5.4 Institution and Human Capital Building in the Context of GPA Accession: Reflections

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It’s All About People

• Rules (and prohibitions) Do Not Ensure Successful Contracts
• Contracts are *relationships*, and relationships are difficult to manage
  – Contracts, like relationships, depend upon trust
  – Establishing and maintaining trust is difficult
• Humans are imperfect and flawed
  – People often behave badly
  – Procurement does not change human nature
• Culture is Harder to Change Than Rules: *Change Management* is Difficult
• Procurement is a Team Sport - The Team is Large and Diverse
• You Don’t Have to Do It Alone: *Take Advantage of Capacity Building Initiatives and Lessons Learned*
The *Professionalization* Quandary

- High education standards
- Limited job satisfaction
  - Poor pay, no incentives — *poor comparison to comparable private sector jobs*
  - Low status — no “respect”
  - Popular target of *workforce reductions*
  - *Operators versus “support personnel”*
  - Boring, Unsatisfying work?
    - “Shoppers,” not trusted business advisors
    - Relentless paperwork (transparency, oversight)
    - High risk of criticism, public ridicule
Human Capital Topics/Challenges

• Setting standards (education, experience, training)
  – Potential unintended consequences
• Numbers – recruiting, **retaining** enough people
• Training:
  – Broadening definition of stakeholders – who to train
  – Paying for the training
  – Types of training and professional development
  – Basic *knowledge versus Skills* & experiential learning
• Certification
• Empowering the acquisition workforce
  – Avoiding risk aversion
  – Incentives and Disincentives
    • Paying enough
    • Rewarding good behavior (& punishing the bad)
• Instilling confidence: insulating/protecting professionals institutionally from improper pressure
Recruiting and Qualification

• **Common (but sub-optimal) background(s)**
  • Graduates of university-based public policy, public administration programs
    • Also, ... Law and Accounting degrees
  • Familiarity with governance, bureaucracy, and oversight
  • **Lacking in business and economics training; underexposed to private sector**
  • Classic trap: Non-specialized (marginal) public administrators

• Uniquely **valuable** – **private sector business experience**, married with public administration training/experience
  • **A Related Tip/suggestion:**
    • **Industry Exchange Programs**
      • Experiential Learning
      • Understanding Your Customer
      • Speaking the Same Language
Procurement Training: Key Issues

• Deciding whom to train
  • Counting heads: census/data
  • Who should be trained within the acquisition workforce?
  • Who is outside that workforce, but should also be trained?

• How to pay for training?

• What subjects to teach?

• How to train?

• How to measure progress? (How to assess learning outcomes...)
Empowering the Workforce – *manage the fear*

- Risk aversion – common in public procurement – all governments
  - No one likes criticism
  - Best defense – I followed the rules
  - Following the rules – process (not an outcome)
- Training – KNOW what is permissible
- Connection with end user/customer/outcome
  - Seeing the results
  - Identification with program (not the process)
  - Inclusion at the program/policy level
    - Attend – sit at the table – at the key meetings
- Opportunities to do exciting things
  - **Recognition** – case studies – share experiences – good and bad
    - *Create case studies*
      - Let them discuss lesson learned
- Protect them – when they make mistakes
  - Management and leadership
  - “Political cover” – have senior officials take – or share - responsibility
Recognition (Awards, Prizes): Cost Effective (Inexpensive) Incentives

**Identify, recognize, celebrate:**

- **Successful actions:**
  - Innovative Strategies
  - Solicitations
  - Collaborations (teams)
  - Outcomes (results), Customer Service
  - Interaction with (respect for) private sector

- **Others achievements/disciplines**
  - Collaborations
  - Mentoring
  - Professional Development
    - Rising stars (young professionals)
    - Career achievement (legacy awards)
  - Research (published studies, papers, books)
Take Advantage of *International Capacity Building Resources*

- World Trade Organization (WTO) - [https://www.wto.org/english/tratop_e/devel_e/build_tr_capa_e.htm](https://www.wto.org/english/tratop_e/devel_e/build_tr_capa_e.htm)
- World Bank
- Organization for Economic Cooperation and Development (OECD)
- United States Trade and Development Agency – Global Procurement Initiative
  - [https://www.ustda.gov/program/global-procurement-initiative-0](https://www.ustda.gov/program/global-procurement-initiative-0) -- (and check out the GW Law Team in the video!)
- Royal Society-DFID Africa Capacity Building Initiative (historical example)
Stimulate, Embrace Change

• Experiment
  • try things
  • run pilots

• Anticipate, Learn from Mistakes
  • Grow, Evolve
  • Strive for Excellence

• Celebrate Incremental Improvement!
Conclusion
(and supplemental slides)

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One Approach: The BODY OF KNOWLEDGE (or “core competencies”)

- Define universe
- Monumental Undertaking, Involves Stakeholder Engagement
- Requires Constant Review and Evolution

Example: National Contract Management Association (NCMA, US):

- 5 knowledge areas
  - pre-award competencies
  - acquisition planning and strategy competencies
  - post-award competencies
  - specialized knowledge area competencies
  - business competencies.
- Knowledge areas are broken down further
- CIPS - Chartered Institute of Procurement & Supply (Similar)
Limits to the Body of Knowledge Approach

Rules Training/Mastery is Insufficient
- Experiential Learning and Professional Development are Key
- Non-Procurement *Professional Skills and Development*
- Unlimited Options, including “soft skills”
  - Critical Reading
  - Professional, persuasive writing
  - Interpersonal skills, team building, management
  - Negotiation, dispute resolution
  - Professional Development, executive coaching
  - Stress, Time Management
  - Legal awareness, risk aversion
Whom To Train? *(Acquisition Team?)*

- Government officials:
  - Acquisition, procurement personnel – not just *Contracting personnel/specialists (CO, COR)*
    - Support personnel
      - Auditors, quality assurance personnel
      - Requirements generators
  - Other government personnel
    - Program staff, Agency/Ministry leaders
    - *ENGINEERS – systems engineers!*
    - Attorneys, ... Legislative, regulatory staff, others

- Non-government personnel
  - Contractor personnel, especially in small businesses
  - Civil Society
What Subjects To Teach?

- Contracting rules
- Procurement policy (*WHY? GOALS*)
- Business, Accounting (and *Economics*) – LCC, TOC...
- Management
- Agency/Department *mission* (including technologies)
- Specialty Markets (Information Technology (IT), Pharmaceuticals, etc.)
- *Communication* (writing, speaking)
  - *WORDS/CLARITY MATTER(S)*
- Negotiation, Law (and litigation support)
- Leadership, Professional Development
**Prioritize:**
Personnel and Training Resources

- **Focus on Large and Complex Procurements**
  - Small number of important, high value transactions
  - Massive number of lower-value ... often commercial ... consumer-type transactions

- **Mentoring, On-the-job (OJT) training, Train-the-trainer, etc.**

- **Anecdote:** Central and Sub Central Governments
  - Trade-offs are critical, realistic, necessary
Paying For, Investing In, Training

• Major challenge in every state
• When budgets are tight, training budgets get cut
• Recent U.S. approach:
  • By law, a percentage of contract spending goes into a training fund
  • This has been a major achievement (and it works reasonably well)
How To Train?

• Classroom modes:
  • Face-to-face lectures
  • Interactive classes
  • Online training – distance education
  • Skills training – simulations, exercises, problem-solving

• Text learning/reading
  • Books, Periodicals, Policy Guidance, Circulars

• On-the-job training
  • Mentoring
  • People “look up and around”

• Rotational assignments (including private sector)

• Unlimited options
  • Larger-scale investment: intern and (multi-year) professional development programs
Certification – component of many professions

• Classic certification requirements
  • Formal application
  • Specific training
    • Typically includes degree (or graduate degree)
  • Years of experience
  • Examination (single or multiple)
  • Periodic re-certification – typically based on continuing education

• Two models *(links in supplemental slides)*
  • Government (in the US)
    • DAWIA Level 3
    • FAC-C (civilian equivalent)
  • Private Sector
    • NCMA (US)
    • CIPS (European model)
Certification – component of many professions

• Benefits
  • Hiring – career mobility
  • Clarity – career track, professional development
  • Incentive to seek professional development – may lead to promotions

• Downsides/Risks
  • Formalistic pursuit of a (mandatory or helpful) credential
  • Expensive and Time Consuming – Requires dedicated staff to manage
  • Standards rarely keep up with evolving challenges, procedures
Collecting Accurate & Current Information on the Workforce

• Recruiting, tracking vacancies, anticipating needs
• Identify members of the acquisition workforce
• Basic training for entry-level personnel
• Career development, rotation, relocation
• Track individuals’ training needs and certification levels
• Updates & continuous learning
METRICS: Measuring Training Progress

A major challenge in every system

- Strategic plans – either government-wide or agency/ministry-focused – are critical

- Formal credentials (such as certifications) can help
  - Options: public or private sector certification

- Organizations perform in response to the measurement (thus, correlate measurement to goal)
  - Number of course attendees
  - Money spent on (or days consumed in) training
  - Number of certifications
  - Student (or supervisor) satisfaction
  - Learning outcomes – very difficult to measure
Graduate Degree Programs
(An Incomplete List, Examples Only)

• George Washington University (Washington, DC)
  • Social Science Research Network (SSRN)
  • JEL (Journal of Economic Literature) Code H57 – 700+ Articles/Papers -
  • Public Procurement, Government Contracts & Outsourcing eJournal

• University of Nottingham (United Kingdom)
  • Bibliography:
    https://www.nottingham.ac.uk/pprg/projects/bibliographies.aspx

• University Tor Vegata (Rome/Frascati, Italy) - International Master in Public Procurement Management (IMPPM) -
  http://masterprocurement.eu/

• King’s College London (United Kingdom – Distance Education)
• Stellenbosch University (South Africa)