attract its share of talented young people, it must provide jobs that meet those expectations.

The expectations are clear in a 2002 Brookings Institution survey of 1,016 college seniors.<sup>7</sup> The subsample of 417 students who attended the nation’s top 100 colleges as ranked by *U.S. News & World Report* are looking for jobs that matter (see Table 1).

Seniors from the top 100 schools are not only more likely than their peers to rank the nature of the job well above the monetary benefits, they also have very different expectations from those of their peers.

Once again, seniors at the top schools focus more on the work than on the work atmosphere or reward structure. Like their peers at the top public policy and international affairs schools, these future leaders are interested in

<sup>7</sup>The survey was conducted by Princeton Survey Research Associates on behalf of the Brookings Institution from April 4 to 28, 2002. Only students receiving a bachelor of arts degree or a bachelor of science degree in social work were included in the sample.

the job, not the money. Although these students are not immune to monetary incentives, their orientation is toward challenging work and professional respect.

**Table 1**  
**Considerations Deemed “Very Important” in the Decision About Where to Work After Graduation (in percentage)**

Considerations	Top Schools	Other Schools
Interesting work	82	84
Challenging work	64	62
Learn new skills	58	67
Help people	54	71
Opportunity for advancement	48	61
Benefits	46	65
Repay college loans	30	50
Public respect	24	49
Salary	24	32

NOTE: N = 503 seniors for the top 100 schools; N = 512 seniors for all other schools.

In this regard, their attitudes are consistent with what employers want. These students want the kind of careers in which they are given broad responsibilities, not narrow technical assignments, and in which they can have significant impact without needing rapid promotions. These views fit well with RAND’s recommendations for aggressive mid-career professional development, mentoring, job shadowing, and cross-functional development, as well as RAND’s argument for the kind of lateral movement across fields and sectors that rounds out the specialized education that many students receive.

### DEPLOYING FOREIGN AFFAIRS LEADERS

It is not enough just to produce graduates who have the kind of training envisioned above. Foreign affairs organizations must provide the kinds of jobs that future leaders expect. Unfortunately, there is ample evidence that today’s foreign affairs recruitment and advancement system is out of touch with the future leadership corps.

The problems are particularly apparent in government, where dozens of task forces, commissions, and study groups over the last two decades have underscored the need for fundamental public service reform, be it in the Departments of Defense or State, the intelligence agencies, or government as a whole. None has been more blunt in describing the problems than the U.S. Commission on National Security/21st Century, cochaired by former Senators Gary Hart and Warren Rudman.

As it enters the 21st century, the United States finds itself on the brink of an unprecedented crisis of competence in government. . . . This problem stems from multiple sources—ample private sector opportunities with good pay and fewer bureaucratic frustrations, rigid governmental personnel procedures, the absence of a single overarching threat like the Cold War to entice service, cynicism about the worthiness of government service and perceptions of government as a plodding bureaucracy falling behind in a technological age of speed and accuracy.<sup>8</sup>

The events of September 11 certainly changed the commission's assessment regarding the lack of an overarching threat and cynicism about government service, but many of the problems identified in its in-depth analysis of government service remain. Many young Americans have been called to service by the war on terrorism, but they still confront a government hiring process that is frustrating at best. And once in government, they often complain of antiquated systems, needless hierarchy, and broken promises.

### Views from the Top Recruits

The Presidential Management Internship program provides ample evidence of the point. Having entered the federal government through one of its most prestigious programs, many Presidential Management Interns (PMIs), as they are labeled, soon conclude that government cannot or will not provide the work they want.

The disappointment is unmistakable in a 2001 Brookings Institution survey of 1,051 federal government employees. The random sample survey included 107 then-current PMIs, or more than enough to evidence the excitement of early careers in government. There was less excitement, however, than disappointment.<sup>9</sup>

The PMIs had entered government for the right reasons. The vast majority of PMIs said they took their post to help the public, do something worthwhile, make a difference, and because of pride in their organization, not the paycheck, benefits, or job security. They also strongly rejected the notion that they were in dead-end jobs.

If only the rest of the federal workforce were as committed. Unlike the PMIs, most federal employees joined government for the paycheck, benefits, and security; nearly a third said they came to work every day for the compensa-

tion; and almost a third saw themselves in dead-end jobs.

The PMIs saw problems with more than just poor performance among their security-conscious coworkers, however. Compared with the senior executives, middle-level employees, and lower-level employees who were also interviewed, the PMIs were the least likely to agree that they have the chance to do the things they do best, the least satisfied with the public respect they received, and among the least satisfied with their chances of accomplishing something worthwhile. They were also the most critical of all levels of employees, from top to bottom, and the harshest toward the hiring and disciplinary process.

September 11 did little to change these PMI attitudes. When many of the same respondents were reinterviewed in the spring of 2002, they were even more unhappy with their situation. Not only were they less satisfied with their jobs overall, they were less satisfied with the chance to accomplish something worthwhile, less able to describe how their job contributes to the mission of their organization, and less trusting regarding their organization's ability to run programs and deliver services, spend money wisely, be fair in its decisions, and help people. As for the impact of September 11 on their agencies, 35 percent reported more of a sense of mission since the attacks, while 63 percent reported no change at all.<sup>10</sup>

### Views from the Foreign Affairs Workforce

Not all the post-September 11 news is negative, however. There are federal employees who felt a greater sense of mission in their organizations, who earned a greater chance to do the things they did best, and who saw less poor performance in their midst. Most of these are found in the Departments of Defense and State, where the war on terrorism is being fought (see Table 2).

Alongside the heightened sense of mission, Defense and State employees also reported significant gains in their sense of engagement in the actual job. In 2001, for example, 45 percent of Defense and State employees said they were given the chance to do the things that they do best; in 2002, the number had increased to 59 percent. Among all other agencies, the percentages went the opposite direction. In 2001, 44 percent of employees said they were given the chance to do the things they do best; in 2002, the number was down to 38 percent.

The war on terrorism may have created a renewed sense of purpose at the Defense and State Departments, but it did not change the underlying structure and operation of

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<sup>8</sup>U.S. Commission on National Security / 21st Century, *Roadmap for National Security: Imperative for Change*, Phase III Report, Washington, D.C.: U.S. Commission on National Security / 21st Century, February 15, 2001, p. xiv.

<sup>9</sup>See Paul C. Light, "To Restore and Renew," *Government Executive*, November 2001, for more information on the survey and the results.

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<sup>10</sup>These results can be found in Paul C. Light, *The Troubled State of the Federal Public Service*, Washington, D.C.: Brookings Institution, June 27, 2002.

these critical agencies. To the contrary, even as they sensed greater pressure to act, Defense and State employees reported significant frustration getting the resources to do their jobs well. Pre- and post-September 11, Defense and State employees reported declines in organizational morale, in opportunities to accomplish something worthwhile and contribute to the mission of the agencies, and in access to enough training to do the job. At the same time, they reported an increase in the perceived number of layers between employees and management. Before September 11, 34 percent had said there were too many layers of supervisors; by the following spring, the number had risen 10 percentage points to 44 percent.

**Table 2. Foreign Affairs Workforce’s Views Since September 11 (in percentage)**

	Government-wide	Departments of Defense and State	All Other Agencies
Sense of mission since September 11			
More of a sense of mission	42	63	35
Less	1	0	1
Same	57	37	63
How has job changed since September 11?			
More difficult	27	31	25
More stressful	37	46	34
More rewarding	19	30	15
More challenging	31	45	26

NOTE: N = 673 for government-wide employees; N = 175 for Departments of Defense and State; N = 498 for all other agencies.

These findings confirm the supply and deployment problems in recruiting the next generation of foreign policy leaders. The reason Defense and State Department employees saw more layers of management is not at all because the layers actually increased. In fact, there is some evidence that both departments actually flattened their hierarchies, albeit by barely noticeable margins. Rather, the reason employees saw more needless layers is that the layers were more obviously needless.

Urgency also heightened the desire for more training. It is one thing to have no money for training during peacetime, quite another to have no access when your performance might make the difference between life and death for soldiers and civilians abroad. It is one thing to have no clue about the mission of your agency when foreign policy is on autopilot, but quite another when your performance might prevent another terrorist attack on American soil. At least the employees at the Defense and State Departments knew what they needed: less bureaucracy and more training.

## REBUILDING THE SUPPLY CHAIN

The first step in rebuilding the supply chain of foreign affairs leaders is to reject the one-career-fits-all approach. Foreign affairs organizations have to offer the flexibility that young Americans want, including lateral entry at virtually any level of career. Although there are still young people who want to stay in government for 30 years, there are many more who want the freedom to move with ease from sector to sector in search of challenging work. Unless government changes its recruitment and advancement systems to allow the kind of “portfolio careers” and lateral movement that RAND recommends, it will draw its future leaders from a dwindling pool. It will also deny talented mid-career professionals the chance to cross the sector boundaries into public service.

The second step in embracing the new foreign affairs service is to work with colleges and universities to break down the stovepipes that characterize contemporary education. The need goes well beyond broadening the core curricula at the nation’s top graduate schools to include international economics and leadership. The need has spread to law and business schools and to the humanities and social sciences. Despite a noticeable recent surge in joint law and business programs sponsored by public policy schools, the sharing is mostly a one-way street in which relatively few law and business graduate students take courses in public or international affairs. At a minimum, international political economy should be a requirement for graduation in law, business, public policy, and international affairs; even more desirable would be jointly taught core courses on globalization across these graduate programs.

The third step is to give current members of the foreign affairs service access to the kind of training and development experience needed for reacting to new foreign policy issues. Unfortunately, training and research budgets are always the first to be cut when organizations are forced to contract. And, as those budgets contract, so do the programs that provide the training and research, creating a vicious cycle in which supply can never match renewed demand.

In the short term, there are several ways to increase the supply of developmental opportunities—including expanded exchange and internship programs among government, private firms, and nongovernmental and intergovernmental agencies; more aggressive mentoring, shadowing, and apprenticeships; and even implementation of the sabbatical program for senior executives authorized under the 1978 Civil Service Reform Act. Foreign affairs organizations could also increase the incentives for learning by linking bonuses and promotions to demonstrated competence in needed skills such as cross-cultural relations.

Finally, and perhaps most important, government must revitalize its foreign affairs agencies and the careers they offer. It is not enough to make the invitation to service more compelling through better advertisements, college loan forgiveness, and higher pay. Government must also make the service itself more inviting.

The federal government is having no trouble attracting remarkably talented PMIs, for example. It has plenty of applicants, including the best and brightest from the Association of Professional Schools of International Affairs schools. Rather, it is having trouble holding onto the PMIs it recruits, largely because it cannot guarantee the kind of challenging work that the PMIs want. One-half of PMIs leave service by their fifth year. Fixing the recruitment

process without fixing the agencies themselves will only delay the inevitable departures, leaving government with a dwindling pool of inside applicants for the future leadership cadre.

There are many ways for young Americans to serve their communities and country through foreign affairs service today. Some of those opportunities are still in government, but many are now in the private, nongovernmental, and intergovernmental sectors, in part because government itself is contracting out some of the best foreign affairs work it does. If government is to compete for its fair share of talent, it must make sure that it does not waste a single talented recruit. At least for now, that is a promise it cannot make.

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