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A couple of stray thoughts to ponder.

A couple of loose ends to pull a little tighter.

Presented for your consideration.

First and foremost: *Leadership matters.* Leadership done right provides direction, the overarching course for the ship to navigate. Leadership done wrong either leads the ship into rocks and shoals, or else requires the rest of the management team to live in perpetual crisis mode, fighting fire after fire, desperately trying to keep the ship from foundering. We talk about "tone at the top" but what we mean is leadership.

We've addressed this axiom before. In **one article** we opined that leadership needed to be held accountable when, by action or inaction, its negligence permitted corruption to flourish in the organization. We wrote –

We assert it is management's duty and obligation to establish an effective set of internal controls designed to detect and prevent employee corruption. We assert is it the responsibility of the leadership team to exercise diligence in ensuring an appropriate segregation of duties. We assert the executives are responsible for investigating allegations of wrong-doing and for ensuring that documents they sign (such as SOX 302 Certifications) are accurate in all respects.

We assert that when the executive leadership team fails to invest in an effective internal control system, they are negligent and should be held accountable for that negligence. We assert that when the senior leaders of an organization delegate their oversight responsibilities to subordinates, they are negligent. We assert that that when upper management rubber-stamps documents and certifications, or when they white-wash allegations of internal corruption, or when they hire the lowest-price external auditor and refuse to permit that auditor an adequate budget to conduct a rigorous audit, then they should be held accountable for those poor decisions.

We are saying, basically, that not only does 'tone at the top' matter – but that the top must be held accountable for their actions (or inactions) in addition to the tone they set. Not only the words, but the actions. An organization that does not hold its leadership accountable is living on borrowed time.

The second thought here is that workforce management – what some term "human capital management" – is also a critical executive leadership function. It's a well-known fact that Baby Boomers are retiring. Thousands of senior managers retire each day. That means that each day millions of work-years of knowledge and experience is being lost. This was a predictable fact and it was predicted by many. Leadership has had years (if not decades) to prepare. In most cases, *they've done nothing*.

We noted a while ago that a recent NDIA white paper on improving the defense acquisition environment asserted that more than 40% of DCAA auditors have 5 years (or less) experience. While DCAA has been busy over the past 5 years creating new FAOs (and thus promoting Senior Auditors into Branch Manager positions) it has also lost hundreds of Senior Auditors and Branch Managers (and RAMs) to retirement. It has been too slow to replace the lost expertise and experience, and it is an open question regarding how well the newer auditors have been trained and mentored. The extent to which DCAA audit quality has suffered from a lack of experienced auditors is unclear, but we suspect the workforce demographics have been a contributing factor.

DCMA has similarly been challenged with a loss of critical skillsets, stemming from "reductions in force" in the 1990's as well as Baby Boomer retirements. We know that the Agency has been focused on rehiring and rebuilding. Recent reports suggest that DCMA is still not fully prepared to meet the increased workload that has been shifted from DCAA. Similarly, a recent NASA OIG report rings the same warning bell with respect to NASA Contracting Officers.

In a larger sense, the Executive Branch has had a difficult time figuring out how to train and develop its acquisition workforce. We **wrote about** a GAO report taking to task 23 Federal agencies (all civilian; DoD was not included) for lacking the ability to manage the training and development of their acquisition workforces. We quoted GAO as stating –

Given the large acquisition investments the federal government makes each year, it is essential that the people in agencies who manage these procurements day-to-day—the acquisition workforce—be well-trained to handle their responsibilities. Fundamentally, agencies need key information to manage and oversee their acquisition workforce training investments. For example, agencies need to identify their acquisition workforce members, and measure how the training benefits the agencies by providing the workforce with the knowledge and skills to do their jobs effectively.

More recently, we **noted** that three new leaders have an opportunity to address workforce development and training issues. These new leaders, at the helms of the OFPP, DCMA, and DCMA, can each (and collectively) have a huge influence on the acquisition workforce. We assert it is perhaps their most important challenge.

And we further assert that each and every leader is responsible for seeing that employees receive appropriate training, both for short-term needs as well as for long-term employee development. Some companies focus on “succession planning” without having a similar focus on employee development. In our view, that’s missing the boat. Succession planning is dramatically easier when you have a large pool of potential candidates, each one trained and ready for promotion. Conversely, when you fail to develop your employees, your candidate pool is very small (or non-existent), and finding the right successor becomes a tough challenge.

On LinkedIn there is a meme that is posted from time to time. It goes like this:

CFO: Training our employees is expensive. What happens if we train them and they leave?

CEO: What happens if we don’t train them, and they stay?

Leaders who fail to ensure adequate employee training and development are negligent in their responsibility to the organization as well as to their employees.

Final thought: *Leaders need to be trained too*. And leaders need to let the employees implement what they've been taught.

Here's a scenario:

Imagine you are a young acquisition professional who's just returned from a week of training. You've been told about FAR requirements and Agency procedures. A light bulb just turned on! You get it now, and you are ready to do things the right way, in accordance with statute, regulation, policy, and procedure.

And then your supervisor or manager tells you to "*forget all that stuff. That's not how we do it here.*"

Imagine the impact on your morale. Imagine how you are going to react the next time you get training. Imagine how that lack of support – and active sabotaging of the proper process steps – will have on the organization's ability to carry out its mission.

Imagine how that managerial attitude impacts the ability to innovate, to be flexible and agile.

It seems that everybody is talking about innovation these days. The USD (AT&L) **wants** to foster innovation in order to maintain the USA's battlespace superiority. The OFPP is **looking to** "strengthen" acquisition practices in order to "improve efficiency, reduce red-tape, and provide greater benefit for taxpayer dollars." Everybody (seemingly) is concerned and wants to take action to address an acquisition process that has **been described** by an official DoD study group as being "too bureaucratic to meet the needs of the warfighter."

But you cannot innovate when the existing mid-management regime refuses to support innovation, or when it activity sabotages such efforts. It won't matter how much the leadership team talks about innovation when the next rank down is fighting to maintain the status quo.

The most fundamental attribute of disruptive innovation is that it is *disruptive*. It upsets the status quo. Those who have invested in existing processes and procedures are threatened by such disruption, and they will protect themselves by fighting any changes. Change creates friction, and the existing management team is often the source of that friction. Typically the mid-managers are very effective at undermining any attempts to change. That's just human nature.

We were reminded of the inherent tension between managers (who may seek to protect the status quo) and lower-level employees, who may be more open to change because they have less invested in the status quo, when reading a recent discussion over at **WIFCON** . The topic was the recent OFPP call for innovation in Federal acquisition processes. Most posters thought it was a great idea, but doubted that it could be achieved.

Vern Edwards posted:

The only hope for the future lies in the possibility of the emergence of a class of working level acquisition thinkers and writers -- people who will generate, publish, assess, and publicly debate ideas at a high level of thought, expression, and discourse, and who will ruthlessly shame the policy makers by publicly calling them out for their half-baked reform initiatives. I'm talking about people who will be smart enough to see through junk like performance-based contracting and tiresome refreshes like 'Better Buying Power.' People who will be beyond asking, for the umpteenth time, whether you can exercise an option on a task order after the underlying contract has expired.

In other WIFCON discussion thread the quality of management reviews and support was on trial. One commenter posted –

… what good does it do an agency to provide the best training available to junior procurement personnel when they work for a GS-14 with the knowledge level (s)he obtained as a GS-7 20 years ago? I have spoken to groups of such junior personnel concerning their training and the biggest complaint they have is that when they return from training they are told to forget all that classroom theory stuff they have just learned because it is not the way things are done in the real world so now go review a contractors BAFO and prepare a D&F justifying a sole source award to X.

Another commenter posted –

I came in under FCIP and had to go through annual rotations (4 managers in 5 years). Only one manager actually had the patience to train me in anything related to acquisitions.. I'm sure all my managers had the knowledge and experience, but they considered training to be a chore. On a related note, we have far too many people in managerial positions who have absolutely no business managing people. If you want to be a GS 14 or 15 and manage people, you better be all in.

Yet another commenter agreed, and posted –

You can throw as many people and great training into the workforce, but if you can't eliminated the dead weight at the top of the flagpole, then what is the point?

I came into the 1102 world via an intern program- rotated throughout DoD and Civilian agencies. I took tons of training …. The problem that I faced was the resistance/lack of training from the dead weight at the top of the flag pole when I tried to bring my training back and implement it into what I was doing. While at DoD I had a supervisor, whom worked DoD all 20+ years of their 1102 career, tell me that we don't need to follow the DFARs, or place any DFARs clauses into our DoD contracts. ... Now what do you think happened to all that training for someone fresh to the 1102 career field with a supervisor like that? I will say that I put up a good fight on that particular issue, but at the end of the day, he was my supervisor and he was signing the contracts. The sad thing, there were 4 other interns he supervised.

While still being relatively an infant in this career, even though I'm now a KO, this is something that I face every day. The ‘dead weight’ is what is killing this career field and any training improvements thrown at it. Of all the DAU/MCI/FAI etc acquisition classes I have taken, several times the folks that were the most out of touch with the what was being taught was the 14s/15s KOs and 1102 Supervisors. In the private industry, these people would be fired on the spot.

The title of this article is “The Value of the Managerial Review.” We believe the managerial review is indeed a very powerful force in an organization. When used to support recent training and innovative approaches to the work, it can be a positive force for change. The managers can facilitate and support the leadership’s workforce development direction. Leadership sets the course, but managers keep the engines running.

But when the leaders or the managers don’t have sufficient training themselves, then the course that is being set is itself suspect. The leadership team may not actually know where to go or how to get there. That’s going to be a big problem.

And if the leadership sets the direction but the managers undercut or sabotage attempts to get there, then that’s a problem too.

An important facet of leadership is to focus on workforce development. Another important facet is to ensure that the next rank down is executing that focus. But at the end of the day, it is from the training and developing the lower tiers that true innovation, and long-term organizational growth, will come.

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What you do with them is up to you.