

Is the Department of Defense A High-Risk Anomaly: Theory to Practice

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Research Questions

Primary Research Question:

- Is the DOD a High-Risk List (HRL) anomaly?

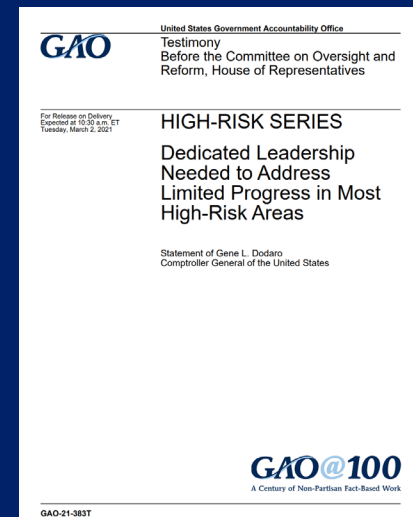
Emergent Research Questions:

- Is there a theoretical framework for understanding the HRL?
- Could the DOD ever get off the HRL?
- Should the DOD management agenda prioritize getting off the HRL?

Motivations and Research Issue

- The DOD has been on the GAO's High-Risk List since its beginning in 1990.
- As of the 2017 High-Risk Update, DOD owned half of the persistent high-risk areas that have been on the HRL since its inception.
- Two DOD removed from HRL in recent years: Supply Chain Management and Personnel Security Clearance Program.
- Non-Defense items on the HRL that do not require legislation seem to have an easier time getting off the list.

Transforming DOD Program Management:
DOD Weapon Systems Acquisition
DOD Contract Management
DOD Financial Management
DOD Business Systems Modernization
DOD Approach to Business Transformation

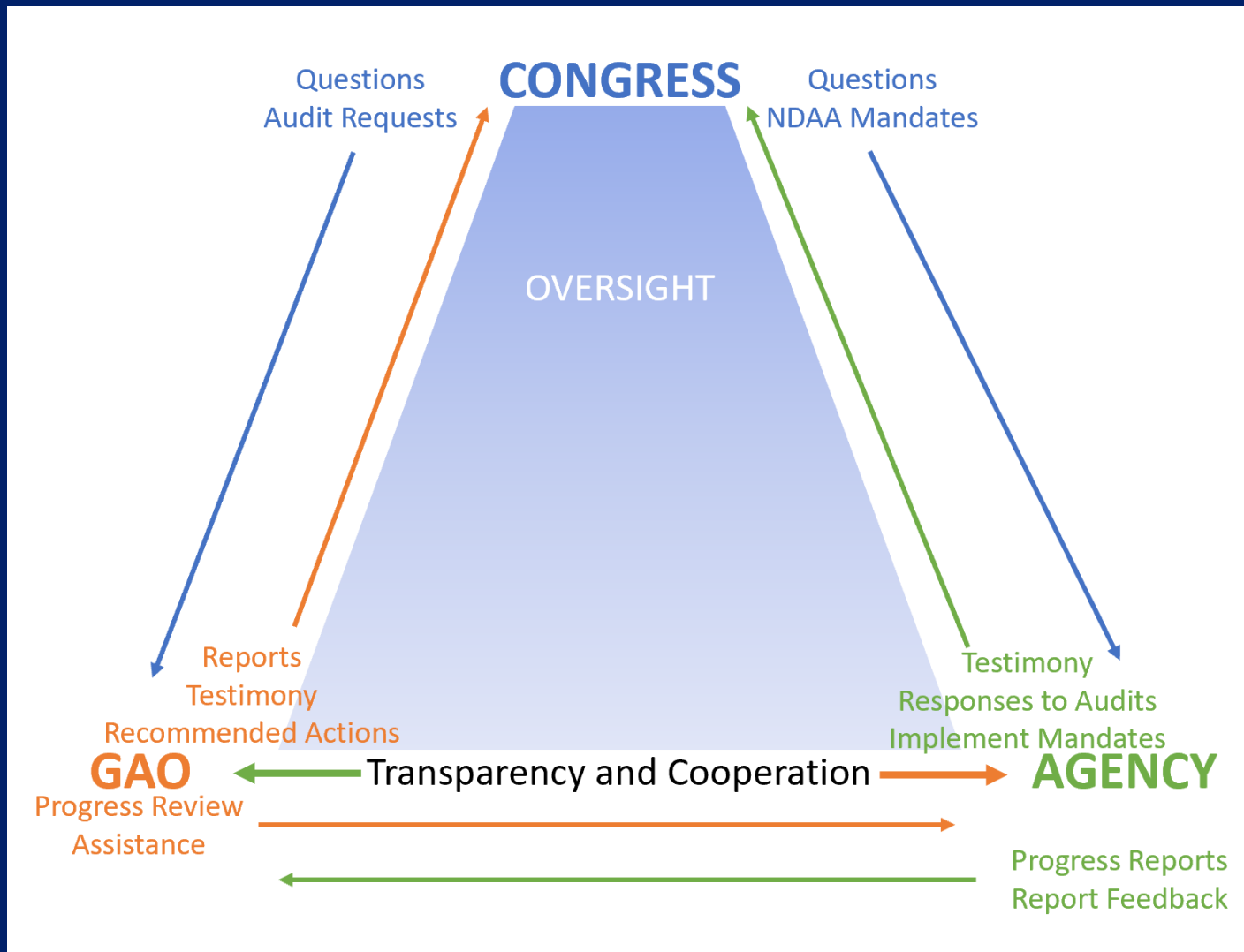


General Methodology

1. An extensive documentary search of GAO reports and Congressional testimony.
2. Virtual in-depth interviews with Subject Matter Experts (Current and former officials at DOD, GAO, and Capitol Hill).
3. Interviews were recorded, transcribed, coded and analyzed to find common themes and relevant observations.



Observed Theoretical Framework of the High Risk List



Theory to Practice: Does the Observed Theoretical Framework Work?

The theoretical framework of the HRL, with its expected roles and responsibilities for the GAO, the DOD, the OMB and the Congress is not fully functional in practice.

- From the GAO's perspective, the integrity of the framework is often compromised by congressional and agency inaction.
- From the agency perspective, the framework is unreliable because the GAO fails to meet expectations when it comes to expertise in agency operations.

Could the DOD ever get off the HRL?

SMEs disagree but viewpoints generally reflect perspective:

- Virtually all GAO interviewees expressed the opinion that the DOD could get its areas off the HRL.
- Some in the DOD were also somewhat optimistic.
- Most DOD officials interviewed saw DOD HRL areas as inherently risky and thus DOD will always be on the HRL.

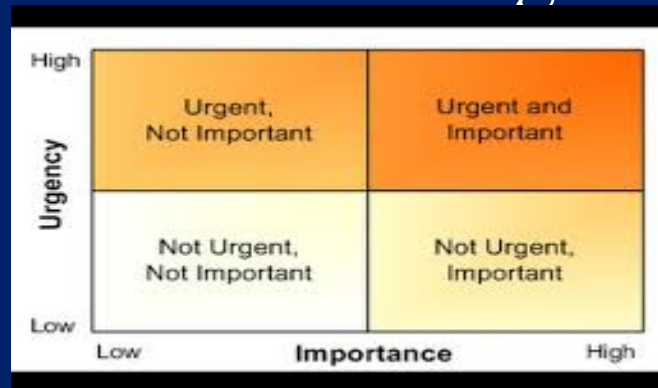


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Should the DOD management agenda prioritize getting off the HRL?

- In the absence of tangible incentives or penalties there seems to be little motivation for the DOD to specifically prioritize getting off the HRL.
- The GAO lacks enforcement authority beyond persuasion and the public scrutiny that comes from biennial congressional hearings.



Is the DOD a High Risk Anomaly?

In last year's phase of this research*, three attributes characterizing risk emerged:

- (1) the more technical programs have greater risk
- (2) defense and national security areas have greater financial risk
- (3) larger programs have greater, more prolonged risk

The study concluded DOD is a high-risk anomaly in that the Department is characterized by attributes 2 and 3; but not an anomaly in that these attributes characterize non-Defense agencies on the HRL.



Is the DOD a High Risk Anomaly?

This expanded study concurs with the prior report that the DOD both is and is not a high-risk anomaly.



This leaves the DOD in the position of determining for itself when to address HRL items in the context of mission and managerial reputation.

