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THESIS

**HUMAN CAPITAL MANAGEMENT OF AIR FORCE SOF:
LEADERSHIP IDENTIFICATION, SELECTION AND
CULTIVATION**

by

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LEADERSHIP IDENTIFICATION, SELECTION AND CULTIVATION**

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ABSTRACT

Human capital management and leadership selection pose significant challenges in numerous industries and organizations, including the U.S. military. This thesis examines literature and best practices in business management, and provides an in-depth investigation of General Electric and the U.S. Army's Special Operations Aviation Regiment, to identify best practices in leadership cultivation, appraisal processes, and human capital software programs for the U.S. Air Force Special Operations Command (AFSOC). This investigation yields the following recommendations: AFSOC should incorporate a 360-degree feedback process to capture a top-to-bottom and peer-to-peer assessment of an officer's ability to lead; it should select high-potential officers to attend in-residence development education based on a continuous performance assessment; it should improve the means by which officers receive performance reviews and overall feedback; and it should improve its own human capital technology.

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	RESEARCH QUESTION	1
B.	METHODOLOGY	2
C.	FINDINGS	3
D.	ORGANIZATION OF THE THESIS.....	4
II.	U.S. AIR FORCE HUMAN CAPITAL MANAGEMENT AND CULTIVATION OF HIGH-POTENTIAL OFFICERS	5
A.	CURRENT U.S. AIR FORCE HUMAN CAPITAL MANAGEMENT	5
1.	Air Force Leadership Levels.....	7
2.	The Development Team Process.....	9
3.	Roles and Responsibilities in Force Development.....	13
B.	PROBLEMS WITH CURRENT U.S. AIR FORCE MANAGEMENT	15
C.	U.S. AIR FORCE GAPS IN HUMAN CAPITAL MANAGEMENT	18
D.	CHAPTER SUMMARY.....	22
III.	BEST BUSINESS PRACTICES IN HUMAN CAPITAL MANAGEMENT	25
A.	EVOLUTION OF HUMAN CAPITAL MANAGEMENT.....	25
B.	BEST BUSINESS PRACTICES IN HUMAN CAPITAL MANAGEMENT AND LEADERSHIP CULTIVATION	29
C.	CHAPTER SUMMARY.....	38
IV.	GENERAL ELECTRIC CASE STUDY.....	41
A.	INTRODUCTION.....	41
B.	LEADERSHIP ACCORDING TO GE.....	41
C.	HISTORY OF GE LEADERSHIP LEARNING AND DEVELOPMENT	44
1.	Diversification and Decentralization.....	44
2.	Focus on People	46
D.	CURRENT LEARNING AND DEVELOPMENT PROCESS AT GE.....	48
E.	CHAPTER SUMMARY.....	55

V.	U.S. ARMY SPECIAL OPERATIONS AVIATION CASE STUDY.....	57
A.	INTRODUCTION.....	57
B.	LEADERSHIP ACCORDING TO THE U.S. ARMY.....	58
C.	LEADERSHIP DEVELOPMENT	62
D.	OFFICER EVALUATION REPORT AND PROMOTIONS	66
E.	OFFICER EDUCATION	69
F.	ARMY HUMAN CAPITAL MANAGEMENT TASK FORCE AND INITIATIVES.....	70
G.	U.S. ARMY SPECIAL OPERATIONS AVIATION REGIMENT	71
H.	SOAR DEVELOPMENT AND LEADERSHIP CULTIVATION.....	74
I.	CHAPTER SUMMARY.....	79
VI.	SUMMARY, RECOMMENDATIONS AND CONCLUSION.....	81
A.	RECOMMENDATIONS FOR AFSOC.....	83
B.	CONCLUSION	87
	LIST OF REFERENCES	89
	INITIAL DISTRIBUTION LIST	95

LIST OF FIGURES

Figure 1.	AFSOF Rated Officer Leadership Levels and Development	7
Figure 2.	Development Team Members.....	10
Figure 3.	Development Team Considerations	12
Figure 4.	High-Potential Attributes	31
Figure 5.	Nine-Block Reports	48
Figure 6.	GE’s Approach to Learning and Development.....	50
Figure 7.	Corporate Audit Staff Programs	54
Figure 8.	GE Executive Board Path	55
Figure 9.	Leadership Requirements Model	60
Figure 10.	Army’s Leadership Development Model.....	66
Figure 11.	160th SOAR Organization Chart	74

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LIST OF TABLES

Table 1. Recommended Development Team Schedule13

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LIST OF ACRONYMS AND ABBREVIATIONS

ADP	Army doctrine publication
AFI	Air Force instruction
AFSOC	Air Force Special Operations Command
AFSOF	Air Force Special Operations Forces
AIM	Assignment Interactive Module
AIM2	Assignment Interactive Module 2.0
CAS	Corporate Audit Staff
CEB	Corporate Executive Board
CEO	chief executive officer
CFO	chief financial officer
CLP	Commercial Leadership Program
CLDP	Communications Leadership Program
COO	chief operating officer
CPHR	Colgate-Palmolive human resource
DA PAM	Department of the Army pamphlet
DEDB	developmental education designation board
DTLP	Digital Technology Leadership Program
EEDP	Edison Engineering Development Program
FM	field manual
FMP	Financial Management Program
GAO	Government Accountability Office
GE	General Electric
GETP	Graduate Engineer Training Program
HRC	Human Resource Command
HRLP	Human Resources Leadership Program
IDE	intermediate development education
ILE	intermediate leadership education
IPPS-A	Integrated Personnel and Pay System-Army
JOLP	Junior Officer Leadership Program
MilMod	military modernization

MSAF	multi-source assessment and feedback
MWS	major weapons system
NEO	New Employee Orientation
OER	officer evaluation report
OMLP	Operations Management Leadership Program
PD@GE	Performance Development at General Electric
PME	professional military education
RAS	regional affairs specialist
SDE	senior development education
SOAR	Special Operations Aviation Regiment
SRB	soldier record brief
SSC	Senior Service College
USASOC	United States Army Special Operations Command
XLP	Accelerated Leadership Program
XO	executive officer

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I. INTRODUCTION

Human capital management and leadership selection pose significant challenges in numerous industries and organizations in the modern world. For example, scholars and practitioners of corporations have conducted numerous studies with the goal of identifying best practices in human capital management and leadership selection; however, despite these efforts, there is no consensus on how to manage these critical components of any corporation. In particular, the challenge of trying to identify and select future leaders while predicting their success to lead, inspire and innovate in an organization remains a perennial challenge. Not only is the human capital management process of leadership selection challenging, but so is the process of establishing an experienced and capable leadership cadre of employees for succession planning. Issues such as performance evaluations, honest and timely feedback, and successfully educating employees to reach their potential can all have a major impact on an organization's long-term effectiveness. Furthermore, the challenge of retaining high-potential employees, particularly those who have been developed and cultivated to lead an organization in the future, underscores the costs associated with failing to adequately manage human capital and leadership cultivation.

The Air Force and Air Force Special Operations Command's (AFSOC) human capital management and leadership selection processes face similar challenges to the business world. Like corporate culture, the Air Force struggles with the most effective way to identify, rate, and cultivate its officer corps. The leadership selection process does not always identify high-potential officers who are technically competent, possess the right personality, and are ready to lead. The Air Force is in the process of updating some of its current human capital management procedures, but clearly more research is needed to better guide this process.

A. RESEARCH QUESTION

This thesis aims to examine both the military and business sectors' human capital management and leadership development with the goal of identifying best practices in

leadership succession planning, appraisal processes, and human capital software programs for the Air Force and AFSOC in particular.

Specifically, this thesis aims to answer the following questions: What are the most effective methods for identifying high-potential Air Force Special Operations Forces (AFSOF) officers early and developing them? Additionally, what can the Air Force learn from best practices in business industry leadership development programs, evaluation systems and human capital management software technology?

B. METHODOLOGY

This thesis will use case studies to investigate how AFSOC can improve its human capital management and leadership. It begins by providing an overview of the current Air Force human capital management system known as Force Development. Force Development is a dynamic and deliberate process that captures senior leaders' perspectives, analyzes institutional requirements and uses modeling tools to calculate mission requirements for strategic planning purposes.¹

The thesis then provides a survey of literature from the business world on human capital management and leadership cultivation, dating back to the early writings of Adam Smith. In addition to this literature, the thesis considers best practices in the business world on human capital management and leadership cultivation. From this discussion, the thesis investigates the following aspects of human capital management and leadership cultivation: early identification of high-potentials; developing and broadening high-potentials with an array of different work experiences; and honest, timely and continuous feedback on job performance.

The thesis then investigates the case of General Electric (GE) and its methods for human capital development and leadership cultivation. It provides a brief overview of the history of the company, its understanding of leadership, its management of human capital and its efforts to develop leaders. This case pays particular attention to GE's efforts to

¹ Department of the Air Force, *Executing Total Force Development*, Air Force Instruction 36-2640 (Washington, DC: Department of Defense, December 29, 2011), [http://static.e-publishing.af.mil/production/1/af_a1/publication/afi36-2640/afi36-2640_\(certified_current\).pdf](http://static.e-publishing.af.mil/production/1/af_a1/publication/afi36-2640/afi36-2640_(certified_current).pdf).

educate its leaders, both on the job and in various formal education settings, whether at its in-house campus in Crotonville, New York, or through various online education courses, as well as the newly implemented and innovative online feedback and performance review software.

The thesis then investigates the methods used by the Army's 160th Special Operations Aviation Regiment (SOAR) to manage people and cultivate leaders. Specifically, this case looks at the Army's definition of a leader, followed by an in-depth look into the human capital management practices of leadership development, the assignment process, performance report process, promotions, education, feedback, and the command selection criteria process. The case then describes the 160th SOAR, including how the U.S. Army Special Operations Command manages and cultivates leadership.

From this approach, the thesis aims to identify key aspects of human capital management and leadership cultivation in these cases and which of these lessons may apply to AFSOC efforts to improve its selection of future senior officers.

C. FINDINGS

This investigation into best practices in human resource management and leadership cultivation yielded the following findings that may be relevant for the Air Force and AFSOC in particular. First, to better identify and select senior leaders, AFSOC should incorporate a 360-degree feedback process like the one adopted by the Army to capture a top-to-bottom and peer-to-peer assessment of an officer's ability to lead. Second, AFSOC should select high-potential officers to attend in-residence development education based on a continuous performance assessment and not just a "snap shot" in time, similar to programs that GE uses to cultivate leaders, and how the 160th SOAR affords intermediate education opportunities to all eligible officers that heightens leadership development and critical thinking required of all SOF officers. Third, building on observations from both the GE case study and the investigation of the 160th SOAR, AFSOC should improve the means by which officers receive performance reviews and overall feedback. Lastly, drawing from GE's state-of-the-art use of software to manage

human capital, the Air Force and AFSOC should improve its own human capital technology. The Air Force and AFSOC could draw from existing technology to improve its human capital management process with systems such as LinkedIn or pairing up with the Army's IPPS-A and AIM2, which could potentially save the Air Force millions of dollars in human capital management software development costs.

D. ORGANIZATION OF THE THESIS

The thesis is organized as follows: Chapter II examines U.S. Air Force human capital management and cultivation of high-potential officers. Chapter III analyzes the best business practices in human capital management. Chapter IV is a case study on General Electric's human capital management development and technology followed by an analysis of their best practices in leadership development. Chapter V provides a case study on how the U.S. Army and Special Operations Aviation Regiment cultivate and develop leaders and an examination of the human capital management process. Finally, Chapter VI presents conclusions and recommendations for the U.S. Air Force and AFSOC on improving human capital management, leadership cultivation, and development of Air Force Special Operations Forces officers.

II. U.S. AIR FORCE HUMAN CAPITAL MANAGEMENT AND CULTIVATION OF HIGH-POTENTIAL OFFICERS

The Air Force commissions thousands of highly educated officers each year through various programs, including on average, approximately 3,000 line officers that include rated and non-rated career field categories. Rated officers include “pilots, pilots of remotely piloted aircraft, combat systems officers, and air battle managers.”² Non-rated officers “serve in assignments related to such specialties as special tactics, logistic, maintenance, and personnel.”³ Of these thousands, AFSOC receives hundreds of officers each year to train as pilots, combat systems officers, and special tactics officers.

This chapter will provide an overview of how the Air Force and specifically AFSOC cultivate company grade officers in aviation by examining the current Air Force Human Capital Management process. The chapter will then discuss current problems and gaps in the process by drawing from studies conducted by the Government Accountability Office (GAO) and the RAND Corporation.

A. CURRENT U.S. AIR FORCE HUMAN CAPITAL MANAGEMENT

The Air Force prides itself on investing in its Airmen. Former Secretary of the Air Force Deborah Lee James and former Chief of Staff of the Air Force General Mark A. Welsh III surmised that “innovative Airmen power the Air Force, and their development starts the day they enter the service,”⁴ and that the Air Force’s “ability to recruit and retain high exceptional Airmen is the cornerstone of our business.”⁵ However, despite these intentions, the Air Force does not always identify and cultivate the best officers for leadership positions. In order to understand potential gaps in the officer identification and

² Lisa M. Harrington and Tara L. Terry, *Air Force Officer Accession Planning: Addressing Key Gaps in Meeting Career Field Academic Degree Requirements for Nonrated Officers*, RR1099 (RAND Corporation, 2016), viii, www.rand.org/content/dam/rand/pubs/research_reports/RR1000/RR1099/RAND_RR1099.pdf.

³ Harrington and Terry, *Air Force Officer Accession Planning*, viii.

⁴ Department of the Air Force, “America’s Air Force: A Call to the Future” (Department of the Air Force, July 2014), www.airman.dodlive.mil/files/2014/07/AF_30_Strategy_2.pdf.

⁵ Department of the Air Force, “A Call to the Future,” 9.

cultivation process, this section will provide a quick overview of the current AFSoF-rated officer development process, including what current doctrine and policy state about a typical career path, the development team process, and the roles and responsibilities in the Force Development process.

The Air Force practice of officer cultivation falls under Total Force Development. Air Force Instruction (AFI) 36–2640, *Executing Total Force Development* describes the process as “very broad and includes institutional and occupational components. Institutional development generally results in leadership, management, enterprise, and warrior skill proficiency and occupational development generally results in flying and technical skill proficiency.”⁶ The Total Force Development process connects to strategic capital management through education, training, mentoring and job experiences to develop knowledge, skills, and abilities needed to meet the missions of the Air Force.⁷

The Air Force defines the execution of Force Development as the development of “institutional and occupational competencies in all Airmen through education, training, and experience opportunities to satisfy current and future Air Force mission requirements.”⁸ The nature of Force Development is to be dynamic and deliberate, encompass senior leader perspectives, analyzes institutional requirements, and use modeling tools to forecast mission requirements for strategic planning purposes.⁹ Force Development uses the “Continuum of Learning” concept, which is a career long process of individual development for each officer, similar to horizontal and vertical development processes used in commercial industry.¹⁰ Figure 1 depicts this process.

⁶ Department of the Air Force, *Executing Total Force Development*, 18.

⁷ Yvonne D. Jones, *Human Capital: Sustained Attention to Strategic Human Capital Management Needed*, GAO-09-632T (Washington D.C.: Government Accountability Office, 2009), 1, <http://www.gao.gov/new.items/d09632t.pdf>.

⁸ Department of the Air Force, *Executing Total Force Development*, 2.

⁹ Department of the Air Force, *Executing Total Force Development*, 2.

¹⁰ Department of the Air Force, *Executing Total Force Development*, 2.

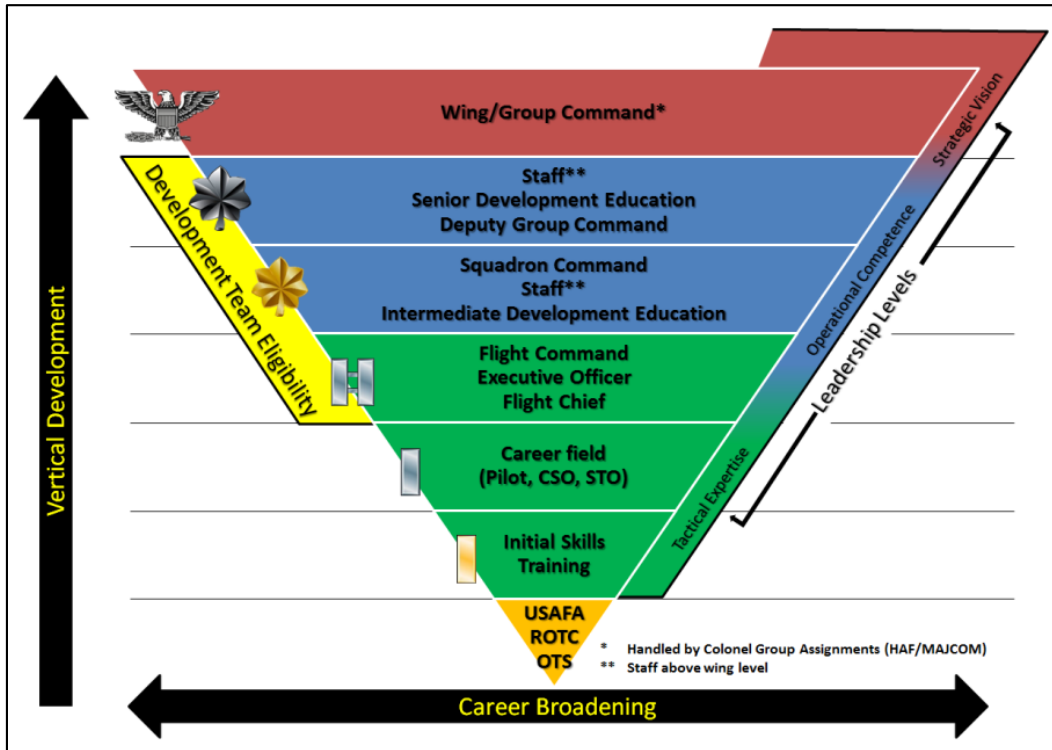


Figure 1. AFSOF Rated Officer Leadership Levels and Development¹¹

1. Air Force Leadership Levels

The three leadership levels of the Air Force officer are tactical expertise, operational competence, and strategic vision.¹² These levels are outlined in the LeMay Center for Doctrine, *Volume II: Leadership*.¹³ In the tactical expertise level of leadership, an officer should “master their core duty skills, develop experiences in applying those skills, and begin to acquire the knowledge and experience that will produce the qualities essential to effective leadership.”¹⁴ In the rated community, this level is at the squadron to wing level and is the time the officer uses to become an expert in their major weapons system (MWS) as well as “honing followership abilities, motivating subordinates and

¹¹ Department of the Air Force, *Volume II, Leadership* (Curtis E. Lemany Center, 2015), 34, doctrine.af.mil/download.jsp?filename=Volume-2-Leadership.pdf.

¹² Department of the Air Force, *Volume II, Leadership*, 34.

¹³ Department of the Air Force, *Volume II, Leadership*, 34.

¹⁴ Department of the Air Force, *Volume II, Leadership*, 35.

influencing peers to accomplish the mission while developing a warrior ethos.”¹⁵ For the AFSOF officer, this process includes upgrading to instructor and evaluator in their current major weapon system as well as attending Squadron Officer School in-residence with the overall goal of becoming an expert aviator and operational competence as a leader.

Once officers reach the operational competence level, they should have a broader understanding of the Air Force, and “transitions from being a specialist to understanding Air Force operational capabilities.”¹⁶ For the AFSOF rated officer, this means not only being an expert in their major weapon system, but also being a leader in the squadron, whether that is being flight commander, executive officer, the operations officer, or the squadron commander. This is also the time when senior company grade officers and field grade officers begin to have their records reviewed by their respective development teams and when each officer will deliberately be put on a plan to broaden their knowledge as well as develop their leadership ability.

One of the developmental opportunities available to the officer is attending professional military education (PME) in-residence. This highly competitive selection process is based on the officer’s competencies, performance reports, training reports, as well as awards and decorations. If not chosen to attend, the officer will have the opportunity to accomplish the education online. Selection for in-residence PME is an indicator of a high-potential officer and their career will be closely monitored to make sure they are developed into a future strategic vision leader.

The strategic vision leadership level is the point at which an officer is expected to lead and direct “exceptionally complex and multi-tiered organizations.”¹⁷ Leaders at this level draw from their previous technical and operational experience to form an educated and strategic vision for the Air Force. Education is paramount for a leader at this level as is the broader experience an officer has with not only the Air Force at large but with other

¹⁵ Department of the Air Force, *Volume II, Leadership*, 35.

¹⁶ Department of the Air Force, *Volume II, Leadership*, 36.

¹⁷ Department of the Air Force, *Volume II, Leadership*, 39.

organizations around the world. Within this process, the Air Force created the development team process to better prepare an officer for leadership roles.

2. The Development Team Process

In February 2004, the U.S. Air Force introduced the development team concept to improve the cultivation process for officers.¹⁸ The Air Force uses development teams to focus on the careers of officers in the ranks of senior captain through lieutenant colonel (O-3 to O-5). During the annual development team meeting, senior leaders become familiar with the people assigned to their functional area, review records of performance of each eligible officer for leadership development programs, and assess officer potential for future command and staff opportunities.¹⁹

The development team consists of the functional manager as the development team chair (typically the vice commander of the major command), the career field manager (air staff representative), major command level functional leadership (operations director of the major command), wing commanders/directors, officer assignment teams, and anyone else the development team chair feels is necessary as shown in Figure 2.²⁰

¹⁸ Lawrence M. Hanser et al., *Improving Development Teams to Support Deliberate Development of Air Force Officers*, RR1010 (Santa Monica, CA: RAND Corporation, 2015), https://www.rand.org/content/dam/rand/pubs/research_reports/RR1000/RR1010/RAND_RR1010.pdf.

¹⁹ Department of the Air Force, *Executing Total Force Development*, 10.

²⁰ Department of the Air Force, *Executing Total Force Development*, 10.

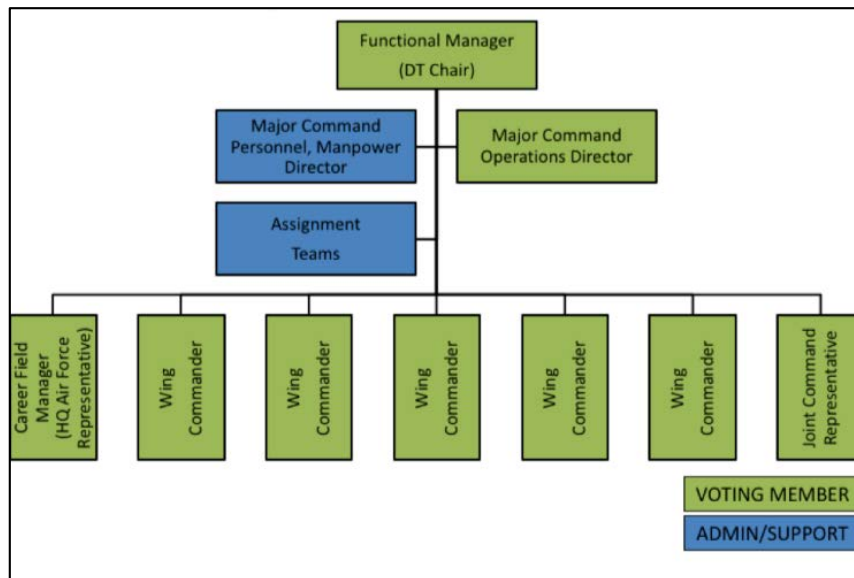


Figure 2. Development Team Members

The specific development team panel member responsibilities are:

- Score records and “provide career feedback to officers, civilians, senior raters, and commanders via the automated Airman Development Plan system or other similar processes.”²¹
- Determine officer nominations to attend intermediate or senior development education.²²
- Vector quality officers who are competitive for promotion for joint duty assignment consideration.²³
- “[U]nderstand and incorporate career field policies, plans, programs, training, and actions affecting career field management and development

²¹ Department of the Air Force, *Executing Total Force Development*, 11.

²² Department of the Air Force, *Executing Total Force Development*, 12.

²³ Department of the Air Force, *Executing Total Force Development*, 13.

and will take these issues into consideration when determining personnel decisions and vectors.”²⁴

- Identify the education, training, and experiences appropriate for officers, provide feedback to career field managers, as well as update the career field pyramid when significant changes occur.²⁵
- Make appropriate vectors and recommendations for officers by level and type based on leadership potential, performance reports, awards and decorations, and competencies as shown in Figure 3. For example, after reviewing records on an officer, recommending a joint staff, air staff, major command, or base level (high performing officers to average performers).²⁶
- Create a bid and match process for officers being selected for squadron command and chief of safety vacancies.²⁷
- Consider cross-functional developmental and utilization requirements when recommending officers for unique career broadening assignments.²⁸

²⁴ Department of the Air Force, *Executing Total Force Development*, 11.

²⁵ Department of the Air Force, *Executing Total Force Development*, 11.

²⁶ Department of the Air Force, *Executing Total Force Development*, 11.

²⁷ Department of the Air Force, *Executing Total Force Development*, 12.

²⁸ Department of the Air Force, *Executing Total Force Development*, 11.

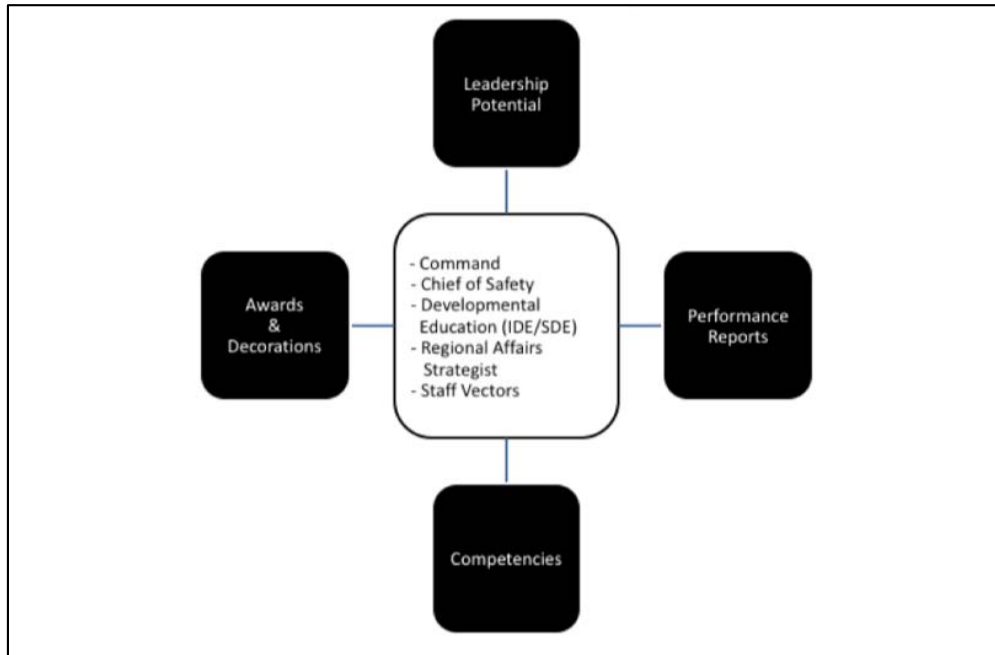


Figure 3. Development Team Considerations

Headquarters Air Force recommends that active component development teams will meet two times per year at a minimum with specific times determined by the functional manager and meet the schedule and objective outline in Table 1.²⁹

²⁹ Department of the Air Force, *Executing Total Force Development*, 12.

Table 1. Recommended Development Team Schedule³⁰

RECOMMENDED MEETING	RECOMMENDED AGENDA ITEMS
Fall (Oct-Dec)	Outplacement assignments for intermediate & senior development education, Air Force education requirements board sponsored schools and graduating squadron commanders, steady state vectors ³¹
Spring (Jan-Apr)	Steady state vectors (all other officers in specified year group ranges)
Summer (May-Sep)	Developmental education designation board nominations (officers selected for school), squadron command candidates, chief of safety candidates, regional affairs strategists (RAS), and outside of career field opportunities ³²

3. Roles and Responsibilities in Force Development

Assignment teams and career field teams serve as the key administrators of the development process. These teams provide data analysis, policy guidance, and consultation to senior raters to balance Air Force mission requirements with individual development for officers during the assignment process.³³ Additionally, assignment teams and career field teams publish and annually update the development team member guide, project and identify 365-day deployment requirements, identify officers eligible to meet a given development team and prepare materials to present to the development team and execute assignments within established guidance.³⁴

Assignment teams' involvement with supervisors, squadron commanders, and senior raters is the cornerstone of the development process in managing officers and

³⁰ Department of the Air Force, *Executing Total Force Development*, 12.

³¹ Department of the Air Force, *Executing Total Force Development*, 12.

³² Department of the Air Force, *Executing Total Force Development*, 12.

³³ Department of the Air Force, *Executing Total Force Development*, 6.

³⁴ Department of the Air Force, *Executing Total Force Development*, 6.

identifying high-potential officers, because they provide the critical feedback that permits deliberate force development decisions to maximize the capabilities of each officer to meet human capital objectives, strategically and operationally.³⁵ Supervisors have the in-depth knowledge of each officer's capability. They support the force development process through mentoring, feedback, and they ensure their officers understand the web-based applications provided for the officers to help develop them through their career.

One such application of human capital development is the airman development plan, which documents an officer's desired assignment, developmental education preferences, and statements of intent for command, special duty, and other available programs.³⁶ The squadron commander is responsible for reviewing an officer's airman development plan and assessing each officer's developmental potential and providing recommendations to the senior rater.³⁷ Each squadron commander has their own method for identifying, managing and stratifying each officer under their command with inputs from supervisors. The stratification of officers is a method used to identify the strongest performers when analyzing the development of each officer. It is important to emphasize that the squadron commander's recommendation of each officer is the vital aspect when identifying and managing officers.

Every officer should become familiar with the appropriate career paths for their career field and take initiative to understand the career development process. It is imperative that each officer completes appropriate education and training commensurate with their grade, develop proficiency in their career field, and completes institutional competencies appropriate with their grade.³⁸ Officers are responsible for utilizing the airman development plan to list their career preferences, statements of intent for assignment programs, and to express assignment and developmental preferences such as squadron command, developmental education, language programs or other broadening

³⁵ Department of the Air Force, *Executing Total Force Development*, 7.

³⁶ Department of the Air Force, *Executing Total Force Development*, 7.

³⁷ Department of the Air Force, *Executing Total Force Development*, 7.

³⁸ Department of the Air Force, *Executing Total Force Development*, 7.

assignment opportunities.³⁹ Understanding the roles and responsibilities of each individual in the development team process is crucial for human capital development. Examining problems with the unofficial human capital management process and the gaps in the development team process is what the next section will examine.

B. PROBLEMS WITH CURRENT U.S. AIR FORCE MANAGEMENT

The U.S. Air Force has seen its share of senior leaders removed from leadership positions for a myriad of reasons. If examined holistically, the reasons can be attributed to many causes throughout the officer's career: appraisal inflation, excelling at additional duties yet lacking core competencies through performance and experience, personality traits incompatible with command, senior leaders investing officers who do not plan to stay in the military, and officers not receiving honest feedback, just to name a few.

Ultimately, an unofficial process that is highly subjective and influential in an officer's career accompanies the official process of evaluating an officer. Typically, the unofficial process involves senior leaders identifying high-potential officers early on and, once identified, these officers continue to be rated in the top 3 to 5 percent with a strong chance for early promotion and command. To examine this unofficial process further, this section will review problems associated with three hypothetical examples of officers promoted early and selected for command:

Example 1: Officer "A" is identified early as a high-potential officer early in his or her career. During initial flight training, they were awarded as a "distinguished graduate," and during initial flying qualification training in AFSOC, they immediately draw the attention of peers, supervisors, and the commander as an up and coming officer. Officer "A" upgrades quickly to aircraft commander as a mid-grade Captain, is battlefield tested with multiple deployments performing outstandingly and is highlighted as a high-potential officer. As a senior Captain, Officer "A" is recommended by the senior rater to attend intermediate development education (IDE) in residence. Instead of keeping Officer "A" flying, the commander recommends that they work as an executive officer for broadening and Officer "A" flying is decreased where they only maintain currency. Furthermore, it is recommended that Officer "A" attend instructor training before they head to IDE since vertical development is assessed by a promotion board how competent each officer is at their core competency. Officer "A" departs flying for IDE, followed by

³⁹ Department of the Air Force, *Executing Total Force Development*, 7.

a staff assignment with the minimum amount of flying expertise necessary to maintain the high competency they started with. Officer “A” is promoted early, completes a staff assignment for broadening and commands a flying squadron.

Example 2: Officer “B” is identified early as a high-potential officer. Officer “B” graduates from initial flying training and arrives at AFSOC and completes aviation qualification training. As an aviator, Officer “B” is average in the aircraft though they really make a name for themselves as a staff officer. Officer “B” has some combat experience and performs adequately though the real penchant for success for Officer “B” is their ability to write well, staff work and daily exposure to leadership in the organization. When it is time for Officer “B” to upgrade, it is more a matter of the right time than achievement. Peers find Officer “B” average in the aircraft, more inclined to be in front of leadership than to fly in combat or in garrison. Officer “B” is selected to attend IDE in residence early as a senior Captain, receives a staff assignment after school completion, promotes early and assumes command of a flying squadron with minimal flight experience and credibility.

Example 3: Officer “C” is identified later as a high-potential officer, an example of a late bloomer or an officer that has been overshadowed. Officer “C” graduates from initial flying training and arrives at AFSOC and completes aviation qualification training. Officer “C” performs outstanding in the aircraft, is battle tested and proven with multiple deployments and upgrades quickly to aircraft commander and instructor. Officer “C” is highly respected by peers, supervisors and senior leadership for their flying ability, willingness to volunteer for multiple deployments, exercises and they perform their additional duties well when at home station. The fact that Officer “C” is so often deployed and not at home station leads to them being overlooked by leadership for their highly-respected abilities. Officer “C” is selected to attend IDE in residence, promotes on time, completes a staff assignment, and assumes command of a flying squadron with a high competence and credibility as an aviator.

When investigating the examples of the unofficial human capital management process listed above, there are problems with all three. For example, Officer “A” is doing everything he or she should as an officer and aviator and leadership has identified them correctly as a high-potential officer. Senior leadership has provided accurate appraisals of Officer “A” as high performance, Officer “A” is being invested in for the long term and is willing to remain in the Air Force and leadership has signaled honest feedback to Officer “A’s” performance. The problem, however, is that to keep Officer “A” on the trajectory as a high-potential officer, leadership placed Officer “A” in duties as an executive officer that prevented him or her from maintaining and achieving high competencies as an aviator. It is important to highlight competencies through

performance and experience since a high competency of flying will prepare Officer “A” for the challenges of commanding a flying squadron at an early stage in Officer “A” career. It is imperative that officers be provided the tools they need to succeed as commanders later.

The example of Officer “B” and the problems associated with it reflect a common issue in the military of promoting employees through appearance without substance. For example, Officer “B” lacks competencies in the aircraft that is peer assessed yet, through the appraisal system, Officer “B” still receives an assessment as a top performer reflecting a lack of honest feedback. Leadership has chosen to invest in an officer that lacks the competencies to command a flying squadron and through this investment has failed to provide honest feedback that Officer “B” needs to increase their flying competencies to prepare them for success as a commander.

Lastly, Officer “C” has a high competence and credibility for flying that is substantiated by peers, supervisors, and leadership. Officer “C” performs outstandingly as a flight commander, excelling in all duties and responsibilities assigned. The competencies and experiences have prepared Officer “C” for command. Alternatively, the concerns associated with Officer “C” are attributed to leadership overlooking performance, especially when comparing the capabilities of Officer “C” to Officer “B” in the primary duties of flying. The performance of Officer “C” was not fully visible or valued to leadership, which poses a concern that Officer “C” recognizes this and may elect to separate from the Air Force once their active duty service commitment expires.

These examples of officer types reflect two broad concerns: not investing in people who are high-potential performers and over-inflating the performance report process; and not differentiating Officer “B’s” and Officer “C’s” performance indicators. The systemic issue with Officer “C” is that their overall performance was overlooked by leadership during their appraisal and subjectively categorized lower than Officer “B.” There are countless reasons why this may have occurred, such as Officer “C” was always deployed or employed in ways that prevented any exposure to leadership, or leadership subjectively felt that Officer “B” had more potential than Officer “C” had and chose to overlook the competencies of Officer “B” as an aviator. As

former GE CEO Jack Welch mentions when discussing leadership, “you won’t get it right all the time, when you get it wrong, treat people fairly and move on.”⁴⁰ The next section will identify some of the gaps in the U.S. Air Force human capital management process.

C. U.S. AIR FORCE GAPS IN HUMAN CAPITAL MANAGEMENT

In 2001, the Government Accountability Office (GAO), an independent research office designed to monitor government activities, issued a report on sustaining human capital in the U.S. Government. The report summarized that there were gaps throughout all federal agencies “in four key areas: (1) leadership; (2) strategic human capital planning; (3) acquiring, developing, and retaining talent and (4) results-oriented organizational culture.”⁴¹ The GAO study emphasized that “top leadership in agencies across the federal government must provide committed and inspired attention to address human capital and related organizational transformational issues.”⁴² Additionally, the GAO study recommended that “leaders must not only embrace reform, they must integrate the human capital function into their agencies’ core planning and business activities.”⁴³ As is the case in the business industry, the GAO study stressed the importance of “strategic human capital planning should be integrated with broader organizational strategic planning since it is critical to ensuring that agencies have the talent and skill mix required to address current and emerging human capital challenges.”⁴⁴

These observations are echoed in a 2015 RAND Corporation study on *Improving Development Teams to Support Deliberate Development of Officers*. This report found the process to be more chance than deliberate planning.⁴⁵ After investigating the development team process, the RAND Corporation report determined that the tracking of

⁴⁰ Jack Welch, “Jack Welch on Leadership: Pick Great Talent and Develop Them Daily” (World Business Forum Notes), accessed July 13, 2017, www.leaderexcel.com.

⁴¹ Jones, *Sustained Attention to Strategic Human Capital Management Needed*, 3.

⁴² Jones, *Sustained Attention to Strategic Human Capital Management Needed*, 3.

⁴³ Jones, *Sustained Attention to Strategic Human Capital Management Needed*, 3.

⁴⁴ Jones, *Sustained Attention to Strategic Human Capital Management Needed*, 6.

⁴⁵ Hanser et al., *Improving Development Teams to Support Deliberate Development of Air Force Officers*, xi.

high-potential officers was required. In addition, the report recommended that the process of managing developmental education and command lists should be standardized for all development teams to prevent stove-pipes for officers, and strategic objectives for development teams should identify high-potential officers and map out recommended paths for developing and tracking their progress. Development teams should also provide personalized, career field wide feedback to officers.⁴⁶ The objective of the RAND study was to determine the effectiveness of the 2004 development team process since the human capital management methods had been in place for over 11 years at the time of the report by RAND in 2015.

In addition to the gaps in officer development identified by the RAND report, several additional challenges exist in the current system. First, the Air Force has attempted to modernize human resource software when they introduced Oracle's Military Personnel Data System program or MilMod in 2001 to modernize and keep up with other business industry practices of using cloud based technology to handle human capital management functions.⁴⁷ This new software replaced 1970s technology while increasing the efficiency with human resource capital management within the Air Force; however, these changes have not included tracking high-potential officers as part of the database functions.⁴⁸ Currently, AFSOC uses a computer spreadsheet to identify and track high-potential officers.⁴⁹

Second, the Air Force has introduced some mentoring tools, such as MyVector program, an initiative of former Secretary of the Air Force, Deborah Lee James; however, the MyVector tool requires Airmen to become a mentor, which enables them to share

⁴⁶ Hanser et al., *Improving Development Teams to Support Deliberate Development of Air Force Officers*, xi.

⁴⁷ Dick Goulet, "Oracle HR Gets a BIG Customer!!!," *Air Force News Service*, March 8, 2001, www.mail-archive.com/oracle-1@fatcity.com/msg03343.html.

⁴⁸ Goulet. "Oracle HR Gets a BIG Customer!!!"

⁴⁹ AFSOC Manpower & Personnel, email message to author, April 19, 2017.

their experiences with their peers and other Airmen.⁵⁰ To date, it is unclear if this program has yielded positive results for cultivating high performance officers.

Third, the Air Force continues to modify the current officer performance reporting process; much of this effort has focused on reducing the amount of verbiage required in each rater block to decrease the time spent on completing the reports.⁵¹ Another gap in the reporting process is the lack of mandatory feedback given to an officer before the final report is signed. Many officers never receive their required AF Form 724 *Performance Feedback Worksheet*, which is required during routing of an officer performance report and part of the Airman Comprehensive Assessment.⁵² The result is that many officers are not receiving sufficient feedback, whether initial or midterm feedback, which informs them where they stand, and what improvements they need to make before their final report is signed that ultimately decides their future career path.

Fourth, appraisal report inflation continues to be a challenge that makes differentiating top performers from average performers and average performers from low performers difficult. To address this issue, the U.S. Army has adopted a 360-degree feedback approach to gather feedback on an officer's leadership and job performance abilities.⁵³ However, the 360-degree feedback process has not been fully adopted by the U.S. Army and incorporated into the promotion process to aid in officer leadership development.⁵⁴ According to Army Colonel Kevin McAninch, "the U.S. Army is failing to make effective use of the 360-degree leader development tool"⁵⁵ commonly referred to

⁵⁰ Torri Hendrix, "AF Launches MyVector, Mentorship Resources for Airman," *U.S. Air Force News*, July 31, 2015, www.af.mil/News/Article-Display/Article/611670/af-launches-myvector-mentorship-resources-for-airmen/.

⁵¹ Department of the Air Force, *Officer and Enlisted Evaluation System*, Air Force Instruction 36-2406 (Washington, DC: Department of Defense, November 8, 2016), http://static.e-publishing.af.mil/production/1/af_a1/publication/afi36-2406/afi36-2406.pdf.

⁵² Department of the Air Force, *Officer and Enlisted Evaluation System*, 62.

⁵³ Kevin McAninch, "How the Army's Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development," *Military Review*, October 2016, 84, [www.usacac.army.mil/CAC2/Military Review/Archives/English/MilitaryReview_20161031_art014.pdf](http://www.usacac.army.mil/CAC2/Military%20Review/Archives/English/MilitaryReview_20161031_art014.pdf).

⁵⁴ McAninch, "How the Army's Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development," 84.

⁵⁵ McAninch, "How the Army's Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development," 84.

as the Multi-Source Assessment and Feedback Program. McAninch suggests that the reason behind failure rests with the implementation of the process, not the assessments.⁵⁶ McAninch also recommends improving the 360-degree feedback tool by enforcing follow up, requiring an individual leadership development program, training leaders to coach and mentor in professional military education and restructuring tools to support vertical development.⁵⁷ Currently, the Air Force does not have a 360-degree feedback tool to aid in leadership development.

Finally, in 2016, the Air Force changed the officer development selection declination policy. Previously, officers had to decide within seven-days of receiving notification whether they would accept or decline the assignment.⁵⁸ If an officer declined, they would separate within a specified period of time as indicated by Air Force policy.⁵⁹ The added flexibility with the change in the declination process allowed the U.S. Air Force and senior leaders who had invested in high-potential officers to be retained in critically manned career fields while also allowing officers the opportunity to continue to serve without being forced to separate within seven months of the declination. Additionally, officers can re-compete for education programs later if eligible and desired.⁶⁰ To counter this issue, the Air Force has proposed refining the DEDB process, with talk of removing school selection as part of the Major and Lieutenant Colonel Promotion board process placing human capital management more in the hands of senior raters with their discretion. All indications from the Air Force suggest this is a positive change to the school designee process currently in place, a change requested from senior raters and subordinate officers. This change moves away from the snap shot in time looks

⁵⁶ McAninch, "How the Army's Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development," 84.

⁵⁷ McAninch, "How the Army's Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development," 89.

⁵⁸ Kat Bailey, "AF Changes Officer Developmental Education Selection Declination Policy," *U.S. Air Force News*, November 2, 2016, www.af.mil/News/Article-Display/Article/993934/af-changes-officer-developmental-education-selection-declination-policy/.

⁵⁹ Bailey, "AF Changes Officer Developmental Education Selection Declination Policy."

⁶⁰ Bailey, "AF Changes Officer Developmental Education Selection Declination Policy."

of officer's performance and allows a more thorough observation of their performance as they progress in rank by senior raters.

D. CHAPTER SUMMARY

This chapter reviewed the officer cultivation process of the Air Force, specifically focusing on human capital management. After closely examining the human capital management process of the Air Force, this chapter identified the following gaps:

1. Inflation of reports on officers' performance. Performance should differentiate between high performers, average performers and low performers.
2. How senior raters provide feedback to each officer. Senior raters should provide honest and constructive feedback formally, analyze a 360-degree feedback process for performance reports and utilize effective and easy to use electronic measures via the Air Force Personnel Center to communicate public comments from the senior rater to promotable officers concerning career vectors, development and projected career mapping at the conclusion of each annual developmental team conference.
3. The limited scope of the human capital management software currently in use. The Air Force should develop software that integrates and interfaces all functions (performance reports, decorations, record briefs, special experience identifiers, self-professed knowledge, resumes, etc.) of human capital management to effectively manage officers. The Army is introducing a database projected to integrate all human capital management functions called the Assignment Interactive Module (AIM) that is examined in Chapter V.
4. Selection of high-potential officers that is comprised of technical competencies, aspirations, communication, personality and preparedness.

The next chapter will examine best practices as identified in the business literature in human capital management and the cultivation of leadership in particular with the aim

of gaining further insights into how the Air Force can improve its development of high-potential officers.

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III. BEST BUSINESS PRACTICES IN HUMAN CAPITAL MANAGEMENT

In today's ever-changing world, it is important to continue researching, evaluating, and evolving human capital management processes in order to maintain a superior edge in the most important asset in any organization: its people. The business sector has multiple human capital management approaches that have been implemented and tested, with some proven highly effective in the broad area of human capital management and in selecting successful leaders of organizations in particular.

This chapter explores the evolution and best practices in human capital management within the business world with a focus on the identification and cultivation of leaders. It begins by examining academic scholars on human capital theory and human capital management, followed by an overview of various approaches in the business world, particularly the cultivation of effective leadership. The chapter concludes with lessons learned from different human capital management approaches, drawing from academic and business literature, with the aim of incorporating some of the best practices into the Air Force human capital management process and its methods of cultivating effective leaders.

A. EVOLUTION OF HUMAN CAPITAL MANAGEMENT

The term "human capital" dates back to the 1700s when the British economist Adam Smith developed what became known as human capital theory.⁶¹ Smith believed that "the reward of human capital must reflect the investment embodied in it even as does the return on other fixed capital."⁶² He ascertained that when a person is "educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skill, [he] may be compared to an expensive machine."⁶³

⁶¹ Daren Acemoglu and David Autor, "Chapter 1: The Basic Theory of Human Capital," in *Lectures in Labor Economics*, 2011, 5, <https://economics.mit.edu/files/4689>.

⁶² Joseph J. Spengler, "Adam Smith on Human Capital," *The American Economic Review* 67, no. 1 (1977): 33.

⁶³ Spengler, "Adam Smith on Human Capital," 33.

Smith also pointed out that the “degree of investment in human capital thus accounted for differences in the wages of labor . . .”⁶⁴ Smith surmised, therefore, that human capital consisted of two main sources: experience and education.⁶⁵ Experience is the specialization in a job or activity, and education comes from universities, schools, or apprenticeships. Wages and level of seniority an individual attained were based off these two critical ingredients.

Smith’s understanding of the connection between the skill of the worker and higher wage levels paved the road to further studies, specifically the American economists Theodore Shultz and Gary Becker, who took the human capital theory to the next level by identifying that human capital is “valued in the market because it increases firms’ profits.”⁶⁶ Becker and Shultz believe that “people seek to raise their future incomes by investing time and money to enhance their productive knowledge and skills, aka their human capital.”⁶⁷ Specifically, Becker defines “the human capital approach as the study of how the productivity of people in the market and non-market situations is changed by investments in education, skills, and knowledge.”⁶⁸ Becker was also one of the first people to distinguish between specific and general human capital. Specific human capital is the knowledge specific to one company or organization, and general human capital can be applied to many organizations. Becker also explains one of the most prevalent theories in human capital, which is that younger generations are spending more time on education, or general human capital, because life expectancy is increasing, and this knowledge is profitable in the work place.⁶⁹

Similarly, scholars Fred Luthans and Carolyn Youssef study human, social, and psychological capital management. They break down human capital into two separate

⁶⁴ Spengler, “Adam Smith on Human Capital,” 33.

⁶⁵ Spengler, “Adam Smith on Human Capital,” 33.

⁶⁶ Acemoglu and Autor, “Chapter 1: The Basic Theory of Human Capital,” 5.

⁶⁷ Lawrence H. White, “Human Capital and Its Critics: Gary Becker, Institutionalism, and Anti-Neoliberalism” (George Mason University, December 2016), 1, www.gmu.edu/centers/public.

⁶⁸ White, “Human Capital and Its Critics: Gary Becker, Institutionalism, and Anti-Neoliberalism,” 1.

⁶⁹ Gary S. Becker, “Human Capital Revisited,” *National Bureau of Economic Research Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education* (3rd Edition) (January 1994): 18.

categories: explicit knowledge and tacit knowledge. Explicit knowledge is the aspect of human capital that most scholars focus on. It is “knowledge, skills, abilities or competencies derived from education, experience and specific identifiable skills.”⁷⁰ Luthans and Youssef explain that, traditionally, explicit knowledge has been the primary basis for the selection of human capital because it is easily quantifiable and measurable but has very low predictive value in future job performance.⁷¹ However, explicit knowledge, specifically education and skills, can become outdated due to today’s rapidly growing and evolving technology. Tacit knowledge or learning the ropes, is the other vital dimension of human capital. It is acquired over time and is specific to each organization, but it is also difficult to measure. Tacit knowledge requires a great deal of effort by the employee and the organization for an employee to gain an understanding of the culture and processes of a given organization. Unfortunately, since tacit knowledge is organizational specific, and an organization often fails to retain an employee, both the organization and employee can easily lose tacit knowledge.⁷² This type of human capital is the hardest to retain because it takes time to gain the necessary experience but, if organizations are capable of retaining their employees, then tacit knowledge can be of critical importance to efficiency and profitability.

More recently, European scholars Marcel van Marrewijk and Joanna Timmers outlined the purpose of human capital management as achieving employee dedication, motivation, and commitment to the organization. They also stress the importance of thinking of employees as an asset as opposed to a liability and that employees are values driven. In their studies, they determine human capital management is more than meeting the human resource management goals of recruit, retain, and rouse. With buy-in from the employee, attaining employee dedication, motivation, and commitment to the organization will lead to more productivity and an overall healthier environment for the organization and the employees. Van Marrewijk and Timmers argue that the way to attain

⁷⁰ Fred Luthans and Carolyn M. Youssef, “Human, Social, and Now Positive Psychological Capital Management,” *Organizational Dynamics* 33, no. 2 (May 1, 2004): 146, <https://doi.org/10.1016/j.orgdyn.2004.01.003>.

⁷¹ Luthans and Youssef, “Human, Social, and Now Positive Psychological Capital Management,” 146.

⁷² Luthans and Youssef, “Human, Social, and Now Positive Psychological Capital Management,” 146.

these goals is through dialogue between the employee and manager.⁷³ Job assessment and performance management are the two typical forms of feedback given to the employee, but the authors argue that a third should also be included—a motivation assessment that focuses on what the employee’s professional and personal goals are, and how well the organization is doing in accomplishing these goals.⁷⁴ If all three types of dialogue are taken seriously, the employee’s motivation can be effectively used within the organization and, in turn, the employee is more dedicated to the organization.⁷⁵ If done properly, dialog within human capital management benefits both the employee and the organization.

Within the broader study of human capital management, it is important to offer a working definition of human capital management in the business world. Robert L. Mathis and John H. Jackson define human capital as the “collective value of the capabilities, knowledge, skills, life experiences, and motivation of an organization workforce.”⁷⁶ Human capital has also been described as intellectual capital, the ability to cultivate thinking, knowledge, creativity, and decision making of people in organizations.⁷⁷ Mathis and Jackson expand further on these definitions and define human capital as “individuals with talents, capabilities, experience, professional expertise, and relationships.”⁷⁸ Generally, therefore, scholars agree that investment in advanced education and experience improves human capital.

⁷³ Marcel van Marrewijk and Joanna Timmers, “Human Capital Management: New Possibilities in People Management,” *Journal of Business Ethics* 44, no. 2/3 (2003): 181.

⁷⁴ van Marrewijk and Timmers, “Human Capital Management: New Possibilities in People Management,” 181.

⁷⁵ van Marrewijk and Timmers, “Human Capital Management: New Possibilities in People Management,” 181.

⁷⁶ Robert L. Mathis and John H. Jackson, *Human Resource Management*, 12th ed. (United States: Thomson, South-Western, 2008), 5.

⁷⁷ Mathis and Jackson, *Human Resource Management*, 5.

⁷⁸ Mathis and Jackson, *Human Resource Management*, 5.

B. BEST BUSINESS PRACTICES IN HUMAN CAPITAL MANAGEMENT AND LEADERSHIP CULTIVATION

The business world has devoted considerable time and energy to developing best practices in human capital management. Within this broad pursuit, studies that focus particularly on leadership cultivation may be useful for Air Force efforts to better select and train its officers. This section, therefore, considers key literature on leadership cultivation in the business world with the aim of taking best practices and applying them to the U.S. Air Force.

Management professors Fred Luthans and Carolyn Youssef, in *Human, Social, and Now Positive Psychological Capital Management*, discuss three guidelines for human capital management: selection and selectivity, training and development, and building tacit knowledge.⁷⁹ They argue that selecting the right leaders is vital to a company's development and should focus on "the chances of a candidate to absorb, retain and effectively utilize tacit knowledge over time."⁸⁰ Furthermore, Luthans and Youssef argue the best way to build tacit knowledge in leaders is through job rotation, especially if the organization has international operations.⁸¹ Accurate selection together with the right development allows a company's leaders to build tacit knowledge in today's global organizations.

Similarly, scholars in human resource management C. Brooklyn Derr, Candace Jones, and Edmund Toomey, focus on leadership cultivation in their article "Managing High-Potential Employees."⁸² They surveyed 33 U.S. corporations on how they managed their top leaders and from these data developed a three stage process on how these corporations develop human capital and leaders in particular: identifying and sorting potential leaders, developing and educating these leaders, and creating a leadership succession process. The authors find that highest priority is identifying and

⁷⁹ Luthans and Youssef, "Human, Social, and Now Positive Psychological Capital Management," 147.

⁸⁰ Luthans and Youssef, "Human, Social, and Now Positive Psychological Capital Management," 148.

⁸¹ Luthans and Youssef, "Human, Social, and Now Positive Psychological Capital Management," 149.

⁸² C. Brooklyn Derr, Candace Jones, and Edmund L. Toomey, "Managing High-Potential Employees: Current Practices in Thirty-Three U. S. Corporations," *Human Resource Management* 27, no. 3 (September 1, 1988): 277, <https://doi.org/10.1002/hrm.3930270302>.

selecting the best leaders as early as possible. This gives ample time for organizations to develop a training plan and build the tacit knowledge needed for leaders to effectively govern at the senior levels. After selection, high-potential leaders are usually put through either a formal or informal training process which will develop their knowledge of the organization and their leadership skills. Once they reach this level, some will not continue or, as Derr, Jones and Toomey put it, they “will voluntarily plateau because of the stress of long hours, corporate politics, or, quite often, because such a pattern is incongruent with their non-work and family life.”⁸³ Others that make it through the arduous training and development stage will eventually make it to the senior levels.

The Corporate Executive Board (CEB), which specializes in consulting and advising companies with talent management, echoes the observations of Derr, Jones and Toomey. CEB focuses specifically on identifying and selecting the right leaders and realizing their potential to succeed. CEB’s research indicates that a high-potential employee is “twice as valuable to an organization.”⁸⁴ In a 2014 study, CEB used 10 years of data to identify three critical attributes of a high performer: the ability to move into more senior roles and duties, the capacity to be effective in those senior roles, and the capability to stay engaged and committed in challenging roles within the organization.⁸⁵ In the same study, CEB found that 55% of employees who attend leadership development programs drop out within five years, so the importance of identifying and selecting future leaders that possess the three critical traits is essential.⁸⁶ High-Potential attributes are depicted in Figure 4.

⁸³ Derr, Jones, and Toomey, “Managing High-Potential Employees: Current Practices in Thirty-Three U. S. Corporations,” 277.

⁸⁴ CEB, *The HR Guide to Identifying High-Potentials* (Arlington, VA, 2014), 6, <http://www.ucop.edu/human-resources/management-development-program/2014/Donna%20Handout.pdf>.

⁸⁵ CEB, *The HR Guide to Identifying High-Potentials*, 7.

⁸⁶ CEB, *The HR Guide to Identifying High-Potentials*, 3.

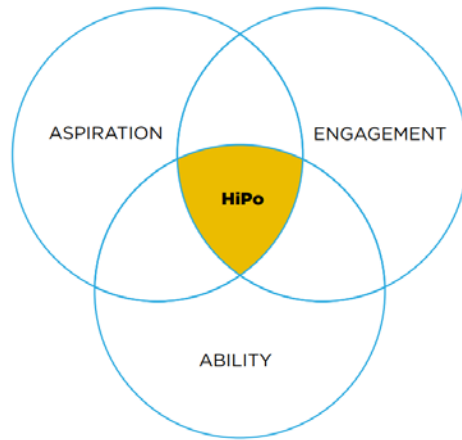


Figure 4. High-Potential Attributes⁸⁷

Another attribute in identifying a successful future leader is what Vicki Swisher, Senior Director of Intellectual Property Development at Korn/Ferry International, calls the “X” factor, or “learning agility.”⁸⁸ Swisher argues that learning agility is the most “valid and reliable predictor of high-potential leaders.”⁸⁹ Furthermore, past accomplishments are not a reliable indicator of future performance; the true indicator is how they respond under challenging conditions experienced for the first time; this is learning agility. According to Swisher, “25 percent of the *Fortune* 100 and 50 of the *Fortune* 500 use learning agility as a means to identify leadership potential for internal and external candidates.”⁹⁰ This indicator is currently being used in 10 percent of *Fortune* 500 companies as well as being taught in universities around the country. Swisher also stresses that learning agility is an attribute that can be taught and developed as long as the person is motivated to do so. Furthermore, Swisher asserts that leaders who lack the ability to learn new skills or discover new ways to solve problems ultimately cause failure in their new positions because old solutions were unable to meet new challenges.

⁸⁷ CEB, *The HR Guide to Identifying High-Potentials*, 7.

⁸⁸ Vicki Swisher, “Learning Agility: The ‘X’ Factor in Identifying and Developing Future Leaders,” *Industrial and Commercial Training* 45, no. 3 (April 12, 2013): 139, <https://doi.org/10.1108/00197851311320540>.

⁸⁹ Swisher, “Learning Agility: The ‘X’ Factor in Identifying and Developing Future Leaders,” 140.

⁹⁰ Swisher, “Learning Agility: The ‘X’ Factor in Identifying and Developing Future Leaders,” 140.

Dr. Douglas Bray, a scholar in leadership in the field of industrial and organizational psychology, also stresses the importance of first identifying and selecting leaders for human capital development. He performed a case study analysis of AT&T's management process over a 30 year time period, and coined the phrase "if you have only one dollar to spend on either improving the way you develop people or improving the selection and hiring process, pick the latter."⁹¹ The reason for choosing selection over development, according to Dr. Bray, is that not everyone can be developed and "hiring for the right skills is more efficient than developing those skills."⁹² To manage this talent, supervisors must first identify potential leaders and then cultivate and mentor these individuals into future leaders of an organization.⁹³

Despite these numerous studies on cultivating human capital and developing effective leaders in the business world, not all methods are effective. According to a *Harvard Business Review* by Zenger and Folkman, 40 percent of individuals participating in high-potential employee programs appear to be a wrong fit for the program.⁹⁴ Their determination was based on "collected information on 1,964 employees from three organizations who were designated as high-potentials, measuring their leadership capability using a 360-degree assessment that consisted of feedback from their immediate manager, several peers, all direct reports, and often several other individuals who were former colleagues or who worked two levels below them."⁹⁵ A closer look reveals that, of the employees in high-potential programs, "12% were in their organization's bottom quartile of leadership effectiveness,"⁹⁶ and "42% were below average."⁹⁷ These numbers

⁹¹ Richard S. Wellins, Audrey B. Smith, and Scott Erker, "Nine Best Practices for Effective Talent Management" (white paper, Development Dimensions International, Inc., 2006), 8, http://www.ddiworld.com/DDI/media/white-papers/ninebestpracticetalentmanagement_wp_ddi.pdf.

⁹² Wellins, Smith, and Erker, "Nine Best Practices for Effective Talent Management," 8.

⁹³ Susan Heathfield, "Learn the Best Talent Management Practices: Manage Your Talent Better for a Superior Workforce.," *The Balance*, July 3, 2017, 1, www.thebalance.com/best-talent-management-practices-1917671.

⁹⁴ Jack Zenger and Joseph Folkman, "Companies Are Bad at Identifying High-Potential Employees," *Harvard Business Review*, February 20, 2017, 2.

⁹⁵ Zenger and Folkman, "Companies Are Bad at Identifying High-Potential Employees," 2.

⁹⁶ Zenger and Folkman, "Companies Are Bad at Identifying High-Potential Employees," 2.

⁹⁷ Zenger and Folkman, "Companies Are Bad at Identifying High-Potential Employees," 2.

prove how difficult it is to determine who will continue to excel and successfully lead at the senior level.

Derr, Jones and Toomey offer further insights into how to develop and educate potential leaders effectively. They assert that, once identified as a high-potential leader, development and education should occur in two ways: on-the-job training and classroom instruction. During their survey, the authors reported the two most common and vital on-the-job-training tactics are job rotations and mentoring. Of the 33 companies surveyed, 84 percent of the companies reported that job rotation is “the most critical and commonly used method of training.”⁹⁸ The assumption with rotating high-potential leaders is that they will learn the job quickly, garner the critical information from each position, and move on to the next position. The second vital part of on-the-job training is mentoring. Derr, Jones and Toomey assert that high-potential leaders should hold multiple positions throughout the organization and at each position receive “coaching and counseling from bosses, mentors, and sponsors.”⁹⁹ These sessions allow feedback and performance reviews as well as the opportunity to build a strong peer network that will be vital to the success of the organization.

Similarly, David V. Day, Professor in the Department of Management and Organisations at the University of Western Australia, expounds upon the development of leaders at work rather than taking them away from work. In his 2000 study, he asserts that the “real movement is toward understanding and practicing leadership development more effectively in the context of work itself.”¹⁰⁰ His study explores in depth how “360-degree feedback and executive coaching, mentoring and networking, and job assignment and action learning have all been lauded as beneficial for leadership development in one

⁹⁸ Derr, Jones, and Toomey, “Managing High-Potential Employees,” 280.

⁹⁹ Derr, Jones, and Toomey, “Managing High-Potential Employees,” 281.

¹⁰⁰ David V Day, “Leadership Development,” *The Leadership Quarterly*, Yearly Review of Leadership, 11, no. 4 (December 1, 2000): 586, [https://doi.org/10.1016/S1048-9843\(00\)00061-8](https://doi.org/10.1016/S1048-9843(00)00061-8).

application or another.”¹⁰¹ Day surmises that the key is implementation and communication of an overall purpose of these developmental practices.¹⁰²

Peter Cappelli and Anna Tavis argue in the *Harvard Business Review* that doing away with annual appraisals and using an informal or formal system of immediate feedback is a better tool for educating and mentoring potential leaders than the traditional methods.¹⁰³ The authors assert that this approach forces supervisors to “talk more about development with their employees.”¹⁰⁴ Furthermore, this instant and constant feedback about development makes the review process less about ranking individuals against each other. In other words, Cappelli’s and Tavis’ proposal moves away from the forced rankings structure used by 90 percent of U.S. companies in the 1960s, to a mechanism for an organization to give instant feedback.¹⁰⁵ In 2011, Adobe was one of the first companies to experiment with this departure from traditional annual appraisals.¹⁰⁶ Adobe went completely numberless, meaning no employee was compared to another employee or given a number to rank them. Since going to this “sprint” debriefing style, immediately giving feedback following a project, regular dialogue and conversations occur between manager and employees without the need for a human resource mandate. This regular and constant feedback puts more emphasis on development and less on past performance.

The second prong to development and education is classroom instruction. Derr, Jones and Toomey note that, according to surveys, this stage of development usually occurs within the organization.¹⁰⁷ During classroom instruction, especially company sponsored courses, leadership is able to convey important messages and the organization’s overall vision as well as build and mold an underlying company culture. In

¹⁰¹ Day, “Leadership Development,” 606.

¹⁰² Day, “Leadership Development,” 605.

¹⁰³ Peter Cappelli and Anna Tavis, “The Future of Performance Reviews,” *Harvard Business Review*, October 1, 2016, <https://hbr.org/2016/10/the-performance-management-revolution>.

¹⁰⁴ Cappelli and Tavis, “The Future of Performance Reviews,” 9.

¹⁰⁵ Cappelli and Tavis, “The Future of Performance Reviews,” 4.

¹⁰⁶ Cappelli and Tavis, “The Future of Performance Reviews,” 6.

¹⁰⁷ Derr, Jones, and Toomey, “Managing High-Potential Employees,” 281.

Derr, Jones, and Toomey’s survey, most young, high-potential leaders were exposed to “in-house training programs to teach basic management skills . . .”¹⁰⁸ Once these high-potential leaders moved further up in the development and education stage, some companies “combined a tailor-made program taught by external consultants with one taught by senior managers.”¹⁰⁹ The overall purpose of these courses is to build a common culture among the top leadership of the organization and serve as a place to socialize and build a strong peer network.

One example of a company that focuses heavily on education is Apple. Located in Cupertino, California, Apple University is the formal education and training center for the company and its 130,000 employees. In a 2017 interview during a visit to Apple University, Joel Podolny, Dean of Apple University, laid out the six formal training programs for the employees of Apple.¹¹⁰ Three of these programs are for all employees of Apple, including “New Employee Orientation (NEO),” “Thoughts between Classes,” and “What Makes Apple, Apple?” The fourth course, “Managing to the Apple Culture,” is for new managers.¹¹¹ These initial courses build a common culture early on in an employee’s career and start future leaders down the path to being senior level managers.

The next two courses, “Master Class” and “Apple University Seminars,” are for employees who are identified as high growth leaders or are already at the top of the company, which is around the top five percent of employees below the director level at Apple and identified to have the potential of moving up.¹¹² “Master Class” consists of six to eight sessions lasting two hours each. The discussion involves innovation, conceptual foundations and moments of truth within Apple. These sessions also include a dinner and socializing with higher leadership within Apple to help build a stronger

¹⁰⁸ Derr, Jones, and Toomey, “Managing High-Potential Employees,” 281.

¹⁰⁹ Derr, Jones, and Toomey, “Managing High-Potential Employees,” 281.

¹¹⁰ Joel Podolny (Dean of Apple University), in discussion with authors at Apple University in Cupertino, CA, April 20, 2017.

¹¹¹ Joel Podolny (Dean of Apple University), in discussion with authors at Apple University in Cupertino, CA, April 20, 2017.

¹¹² Joel Podolny (Dean of Apple University), in discussion with authors at Apple University in Cupertino, CA, April 20, 2017.

working relationship. The “Apple University Seminars” is the final training course and is intended for the directors and above or the top thousand employees of Apple. These seminars are used to discuss the failures and successes of the company.¹¹³

Finally, identifying leadership transition is critical for human capital management and corporate success. According to Derr, Jones, and Toomey, the leaders that make it to the leadership succession stage “are unambivalent about wanting a significant position of leadership and willing to sacrifice to get it, and those who clearly qualify as high-level leaders.”¹¹⁴ Also in this third stage, Derr, Jones and Toomey assert that the CEO of an organization is heavily involved and plays the critical role in the development of his or her successor. In fact, the authors note that, in 54 percent of the organizations surveyed, the CEO was heavily involved in successor planning, some even before the formal succession planning stage.¹¹⁵

However, Ram Charan notes in a Harvard Business Review article that only 20 percent of large companies surveyed in 2005 were happy with their succession planning.¹¹⁶ He found that many reasons for their unhappiness are “new leaders are plucked from the well-worn Rolodexes of a small recruiting oligarchy and appointed by directors who have little experience hiring anyone for a position higher than COO, vice chairman, CFO, or president of a large business.”¹¹⁷ Companies also tend to fill a vacant or failed CEO position with a former CEO, who comes back to restore order and credibility. Usually, this former CEO, also known as a “boomerang CEO,” returns for a short time only and is simply there to try to find a successor.¹¹⁸ The result of this poor succession planning often results in an unstable organization with shorter terms for their top executives.

¹¹³ Joel Podolny (Dean of Apple University), in discussion with authors at Apple University in Cupertino, CA, April 20, 2017.

¹¹⁴ Derr, Jones, and Toomey, “Managing High-Potential Employees,” 277.

¹¹⁵ Derr, Jones, and Toomey, “Managing High-Potential Employees,” 284.

¹¹⁶ Ram Charan, “Ending the CEO Succession Crisis,” *Harvard Business Review*, February 2005, 1, <https://www.europeanleadershipplatform.com/assets/downloads/infoItems/169.pdf>.

¹¹⁷ Charan, “Ending the CEO Succession Crisis,” 2.

¹¹⁸ Charan, “Ending the CEO Succession Crisis,” 2.

Charan further argues that there are three things companies must do to have a successful succession plan.¹¹⁹ First, select and develop an extensive pool of candidates that have experience at all levels of the organization. Second, executives and boards should continually refine and update succession plans and processes, not just for the CEO but all of the executive positions. Third, if searching outside the organization, the CEO and board should direct the search and be “leading the recruiters rather than being led by them.”¹²⁰ Charan asserts that these three steps will help ensure a successful transition when the top executives need to be replaced.

Colgate-Palmolive is one company that Charan says has a “first-rate process for identifying and developing CEO talent.”¹²¹ During the first year in this company, each employee at Colgate-Palmolive is evaluated as a leader. Once these individuals are identified, they are put on a list with other CEO potentials and sent to the “Colgate-Palmolive Human Resource (CPHR) committee, composed of Colgate’s CEO, president, COO, the senior VP of human resources, and the senior candidates for the top job.”¹²² Once the CPHR committee reviews and edits the list, it is transmitted back to supervisors for confirmation. Once finalized, the leaders on the list are put on one of three tracks: local talent for more junior leaders, regional talent, or global talent for leaders who are on track to fill the most senior positions in Colgate-Palmolive.¹²³ One of the biggest steps in the CEO succession process at Colgate-Palmolive is the discussion and development of each high-potential leader. The CPHR committee deliberately tracks and evaluates the development of the top 200 leaders at Colgate-Palmolive.¹²⁴ Because of this constant interaction, discussion, and deliberate development, once “CEO succession looms, the board and top management will be able to select from candidates they have spent many, many years observing and evaluating.”¹²⁵

¹¹⁹ Charan, “Ending the CEO Succession Crisis,” 2.

¹²⁰ Charan, “Ending the CEO Succession Crisis,” 2.

¹²¹ Charan, “Ending the CEO Succession Crisis,” 9.

¹²² Charan, “Ending the CEO Succession Crisis,” 9.

¹²³ Charan, “Ending the CEO Succession Crisis,” 9.

¹²⁴ Charan, “Ending the CEO Succession Crisis,” 9.

¹²⁵ Charan, “Ending the CEO Succession Crisis,” 10.

In sum, human resource management and the identification and cultivation of leadership in the business world are not in complete agreement on best practices. There are many approaches to managing these leaders, but the three biggest factors associated with cultivating successful future leaders are identifying and sorting, developing and educating, and having a leadership succession process. Each human capital approach offers advantages and disadvantages that must be weighed, assessed, and measured to ensure the high-potential employee is prepared to take on challenges, adapt to changes, be approachable, and have vision and the edge to inspire the people they will lead.

C. CHAPTER SUMMARY

This literature reveals the following lessons that may be of use for the Air Force in its selection and cultivation of high-potential officers:

1. The early and accurate identification of high-potential leaders is essential to fully develop them in time to take over the organization.
2. Developing and broadening high-potential leaders in on-the-job experiences outside their comfort zone are essential to an in-depth understanding of the organization as well as credibility with their peers and subordinates. This is also essential to determining if the leader has learning agility.
3. Constant, honest, and timely feedback and mentoring are ultimately necessary for positive growth in individual and organizational performance. Developing leaders, not ranking leaders against peers, is more productive for the leader and the organization and causes less internal competition as well as putting more focus on performance with the organization's goals in mind.
4. Avoid focusing on "snap shots" of employee performances as a key indicator of a high-potential leader. Rather, evaluation should be continuous and dynamic.

5. Not all employees can be developed for the long term and they may plateau in performance. When feedback has been exhausted, it may become necessary to remove an employee as a potential high-potential leader and place them somewhere better suited for their abilities.

The next chapter will build on these findings to explore the evolution of human capital management within General Electric using three criteria in particular: early identification of high-potentials; developing and broadening high-potentials with an array of different work experiences; and honest, timely and continuous feedback on job performance.

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IV. GENERAL ELECTRIC CASE STUDY

A. INTRODUCTION

One of the most prominent and well known programs in human capital management belongs to General Electric (GE). Founded in 1878 by Thomas Edison, GE has eight main businesses with 350,000 employees in 175 countries.¹²⁶ From the Power Business to the Aviation Business, GE is incessantly managing and developing their leaders to “continuously make the world work better.”¹²⁷ GE is developing these to be successful executives at GE and, since GE does such an exceptional job at this process, their leaders are vigorously sought after for other executive jobs throughout the world.

This chapter begins by examining what a leader is to GE using the criteria developed in chapter three: early identification of high-potentials; developing and broadening high-potentials with an array of different work experiences; and honest, timely and continuous feedback on job performance. The chapter then investigates GE’s practices in selecting leaders, learning and development, and leadership succession planning.

This investigation finds that early identification of high-potentials immersed in a diverse workforce with exposure to many levels of the organization through on-the-job experience is essential to lead successfully at the senior levels. Additionally, technological software advances that help cultivate and develop employees teamed with honest and effective feedback are what make the “People Leaders” of GE successful.

B. LEADERSHIP ACCORDING TO GE

Once referred to as the “toughest boss in America,” leadership pioneer Jack Welch piloted GE through many highs and lows as CEO from 1981 to 2001.¹²⁸ Welch’s

¹²⁶ Justin M. Whitman, “We Are GE” (Thesis Research Interview with authors, Boston, MA, July 18, 2017).

¹²⁷ Whitman, “We Are GE.”

¹²⁸ Matt Murray, “Why Jack Welch’s Brand of Leadership Matters--His Emphasis on Cost-Cutting, Shareholder Return Helped Reshape Ethos of Business,” *The Wall Street Journal*, September 5, 2001, <https://www.wsj.com/articles/SB999643263420646756>.

professional views on leadership are taught at the Jack Welch Management Institute in Herndon, Virginia, which exemplifies the process he used picking and developing great talent while at GE.¹²⁹ When discussing leadership, Welch explains that there are five key traits that make effective leaders: “positive energy, the ability to energize others, the edge or ability to make tough calls, the talent to execute, and having passion and understanding.”¹³⁰ According to Welch, a business should “promote the people who have a good dose of all five traits.”¹³¹ However, Welch emphasizes “that not everyone was meant to be a leader.”¹³² Welch stresses that leadership is always evolving, and GE is constantly looking for better ways to identify, mentor, and develop leaders.

GE also places significant importance on what to call its leaders. Formerly known as managers, they are now called “People Leaders.” According to Justin Whitman, Senior Human Resources Manager at the Corporate Finance and Audit Staff, “the mission for People Leaders in GE is to coach and inspire us towards customer impact, empowering our teams to develop and contribute to GE’s purpose.”¹³³ People leaders, in other words, need to focus on how they affect customers, and not just on managing workers within the organization.

Furthermore, successful People Leaders are required to follow “GE Beliefs” and have specific leadership values. GE Beliefs set the expectations and define the behaviors for GE, or as Jeffrey Immelt describes it, “the GE Beliefs drive the performance of the Company and the actions of our people.”¹³⁴ The five beliefs or principles are “customers determine our success, stay lean to go fast, learn and adapt to win, empower and inspire

¹²⁹ Welch, “Jack Welch on Leadership.”

¹³⁰ Jack Welch, “Former GE CEO Jack Welch Says Leaders Have 5 Basic Traits--and Only 2 Can Be Taught,” *Business Insider*, May 15, 2016, www.businessinsider.com/former-ge-ceo-jack-welch-says-leaders-have-5-basic-traits-and-only-2-can-be-taught-2016-5.

¹³¹ Welch. “Former GE CEO Jack Welch Says Leaders Have 5 Basic Traits--and Only 2 Can Be Taught.”

¹³² Welch. “Former GE CEO Jack Welch Says Leaders Have 5 Basic Traits--and Only 2 Can Be Taught.”

¹³³ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

¹³⁴ Jeffrey R. Immelt, “GE 2014 Annual Report - CEO Letter,” February 27, 2015, 10, https://www.ge.com/ar2014/assets/pdf/GE_AR14_Letter.pdf.

each other, and deliver results in an uncertain world.”¹³⁵ This system of beliefs puts the focus on the customers and instills what the priorities are at GE. Every People Leader understands these beliefs and sets the culture of the business by staying lean and learning from their mistakes quickly but also by empowering their teams to perform which, in turn, drives results in an ever-changing world.

People Leaders, especially those who want to continue to advance within GE, must also possess and follow specific leadership values. The first of these values is being a strategic thought leader. If a People Leader is not thinking strategically, then their day-to-day decisions could affect where the business goes and lead it in a direction not in line with the vision of GE. A People Leader must also be global and inclusive.¹³⁶ One of the hallmarks of a good leader is the ability to get the most out of all of their people, and in today’s global economy, that means employees could be on the other side of the world or someone with a completely different worldview and cultural upbringing. As Immelt says, “At GE, diversity and performance go together. Our people are as diverse as our portfolio, and that’s part of our competitive advantage.”¹³⁷

The second set of values People Leaders must possess is having a sense of urgency, being competitive team players, and not be afraid to be disruptive risk takers.¹³⁸ Without the leeway to take a risk and disrupt the status quo, leaders will have a hard time getting their teams to innovate. “Leaders understand that mistakes are an essential part of getting things done.”¹³⁹ Leaders need to be able to convey to their employees “What you do (Execution) + Why you do it (Beliefs) = Performance,”¹⁴⁰ which gives the employees a sense of purpose and hopefully a reason to perform well. Identifying what traits a leader

¹³⁵ Justin M. Whitman, “GE Crotonville: Learning & Development for a Digital Industrial Company” (Thesis Research Interview with authors, Boston, MA, July 18, 2017). 3.

¹³⁶ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

¹³⁷ Jeffrey R. Immelt, “Diversity & Inclusion,” *GE Sustainability* (blog), accessed July 27, 2017, <http://www.gesustainability.com/how-ge-works/workforce-idea-development/diversity/>.

¹³⁸ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

¹³⁹ Immelt, “GE 2014 Annual Report - CEO Letter,” 17.

¹⁴⁰ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

needs to have is one part of making a leader, but developing and learning these traits are elements that GE does well and has done well from the beginning.

C. HISTORY OF GE LEADERSHIP LEARNING AND DEVELOPMENT

GE's understanding of leadership has evolved significantly over its more than one-hundred-year history. Beginning in 1892 with their second CEO, Charles Coffin, GE began to shift its culture from a group of investors financing Thomas Edison's experiments to a performance based meritocracy.¹⁴¹ Coffin's guidance for the next 20 years changed the culture of GE and inevitably led to significant changes in the way future leaders and executives would be identified, mentored, and developed throughout GE. These changes eventually resulted in GE being known as the "CEO factory."¹⁴² With this new culture instilled in the company, the four GE CEOs since the mid-20th century, Ralph Cordiner, Fred Borsch, Reginald Jones, and Jack Welch, have taken active ownership in the focus and development of GE's future leaders, making changes along the way to keep their human capital management relevant to the changing corporate and world environment.¹⁴³ This section focuses on four development strategies developed by GE in particular: decentralization, refocusing on people, education, and feedback.

1. Diversification and Decentralization

GE's biggest shift in human capital management came with the onset of World War II, during CEO Ralph Cordiner's tenure. The U.S. Government put considerable demands on GE because the war effort "expanded GE's traditional businesses into areas such as nuclear technology, silicones, jet engines, and radar."¹⁴⁴ To cope with this rapid expansion, Cordiner split GE into smaller and more manageable businesses within the company and delegated decision-making down to each of these mini-businesses. This

¹⁴¹ Christopher A. Bartlett and Andrew N. McLean, "GE's Talent Machine: The Making of a CEO," *Harvard Business Review*, November 3, 2003, 1; M. Reza Vaghefi and Alan B. Huellmantel, "Strategic Leadership at General Electric," *Long Range Planning* 31, no. 2 (1998): 281.

¹⁴² Bartlett and McLean, "GE's Talent Machine: The Making of a CEO," 1.

¹⁴³ Bartlett and McLean, "GE's Talent Machine: The Making of a CEO," 1.

¹⁴⁴ Bartlett and McLean, "GE's Talent Machine: The Making of a CEO," 2.

restructuring, in turn, created more management positions and an overall decentralization structure.

The creation of decentralized mini-businesses presented challenges for rapidly developing new managers. Business management professors Reza Vaghefi and Allan Huellmantel discuss “the intent behind the decentralization and strategic planning concept was the company’s drive to create a corporate culture or climate that would encourage entrepreneurial decision-makers and strategic thinkers in its management.”¹⁴⁵ Under Cordiner, GE developed a better feedback and development system for their employees known as “Session C.”¹⁴⁶ Session C gave employees a mechanism to provide input to their managers on their career goals as well as a self-assessment tool, and also means to give managers a way to deliver direct feedback on their employees’ current performance. Within this process, the managers then created an “Individual Career Forecast” for each employee and rated them on a scale from high-potential to unsatisfactory.¹⁴⁷ Additionally, each manager evaluated and planned for their employees’ advancement as well as their own. With this new system in place, GE executives had a pathway to promote high-potential employees, resolve performance issues, and forecast future moves and vacancies.¹⁴⁸ Cordiner, in other words, set the foundation for human capital management in a decentralized GE.

As explained by Bartlett and McLean, Fred Borsch, Ralph Cordiner’s successor, continued to diversify GE with new businesses in “nuclear power, computers, and plastics.”¹⁴⁹ With this expanding diversification, Borsch changed the process of how high-potential employees were managed and created the Executive Manpower Staff. When Reginald Jones succeeded Fred Borsch in 1972, GE was continuing to expand and diversify. Jones believed GE was becoming too fragmented and difficult to monitor as well as too large for him to keep up with 43 strategic plans. To alleviate this

¹⁴⁵ Vaghefi and Huellmantel, “Strategic Leadership at General Electric,” 283.

¹⁴⁶ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 2.

¹⁴⁷ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 2.

¹⁴⁸ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 2.

¹⁴⁹ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 2.

fragmentation, Bartlett and McLean describe that Jones created sectors “to aggregate business groups with common characteristics.”¹⁵⁰ These sectors worked two-fold: they made the management of high-potential employees easier and more manageable; they also created a small group of executives to choose the next CEO.

2. Focus on People

In the 1980s, a *Wall Street Journal* article detailed how GE faced a difficult transition that required the removal of over 100,000 jobs “through mass layoffs, divestitures, and force retirements.”¹⁵¹ Changing the way GE developed its future leaders was paramount, and as one former executive put it, “in GE, it’s not just a focus on people; it’s an obsession.”¹⁵²

When Jack Welch became CEO in 1981, he concentrated on two aspects of human capital management: education and changing the culture of GE employees. To make these changes, Welch adjusted the Crotonville course, which opened in 1956, and expanded on his leadership philosophy to rejuvenate the company.¹⁵³ For GE and Welch, “Crotonville became his instrument for convincing GE’s executives that sustained learning was critical to organizational prosperity and well-being.”¹⁵⁴ Welch traveled to the campus every two weeks to instill his vision and guidance at Crotonville as well as receive feedback from the participants.¹⁵⁵ Eventually, this led to the “Work Out” initiative which allowed groups of 50 to 100 employees to communicate how they think the company could improve. Welch used “Work Out” and surveys to gauge how GE was doing throughout the world and where improvements could be made.

¹⁵⁰ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 3.

¹⁵¹ Murray, “Why Jack Welch’s Brand of Leadership Matters,” 2.

¹⁵² Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 5.

¹⁵³ Emerald Insight, “Embracing Learning at GE: Lessons from the World’s Most Successful Conglomerate,” *Development and Learning in Organizations: An International Journal* 18, no. 2 (2004): 22–24.

¹⁵⁴ Emerald Insight, “Embracing Learning at GE: Lessons from the World’s Most Successful Conglomerate,” 23.

¹⁵⁵ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 3.

Bartlett and McLean argue that Welch focused on two areas of human resource management in particular: developing a system for feedback from the bottom-up, and evaluating managers not only on their performance but also “on how they lived up to GE’s values.”¹⁵⁶ Managers used a matrix to rank their employees on a forced ranking scale: “Top 20%, the highly valued 70%, and the least effective 10%.”¹⁵⁷ This evaluation system, known as the “vitality curve” enabled managers to identify their high-potential employees and also gave them the mechanism to identify the bottom 10 percent. This system also allowed the managers to work on ways to improve performance or remove the employees not able to achieve standards. Furthermore, using this matrix, Welch intended to identify and remove “Type 4 Managers – those who got results but did so by bullying their employees, acting selfishly, or otherwise violating GE’s emerging value system.”¹⁵⁸ The matrix used by GE managers is depicted in Figure 5.

¹⁵⁶ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 4.

¹⁵⁷ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 5.

¹⁵⁸ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 4.

		Promotability		
		High	Medium	Limited
Overall Rating (Performance, Values, Extraordinary Skills)	Top 20			
	Highly Valued 70			
	Least Effective 10			

Figure 5. Nine-Block Reports¹⁵⁹

D. CURRENT LEARNING AND DEVELOPMENT PROCESS AT GE

Education and development of its employees has been a priority of GE almost since its inception. As mentioned, GE developed the GE Management Development Institute in Crotonville, New York in 1956.¹⁶⁰ In 2014, GE invested over \$1 billion on employee learning and development, particularly in the GE Crotonville portfolio, which now educates over 40,000 participants, during 2,100 sessions, in over 200 locations from

¹⁵⁹ Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 21.

¹⁶⁰ Emerald Insight, “Embracing Learning at GE: Lessons from the World’s Most Successful Conglomerate,” 23.

Shanghai to Rio de Janeiro each year.¹⁶¹ GE Crotonville is just one of many investments and processes that have evolved over time to create what is called “a CEO factory.”¹⁶²

First, GE has created considerable resources aimed at leadership development. There are two ways a leader learns and develops at GE; on-the-job and through education. According to GE, 80 percent of learning and development is achieved on-the-job, which is essential for learning GE Beliefs and also to provide employees with experiences and insights through challenging new assignments and other opportunities in the multitude of companies within GE.¹⁶³ Employees also learn and develop while on-the-job through team discussions, coaching, special projects, and peer interaction.¹⁶⁴ This on-the-job development requires the interaction, careful planning, and feedback between the employee, People Leader and Human Resources. (See Figure 6).

GE has also created opportunities for formal learning. Its web based training “BrilliantYou” is GE’s “one-stop shop for learning,”¹⁶⁵ where the other 20 percent of learning and development occurs.¹⁶⁶ At this central website for learning, GE makes available thousands of resources including articles, podcasts, and “Leadership, Professional and Functional Course Catalogs”¹⁶⁷ for all the formal courses, which can be taken in person, in virtual classrooms, and on demand. GE also provides learning through blogs, podcasts, online articles and archives that employees can access on their own schedule.¹⁶⁸

¹⁶¹ “Learning and Development,” *GE Sustainability* (blog), accessed July 27, 2017, <http://www.gesustainability.com/how-ge-works/workforce-idea-development/learning-and-development/>; Whitman, “We Are GE,” 10.

¹⁶² Bartlett and McLean, “GE’s Talent Machine: The Making of a CEO,” 1.

¹⁶³ Whitman, “GE Crotonville: Learning & Development for a Digital Industrial Company,” 6.

¹⁶⁴ Whitman, “GE Crotonville: Learning & Development for a Digital Industrial Company,” 7.

¹⁶⁵ Whitman, “GE Crotonville: Learning & Development for a Digital Industrial Company,” 13.

¹⁶⁶ Whitman, “GE Crotonville: Learning & Development for a Digital Industrial Company,” 7.

¹⁶⁷ Whitman, “GE Crotonville: Learning & Development for a Digital Industrial Company,” 13.

¹⁶⁸ Whitman, “GE Crotonville: Learning & Development for a Digital Industrial Company,” 7.

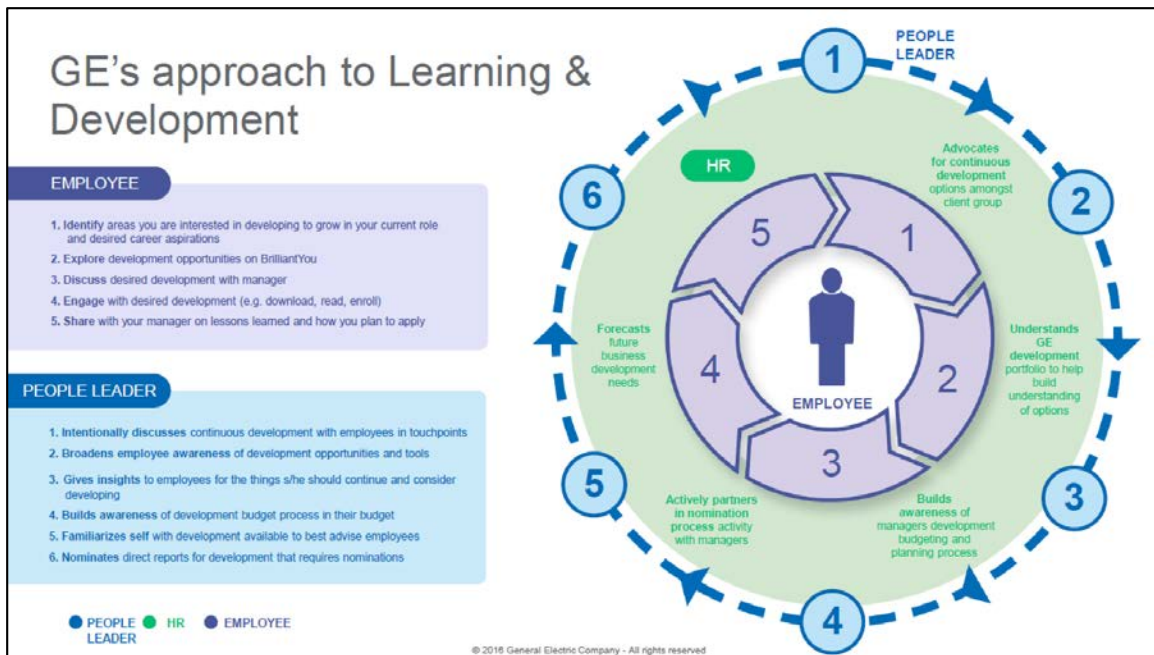


Figure 6. GE's Approach to Learning and Development¹⁶⁹

GE has also changed the way it evaluates its employees, in hopes of making this process more effective and educational. In 2015, GE did away with yearly performance evaluations, force rankings, vitality curves, and the bottom 10 percent.¹⁷⁰ GE replaced the old system with a new approach that focuses on continual feedback and coaching, with an overall aim to foster teamwork, agility, and most importantly, to better develop the people.¹⁷¹ This new process is now incorporated into what GE calls Performance Development at GE (PD@GE), which is an all-in-one computer application comprised of four sections: Priorities, Touchpoints, Insights, and Summary that enables a continual dialog between employees and People Leaders.¹⁷² Priorities are near-term goals that include expectations that People Leaders discuss with the employee directly.¹⁷³ Touchpoints is a way for the employee to receive feedback or update the People Leader

¹⁶⁹ Whitman, "GE Crotonville: Learning & Development for a Digital Industrial Company," 10.

¹⁷⁰ Cappelli and Tavis, "The Future of Performance Reviews."

¹⁷¹ Cappelli and Tavis, "The Future of Performance Reviews."

¹⁷² Whitman, "GE Crotonville: Learning & Development for a Digital Industrial Company," 5.

¹⁷³ Cappelli and Tavis, "The Future of Performance Reviews."

on progress on reaching their priorities, which is then documented as official feedback in the PD@GE application.¹⁷⁴ Insights are a way to give informal feedback to anyone in the company through a digitally secure message from one employee to another, and can be between any two employees including a People Leader and their employee. Insights are a way for someone to give a “continue or consider”: a “continue” is a way of informing someone that they are headed in the right direction, whereas a “consider” encourages an employee to think about what they are doing and either consider discontinuing their action or changing it.¹⁷⁵

People Leaders still hold end-of-the-year summary sessions with each employee, but instead of a forced ranking and focusing on past performance, these meetings focus more on developing what an employee can do to improve their performance. Through this summary session and the continual feedback through the PD@GE application, People Leaders generate a list of “Best Bets” and pass these names through their leaders to be considered for future development and education opportunities as well as promotions.¹⁷⁶ Although it is too early to tell how this new system will affect GE in the long term, studies have indicated that moving away from end-of-the-year appraisals and forced rankings will put more focus on the development of people, foster teamwork, and make the company more agile.¹⁷⁷

GE also has a structured approach to cultivating executives from within the company. At GE, a new employee can become an executive in as little as nine years. There are two paths to become an executive: Corporate Audit Staff (CAS), which allows candidates to move around different departments of GE, and Accelerated Leadership Program (XLP), which focuses on just one department in GE.

¹⁷⁴ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

¹⁷⁵ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

¹⁷⁶ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

¹⁷⁷ Cappelli and Tavis, “The Future of Performance Reviews”; Leonardo Baldassarre and Brian Finken, “GE’s Real-Time Performance Development,” Harvard Business Review, August 12, 2015, <https://hbr.org/2015/08/ges-real-time-performance-development>.

Typically, individuals began their career with GE after graduating from college, usually with a Master's degree and an internship with the company. During this period, the intern will move between multiple businesses within GE to get experience and knowledge of all the aspects of the corporation. Following this internship, employees will have an opportunity to go to an Early Career Leadership Program for the specific business they choose within the company. These programs last for two years and include:

- Commercial Leadership Program (CLP)
- Communications Leadership Program (CLDP)
- Edison Engineering Development Program (EEDP)
- Financial Management Program (FMP)
- Digital Technology Leadership Program (DTLP)
- Operations Management Leadership Program (OMLP)
- Graduate Engineer Training Program (GETP)
- Human Resources Leadership Program (HRLP)
- Junior Officer Leadership Program (JOLP)¹⁷⁸

Graduates from the Early Career Leadership Program then have two options: they can either go back to a business within GE to continue growing with on-the-job experiences, or they can apply and be selected to go through the Corporate Audit Staff (CAS), which is one of two accelerator programs.¹⁷⁹

The CAS is a group of roughly 500 people used for internal audits of GE as well as an opportunity to learn about and become a member of the executive board. Depending on how far a People Leader goes in the CAS, it can take anywhere from two-to-five years to complete the program. People leaders begin the CAS through the Pilot

¹⁷⁸ Whitman, "GE Crotonville: Learning & Development for a Digital Industrial Company," 16.

¹⁷⁹ Whitman, "GE Crotonville: Learning & Development for a Digital Industrial Company," 16.

Program, which is a four week interview process.¹⁸⁰ In order to be invited for an interview, an employee has to first apply and also have three recommendation letters from within GE. During the Pilot Program, the candidates are tested outside their comfort level and evaluated on if they can think critically beyond their field of expertise. Those who pass the interview process are then asked to work for the CAS for at least two years, in which they are considered associates.

In their two years as an associate, individuals are moved every four months to new businesses within GE. During these stints, associates are given feedback daily, but also given formal feedback via appraisals at the midterm and upon departure. Associates are also encouraged to give their managers and clients feedback as well. James Kosur explains that “Half of the accepted candidates will move into an audit-manager role after the third year, while 20% will accept a senior audit-manager position after four years, and 2% will earn an executive audit-manger-level job in the fifth year.”¹⁸¹ Figure 7 depicts the anticipated time and the number of candidates that make it through each program. Despite the low completion rate, participants are still considered high achievers. Even completing just the Associate level of CAS is an accomplishment and is considered “graduating from CAS.”¹⁸² The individuals that graduate from CAS at any level are well-respected throughout GE and even other businesses.¹⁸³ Moving from the Early Career Leadership Program directly to the CAS is the quickest way for an employee of GE to make it to the Executive Board.

¹⁸⁰ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017.

¹⁸¹ James Kosur, “GE Runs an Intense 5-Year Program to Develop Executives, and Only 2% Finish It,” *Business Insider*, accessed May 12, 2017, <http://www.businessinsider.com/ge-green-beret-executive-development-program>.

¹⁸² Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017

¹⁸³ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017



Figure 7. Corporate Audit Staff Programs¹⁸⁴

The other option for a leader to rise to the executive level is through the Accelerated Leadership Program (XLP).¹⁸⁵ Most candidates for the XLP have at least five years of GE experience before they apply. Once accepted, the program lasts for two-to-four years and, instead of moving around to multiple businesses within GE like the CAS program, XLP focuses on just one.¹⁸⁶ This is also the option for employees that move to GE from outside organizations. According to Justin Whitman, over 60 percent of the executives at GE, including him, come from the XLP and not the CAS.¹⁸⁷ The entire leadership route in GE is depicted in Figure 8.

¹⁸⁴ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017

¹⁸⁵ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017

¹⁸⁶ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017

¹⁸⁷ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017

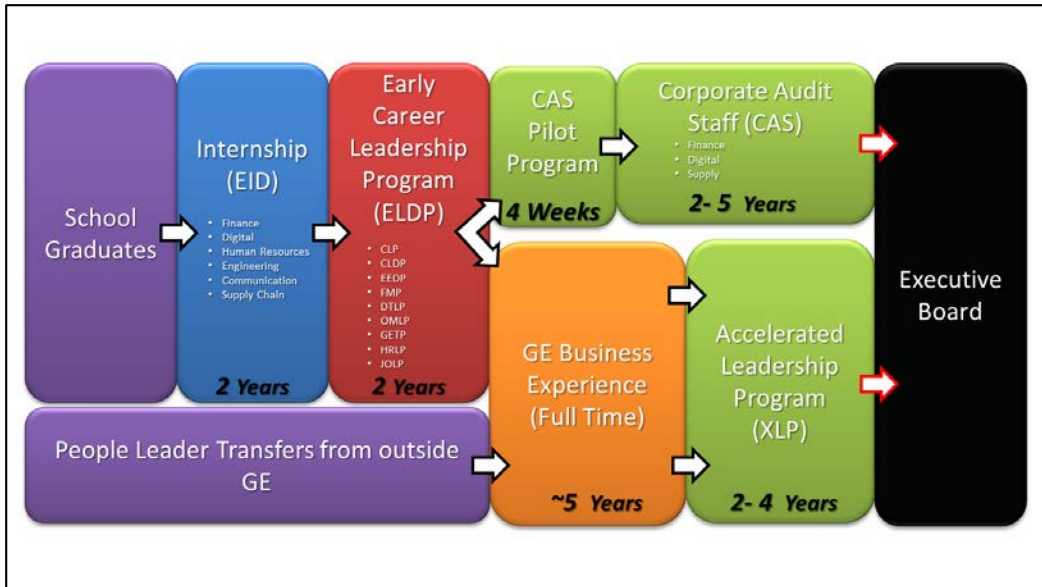


Figure 8. GE Executive Board Path¹⁸⁸

E. CHAPTER SUMMARY

GE has continuously evolved since its beginning in 1878. From identification and selection of their “Best Bet” leaders, to the leadership training and development programs, GE has continuously searched for ways to develop its people and build its organization. This case study of GE reveals the following lessons in selecting and cultivating leaders:

1. The early identification and in-depth on-the-job experience at all levels is essential to lead successfully at the senior levels.
2. Diverse training and development allow leaders and employees to develop on their own timeline, especially with online courses, which allows worldwide access and cuts cost in time and money for the company and individual.

¹⁸⁸ Justin M. Whitman (Senior Human Resources Manager, CAS), in discussion with authors, July 17, 2017

3. The use of PD@GE makes constant, honest, and timely feedback and mentoring possible allowing for positive growth in individual and organizational performance.

Creating executive level job opportunity “on-ramps” in human capital management that place a premium on a prospective employee’s previous job experience, expertise and performance is essential for cultivating strong leaders. The next chapter will investigate the Army human capital management process for Special Operations Forces aviation officers.

V. U.S. ARMY SPECIAL OPERATIONS AVIATION CASE STUDY

A. INTRODUCTION

With a current strength of 460,000 soldiers, the U.S. Army is the largest military branch of the U.S. Armed Forces and has pursued a persistent and deliberate strategy towards human capital management, including publishing the U.S. Army Director of Manpower and Personnel (G-1) in 2016, which lays out the Army’s strategy for human capital management.¹⁸⁹ In this publication, the Army states that it “seeks to transform personnel management—from a simple distribution model to a deliberate model that seeks to address individual talent.”¹⁹⁰

This chapter examines the Army’s human capital management process for Special Operations Army Aviation officers. This examination begins with a discussion of leadership as defined by the Army. It then discusses the human capital management practices of leadership development, the assignment process, performance report process, promotions, education, feedback, and the command selection criteria process. The chapter then describes the 160th Special Operations Aviation Regiment (SOAR), including how the U.S. Army Special Operations Command (USASOC) manages and cultivates leadership. Building off of the criteria for leadership development outlined in chapter three—early identification of high-potentials; developing and broadening high-potentials with an array of different work experiences; and honest, timely and continuous feedback on job performance—this chapter finds that the Army has a deliberate human capital management strategy with detailed doctrine, feedback mechanisms like the 360-degree feedback assessment program and career mapping for development at all leadership levels that will be supported further with the release of human capital software advances such as Integrated Personnel Pay System-Army. Additionally, in-resident

¹⁸⁹ U.S. Army Human Resources Command, “Special Forces Branch, Human Resources Command, Branch Brief,” (Power Point presentation, U.S. Army Human Resources Command, Fort Knox, KY, August 23, 2017).

¹⁹⁰ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” no. 6 (April 1, 2017): 2.

intermediate leadership education has been afforded to all officers eligible in the 160Th SOAR community improving critical thinking and joint leadership.

B. LEADERSHIP ACCORDING TO THE U.S. ARMY

According to Army doctrine, leadership is defined as “the process of influencing people by providing purpose, direction, and motivation to accomplish the mission and improve the organization.”¹⁹¹ The 39th Chief of Staff of the Army, General Mark A. Miley defines the traits of effective leadership as “agility, adaptability, flexibility, mental and physical resilience, competence, and most importantly character.”¹⁹² The Army has published five manuals related specifically to leadership doctrine, beginning in 1983 with the “Be, Know, Do Military Leadership” contained in Field Manual (FM) 22–100 to the present day Army Doctrine Publication (ADP) 6–22 Army Leadership pamphlet.¹⁹³

According to ADP 6–22, leadership involves a combination of organizational, situational, and mission experiences that help shape a leader’s expertise over time.¹⁹⁴ The purpose of leadership according to Army doctrine involves a leader making informed decisions, unifying all functions of an organization in a desired direction to achieve mission outcomes, monitoring results and accepting responsibility when conducting operations.¹⁹⁵ In a profession of uncertainty, an effective leader must be flexible, clear in purpose, supportive of subordinates and use resources efficiently when directing an organization.¹⁹⁶ Having the ability to influence followers is integral to effective leadership and requires trust, commitment, and competence at all levels of command.¹⁹⁷

¹⁹¹ Department of the Army, *Leadership Development*, Field Manual 6-22 (Washington, DC: Department of the Army, June 30, 2015), 1–3, www.milsci.ucsb.edu/sites/lisit.ucsb.edu.mil.d7/files/sitefiles/fm6_22.pdf.

¹⁹² Robert S. Ferrell, “What Makes a Good Leader?” *Army Sustainment Magazine*, January-February 2016, www.army.mil/article/160020.

¹⁹³ J. Keith Purvis, “Four Decades and Five Manuals, U.S. Army Strategic Leadership Doctrine, 1983-2011” (Command and General Staff College, June 2010), www.dtic.mil/dtic/tr/fulltext/us/a545063.pdf.

¹⁹⁴ Department of the Army, *Army Leadership*, Army Doctrine Publication 6-22 (Washington, DC: Department of the Army, September 10, 2012), 1, <https://armypubs.us.army.mil/ProductMaps/PubForm/ADP.aspx>.

¹⁹⁵ Department of the Army, *Army Leadership*, 1.

¹⁹⁶ Department of the Army, *Army Leadership*, 2.

¹⁹⁷ Department of the Army, *Army Leadership*, 2.

In cases where negative leadership exists, ADP 6–22 characterizes this as a situation that “leaves people and organizations in a worse condition than when the leadership started.”¹⁹⁸ A form of negative leadership that the Army mentions is toxic leadership.¹⁹⁹ According to the Army, toxic leadership “is a combination of self-centered attitudes, motivations, and behaviors that have adverse effects on subordinates, the organization, and mission.”²⁰⁰ Understanding desirable and non-desirable leadership traits for effective leadership are vital for all leaders of an organization.

As seen in Figure 9, the Army’s leadership requirements model depicts “what leaders need to be, know and do.”²⁰¹ Additionally, a core set of requirements defines leader expectations through a series of attributes and competencies. The attributes that are expected of Army personnel are: character, presence, and intellect.²⁰² The competencies are: leads, develops, and achieves.²⁰³

¹⁹⁸ Department of the Army, *Army Leadership*, 3.

¹⁹⁹ Department of the Army, *Army Leadership*, 3.

²⁰⁰ Department of the Army, *Army Leadership*, 3.

²⁰¹ “ADP 6-22 Army Leadership,” Department of the U.S. Army, accessed September 1, 2017, usacac.army.mil/sites/default/files/misc/doctrine/CDG/adp6_22.html.

²⁰² “ADP 6-22 Army Leadership.”

²⁰³ Department of the Army, *Leadership Development*, vii.

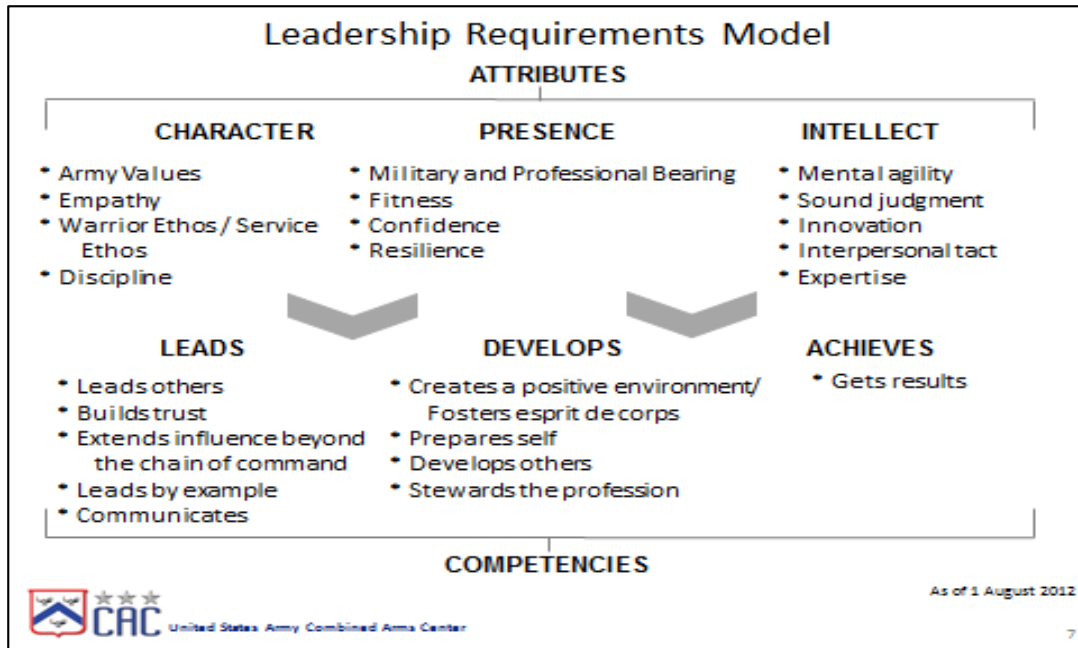


Figure 9. Leadership Requirements Model²⁰⁴

Building upon the leadership experiences and doctrine established over its 242 year history, the Army lists the five tenants of leadership development as:

1. Strong commitment by all.
2. Purpose and intentionality.
3. Supportive relationships and culture of learning.
4. Three mutually supporting domains (institutional, operational, and self-development) that enable education, training, and experience.
5. Providing, accepting, and acting upon candid assessment and feedback.²⁰⁵

The Army lays out the levels of leadership as direct, organizational, and strategic.²⁰⁶ The Army defines direct leadership as “refine ability to apply competencies

²⁰⁴ “ADP 6-22 Army Leadership.”

²⁰⁵ Department of the Army, *Leadership Development*, vii.

²⁰⁶ “ADP 6-22 Army Leadership.”

at a proficient level.”²⁰⁷ Organizational leadership is used to “apply competencies to increasingly complex situations.”²⁰⁸ Strategic leadership is the ability to “shape the military through change over extended time.”²⁰⁹

In 2011, the Army formally began to emphasize leadership that is more strategic than tactical in nature.²¹⁰ The Army shifted towards strategic leadership based on senior military officials’ emphasis to “improve leaders’ ability to understand and prepare for future conflicts while presenting the ways strategic leadership fits into overall leadership doctrine.”²¹¹ Preparing future leaders strategic leadership abilities was necessary since future conflicts would involve integrating in the joint environment, working with interagency, intergovernmental and international partners.²¹² Strategic leadership also emphasized a need for leader to overcome complex challenges while “developing the institution, its organization and people.”²¹³

U.S. Army Human Capital Management

The Army human capital management process stretches back to World War I, when the demand for personnel and personnel management emerged.²¹⁴ Much like the business industry at the time, the Army recognized the need to manage personnel in a more organized manner with a larger emphasis on managers.²¹⁵ In 1919, the Army created the U.S. Army Personnel Center in Washington, D.C., to oversee human capital

²⁰⁷ “ADP 6-22 Army Leadership.”

²⁰⁸ “ADP 6-22 Army Leadership.”

²⁰⁹ “ADP 6-22 Army Leadership.”

²¹⁰ Purvis, “Four Decades and Five Manuals, U.S. Army Strategic Leadership Doctrine, 1983-2011,” ii.

²¹¹ Purvis, “Four Decades and Five Manuals, U.S. Army Strategic Leadership Doctrine, 1983-2011,” ii.

²¹² Purvis, “Four Decades and Five Manuals, U.S. Army Strategic Leadership Doctrine, 1983-2011,” 40.

²¹³ Purvis, “Four Decades and Five Manuals, U.S. Army Strategic Leadership Doctrine, 1983-2011,” 41.

²¹⁴ James H. Hayes, “The Evolution of Military Officer Personnel Management Policies: A Preliminary Study with Parallels from Industry,” R-2276-AF (Santa Monica, CA: RAND Corporation, August 1978), vii, <https://www.rand.org/content/dam/rand/pubs/reports/2006/R2276.pdf>.

²¹⁵ Hayes, “The Evolution of Military Officer Personnel Management Policies: A Preliminary Study with Parallels from Industry,” vii.

management.²¹⁶ In 1920, the government signed the Defense Act, which codified “comprehensive provisions providing for the Officers’ Reserve Corps, Reserve Officers’ Training Corps, Enlisted Reserve Corps and the National Guard.”²¹⁷ Today, the U.S. Army Human Resource Command (HRC) operates from a state-of-the-art facility in Fort Knox, Kentucky. HRC’s mission statement is “every day, HRC executes distribution, strategic talent management, personnel programs and services Army wide in order to optimize Total Force personnel readiness and strengthen an agile and adaptive Army.”²¹⁸

As part of the human capital management task force lessons learned, the Army “sees itself moving beyond a competent force and into the realm of a talented force.”²¹⁹ HRC’s vision is “trusted professionals shaping the readiness of our Soldiers and our Army.”²²⁰ In order to achieve this vision, each career field is managed by a specific subject matter expert. Assignment officers at HRC distribute personnel throughout the world and work closely with Army senior leadership to identify, select and cultivate future leaders. They execute the Officer Personnel Management Directorates policies, which “optimizes Army personnel readiness by individually managing the Officer Corps through educational, developmental, and broadening assignments validated, in accordance with the Army Manning Guidance, prioritized and coordinated with field commands to Prevent, Shape, and Win.”²²¹

C. LEADERSHIP DEVELOPMENT

According to the Army, leadership development is a “deliberate, continuous, and progressive process, founded in Army Values, that grows Soldiers and Army civilians

²¹⁶ “HRC History,” U.S. Army Human Resources Command, accessed June 13, 2017, www.hrc.army.mil/content/HRC%20History.

²¹⁷ Hayes, “The Evolution of Military Officer Personnel Management Policies: A Preliminary Study with Parallels from Industry,” vii.

²¹⁸ “HRC Mission and Vision,” U.S. Army Human Resources Command, accessed April 7, 2017, www.hrc.army.mil/content/HRC%20Mission%20and%20Vision.

²¹⁹ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 2.

²²⁰ “HRC Mission and Vision.”

²²¹ U.S. Army Human Resources Command, “Special Forces Branch, Human Resources Command, Branch Brief,” (Power Point presentation, U.S. Army Human Resources Command, Fort Knox, KY, August 23, 2017).

into competent, committed, professional leaders of character.”²²² Focusing on training, education, and experience as the integral principles of leader development as well as providing the necessary broadening and key development time permits the Army to create “agile, innovative, and adaptive leaders...”²²³ Key development positions offer a critical competency and to help achieve the Army’s strategic mission when performing in these roles. Human capital management in the Army is comprised of four key criteria: broadening assignments, unique skills, education, and key development time.²²⁴

Department of the Army Pamphlet (DA PAM) 600-3 provides the baseline guidance on leadership development and specific instructions on the necessary stages of development to create leaders. Each career field has its own specific section and breaks down leadership development into three domains, institutional, operational and self-development displayed in Figure 10.²²⁵ According to DA PAM 600–3, institutional development is defined as schools, training centers, and other educational enhancers that provide a “foundation of lifelong learning.”²²⁶ Operational development is comprised of operational experience and broadening assignments that increase an officer’s understanding of different levels of Army strategy. At the introductory level, operational development and mentoring gives officers the toolset of strategic and innovative development to aid in unique operating environments and problem solving as officers ascend in rank and responsibility. Self-development in the form of self-study, professional reading, research, seeking feedback, attending off-duty education allows an officer to take control of their development and mature personally and professionally.²²⁷

²²² Department of the Army, *Officer Professional Development and Career Management*, Department of the Army Pamphlet 600-3 (Washington, DC: Department of the Army, June 26, 2017), 5, https://www.apd.army.mil/epubs/DR_pubs/DR_a/pdf/web/ARN3272_DA_Pam_600-3_web_FINAL.pdf.

²²³ Department of the Army, *Officer Professional Development and Career Management*, 6.

²²⁴ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 5.

²²⁵ Department of the Army, *Officer Professional Development and Career Management*, 6.

²²⁶ Department of the Army, *Officer Professional Development and Career Management*, 6.

²²⁷ Department of the Army, *Officer Professional Development and Career Management*, 6.

Instituted in 2008, the multi-source assessment and feedback (MSAF), also known as the 360-degree assessment, is a critical part of self-development.²²⁸ This tool aims to help officers become informed of their performance through the input and ratings by peers, superiors, and subordinates.²²⁹ Officers can access the feedback through a designated Army website where the results are confidential and are available only to the officer for awareness and self-development purposes.²³⁰ While the 360-degree assessment is a self-development awareness tool, officers can select who gives them feedback, and the process has no direct impact or catalyst for vertical development, leadership effectiveness, and leadership potential.²³¹ However, the process for Lieutenant Colonels and Colonels in command of active duty components is to participate in two Commander 360 events during command.²³² The events are mandatory and are required within “three to six months of assuming command and the second between 15–18 months of command.”²³³ The Army views the program as a vital lifelong learning and development process of leadership development that inspires engagement between leaders and increases organizational leadership effectiveness.²³⁴

In a report by Army Colonel Kevin McAninch, in order for the Commander 360-degree assessment to “become a catalyst for leader development,”²³⁵ follow-up needs to be enforced, development of an individual leader development plan is required, leaders should be trained to coach and mentor in professional military education, and tools should be restructured to support vertical development.²³⁶ Separately, an article by

²²⁸ Department of the Army, *Officer Professional Development and Career Management*, 6.

²²⁹ Department of the Army, *Officer Professional Development and Career Management*, 6.

²³⁰ Department of the Army, *Officer Professional Development and Career Management*, 7.

²³¹ McAninch, “How the Army’s Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development,” 88.

²³² “Commander 360 Program,” Department of the Army, March 15, 2016, www.army.mil/standto/archive_2016-03-15.

²³³ “Commander 360 Program.”

²³⁴ “Commander 360 Program.”

²³⁵ McAninch, “How the Army’s Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development,” 88.

²³⁶ McAninch, “How the Army’s Multi-Source Assessment and Feedback Program Could Become a Catalyst for Leadership Development,” 89.

Nathan Wike, an Army infantry officer, assessed the utility of the 360-degree assessment. In the article, he provides many recommendations and stresses the feedback process prevents a perfect solution or a one size fits all solution. Identifying the shortcomings of the 360-degree assessment, Wike proposes that all leaders should be required to complete the assessment, it should be tracked for completion to hold leaders accountable, high levels of negative feedback should trigger mandatory coaching, word limits in the comments section should be eliminated, leaders can still pick recipients with caveats of statute of limitations in rank and an equal number of randomly assigned personnel, and an opt-out provision should be available for leaders that fall outside of the normal rating chain criteria.²³⁷

Criticisms of the 360-degree process include the necessity of enforcing the requirement at the commander level, which is late in the leadership development process, as opposed to during the early stages of leadership development. Additionally, enforcement mechanisms are limited while the selectivity of feedback recipients is open to anyone. The Army's Leadership Development Model is depicted in Figure 10.

²³⁷ Nathan Wike, "It's Time to Rethink 360 Degree Reviews," *The Military Leader*, accessed September 5, 2017, www.themilitaryleader.com/rethink-360-degree-reviews-guest-post/.

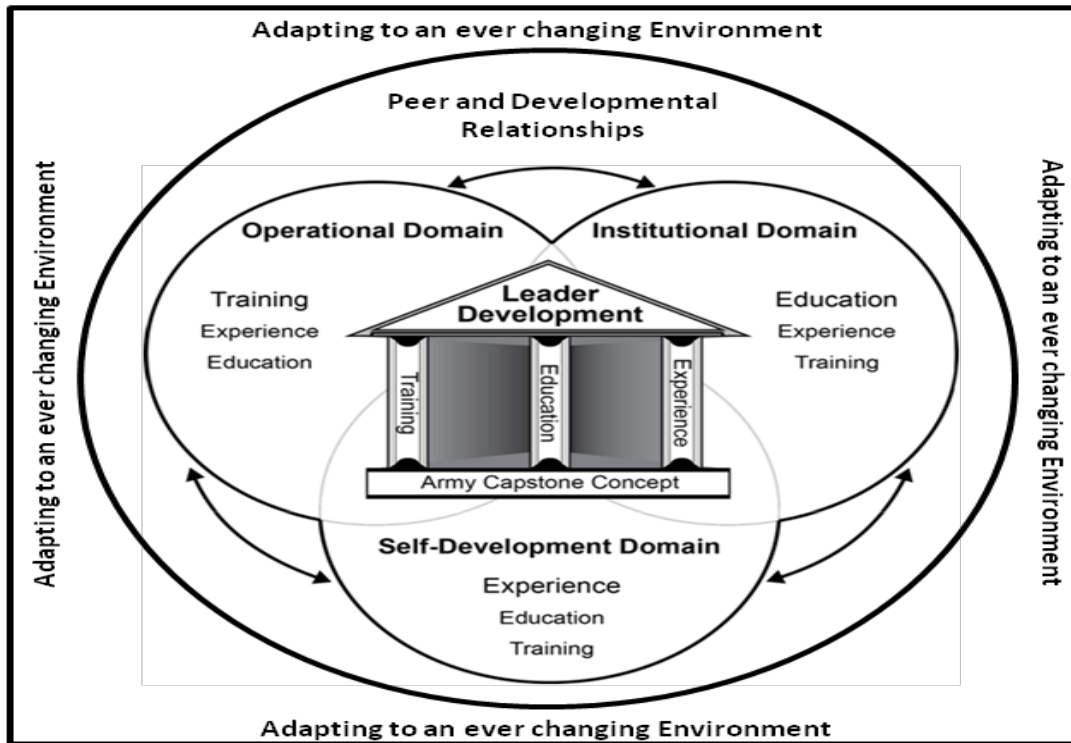


Figure 10. Army's Leadership Development Model²³⁸

D. OFFICER EVALUATION REPORT AND PROMOTIONS

The Officer Evaluation Report (OER) outlines an officer's performance and potential, as well as affects an officer's promotion advancement. The Army officer evaluation system identifies and documents "those officers most qualified for advancement and assignment to positions of increased responsibility."²³⁹ Officers that receive an OER at the unit or key development levels are also assessed by raters and senior raters based on their potential in a subjective fashion to serve at higher levels of "responsibility, authority, or sensitivity."²⁴⁰ Officers are also assessed on their capability to handle "increasing levels of responsibility in relation to peers."²⁴¹ Overall, evaluations

²³⁸ Department of the Army, *Army Leader Development Program*, Department of the Army Pamphlet 350-58 (Washington, DC: Department of the Army, March 8, 2017), 2, http://www.apd.army.mil/epubs/DR_pubs/DR_a/pdf/web/p350_58.pdf.

²³⁹ Department of the Army, *Officer Professional Development and Career Management*, 30.

²⁴⁰ Department of the Army, *Officer Professional Development and Career Management*, 38.

²⁴¹ Department of the Army, *Officer Professional Development and Career Management*, 30.

help to identify top performers and those with the greatest potential, as well as maintain order and discipline.²⁴²

Raters and senior raters utilize a combination of box checks that highlight the officer's level of performance and a narrative amplifying performance and potential. The rater is responsible for assessing performance of an officer, providing feedback, and then documenting performance on the OER. The rater lists the number of Army officers that are rated in each grade then assigns a rating of: excels, proficient, capable, or unsatisfactory.²⁴³ The rater is then afforded a comments section to provide a narrative of the officer's performance emphasizing the ranking of an officer against their peers.²⁴⁴ The senior rater also lists the number of officers that fall under their evaluation responsibilities by grade and then assigns a rating that indicates an officers "potential compared with officers senior rated in same grade."²⁴⁵ The ratings are: most qualified, highly qualified, qualified, and not qualified.²⁴⁶ The senior rater then provides a narrative that weight each officer's stratification, potential to lead at higher levels and a list of three future assignments best suited for the officer.²⁴⁷ Officer stratifications in the form of either numbers or percentages against the total peer population differentiate leadership and work performance to promotion boards conveying an officer's ability to perform at the next grade level. It is important to note that the Army instituted a rater and senior rater profile that limits the number of "excel" ratings for raters and "most qualified" ratings for senior raters to less than 50 percent.²⁴⁸ Essentially, the profile keeps track of the highest ratings awarded to officers and prevents raters and senior raters

²⁴² Department of the Army, *Officer Professional Development and Career Management*, 30.

²⁴³ U.S. Army Human Resources Command, "U.S. Army Human Resources Command Evaluation and Selection Systems" (Power Point presentation, U.S. Army Human Resources Command, Fort Knox, KY, accessed September 4, 2017), 13, www.hrc.army.mil/asset/16148.

²⁴⁴ "U.S. Army Human Resources Command Evaluation and Selection Systems," 13.

²⁴⁵ "U.S. Army Human Resources Command Evaluation and Selection Systems," 15.

²⁴⁶ "U.S. Army Human Resources Command Evaluation and Selection Systems," 15.

²⁴⁷ Department of the Army, *Officer Professional Development and Career Management*, 21.

²⁴⁸ C. Todd Lopez, "New OER Means Fewer Boxes, More Accountability for Raters," *U.S. Army.Mil*, March 21, 2013, https://www.army.mil/article/99256/new_oes_means_fewer_boxes_more_accountability_for_raters.

from assigning ratings greater than their profiles allow.²⁴⁹ Most qualified ratings indicate “strong potential for below the zone promotion, command and potential ahead of peers.”²⁵⁰ “Highly qualified indicates strong potential for promotion with peers, qualified communicates that the officer is capable of success at the next level and promote if able while not qualified signals that the officer is not recommended for promotion.”²⁵¹

When it comes to promotion for each officer, analysis by Army HRC has shown that officers with extensive cumulative “most qualified” block checks with corresponding enumerations and key development performance promote above and with peers.²⁵² Officers lacking “most qualified” blocks in levels of performance along with a downturn in job performance while assigned to key development assignments were not selected for promotion during the Major and Lieutenant Colonel Boards in 2017.²⁵³ According to Army HRC, when officers meet for promotion boards, the focus is on the following criteria:²⁵⁴

- Senior rater section of the OER which contains narrative and population size
- Job performance and duty description
- Whole-person concept
- Professional character
- Warrior ethos

²⁴⁹ Lopez, “New OER Means Fewer Boxes, More Accountability for Raters.”

²⁵⁰ “U.S. Army Human Resources Command Evaluation and Selection Systems.”

²⁵¹ “U.S. Army Human Resources Command Evaluation and Selection Systems.”

²⁵² U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 5.

²⁵³ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 5.

²⁵⁴ “U.S. Army Human Resources Command Evaluation and Selection Systems;” Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

- Number of rated months
- Rater narrative
- Intermediate rater narrative
- Performance documents
- Officer record brief
- U.S. Army Official full-length photo²⁵⁵

E. OFFICER EDUCATION

The strategic objective of the Army’s education system “is to provide an education and training system operationally relevant to the current environment, but structured to support the future environment by producing more capable, adaptable, and confident leaders...”²⁵⁶ The Army expects all officers, regardless of rank “to attend and complete a variety of military schools throughout their career.”²⁵⁷ This section applies the central selection process for officers in the rank of Captain to Lieutenant Colonel who compete for intermediate leadership education (ILE) and Senior Service College (SSC) during the appropriate eligibility zone in-conjunction with promotion boards.

For the ILE board, Captains compete for selection to attend in-resident institutions. Captains that are the highest performers based on board results garner in-resident selections. If an officer is selected as a resident select, they are guaranteed a seat at the Command and General Staff College at Fort Leavenworth, Kansas.²⁵⁸ Officers are also selected to attend sister service schools, foreign schools, fellowship programs and can compete and apply separately for institutions such as Naval Postgraduate School and

²⁵⁵ “U.S. Army Human Resources Command Evaluation and Selection Systems.”

²⁵⁶ Department of the Army, *Officer Professional Development and Career Management*, 22.

²⁵⁷ Department of the Army, *Officer Professional Development and Career Management*, 22.

²⁵⁸ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 4.

National Defense University.²⁵⁹ Officers not selected for ILE in-resident programs are still expected to satisfy intermediate leadership education requirements through distance learning.²⁶⁰ Senior Service College is a much more competitive process based on higher levels of performance, responsibility, and potential. While the Army's objective is to encourage and enforce education at all levels, the pursuit of civilian education programs, fellowships, and other civilian education programs can alter an officer's promotion advancement opportunities.²⁶¹ For example, when an officer attends an education program for extended periods of time and receives training reports compared to top performance OERs that the officer's peers are receiving, the OERs will stand out above a training report.²⁶²

Overall, OERs are a snapshot in time only, and an advanced degree without a competitive duty performance rating has limited impact.²⁶³

F. ARMY HUMAN CAPITAL MANAGEMENT TASK FORCE AND INITIATIVES

Optimization of human capital management with the use of the latest technology in software design permits managers to operate more efficiently and transforms the way personnel are developed. The Army's task force aims to transform personnel management and involves the development and "rollout of new automation infrastructure to consolidate the various repositories of Soldier data into one interface called the Integrated Personnel and Pay System-Army (IPPS-A)."²⁶⁴ As part of this software the "Soldier Record Brief (SRB) will be incorporated and will replace the Enlisted and

²⁵⁹ U.S. Army Human Resources Command, "Human Resources Command Special Forces-Branch Update," 4.

²⁶⁰ U.S. Army Human Resources Command, "Human Resources Command Special Forces-Branch Update," 4.

²⁶¹ U.S. Army Human Resources Command, "Human Resources Command Special Forces-Branch Update," 3.

²⁶² U.S. Army Human Resources Command, "Human Resources Command Special Forces-Branch Update," 2.

²⁶³ "Special Forces Branch, Human Resources Command, Branch Brief."

²⁶⁴ U.S. Army Human Resources Command, "Human Resources Command Special Forces-Branch Update," 2.

Officer Record Briefs.”²⁶⁵ Another consolidation effort includes the Army’s human capital management initiative that will incorporate the assignment process with Assignment Interactive Module 2.0 (AIM2) tentatively scheduled for release in fiscal year 2019.²⁶⁶

AIM2 is a web-based program designed to provide information for “officer assignments and career management.”²⁶⁷ AIM2 is a military version of the LinkedIn software and will allow officer’s the opportunity to provide “additional self-professed knowledge, skills, and experiences that the Army may not know about them.”²⁶⁸ This resume building application will be accessed by using their common access card and “creates a marketplace” allowing prospective units and assignment officers to become more educated on each officer’s capabilities and self-professed skillsets.”²⁶⁹ The process of human capital management with AIM2 is very similar to what HRC already does, however this new improved human capital management strategy will consolidate all functions into one program and will include personnel management, pay systems, evaluation systems and retention management.²⁷⁰

G. U.S. ARMY SPECIAL OPERATIONS AVIATION REGIMENT

The 160th SOAR, a component of U.S. Army Special Operations Command, originally designated Task Force 160 at Fort Campbell, Kentucky, was developed after the 1980 failed U.S. hostage rescue attempt in Iran, known as operation Eagle Claw.²⁷¹

²⁶⁵ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 2.

²⁶⁶ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 2.

²⁶⁷ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 2.

²⁶⁸ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 3.

²⁶⁹ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 3.

²⁷⁰ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 3.

²⁷¹ “160th Special Operations Aviation Regiment (Airborne) Fact Sheet” U.S. Army Special Operations Command, accessed August 30, 2017, <http://news.soc.mil>.

In 1990, the regiment was officially designated the 160th SOAR.²⁷² The Night Stalker, its moniker, is derived from “its capability to strike undetected during the hours of darkness and its unprecedented combat successes.”²⁷³

The mission of the 160th SOAR is to “organize, equip, train, resource and employ Army special operations aviation forces worldwide.”²⁷⁴ Some examples of the 160th SOAR missions include their first combat mission in Grenada with Operation URGENT FURY to provide “clandestine infiltration and exfiltration of SOF personnel into hostile locations.”²⁷⁵ The 160th SOAR continued to hone escort, assault and attack capabilities with Operation EARNEST WILL with missions to protect Kuwait tanker ships in the Persian Gulf against an Iranian threat, Operation JUST CAUSE in Panama to remove Manuel Noriega from power and Operation GOTHIC SERPENT in Somalia to restore order and capture General Mohammed Farah Aideed, a Somali warlord responsible for much of the instability in the region.²⁷⁶

Currently, the 160th SOAR manages 3,000 officers, warrant officers and enlisted personnel assigned evenly across a regiment headquarters and five battalions with the “strategic composition of light, medium and heavy helicopters. . .”²⁷⁷ The 160th SOAR consists of selectively assessed officers managed by the Army HRC at Fort Knox,

²⁷² U.S. Army Special Operations Command, “160th Special Operations Aviation Regiment (Airborne) Fact Sheet.”

²⁷³ U.S. Army Special Operations Command, “160th Special Operations Aviation Regiment (Airborne) Fact Sheet.”

²⁷⁴ U.S. Army Special Operations Command, “160th Special Operations Aviation Regiment (Airborne) Fact Sheet.”

²⁷⁵ “Histories of the US Army 160th Special Operations Aviation Regiment (Airborne) [SOAR], 1991-2001,” *A History of the 160th Special Operations Aviation Regiment (Airborne)*, (Fort Bragg, North Carolina: USASOC, January 12, 2010), 8, http://www.governmentattic.org/2docs/Army_160thSOAR_Histories_1991-2001.pdf.

²⁷⁶ “Histories of the US Army 160th Special Operations Aviation Regiment (Airborne) [SOAR], 1991-2001,” 34.

²⁷⁷ U.S. Army Special Operations Command, “160th Special Operations Aviation Regiment (Airborne) Fact Sheet.”

Kentucky. These officers are developed to lead at the highest levels based on the whole-person concept, job performance, professional character, and warrior ethos.²⁷⁸

The 160th SOAR selects only the best-qualified aviators who are “three-time volunteers: for the Army, for airborne training and for the regiment.”²⁷⁹ In order to be competitive for selection, a recruit needs to exhibit SOF warrior attributes along with flight and leadership experience.²⁸⁰ Candidates participate in a formalized and demanding screening process during a one-week assessment that evaluates cognitive, mission execution and fundamental aviation abilities.²⁸¹ This whole person concept analysis ensures that candidates selected into the regiment possess the necessary 160th SOAR attributes that are critical to success and sustained service.²⁸²

The foundation of the 160th SOAR consists of the people and the equipment. The people are united by a tight cohesion of trust, quality over quantity, high standards and a motto of “Night Stalkers Don’t Quit”²⁸³ that epitomizes the unit’s culture. The equipment is comprised of the technologically advanced helicopters flown by each aviator at the most arduous and advanced levels of night time operations and maintained by personnel who chart the same course as the aviators.²⁸⁴ Together, the personnel and equipment are connected through a culture of quality, high competencies, loyalty, trust, standards, values and a belief that Night Stalkers “would rather die than quit.”²⁸⁵ The 160th SOAR Organization Chart is in Figure 11.

²⁷⁸ Jason J. Dumser and Benjamin S. Arps, “Scouting and Retaining Night Stalkers,” *Army Aviation* 65, no. 7, July 31, 2016, 1, <http://www.armyaviationmagazine.com/index.php/archive/not-so-current/1109-scouting-and-retaining-night-stalkers>.

²⁷⁹ U.S. Army Special Operations Command, “160th Special Operations Aviation Regiment (Airborne) Fact Sheet.”

²⁸⁰ Dumser and Arps, “Scouting and Retaining Night Stalkers,” 1.

²⁸¹ Dumser and Arps, “Scouting and Retaining Night Stalkers,” 2.

²⁸² Dumser and Arps, “Scouting and Retaining Night Stalkers,” 2.

²⁸³ Salome Herrera, “Integration of Female Pilots in the 160th Special Operations Aviation Regiment (Airborne) - A Culture Already Set-Up for Success,” (thesis, Air War College, Air University, February 12, 2014), 9, <http://www.dtic.mil/dtic/tr/fulltext/u2/1019180.pdf>.

²⁸⁴ Herrera, “Integration of Female Pilots in the 160th Special Operations Aviation Regiment (Airborne) - A Culture Already Set-Up for Success,” 9.

²⁸⁵ Herrera, “Integration of Female Pilots in the 160th Special Operations Aviation Regiment (Airborne) - A Culture Already Set-Up for Success,” 10.

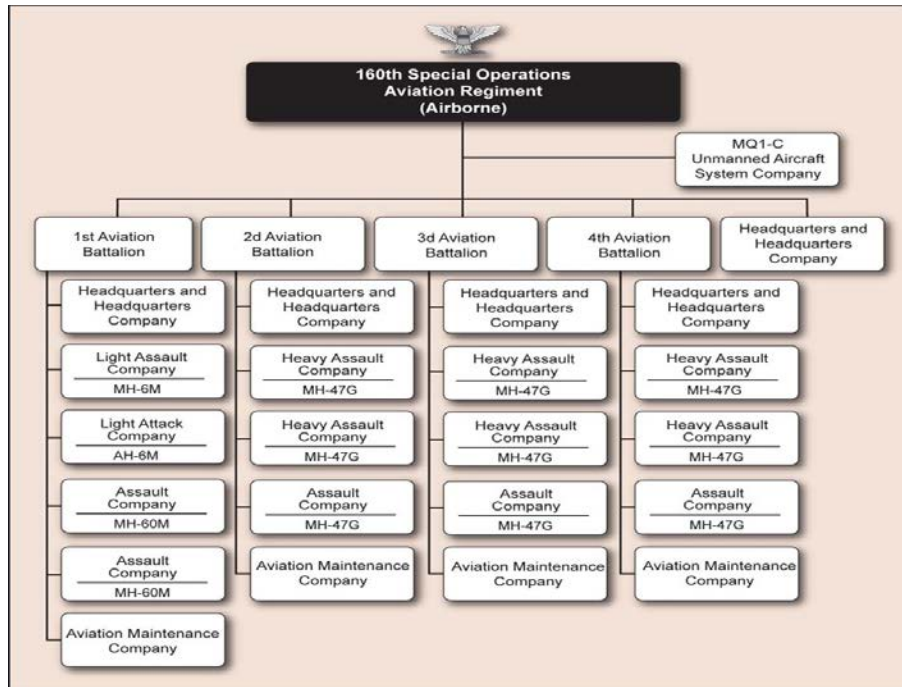


Figure 11. 160th SOAR Organization Chart²⁸⁶

H. SOAR DEVELOPMENT AND LEADERSHIP CULTIVATION

As mentioned in the preceding sections, the Army provides both a comprehensive officer development and career field specific framework through various doctrines. DA PAM 600-3 explicitly outlines career development and progression through various stages in an officer's career by each branch. For the aviation branch and at the entry development level for officers, Lieutenants need to complete Initial Entry Rotary Wing training, survival training, and next assignment specific training as outlined by the gaining unit.²⁸⁷ The next step in the development process involves building flight competencies and troop leading through exposure and experience over the course of 18 to 24 months.²⁸⁸ For self-development, Lieutenants should achieve qualifications as pilot-in-command and attend the aviation branch Captains Career Course as a precursor to

²⁸⁶ Department of the Army, *Army Special Operations*, Field Manual 3-05 (Washington, DC: Department of the Army, January 2014), 6-2.

²⁸⁷ Department of the Army, *Aviation Branch*, DA PAM 600-3 Smartbook (Washington, DC: Department of the Army, June 1, 2017), 4, <https://www.milsuite.mil/book/groups/smartbook-da-pam-600-3>.

²⁸⁸ Department of the Army, *Aviation Branch*, 4.

selection to the rank of Captain and further leadership development as a platoon leaders and Captain level company command.²⁸⁹

When an aviation officer is promoted to Captain, the next development level milestone is as a senior leader at the company level and command a company for a period of 18 to 24 months.²⁹⁰ According to DA PAM 600-3 and during interviews conducted at Army HRC with the 160th SOAR branch assignment officer, Captains in the 160th SOAR can be in platoon leader positions since units in the 160th SOAR have authorizations for Captains.²⁹¹ Once Captains have gained valuable leadership experience, flight experience, detailed understanding of aviation brigade operations, combined arms operations, and aircraft maintenance, they are primed to be competitive for assessment and selection into the 160th SOAR.²⁹² At a minimum, the 160th SOAR recruiters seek Captains who have exhibited strong leadership and acquired extensive flight experience.²⁹³ Once successfully selected as an aviation officer in the 160th SOAR, officers follow the prescribed guidelines of DA PAM 600-3 for the Special Operations aviation branch.

For officers promoted to Major, they should complete the intermediate leadership education through the Command and General Staff College, sister service schools or international educational institutions to be competitive for selection to Lieutenant Colonel and later, Battalion command.²⁹⁴ In 2017, SOF officers were selected at a rate of 49.5 percent. However, in recent years, since the 160th SOAR branch cannot fill its allotted seats, every 160th SOAR officer attended intermediate leadership education at Command and General Staff College and sister service schools.²⁹⁵ With a 100 percent intermediate

²⁸⁹ Department of the Army, *Aviation Branch*, 5.

²⁹⁰ Department of the Army, *Aviation Branch*, 5.

²⁹¹ Department of the Army, *Aviation Branch*, 5; Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

²⁹² Department of the Army, *Aviation Branch*, 5.

²⁹³ Department of the Army, *Aviation Branch*, 6.

²⁹⁴ Department of the Army, *Aviation Branch*, 6; Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

²⁹⁵ U.S. Army Human Resources Command, "Human Resources Command Special Forces-Branch Update," 4.

leadership education in-resident selection rate for SOF and Army Aviation officers, the Army is cultivating future leaders that can “resolve dilemmas under stress, make decisions, and lead formations.”²⁹⁶

For 160th SOAR officers, promotion rates were in-line compared to the rest of the Army and for selection to in-resident education programs.²⁹⁷ At the self-development level, Majors should compete for assignments as Battalion or Brigade executive officers (XO), in operations (S3), staff assignments and command positions coded for majors.²⁹⁸ With inputs from USASOC, the Department of the Army Secretariat selects Majors, Lieutenant Colonels and Colonels for command opportunities. The command selection list board is held at Headquarters Army HRC, Fort Knox, Kentucky and is comprised of officers in the ranks of Colonel to Major General who select officers to command at the battalion command level.²⁹⁹ Additionally, one board member from each career branch is generally represented as part of the command selection list process.³⁰⁰

For battalion command, the eligible command population generally consists of Majors and Lieutenant Colonels in targeted year groups of 16 to 18 years of service who can elect to “opt in” or defer for command opportunities for the applicable command board.³⁰¹ If desiring to “opt in” and compete for command, officers can compete in three battalion command boards.³⁰² For officers who decline command with prejudice, they will be ineligible for the command selection list at any grade and their officer record brief will be annotated accordingly.³⁰³ Due to the competitiveness of the command selection

²⁹⁶ Department of the Army, *Officer Professional Development and Career Management*, 22.

²⁹⁷ U.S. Army Human Resources Command, “Human Resources Command Special Forces-Branch Update,” 5.

²⁹⁸ Department of the Army, *Aviation Branch*, 7; Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

²⁹⁹ “Making Sense of Battalion Command Selection,” *The Military Leader*, accessed September 11, 2017, <http://www.themilitaryleader.com/battalion-command-selection/>; U.S. Army Human Resources Command, “Special Forces Branch, Human Resources Command, Branch Brief,” 44.

³⁰⁰ “Making Sense of Battalion Command Selection.”

³⁰¹ “Making Sense of Battalion Command Selection.”

³⁰² “Making Sense of Battalion Command Selection.”

³⁰³ U.S. Army Human Resources Command, “Special Forces Branch, Human Resources Command, Branch Brief,” 38.

board and candidates applying, officers typically have a higher chance for selection within the first year of eligibility.³⁰⁴

The board reviews each officer's individual performance, which contains the official photo, officer record brief, officer evaluation reports, and derogatory information if applicable.³⁰⁵ The board will utilize an order of merit list for that is a voting system that ranks each officer on a scale of "1 to X" based on the total population.³⁰⁶ The officer who receives a number one is the highest scoring officer.³⁰⁷

SOAR officers compete for command at the Battalion or Regiment levels only.³⁰⁸ For Battalion command, officers selected will command one of the five Battalion commands under the 160th SOAR.³⁰⁹ In some instances due to timing and career milestones, officers are given one year to command one of the four operational Battalions.³¹⁰ For SOAR officers not selected to command one of the five 160th SOAR Battalions, they can still be selected to command in other combat branches, recruiting, other aviation or special mission units.³¹¹ For example, the Army groups its command opportunities into subcategories, which allow some officers to compete in multiple branches or divisions.³¹² Before the final command selection list is released, the Army conducts a post-board screening that "ensures that only officers of the highest standards

³⁰⁴ "Making Sense of Battalion Command Selection," 3; Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.; "Special Forces Branch, Human Resources Command, Branch Brief," 44.

³⁰⁵ U.S. Army Human Resources Command, "Branch Update," 38; "Making Sense of Battalion Command Selection," 3.

³⁰⁶ "Making Sense of Battalion Command Selection," 3.

³⁰⁷ "Making Sense of Battalion Command Selection," 3.

³⁰⁸ Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

³⁰⁹ Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

³¹⁰ Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

³¹¹ Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

³¹² "Making Sense of Battalion Command Selection," 4; "Special Forces Branch, Human Resources Command, Branch Brief," 38.

are selected for command.”³¹³ This screening is conducted by Army HRC to determine if any selectee has substantive derogatory information that could lead to removal from the command selection list.³¹⁴ As part of the Commander 360-program, the 360-degree assessment feedback is “specifically designed for the centralized selection list (CSL) for Lieutenant Colonels and Colonels.”³¹⁵

Lieutenant Colonels who have completed Battalion command compete for residency at Senior Service College. For 2016, the SOF branch performed well and achieved a selection rate of 10.7 percent, which was in-line with the previous year selection.³¹⁶ 160th SOAR achieved a similar selection rate under the Operations Division with a 12.2 percent selection rate.³¹⁷ Selection for Senior Service College is highly competitive and selects typically have achieved a mostly qualified rating on their OER as Lieutenant Colonels and senior Majors in battalion command. Selection for Senior Service College and top performance ratings on an officer’s OER during command pave the way for selection to Colonel and further.³¹⁸

Balancing Army requirements against unit priorities, career milestones and forecasting officer potential coupled with an individual officer’s expectation of promotions, assignment preference and dwell time require a deliberate and long-term strategy to meet the needs of the Army SOF and the 160th SOAR community.³¹⁹ As part of the Army’s Task Force and Initiatives for Human Capital management, future developments in software should aid the Army and 160th SOAR to meet these objectives.

³¹³ “Making Sense of Battalion Command Selection,” 7.

³¹⁴ “Making Sense of Battalion Command Selection,” 7.

³¹⁵ “Commander 360 Program.”

³¹⁶ U.S. Army Human Resources Command, “Branch Update,” 9.

³¹⁷ “Special Forces Branch, Human Resources Command, Branch Brief,” 40.

³¹⁸ U.S. Army Human Resources Command, “Branch Update,” 9; Benjamin Channels, (Chief, Special Operations Aviation Branch ARSOF Division), in discussion with authors, July 30, 2017.

³¹⁹ U.S. Army Human Resources Command, “Branch Update,” 5.

I. CHAPTER SUMMARY

The Army human capital management strategy initiatives promote readiness, development, and process efficiency. A deliberate and persistent human capital strategy is imperative managing the high demand, low-density career fields of Army SOF and SOAR officers. The leadership feedback process continues to evolve for the Army with the intent of developing agile, resilient, critical thinking officers to lead now and in the future. Building off of the four criteria for leadership cultivation identified in Chapter III—early identification of high-potentials; developing and broadening high-potentials with an array of different work experiences; and honest, timely and continuous feedback on job performance—this case study of Army Human Resource Command’s management of Army SOAR officers highlights the following lessons learned in selecting and cultivating leaders:

1. The Army has a deliberate human capital management strategy for officer assignments guided by Army Manning Guidance and DA PAM 600-3 that outlines specific officer development by career field and allows HRC to identify all manning requirements.
2. In-resident intermediate leadership education opportunities afforded to all eligible officers can increase leadership development and critical thinking. Increased opportunities if permitted within the operating requirement structure can incentivize officers to stay and sharpen their ability to lead at higher levels.
3. Projected software innovations like the Integrated Personnel Pay System provide a consolidation of personnel and pay programs, which transform human capital management and make the process more efficient to meet strategic objectives.
4. The 360-degree feedback assessment program can provide critical coaching and mentoring early in an officer’s career that can help develop and foster effective leadership development if instituted and monitored effectively.

The next chapter will summarize findings for this analysis of human capital management in the U.S. Air Force, the business industry, General Electric and the U.S. Army. It will then provide recommendations for improving AFSOC's system of human capital management for its aviators.

VI. SUMMARY, RECOMMENDATIONS AND CONCLUSION

This thesis aimed to investigate the best human capital management practices of the private and military sectors in order to improve the current development of AFSOF Officers. It began by presenting the current development process for AFSOF Officers through the examination of the current Air Force human capital management process, also known as Force Development. This investigation identified multiple gaps. First, officer performance reports tend to be inflated and are vague when differentiating a high performing officer's report from a poor performing officer's report. Second, the current method for feedback to each officer from senior raters is not beneficial, and honest and constructive feedback is rarely accomplished. Third, the human capital management software currently in use is antiquated and inadequate. Finally, the selection and identification of high-potential officers is often subjective and lacks congruent consideration of each officer's technical competencies, aspirations to lead, communication, personality characteristics and preparedness.

Building on these observations, the thesis then outlined key literature on human capital management and best practices in business. The review of human capital management in business literature revealed multiple lessons in the cultivation of leaders. Identifying and selecting high-potential leaders as early as possible is essential in order to develop them into future senior leaders. The identification of high-potential leaders should not be based solely on a "snap shot" in time, but should be a continuous evaluation to determine their potential. Once identified, the development is done through on-the-job experiences outside the individual's comfort zone in order to garner knowledge of the entire organization and to see if he or she has the ability to lead in any situation. The literature also revealed that constant, honest, and timely feedback and mentoring are ultimately necessary for positive growth in individual and organizational performance. Additionally, developing leaders, not ranking leaders against peers, is more productive for the leader and the organization and causes less internal competition as well as putting more focus on performance with the organization's goals in mind. Finally, not all leaders can be developed for senior leadership positions and may plateau in

performance. When this happens, the employee should be placed where their abilities can be best utilized and not forced out because they fail to progress.

From this discussion, the thesis used the following criteria in human capital management and leadership development to evaluate case studies and AFSOC's system: early identification of high-potentials; developing and broadening high-potentials with an array of different work experiences; and honest, timely and continuous feedback on job performance. The thesis used these criteria to investigate two case studies in human capital management: General Electric from the business sector; and the Army Special Operations Aviation component from the military.

The General Electric case study revealed three lessons in human capital management. The early identification of high-potential employees and in-depth on-the-job experience at all levels are essential to lead successfully at senior levels. Diverse training and development allow leaders and employees to develop on their own timeline, especially through online courses, which allow worldwide access and cuts cost in time and money for the company and individual. The use of PD@GE makes constant, honest, and timely feedback and mentoring possible, which allows for positive growth in individual and organizational performance.

The case study on the U.S. Army Special Operations Aviation Regiment further provided important insights into human capital management and leadership cultivation. Each career field within the Army has a specific manning requirement and development plan within the DA PAM 600-3, which enables each career field to have the latitude to develop each officer in a way that is specifically geared toward that specialty and that officer. Additionally, the use of a 360-degree feedback assessment program can provide critical coaching and mentoring early in an officer's career that can help develop and foster effective leadership development if instituted and monitored effectively. Furthermore, the 160th SOAR has a near-100 percent attendance rate for in-residence intermediate leadership education, which permits an increase in critical leadership development. Finally, the Army is projected to switch to the Integrated Personnel Pay System to consolidate some of their personnel and pay programs, which should also help with leadership cultivation and management.

Building on this summary, the following section will provide recommendations for AFSOC's human capital management and leadership development.

A. RECOMMENDATIONS FOR AFSOC

The thesis concludes with four recommendations for AFSOC based on this investigation: the process for identifying and selecting future senior leaders; developing future senior leaders; improving feedback on officers' performance; and improving current technologies in human capital management.

First, the most important part of developing future senior leaders in AFSOC is identifying and selecting who is able to lead and who will succeed as a senior leader. Currently, AFSOC uses a list of high-potential officers maintained within AFSOC/A1 to help track development and leadership opportunities. This list is only visible to senior raters within AFSOC. In order for an officer to make the list, he or she needs to meet at least one of a few criteria: high performance stratifications amongst peers, distinguished graduate from SOS, selected to attend in-residence for IDE or SDE, or senior raters' nomination. Senior raters also can pull officers from this list if they determine that they do not meet a senior rater's expectation of a high-potential leader.

To better identify and select senior leaders, AFSOC should incorporate a 360-degree feedback process to capture a top-to-bottom and peer-to-peer assessment of an officer's ability to lead, similar to the Army's 360-degree review program. This process should also be part of the development process to select future leaders. In most cases, group and squadron commanders have more day-to-day interactions allowing them to make more observable assessments of an officer's performance. By allowing group and squadron commanders to see the list of high-potential officers, AFSOC can pursue a more deliberate selection process and identify the most capable officers to lead in the future.

Second, the process for developing future senior leaders also needs significant adjustments. Before 2017, the Air Force used a "snap-shot" of a Captain's (O-3) or a Major's (O-4) career as the criteria to attend intermediate or senior development education in-residence, which in turn is a key milestone for determining senior leaders.

With new changes beginning in 2018, selection to attend intermediate or senior development education in residence will now rest with senior raters and selection will be based on sustained individual performance and a more equitable process of selecting the right officers to attend in-resident education opportunities.³²⁰ The Air Force's policy change was part of the dialogue between the CSAF and senior leaders based on additional feedback from officers in the field.³²¹ In other words, this change recognizes that the "snap-shot in time" approach was not working and more consideration was needed for what is considered a prestigious opportunity that helps determine an officer's career as a future leader in the Air Force and AFSOC.

Drawing from the observations of the General Electric case, several additional steps could be taken to cultivate senior leaders in AFSOC. First, creating a place like General Electric's Management Development Institute in Crotonville, New York, where senior leaders in General Electric provide coaching, mentoring, leadership philosophy and share their experiences as leaders could benefit AFSOC. Additionally, GE's approach to providing feedback through Performance Development at General Electric permits continuous, real-time, and honest rater-to-ratee and peer-to-peer feedback through cloud applications.³²² These practices enable supervisors to gauge performance, personality traits and leadership readiness of employees.

Similarly, AFSOC could implement a high-potential officer course or mentorship program designed to have AFSOC senior leaders provide mentoring, coaching, and leadership philosophy in a formal and informal setting for a period not to exceed two weeks, similar to the General Electric approach. Part of the experience could include shadowing a senior leader during day-to-day duties or shadowing a fellow officer in a different career field. While some officers have experienced positions outside of their career field, an opportunity to see and possibly lead in different areas within AFSOC

³²⁰ "Commanders to Have More Say in Developmental Education Opportunities," *U.S. Air Force News*, July 13, 2017, <http://www.af.mil/News/Article-Display/Article/1246619/commanders-to-have-more-say-in-developmental-education-opportunities/>.

³²¹ "Commanders to Have More Say in Developmental Education Opportunities."

³²² Whitman, "GE Crotonville: Learning & Development for a Digital Industrial Company," 5.

would give senior leaders greater insight on whether or not high-potential officers have the learning agility to be successful at higher levels of responsibility.

Third, AFSOC should improve the means by which officers receive performance reviews and overall feedback. The Air Force's current evaluation process was last updated in 1988. Since 1988, the Air Force has made efforts to streamline the process for completing reports with reduced verbiage and direct-to-the-point performance remarks by raters and senior raters.³²³ While these efforts afforded supervisors less time in completing reports, the required and necessary feedback for officers is still lacking. For an officer to meet work performance expectations and execute at the highest levels, feedback from supervisors is essential. Differentiation of top, middle and bottom performers also continues to pose systemic challenges for the Air Force. The Air Force recognizes these issues and is in the process of revamping the officer performance report and grade inflation; however, making these changes is still approximately three years away.³²⁴

Currently, the Air Force and AFSOC have guidelines and policies on effectively reporting and stratifying officer performance reports. The current guidance allows raters to create their own stratifications, which can lead to all officers getting a performance report that is inflated and does not give an accurate depiction of the officer's actual performance. This inflation and inaccurate depiction causes confusion amongst the officer and the raters. If a rater does not know the unofficial meaning of a certain word or stratification in a performance report, he or she could inadvertently send a message to the senior rater that an officer's performance is below what he or she actually meant to convey.

One recommendation for reducing this problem is to allow only the senior rater to stratify an officer against others in the same grade. Currently, the senior rater must review

³²³ Stephen Losey, "The Air Force Is Working to Overhaul Its Personnel Systems, Officer Evals," *Defense News*, September 17, 2017, <http://www.airforcetimes.com/news/your-air-force/2017/09/17/the-air-force-is-working-to-overhaul-its-personnel-systems-officer-evals/>; Stephen Losey, "Leaders Continue Lemay Tradition with Corona Top Summit," *Air Force Times*, June 12, 2015, <https://www.airforcetimes.com/articles/leaders-continue-lemay-tradition-with-corona-top-summit>.

³²⁴ Losey, "Leaders Continue Lemay Tradition with Corona Top Summit."

and sign all officer reports, and the senior rater decides who is a high-potential officer and who attends developmental education opportunities. Reducing the amount of people who are allowed to stratify officers will eliminate confusion and will instantly provide clear and concise feedback to the officer on where he or she ranks among the other officers in the same grade. Eliminating vague and sometimes meaningless stratifications below the senior rater level also will allow more room for actual feedback on job performance and less on hyperbole. Honest assessments and feedback as well as setting realistic expectations are necessary to improve performance in every officer.

Another recommendation is to integrate the Airman Comprehensive Assessment and the officer performance report into a secure web-based evaluation tool that allows both the rater and ratee to log feedback once it occurs. This data will stay in the system and generate the actual officer performance report when it is completed and ensure feedback is conducted. Airman should also be able to use this web-based tool to provide informal feedback to their supervisors, peers, or subordinates in order to foster better communication and real-time feedback. Making the tool web-based will allow AFSOC to continue its world-wide missions and still be able to conduct comprehensive assessments and feedback quickly and on-time. Guidance on providing honest and constructive feedback both formally and informally could be included by the CSAF or AFSOC Commander through messaging and charter instructions during the annual development team forum. This top down approach would reinforce taking care of Airmen.

Finally, AFSOC should improve its human capital technology. According to Deputy Chief of Staff for Manpower, Personnel and Services, Lieutenant General Gina M. Grosso, “the Air Force’s personnel functions are spread across 200 applications running on 111 different systems that date back to the 1990s.”³²⁵ Currently, the Air Force uses Oracle’s Military Personnel Data System called MilMod for human capital management, which has been in place since 2001.³²⁶ In late 2017, the Air Force announced that it plans to make changes to the existing human capital management systems. Although a final decision has not been made, the intent is to move towards

³²⁵ Losey, “The Air Force Is Working to Overhaul Its Personnel Systems, Officer Evals.”

³²⁶ Goulet, “Oracle HR Gets a BIG Customer!!!”

cloud based technology that will allow personnel to utilize work and home computers along with hand held devices to access personnel data which integrates personnel and pay functions under one system.³²⁷

The Air Force and AFSOC could draw from existing technology to improve its human capital management process. Systems such as LinkedIn and other social media technology could, for example, increase personnel management efficiency and accuracy. Pairing up with the Army's IPPS-A and AIM2 could potentially save the Air Force millions of dollars in human capital software development costs and would serve the military institution more favorably in the joint warfighter human capital management context. Additionally, visionary thinking and fully embracing technology advances in human capital management such as LinkedIn or GE's PD@GE by all Airmen, including Air Force senior leaders, could improve the effectiveness of any new system.

B. CONCLUSION

Human capital management and selecting the right officers to develop and become future leaders in the Air Force and AFSOC is far from a simple process. AFSOC places a premium on developing and retaining high-potential officers as valuable contributors to the mission. The recommendations made by the authors could improve the AFSOC human capital management process by providing officers a clearer understanding of how future senior leaders are identified, selected and developed.

Selecting, developing, and retaining the right leaders in AFSOC at a time when our nation faces persistent global threats is a human capital management process that requires a deliberate strategy now and in the future.

³²⁷ Losey, "The Air Force Is Working to Overhaul Its Personnel Systems, Officer Evals."

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