It's All in the Talent

What DoD Can Learn from Hollywood

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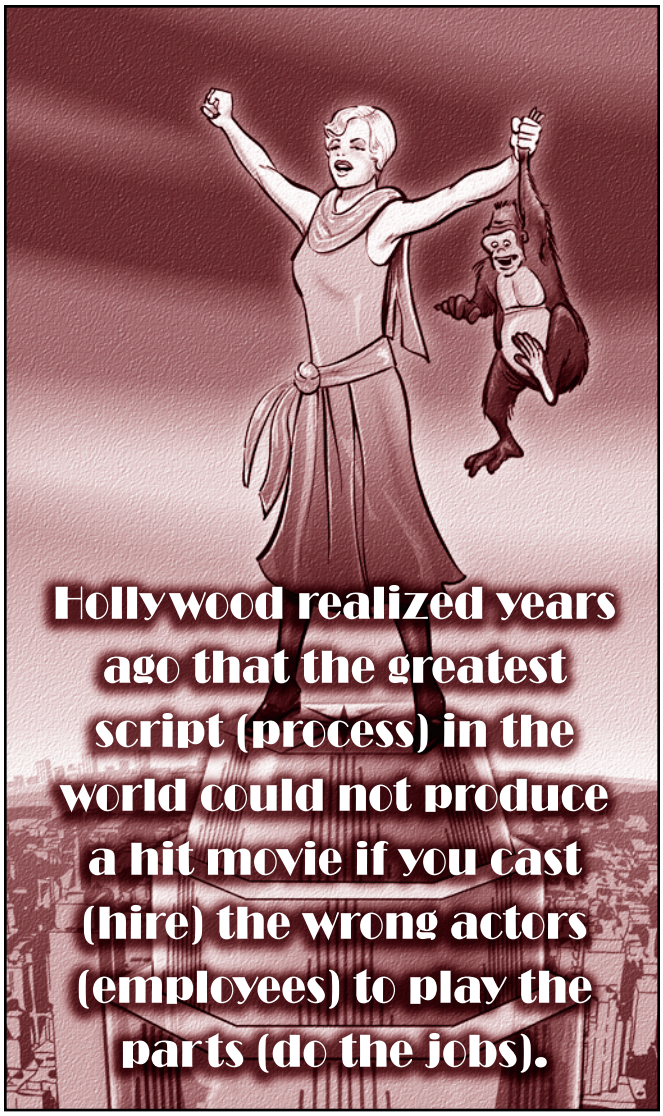
Hey kids, here's a fun Acquisition Riddle for you:

> **Question**: What do you call it when the Government Accountability Office identifies 23 DoD systems with a net cost overrun of $23 billion?
> **Answer**: A people problem!
>
> Get it? Most people would call it a "bad process," but we said "people problem." Isn't that funny? Here's another:
>
> **Question**: What do you call it when the Pentagon reports to Congress that 36 major next-generation weapon systems are over budget, some by as much as 50 percent?
> **Answer**: A people problem!

Get it? We didn't say "a bad process" that time either! This is what professional comedians call a "running gag."



It's Not the System's Fault

For all the attention spent on process reengineering, one might get the impression that bad processes are what led David Walker, the comptroller general, to tell the House Armed Services Committee, "The Department of Defense is simply not positioned to deliver high-quality products in a timely and cost-efficient fashion."

We agree wholeheartedly (albeit sadly) with Walker's assessment. We also wish to point out it is not the system's fault. People are the problem. That's right, we don't blame the bureaucracy. We blame the bureaucrats, and you can tell them we said that.

Yes, the system is bad (according to Walker); it's always been bad (according to Lawrence J. Korb, a former Pentagon assistant secretary); and it always will be bad (call it a hunch). The question, of course, is what can we do about it? Before we attempt to answer that question, it is probably a good idea to identify the root cause or causes.

Root cause analysis, particularly in the case of an ancient and convoluted problem like this one, requires an uncommonly keen mind, so naturally we turn to our favorite early 20th century British journalist, Gilbert Keith Chesterton (GKC to his fans). Writing in London's *Daily News* on Jan. 18, 1908, our Mr. Chesterton proclaimed: "By all

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Illustration by Jim Elmore.

means let us reform the system; but let us try to procure a few reformed people to reform it." The system, in his analysis, is undeniably bad, but within the system there are people who are even worse. If we seek the source of badness, GKC says, we need look no further than the human heart.

So It's (Gulp) the *People*?

At this point, some well-intentioned readers may object to the politically incorrect and potentially insensitive observation that people are the problem. Are we not all professionals with an appropriate collection of Certificates of Training and Documents of Accomplishment hanging on our walls? Are we not all patriots and "the most valuable assets" of our various organizations? Indeed, that is certainly the case. In fact, the human potential for making positive contributions is precisely what makes us so destructive when we go off course.

Failing to recognize people as the problem has several severe consequences, including minimizing responsibility and accountability. It makes it quite difficult to learn from our mistakes, which is the key to improving our outcome (note that we didn't say "improving the process"). Perhaps this preference for blaming the system rather than people is why the *New York Times* observed, on July 11, 2006, that "blame for the [DoD's] cost overruns is not easily assigned." Indeed! Obfuscating accountability seems to be one of the system's main objectives.

Blaming the system rather than the people also means we need not spend too much time improving the talent on our roster. After all, the people aren't the problem—and everyone knows the saying about what to do if it ain't broke.

The DoD's Business Management Modernization Program and various similar efforts have had little measurable effect, perhaps because of their focus on revamping the system rather than reforming the people. Similarly, some leaders in Congress, out of an admirably generous desire to help make things better, are moving to assert more control over the defense acquisition system, an endeavor that even its supporters admit is likely to have mixed results. In the same altruistic spirit of helpfulness, Norman R. Augustine, former chief executive of Lockheed Martin and a former Army under secretary, said, in the same *New York Times* article, that "what is needed most is to make it extremely difficult to start a new program," which should not be until "the need is clear, the technology is there, and there is money to do the job."

We think cutting off a person's fingers is a strange way to get him or her to do better work. It's not clear how additional controls will address the underlying problem. For that matter, we (and others) aren't sure those particular actions will even address the symptoms.

Of course, we could be wrong. Action is clearly needed—and sooner rather than later. Given the options on the table, one might reasonably wonder if, indeed, the DoD should move forward with the proposed plans to limit award fees, seek additional congressional oversight, enact new barriers, require a greater number of firm-fixed-price contracts, and implement a new raft of best practices borrowed from industrial or historical success stories. In a word—why not? There's no reason *not* to do those things, and they will certainly make some people feel good. They will probably even get lots of people promoted, and who doesn't like promotions?

We feel compelled to point out, however, that such a system-focused approach is rather simplistic and unlikely to actually improve acquisition outcomes. But we also believe that in the end, these actions probably won't make things any worse than they already are, so we might as well give them a try. The important thing is not to stop there. Recall GKC's advice: "By all means let us reform the system; but let us try to procure a few reformed people to reform it."

Scouting for Talent: The Importance of HR

Specifically, the importance of human resources needs to be greatly elevated. We need to focus on recruiting, training, and retaining people with the right attributes, skills, and attitudes to do this job well. Did you notice that we didn't say "focus on *ways* to recruit, train, and retain"? That's because the key is not to create new and better ways, but to actually *do* it—bring new and better people on board.

So let's talk about HR for a moment. Or, as we prefer to describe it, let's talk about talent. Come back to the year 1997, when Warner Bros. released their blockbuster film *The Matrix*. *Matrix* had an outstanding story to tell, and they used an incredible cast to do it. Who can forget the great acting abilities of Jean-Claude Van Damme as Neo?

"Wait a second," you say, "Jean-Claude Van Damme—he wasn't in *The Matrix*! He is a karate-chopping, low-budget actor who wouldn't have been permitted within a five-mile radius of the studio." Yes, you caught us. It was Keanu Reeves who delivered an outstanding performance as Neo. (And yes, we are going somewhere with this.)

We've been programmed by total quality management, Six Sigma, process re-engineering, and a host of MBA classes to believe that in the end, the only thing that really matters is following the process. A process completed is a successful mission, regardless of whether we accomplish the mission the process was originally created for. Don't take our word for it: Read the Six Sigma books carefully and you'll see the emphasis—that individual efforts do not matter as much as the whole and the process.

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If the process and the "hive" are what really matter, obviously the HR function deserves to be ignored. We can hire anybody into a job or position as long as the process is intact. Van Damme (see, we told you we had a point), like Reeves, is a male actor who knows karate, talks funny, and performs in action movies. A process drone has no basis on which to differentiate between the two and might reasonably conclude there would be no problem in casting Jean-Claude in *The Matrix* instead of Keanu.

Of course, the process drone would be dead wrong. What a different—and unprofitable—movie *The Matrix* would have been with the wrong cast. Lucky for the audience and for Warner's bottom line, Hollywood has learned to harvest billions of dollars by using casting directors (a.k.a. HR folks) to figure out who is best suited to maximize the earning potential of a movie. Hollywood realized years ago that the greatest script (process) in the world could not produce a hit movie if you cast (hire) the wrong actors (employees) to play the parts (do the jobs).

The DoD acquisition system is not the worst of all possible systems, so things are already better than they could be.

Hollywood movie companies pay very large sums of money to their casting directors (HR specialists) to ensure that the right person is in the right job. If the casting director fails to perform, two things happen: The movie (no matter how good the script) flops, losing millions of dollars, and the casting director is replaced.

Jim Collins' book *Good to Great* focused on how good companies became great companies. When Collins asked revolutionary CEOs how they turned their companies around, not one said the number one goal was to make great processes—the great CEOs all said the number one ingredient of a great company is great people.

In the Interests of Science

In the interest of scientifically proving our point, we conducted some rigorous independent research into the murky realms of HR. Specifically, we had Quaid call a top modeling agency in New York City, to discuss their approach to HR and talent acquisition. Q Models is responsible for some of the hippest supermodel phenoms and hottest talent in the world today (think Charlize Theron). If anybody knows the secrets of human resources,

it must be these guys. Their whole universe rests on finding the right talent.

We will now offer a small portion of that phone call, edited for clarity and brevity and to eliminate the first few moments of surprise and disbelief while the HR/talent agent got used to the fact that she was talking to an Air Force space operator.

Quaid: Does your industry value the HR folks who find the right people for the right jobs?
Q Models: We reward the good talent scouts very well, but the bad ones don't do so well, and they eventually get fired or leave.
Q: So your top HR scouts are compensated for finding the one right person for the one right job, correct?
Q-M: The best HR scouts are compensated well, but they are not looking for the one "right" model for the one "right" job. They are searching for people who can be valuable to the agency and our clients across a broad spectrum. Our employees must adapt and provide a flexible effort to a multiple and varying number of opportunities for placement.
Q: How did you get into HR for Q Models? How do you and the other agents stay at the top of your game?
Q-M: I had a few other jobs, and one day about eight years ago, I was offered the opportunity to try to assist an agent—and I learned I had a talent for finding talent and I enjoyed doing it.
Q: Do most of your peers go to school? How do you keep sharp? Is there an annual training requirement?
Q-M: In my experience, most of my peers are like me. They kind of fell into the job and if they were good at it they stuck around. There is no schooling or ongoing training. It's all from the gut. I don't think it's a job where you go to college to learn how to do it. You either can find talent or you can't.

As that interview shows, HR—finding talent—is as much an art as a science. There seems to be no prescribed right way to do it, but it's absolutely imperative to get the right results. It's a gut-level skill, not a process-driven activity.

Yes, It's the People

Finding talent is itself a talent, and an important one at that. A little nurturing of this discipline will reward good HR, with clear benefits for the organization and our customers. Government HR's emphasis on process and systems far and away eclipses any talent-based focus. Talent scouts in the government (not including the local military recruiter) generally make the same amount of compensation without regard to whom they've just hired and into what position, as long as their numbers are up and the appropriate boxes are checked.

The resulting product is the reality of our government today, so eloquently described by David Walker. PMs and HR professionals place employees by the numbers into buckets, without consideration of enthusiasm, creativity, or character. This directly correlates to the DoD's being behind schedule, over budget, with minimal accountability, and so on.

Talent agents for modeling boutiques and Hollywood casting directors know that hiring right will determine the outcome, profitability, and well-being of their companies. The companies know this as well and reward the talent agents and casting directors accordingly. Government employees are often in similar positions, making critical decisions that determine the fates of millions of dollars or even thousands of human lives. Should it not be just as critical for the government to have the right people in the right job? With as much—if not more—to lose, should the government not put as much emphasis on people as a movie company? Thus the persistent theme of our articles: "Hey people, it's all about people!"

The best designed system in the world can produce negative results in the hands of the cynical, apathetic, or self-serving. And the worst system can produce positive results when proactive, intelligent, and selfless people take the wheel. It's the job of the leaders (along with the HR talent scouts) to seek, nurture, and position the good people, while filtering out or redirecting the negative ones. The DoD acquisition system is not the worst of all possible systems, so things are already better than they could be. The system is also not the best of all possible systems, so there's lots of room for improvement—but like any system, it's not perfectible, no matter how many times it is reformed, re-engineered, or reimagined. And no amount of process re-engineering will change the fact that some of the people who make up the DoD acquisition workforce have what it takes and some ... well ... just don't—though they might well shine in another field.

By all means, let's continue to criticize the system and re-engineer the processes. It probably won't make things worse. Let's keep pushing to reform the way we do things but recognize that we can't expect those reforms to mean anything at all until we also address the people who must enact the reforms and implement the processes. Let's heed Chesterton's warning, "As long as we go on cursing the system, the system will be perfectly safe." Let's recognize the wisdom of cursing the people as well ... and then seriously focus on helping them get better.

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