

Defense Acquisition Human Capital Challenges and Opportunities

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About 25 years ago, I spent 11 months in trial on a case involving the procurement of the High Mobility Multipurpose Wheeled Vehicle, or HMMWV. The dispute in our case centered around the design of the armored version of the HMMWV.

At that time, nobody was thinking about improvised explosive devices. To the extent anybody thought about the threat of mines or rocket-propelled grenades, they probably thought, “No way could we produce a vehicle armored against those threats within the weight bogey and the other specifications we’re required to meet. That would be another vehicle altogether.”

Although the Jeep had been in use for 40 years before it was replaced, I don’t think the designers of the HMMWV believed their vehicle would be used for 40 years. Yet here we are, almost 30 years later, still using HMMWVs.

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The Most Valuable Asset

What has that story got to do with human capital? My intense experience learning about the original HMMWV armor design and engineering actually taught me about the extraordinary importance of people in the national defense.

Working on the case, I needed to formulate what lawyers call “the theory of the case,” or what others might just call “the big picture.” When I asked myself some basic questions to understand what was really going on, the narrative always led back to the human element.

First, why put armor on a vehicle at all? After all, it would be a lot easier and cheaper to leave the armor off. But vehicles—just like airplanes, ships, and submarines—have people inside them. We have to care about their safety and protection. Second, why put people in vehicles? Because it really is true that “In the

21st Century, our most sophisticated weapons system is the human brain, and our most valuable asset is our people,” as noted in the 2007 Department of the Navy human capital strategy. Artificial intelligence and unmanned vehicles are getting to be pretty good, but there is still no substitute for the human operator.

That is even truer today than in the past. Today’s conflicts demand tactical competence as well as tact and sensitivity on the part of our warfighters. Their job is not only to defeat the bad guys, but also to win over people and behave in such a manner that the folks back home—and across the world’s stage—will approve.

That applies to the warfighters on the front lines, but what about those of us in the acquisition workforce? One big lesson I learned from my adventures in acquisition is that it takes a village to build a truck. Warfighters are the users, but they are not the only people

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2007 Department of the Navy Human Capital Strategy

involved. Vehicles don't conceive, fund, design, manufacture, distribute, and maintain themselves. The whole supply chain is populated with people who specialize in those roles. I would venture to say that defense acquisition is one of the most complex business ecosystems in the world. Acquisition stakeholders include just about everybody in America, and many outside America as well.

Even though we tend to think of the acquisition “business” as focused on things, the real core competency of defense acquisition is, it seems to me, exercising judgment—analyzing needs, developing rules, assembling options, understanding tradeoffs, and making good choices. It is all work that may be aided by technology, but it's work that fundamentally requires people to do it.

Seeing the Whole Picture

The challenge for the acquisition workforce is a common one in the so-called human resources realm: to ensure that the institution manages its human capital like an asset and not just as overhead expense. To do this effectively, leaders and managers need to see the whole picture.

You may remember the fable of the six blind men who asked to meet an elephant because they had heard so much about the mighty beast. They were led to the place where the elephant was kept, and each one grasped a part of the beast

and thought, “This must be what an elephant is.” The blind man holding the trunk said the elephant was like a snake; the one gripping the tusk said the elephant was like a spear; the one touching the ear said the elephant was like a fan; the one feeling the body said the elephant was like a wall; the one clasping the leg said the elephant was like a tree; and the blind man clutching the tail said the elephant was like a rope. But, of course, the elephant is none of these things; it's an elephant!

In the same way, we need to grasp the whole picture of our enterprise or else we will mislead ourselves. We will fail to define the right issues and we will adopt solutions that don't fix anything and that will allow problems to persist and grow.

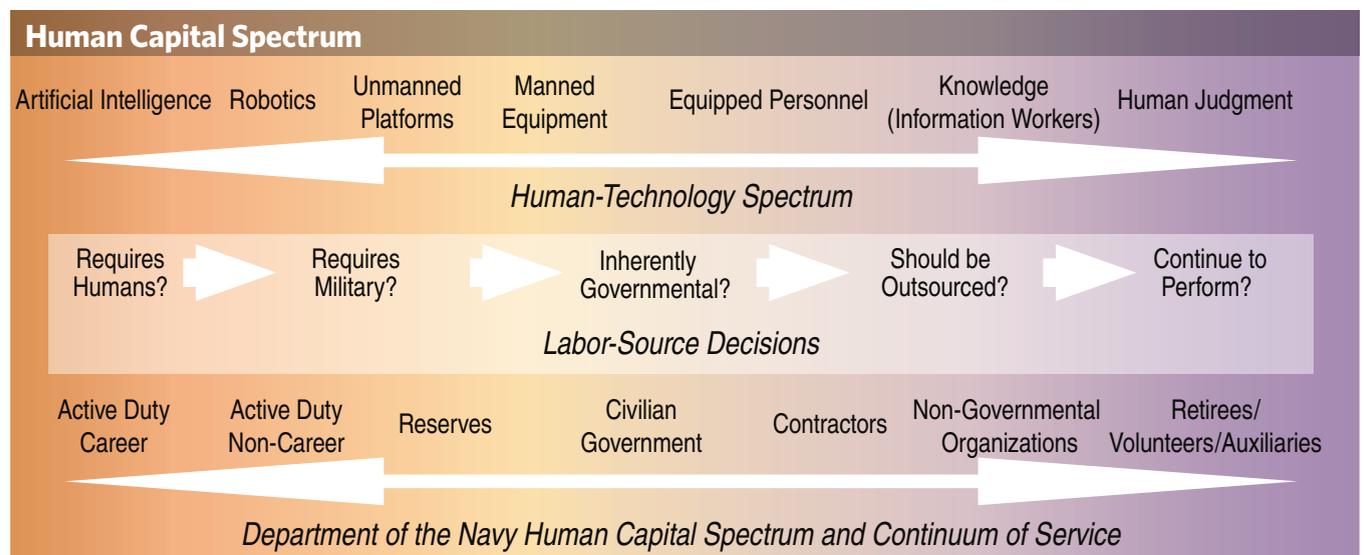
An Organic Human Capital System

Working on the Department of the Navy human capital strategy, I found a persistent theme of the silver bullet. Here and there were lone rangers who believed they had the one and only answer. They would say, “If only we can fix compensation,” or “If only we can get the IT system we need,” or “If only we can define competencies ... then that will solve everything!” In fact, we need to do all those things, and we need to do them in a coherent and coordinated manner.

During my time in the Department of the Navy, we developed a basic model for the elements of the total system of human capital management. We found that there are five basic categories of issues that always need to be considered:

What is the work? We define work in many ways: mission, capabilities, requirements, tasks, conditions, and standards. The mission is top priority, so we always start with the work.

Who are the workers? We operate with a total force of military (active, reserve, and National Guard) and civilian, including government employees, contractors, and non-governmental organizations and volunteers. Workers have various qualifications and competencies, including aptitude,



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experience, education, certifications, knowledge, skills, and abilities.

How is the workforce structured? Organizational design helps identify the right rules, roles, responsibilities, relationships, accountability, and authorities.

What processes apply? Processes help us measure and move work and workers through the system. Processes include:

- Inputs (data, information, knowledge)
- Applications (e.g., to define, measure, analyze, improve, control)
- Outputs (products, measurable effects).

Why do workers work? What motivates them and the system? Compensation is often the first thing people reach for when they want to manage a workforce, but that's like assuming the gas pedal is the key to driving a car. It's necessary, but not sufficient. And in the case of compensation, other motivators and rewards—inspirational leadership, development opportunities, a desire to serve—may be as good as or better than money for a lot of people.

An excessive focus on compensation can lead to results that are not only nonproductive, but counterproductive. Workers will accept the extra money, but they won't change their ways. Some may even feel insulted or angry that their higher motives were devalued by management. So in the Department of the Navy's case, when we wanted to see the elephant of our human capital strategy, we acknowledged that we weren't dealing with a snake or a wall or a rope, but an organic system.

For example, competencies are key, but they must relate to the work, so you have to understand what the work is. You need processes to keep track of where competencies reside in your organization, you need an organizational structure to be able to distinguish levels of competency, and you need motivational tools such as compensation and benefits to get workers to acquire the right competencies. Merely adopting a list of adjectives and declaring them competencies is

insufficient without attention to all the other elements of the system.

Guiding Principles

The other big-picture tool that was important in developing and executing the Department of the Navy's human capital strategy was providing sets of guiding principles. I mentioned earlier that there are some things we can't rely on machines to do, and exercising judgment is one of those things. As we sought to manage the elements of human capital, we found that we needed some guiding principles to aid our judgments; those principles fell into four categories:

- **Mission:** The mission defines and determines what we do. We concentrate on excelling in required capabilities and core competencies.
- **People:** People make the difference. People are our most valuable asset. We invest in, cultivate and develop people in a lifetime of service.
- **Change:** A rapidly changing world demands that we be agile, flexible, and adaptable. We pursue continuous improvement and encourage lifelong learning.
- **Value:** We cannot afford to waste time, money, or lives. We make well-informed choices in managing our total force to provide the best value for America.

For the acquisition community, the challenge is real and it's big. Recently, the secretary of defense singled out acquisition and contracting reform as one of the principal objectives of the DoD budget. He said, "Fully reforming defense acquisition also requires recognizing the challenges of today's battlefield and constantly changing adversary. This requires an acquisition system that can perform with greater urgency and agility."

As I hope I've demonstrated, the acquisition system is not a collection of stuff. It isn't run by machines; and it isn't a snake, a fan, a wall, a tree, or a rope. The system is you; the system is us. The system is people engaged in a big, important enterprise, in a coherent and coordinated manner, understanding the basic elements and exercising sound judgments in a principled manner.

The good news is, you can do it. I have the highest respect for the people in the acquisition community. You have a huge responsibility, major challenges, and many critics, but much to be proud of. I don't believe you get the credit you deserve, but I know you will continue to perform your duties, and you'll rise to any challenge, including the challenge of mastering change so that it's change for the better, not for the worse.

Note: This article is based on remarks the author gave at the 2009 Defense Acquisition University Alumni Association Acquisition Community Symposium, held April 14, 2009.

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