

Population: 337,000

Workforce: 4,000 (full- and part-time)

Synopsis

Anaheim has developed a coordinated strategy for developing both current and aspiring leaders. This strategy is clearly and succinctly mapped out in a leadership framework. It includes an array of pipeline-building initiatives, from formal development programs to a year-round calendar of events designed to nurture relationships among leaders from different departments and levels of management.

Challenges

■ **Retirements within the top tiers.** As early as 1997, Anaheim analyzed its workforce demographics and recognized that many of its leaders would be eligible for retirement within a few years, leaving the city vulnerable to a mass exodus of its leaders.

Connie Phillips, Senior HR Development Specialist, vividly recalls Anaheim's wake-up call back in 1997. Phillips stood before a meeting of the city's 73 department and division heads and asked them all to stand up. Then she asked everyone who was currently eligible to retire to sit down. Next she told those who'd become eligible within five years to be seated, and finally, anyone who could retire within 10 years. How many were left standing? Just nine people. Nearly 90 percent could be gone. Today, the numbers are still striking: 73 percent of the top three tiers (executive managers, administrative managers, and middle managers) will be able to retire by 2010.

■ **Making up for the past.** In the early 1990s, Anaheim went through a period of drastic budget cuts and downsizing. Fewer employees left voluntarily and, as a result, fewer saw any opportunity for promotion. Career expectations plummeted, as did interest in further education. Ever since then, Anaheim, like other jurisdictions that have experienced periods of retrenchment, has been playing catch-up.

■ **Accelerated promotions create a need for accelerated development.** In public safety, most positions at the command- and captain-level are filled by internal candidates. Traditionally, a sergeant would have ten years' experience before promotion. Today, because of the number of more senior positions that must be filled, some candidates may be promoted after just five years of service — sometimes sooner. "It's a period of great opportunity for individual employees," says HR director David Hill, "but they need to be prepared to assume more responsibility faster than in the 1990s." Some who have been promoted have turned out not to have the kind of judgment and skills that may come from more experience. In a field such as police work where human errors can be costly, the city must prepare newly promoted officers to a degree they didn't need to before.

■ **Declining interest in executive positions.** As attractive as Anaheim is as an employer, the candidate pool for promotion to senior positions has become smaller. "People just aren't expressing as much energy and excitement about moving into executive or operations-level management jobs," says Phillips. That's particularly true in the fire department. Once promoted to the command staff, Division Chiefs may never fight another fire. But if that's what drew them to the field in the first place, a desk job holds no great allure.

Approach

Such challenges are not unique to Anaheim. Yet the city's approach to addressing them is notable. What makes Anaheim stand out is the way it has integrated many elements into a comprehensive strategy for building the leadership pipeline. It's not uncommon for federal agencies to have such a strategy, driven by their need to develop many segments of their workforce, often requiring many different leadership programs. It's far less prevalent at the local and state level.

First Steps

Anaheim ramped up its leadership development efforts in 1997-8 with a program called Building the Bench. Three components of this effort are briefly summarized below:

■ **Scholarship program.** Enables selected individuals to attend a leadership development program at one of the country's premier institutions. Since 1997, 15 people have attended programs at Harvard, Columbia, and the Center for Creative Leadership. As part of the agreement, each agreed to present some aspect of what they'd learned at a luncheon for city managers.

■ **Onsite degree programs.** The program is taught by local university faculty and leads to a master's or a certificate in organizational leadership, a master's in public administration, or a bachelor's in organizational management. Thirty-five employees have completed one of these programs and 15 are currently enrolled.

■ **Anaheim LEADS.** This seven-month program was developed and delivered by Chapman University. The program included 48 hours of classroom instruction based on the university's master's degree in organizational leadership. Participants also completed a 360-degree feedback tool [James Kouzes and Barry Posner's Leadership Practices Inventory (LPI)] before and after the program. LEADS received high marks from participants, but was discontinued after two classes because it had achieved its objective. "Our original intent was to develop people to move into administrative-manager and executive-level positions," explains Phillips. "With 130 graduates, we'd hit that target."

(For a more detailed description of these programs and Anaheim's Building the Bench Program, download our 2003 study, *The Aging and Retiring Government Workforce*, at www.cps.ca.gov/AboutUs/agebubble.asp)

New Additions

Because Anaheim has been building its bench since 1997, “we’ve now got people in the pipeline for the top two levels in our organization,” says Hill. “But at the operating level — the third level — managers have never been trained to plan, organize, control, and lead. That’s become our focus in management development.”

Anaheim has implemented two new programs to meet that need.

- **“The Extraordinary Leader.”** Based on a book by the same name (John Zenger and Joseph Folkman, *The Extraordinary Leader: Turning Good Managers into Great Leaders*. McGraw-Hill, 2002), this program is designed to prepare high-potential managers for executive and administrative manager positions.
- **Louis Allen Management Development workshop.** Adapted for the public sector from Allen’s book, *The Management Profession* (McGraw-Hill 1964), and related courseware. Participants learn to:
 - Understand management as an interrelated system for planning, organizing, controlling and leading to achieve optimal results
 - Strengthen leadership skills so managers can execute more effectively
 - Establish strategic and tactical plans to enhance unit performance, structures to carry out those plans, and standards for measuring performance outcomes

Bringing it All Together

What distinguishes Anaheim’s approach to building the leadership pipeline is not simply its varied menu of training and development opportunities. They are impressive—and expensive. When Hill became HR director in 1994, he pledged to increase the budget for organizational and employee development to match the budget for recruitment. He’s held to that commitment in the decade since then. It helps that Anaheim operates lucrative enterprises like the Convention Center and the city-owned electric utility that have helped the city weather years when other revenue streams have ebbed. It also helps that training is not a separate line item in the general fund budget. Rather, like other benefits, it’s folded into employee overhead costs. Such diverse revenue streams may be envied by other jurisdictions, and would be difficult to replicate. But what also stands out about Anaheim’s approach to developing its leadership pipeline are some underlying principles that any organization could adopt.

Leadership Model

Anaheim’s leadership model has three components: skill-building, relationship-building, and knowledge.



Leadership Development Strategy

How does Anaheim help leaders develop in these three areas? The Leadership Development Strategy (shown below) presents developmental tactics — ranging from university degree programs to management development programs to social events — for each area of the leadership model. The top row indicates the target audience for each tactic.

Leadership Development Strategy FY2004-05				
	Executive Managers	Admin. Managers	Middle Managers	Professional Technical
Skill Building				
Extraordinary Leader	⊕	⊕		
Scholarships	⊕	⊕	⊕	⊕
Degree Programs	X	⊕	⊕	⊕
Management Development		X	⊕	⊕
Knowledge & Relationship Building				
Executive Retreat	⊕			
Executive & Events	⊕			
Ad/Ex Events	X	⊕		
Management Meetings	X	X	⊕	⊕
Leadership Luncheons	X	X	⊕	⊕

⊕ Target audience X Also invited

On paper, Anaheim’s Leadership Strategy maps out a cohesive plan for developing leadership skills and knowledge. Many tactics are targeted to a specific level of the organization: executive managers, administrative managers, middle managers or seasoned employees in the professional/technical classification. In practice, however, the model needs to be flexible. “We assumed that everyone who had reached the level of administrative manager had already mastered the fundamental management skills— plan, organize, control, and lead” say Phillips, “We found out that’s not always the case.” In fact, some senior people may need to develop simultaneously as managers as well as leaders.

Relationship-building is an important element of Anaheim’s leadership model. City employees get to meet and work with colleagues from other departments through the various leadership development programs. They also interact in an ongoing series of meetings, luncheons, and social events that are designed to multiply and deepen those relationships. Little is left to chance—or to individual employees’ networking skills. Instead, Phillips has devised a carefully orchestrated, year-round calendar of events designed to bring people together, again and again, to interact.

Knowledge-and Relationship Building Events					
Audience	Summer	Fall	Winter	Spring	Event Description
Executive	September				Annual Retreat: 1 to 1.5 days
Executive + Spouses		November			Social Event Holiday Party
Executive + Spouses				April/May	Social Event– Casual Setting
Administrative Manager/Executive	August				Social Event Picnic at City Facility
Administrative Manager/Executive			January		Fiscal Update–Small Groups
Administrative Manager/Executive				May	Luncheon with Speaker
General Management	July				Focus on Citywide Initiatives (Service Initiative)
General Management		October			Citywide Meeting; Outside Speaker (Meg Wheatley)
General Management			February		State of the City

Executive (15)
 Administrative Manager/Executive (80)
 General Management (400)

Once a year, 400 people are invited to the city-wide management meeting, which features a nationally recognized speaker such as Meg Weatley or other marquee names like the Seattle Fish Market video. Afterwards, people are asked to discuss the program with others at their table. It’s here that Phillips is proactive to ensure that relationship-building really happens.

Early on, she noticed that engineers always looked for other engineers to sit with, while police sought fellow police. Since the whole purpose was to cross departmental boundaries, she’s made two changes. She assigns people to specific tables. And each table has its own facilitator, who has attended a two-hour training session to prepare for the discussion. At first, the protests were terrible. “You’d have thought we were announcing a 10% pay cut,” Phillips recalls. But after a few times, assigned seating has become a routine.

What managers like best about these sessions, they say, is getting to meet people they knew only as names or voices on the phone. The discussion questions are designed to draw out different perspectives and experiences. After the Fish video, for example, the facilitator asked people to share personal experiences related to the practices shown in video. “Tell us about the best customer services you’ve ever seen in city government,” they were asked. “Talk about a place in city government where you’ve seen a really positive working environment.”

Executives and administrative managers are invited to additional events as well. While most have a serious program or agenda, some are unashamedly social, like the picnic last summer at a city park. At this senior level, managers already know each other, yet it still pays to orchestrate some mingling. They played a form of bingo where participants had to find the person who matched a particular biographical detail—played in a garage band; former Girl Scout; owns a pet reptile, and so on—to fill in each square. Then they competed in a spirited bocci-ball tournament. “They loved it!” she says. Even if the games sometimes feel silly, people at this level understand the value of occasional play. “To have a strong team, you need to get together in your free time and socialize.”

The real value of this events calendar, Phillips concludes, is that “people have multiple opportunities to get together and lots of reinforcement.” What Anaheim wanted to avoid was sending them to a one-time leadership academy, “and then it’s over. We expect people to work cross-functionally. To do that, they have to have ongoing relationships.”

Cost

The Anaheim LEADS program cost \$46,500, for 130 to complete. For 13 employees to earn a masters degree in organizational leadership, the cost was \$107,640, or \$8,280 per person. In addition, the city also awards two scholarships (\$5,000-7,000 each) per year for employees to attend a top-tier leadership development program, for example at Harvard or the Center for Creative Leadership.

The per-person cost of the Louis Allen Management Development workshop is \$250; the Extraordinary Leader program is \$225. These courses are taught by Anaheim staff who have been certified to deliver the courses.

Evaluation

Anaheim formally assessed its LEADS program by comparing participants’ scores on the LPI before the program began and three months after its completion. The LPI is designed to assess leadership practices in five areas related to the Kouzes and Posner model: challenging the processing, sharing inspiring shared vision, enabling others to act, acting as a role model, and encouraging the heart. Both the pre-assessment and post-assessment have two components: a self-rating and a rating by five other people, including subordinates, superior, and peers.

Based on informal feedback, some elements of the LEADS curriculum were modified after the first group completed the program. For example, the module on managing change was expanded and more effort was made to connect required readings to the program. The ongoing challenge, says Phillips, is to marry the outside perspective that university faculty members bring with the knowledge of city government that only insiders can provide.

Thus far, LEADS is the only component of Anaheim’s leadership development strategy that has been formally evaluated. While Phillips plans to do more, she’s also a pragmatist. “Training professionals know the importance of evaluation,” she notes, “but my organization doesn’t really care. What they care about is perceived value”—or how participants feel about the program and what they tell others. The second time LEADS was offered, enrollment grew. Department heads signed up, including some who’d never before volunteered for training. “That’s perceived value,” she says. And it’s that sort of response that Anaheim’s city managers pay attention to.

Next Steps

Compared to many jurisdictions, Anaheim has a well-crafted strategy for developing the next generation of leaders. Phillips sees two elements that are still missing. The first is a systematic assessment of what has and hasn’t worked thus far. The second is a competency model for senior-level managers in city government.

“Everybody talks about the need to develop leaders, but we don’t have a clear set of competencies that define what we uniformly require of department heads in city government.” Is it different from what’s required in the private sector? Or in state or federal government?

Phillips has begun interviewing the city’s senior leaders, especially those who’ve completed more than one of Anaheim’s leadership development programs. She asks them about their own path to the top: Which experiences helped and which didn’t? And what have they observed about other people’s paths to leadership? “Tell me about how someone has developed as a leader,” she asks. “Tell me about someone who went through one of the Anaheim leadership development programs and how they changed.”

Based on these interviews, Anaheim is building a new competency model for leadership in local government. Once the model has been approved by the department heads and the City Manager’s Office, Anaheim will adjust its Leadership Development Strategy to make sure it lines up with the new competencies.