

*INTAL/IDB ON-LINE TRAINING WORKSHOP ON GOVERNMENT  
PROCUREMENT AND TRADE FOR  
BRAZIL SUB-NATIONAL GOVERNMENTS*

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

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**LAW**

# 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)
- European Bank for Reconstruction and Development (EBRD) - <http://www.ebrd.com/work-with-us/procurement/capacity-building-assessment.html>
- United States Trade and Development Agency – Global Procurement Initiative
  - <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
  - New – ANSI Certification - <https://www.ncmahq.org/standards-certification/ansi-accreditation>
- *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 - [https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?code=H57](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?code=H57)
  - *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)