The spirit of service was undeniably the hallmark and benchmark of statesman, scholar, public servant, ambassador--and the only person to ever lead four Cabinet Departments--Elliot Richardson.

His single most famous act--of course--was his refusal to obey President Nixon’s order and fire the Watergate special prosecutor. That personal refusal would lead to a President’s resignation.

But whenever someone mentioned his courageous act, Richardson was likely to say that he wanted to be remembered not for what he didn’t do in government--but for what he did do. What he did was remarkable--from re-energizing Head Start during a difficult period, to working to decrease the number of highway deaths…to negotiating an international Law of the Sea Treaty.

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Secretary Richardson had a sharp mind, a strong voice, sound judgment—and a sensitive heart. Throughout his life, he proved that you could be both great and good...he proved that a public servant could be both effective and ethical...and he certainly proved that public service can be both a great career and gratifying calling.

His life and legacy and leadership are probably best summed up by an anecdote involving another United States Ambassador--Thomas Jefferson.

When Jefferson arrived in Paris to replace Benjamin Franklin, the French Foreign Minister enthusiastically greeted him and said, “So you have come to replace Dr. Franklin.”

But Jefferson said nothing. He simply stood there for a moment. Then he slowly shook his head. And finally he answered, “No. I have only come to do his job. No one could ever replace him.”

No, no one could ever really replace Elliot Richardson, either--and that’s why I feel privileged to honor the man and his ideals in this Lecture.
I also feel a very personal affinity for him. After all, Richardson was my predecessor at HHS--and he left me very big managerial and leadership shoes to fill.

Whenever I would glance at his portrait that hung outside my office, I would remember that he was described as the best manager and administrator in the Nixon Cabinet. He was well known for his ability to increase morale and efficiency at the agencies he led.

Knowing so much about Richardson the manager, I'm tempted to wonder what he would have thought of the corporate scandals that have dominated the morning headlines and the evening news these past three years.

Whether it's Enron denying their debts...Anderson destroying their documents...or Halliburton deliberately cooking their books, it seems that honesty and integrity have been swept out of the corridors of business.
I wonder what he would have thought of the possibility that his beloved HHS would be accused of withholding critical actuarial estimates on the Medicare bill.

Given what we've seen--and the increasing complexities of managing any entity--is it even possible to run a large organization that is both effective and ethical?

Is it possible in the public sector?

In other words, how can you run a large, public sector organization with honesty and integrity? How do you find the right path?

That's what I want to talk about today.

Last time, I spoke to you about managing a large bureaucracy.2

I shared my experience of leading a Department that then consumed 40 percent of the federal budget.

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I concluded that it was possible to effectively run a large, complex organization—whether federal, state, local, or international.

Now I want to take that discussion a step further.

I have twelve lessons for managing a large public sector organization with honesty and integrity.

Twelve lessons which are applicable to anyone working in public service or for the public good…

Twelve lessons, which, I believe, Elliot Richardson would have endorsed.

These are also the same lessons I'd tell any new agency leader or Cabinet Secretary if I was asked to advise them on running a large, diverse, and multifunctional department. Some of these lessons are derived from recent scholarships. A few are suggested by Richardson in his book, *Reflections of a Radical Moderate*.³ Most are lessons I've learned in four decades of experience as a student of government, a leader of large universities, a sub-Cabinet official, and a Cabinet Secretary.

Lesson Number One: The buck starts here. In other words, standards must be set at the top.

Jeffrey Immelt, CEO and Chairman of General Electric, notes in *The Ethical Challenge: How to Lead with Unyielding Integrity*, that a “CEO today must be the moral leader of the company.”

This is no less true in the public sector.

Managers at every level must lead by example.

At HHS, we always sought the advice of our Inspector General, and our General Counsel, when designing new policies or programs.

We wanted to make sure our programs were not only above board, but—as far as possible—above reproach…

…that they didn’t just meet the letter of the law, but the spirit.

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For example, in 1998 the Inspector General’s Office issued four reports that detailed some of the problems associated with the protection of human subjects in federally funded research and studies.

The conclusion was that there needed to be a re-engineering of the HHS oversight process in this area. Working with staff, we used those reports to help generate a major modification of HHS policy on human subjects that ensured better oversight—and better protection. We took steps to improve the safety of subjects in clinical trials; to strengthen government oversight of medical research; and to reinforce clinical researchers’ responsibility to follow federal guidelines. Through these measures, we wanted to communicate the message that at HHS we couldn’t just be concerned with the legal imperatives, but the moral ones—and that would always be our “standard operating procedure.” As Mark Twain remarked, “Do the right thing all the time. This will gratify some people—and astonish the rest.”

Standards can’t be reached and maintained unless you have a staff that shares your values. That brings me to the second lesson: Choose people based on both the content of their resume—and their character.
Adlai Stevenson once remarked that the most important rule of sound administration is picking good people; a large public sector organization is complex and difficult to manage. Top appointees must be skilled managers, administrators, and leaders, individuals who are adept at both policy and politics.

Each of the leaders at the Department of Health and Human Services had years of academic and professional experience in their areas of expertise. It wasn’t easy to recruit such a team--many in White House personnel would have preferred senior appointments from the campaign. The President is best served by extraordinary people. Looking back, the two most important appointments we made were our General Counsel, Harriet Rabb, and our Inspector General (IG), June Brown. One came from the academy, with no government experience, and the other was the most experienced IG in government....and the best.

Quality appointments are integral to an ethical institution--because you can’t make the right decision if you don’t have the necessary competence.
To paraphrase Secretary Richardson, you can’t keep a discussion focused on the merits unless you have a grasp of the relevant facts, a clear understanding of the competing arguments, and a fair assessment of the interests at stake.

But the HHS team also brought something else. They brought passion and purpose and principle. They didn’t just want to do well--they wanted to do good.

They were also good individuals and exceptional collective decision makers.

That’s my third lesson: The game is often won in the huddle. To put it another way, you need to foster interdisciplinary discussion.

Different disciplines--such as lawyers, legislators, and public affairs staff--see “ethics and integrity,” from different perspectives, often in different ways, so you must encourage people to work in interdisciplinary groups.

Moreover, people working in groups are less likely to cut corners than people working in the darkness of isolation or the narrowness of a particular office.
At HHS, we strongly promoted interdisciplinary dialog and discussion.

We encouraged teamwork by having top appointees participate in each other's budget hearings where they all had to hear each other's cases for increases. They then prepared a budget for the entire Department--over time they argued each other's cases.

We also created social events where the political staff could get to know and exchange ideas with the career staff.

The importance of the career staff brings me to my fourth lesson: Bureaucrat is not a four-letter word.

It's been said that any society that respects its philosophers more than its plumbers won't have philosophies--or pipes--that hold water.

Similarly, in trying to run an ethical organization, we would be foolish to overlook the opinions and abilities of the career public service.
Beryl Radin in *The Accountable Juggler*, a wonderful examination of HHS, writes that:

"Bureaucrat is a pejorative word for some. For me, it describes a group of people who are committed to making the federal government an instrument of caring and respect for all..."

I couldn’t agree more.

Our first day at HHS started with many of the top jobs in the Department unfilled.

So what did we do? We ran the department with the top civil servants--the people who were responsible for most of the day-to-day leadership.

Because we wanted to send a strong message to the civil servants--that their input and ideas...their participation and principles--were invaluable, we also made sure that our very first appointment was from the Senior Executive Service to control the paper and the policy making process-the Executive Secretariat.

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Hugh Heclo in his book, *A Government of Strangers*,\(^6\) writes that “If democratic government did not require bureaucratic and political leaders to need each other, it might not matter so much when in practice they discover they do not.”

I disagree. An ethical public sector organization needs both institutional and political guidance.

The experience and institutional memories of civil servants are vital. This is especially true today, when political staffs are doing more work with less help and in less time.

Because of their experience and expertise, career officials can often see issues from different—and sometimes overlooked—perspectives. They can raise questions, concerns, and potential ethical problems that appointees may not have considered.

And that brings me to the fifth lesson: You have to be willing to not just hear the bad news—but to listen to it.

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Once, at a White House ball, Teddy Roosevelt grew weary of greeting people who answered him with mindless pleasantries.

Not being able to take anymore, he began to greet his guests with a smile, saying, "I murdered my grandmother today."

Most people, so nervous about being in the White House with the President, didn't really listen to what he said.

But one diplomat did. He nodded his head and slowly replied, "Well, Mr. President, I'm sure she had it coming."

Unlike Roosevelt's guests, a leader must be willing to listen to the bad news.

Just as important, people can't be afraid to raise the bad news.
As Tim Fort, Associate Professor of Business Ethics at the University of Michigan, notes in his article "The Best Ethical Choices Come When Long Term Impact Rules,"

"You can rely on people's honesty, but you ultimately need a culture that supports those behaviors, and that doesn't punish people for taking an action you want them to take."

Structures or systems need to be in place to make employees feel comfortable expressing their views...raising difficult issues...questioning authority...or pushing back when necessary.

At HHS, that structure was provided by the Deputy Secretary and Chief of Staff.

Because they explicitly knew that I counted on them to bring me the bad news, to ensure that I was aware of the views of staff, or to bring problems to my attention, they never failed me. Because the staff understood that this was

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the role of the Deputy Secretary and Chief of Staff, appointees and civil servants didn’t hesitate to speak to them candidly.

In public affairs, the Assistant Secretary always encouraged the public affairs staff in the various operating departments and divisions to tell her directly if bad news was coming in the press—or if a mistake had been made.

This also means you must be willing to confront the President on issues and personal behavior. Of course, if a mistake had been made, that brings me to my sixth lesson: Stop shoveling.

The great Texas journalist, Molly Ivins, has written that, “The first rule of holes is simple: When you’re in one, stop digging.” In other words, put the shovel down—don’t dig deeper. If we made a mistake at HHS, we admitted it. And if a senior appointee was accused of misconduct, we personally investigated the matter. We also made sure people understood that if they committed an error or a mistake—unless it was an ethical or legal issue—the Department would rally around them. Staff knew that we wouldn’t simply turn them in—that I would defend them even to the White House. I wanted to focus on the problem—not the person.
After all, you can’t expect someone to readily admit a mistake if they’re afraid of being abandoned or punished. Of course, no one will be able to admit a mistake unless the leader cultivates an atmosphere of transparency.

As my seventh rule states: You can’t cultivate honesty and integrity in the dark. It’s no coincidence that in *Waiting for the Barbarians*, a novel by Nobel Prize winner J. M. Coetzee, the unethical, amoral Colonel Joll is symbolized by his opaque glasses that keep out the light.

In any ethical organization, programs and policies cannot be undertaken in secrecy, in the dark, undercover, or behind closed doors.

As Richardson notes, it is transparency that strengthens the hand of people who want to do things right.

At HHS, we made sure there was a civil servant note taker in every meeting where policy was being discussed. We also had very large decision-making meetings often including the interns.

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We ensured that we always published the preliminary regulations before acting on them, and that we promptly responded to requests made under the Freedom of Information Act. We responded to questions.

Of course, cultivating honesty and integrity requires more than transparency. As my eighth lesson says: You can’t subordinate policy to politics. In last year’s Richardson Lecture, Alice Rivlin remarked that “Successful leaders...must be willing to take risks.” That’s especially true, when, in the words of the great British comedy, “Yes, Minister,” the political will meets the administrative won’t. To lead with integrity, you need to have the courage of your convictions. Our senior team always refused to play with the science or the facts to suit the political climate. We let the scientists do the science. Even on needle exchange, we refused to succumb to political pressure.

We commissioned the nation’s leading scientists and public health officials--people like the Surgeon General, and the heads of NIH, CDC, and the national Institute on Drug Abuse--to review all available evidence on needle exchange programs. When they concluded--the science showed--that programs that provided clean needles to drug addicts in the context of a well designed

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public health program reduced the risk of HIV infection and didn’t lead to increased drug abuse, we insisted on publishing the facts—despite the political firestorm we knew it would ignite.

Similarly, we also said “no” to the White House if they wanted to overblow a scientific finding. And we never interfered with the CDC’s “Morbidity and Mortality Weekly Report,” which contained data on infectious and chronic disease, environmental hazards, and other public health topics. Even if the Report contained information that may not have reflected favorably on the Administration’s efforts, we didn’t interfere. In every case, we knew that we had to support—not distort or abort—the science.

But if you want the facts to speak for themselves, then you must be willing to look at issues from every perspective. That’s my ninth lesson: You have to look at issues through a prism. Just as images constantly change as you turn a prism—issues constantly change as the data or the circumstances or the political environment changes. That’s why we have to look at an issue from every perspective, side, and viewpoint. At HHS, the Executive Secretariat provided the prism because it managed the enormous paper flow. The
Executive Secretariat prepared a briefing book on every issue and policy. The Executive Secretariat's staff ensured that ideas were considered from every viewpoint, throughout the Department, and with everyone's input. We called them our "honest broker," because they made sure that nothing was overlooked that could have gotten us into trouble or weaken the quality or support for our decisions. Leave no one out of the discussion or the policy paper was our firm rule.

But my tenth lesson says: It's your friends, not your enemies, who will often get you into trouble. Harry Truman liked to say that if you wanted a friend in Washington--get a dog. That may not be bad advice because, all too often, it's favors--not malicious behavior--that will get you into trouble. All too often, it's easy to let a relationship influence your actions. And all too often, it's easy to act out of favoritism--or to be perceived as doing so. The first advice I gave the new team was simple: "It is always someone you know who will get you into trouble. It is a phone call from an old friend or a meeting un-chaperoned." That's why I never met with anyone from outside the Department alone. I always had a witness--often a civil servant. I valued the support and oversight those witnesses provided.
And that brings me to lesson eleven: Ethical employers care about their employees. I’m reminded of a story involving the great Casey Stengal. When a reporter asked Stengal about winning the 1958 World Series, he simply replied, “Well, I couldn’t have done it without my players.” Similarly, no manager can do it alone. We certainly need systems in place for obtaining timely information and measuring results—for ensuring responsibility and accountability—and we had those at HHS. But you also need to show confidence in the people who work for you. People who feel like they’re part of a team—that their work and ideas are valued and appreciated—are less likely to engage in questionable behavior—and much more likely to do the right thing and help you chart a common course in your common cause.

They’re more likely to ask the right questions…to find out all the necessary facts…and to admit mistakes—and to not cut corners. Reward them, respect them, and recognize them.

People in large organizations behave in much the way they do outside of the office. They are motivated by consideration and compassion. So showing
the people who work for you that you not only have confidence in them--but really care about them--is a small investment that can pay big dividends. We had a unique opportunity at HHS to do this during the government shutdown. During the shutdown, pay checks were supposed to be half the normal amount. We have only half our money. We found a legal way to not cut pay drastically. We delayed taking out the deductions in our employees’ paychecks until after Christmas.

So the checks were close to the normal amounts--and our employees certainly appreciated our concern. Sometimes the simplest of acts send the most powerful messages. Employees need to know you’re behind them. Of course, they also need to know that you’re in front leading the way.

And that brings me to my final lesson.

Number twelve: If you don’t tell people where you’re going, you might end up somewhere else. In other words, you must have a vision, and you must share that vision. The theory of scientific management is certainly wrong. When running an organization, you just can’t just pull the right levers, in the
right way, and get the right result. And even if you employ all of my other eleven lessons, you still need a vision.

You need a vision of what you want to accomplish and leave behind....a vision of the difference you can make...and a vision of not how good your organization is--but how good it can be. More than anything else, this will help motivate and engage those who work for and with you--and help inspire them to do what is right. Of course, you must also communicate this vision.

Secretary Richardson told the story of a chief nurse whose municipal hospital had shockingly high rates of surgical infection. When a new administrator took over, he knew that he wanted to make his hospital one of the best. So he brought in an expert on infection who toured the surgical suites and gave precise instructions on what needed to be done. The expert also said that he would return to check on progress. Over the next few weeks, the chief nurse quizzed the administrator virtually every day about when the expert was due to visit again.
Finally exasperated, the administrator asked the nurse why she was so anxious. "Well," she replied, "I'm getting damn tired of keeping the operating rooms so clean." That nurse certainly didn't share the administrator's vision.

Leaders must make sure that they visit every division and area of their agencies. Many employees said they were actually shocked to see me, because no Secretary had ever taken the time and trouble to come to them. But for me, these visits were invaluable—not just to get to know each other...or to boost morale—but because during each visit we made sure that we communicated my overriding vision for the Department:

My vision was simple: every person at HHS had a single obligation—To always serve the public interest ethically. That same idea actually lies at the core and the crux of each of my twelve lessons. That same idea lies at the core and the crux of service at every level of public administration. And that same idea lies at the core and the crux of good government. It is our ultimate charge...our ultimate challenge...our ultimate commitment.
If we meet this charge and challenge, if we follow my twelve lessons, and if we never forget that a large public sector organization can be both effective and ethical, then the seeds of honesty and integrity will be planted in very fertile soil indeed. They are also the lessons for our students whether they teach, research, or practice.

Ensuring that honesty and integrity are the driving forces of our public sector institutions will never be easy--but it will always be right. It will never be simple--but it will always be satisfying. And it will never be effortless--but it will always be rewarding.

It's also a promise--a promise worthy of the life and legacy of Eliot Richardson.