



Acquisition Research Program: Creating Synergy for Informed Change

Program Manager Professionalization: The “Return on Investment” Question

Keith Snider

Associate Professor
Graduate School of Business & Public Policy
Naval Postgraduate School

Background: Perceived mismanagement of defense acquisition programs

- Need for improvements in workforce professionalism:
 - Hoover Commissions I (1949) and II (1955)
 - Fitzhugh Commission (1970)
 - Commission on Government Procurement (1972)
 - Packard Commission (1986)
- Failures of past reforms that were focused on policy, process, and procedure caused policy makers to focus on people (acquisition workforce).
 - “DoD acquisition problems can be solved only if those charged with responsibility for day-to-day implementation of weapons systems programs are adequately trained, experienced, and motivated.” (CRS, 1985)
 - “Acquisition personnel are unique in government in that an investment aimed at improving quality offers payoffs of truly immense proportions” (Mavroules, 1991)
- Defense Acquisition Workforce Improvement Act (DAWIA) enacted in 1990

Proposition: A professional workforce contributes to improved acquisition outcomes.



Focus on Major Program Managers

Program Manager (PM) professionalism:

- Training, education, experience
 - Defense Procurement Improvement Act (1985) required Secretaries to establish requirements for PMs (may be waived)
- Less frequent rotations (longer tenure in office)
 - Hoover II (1955) opined two-year average was too short
 - Four-year minimum (Carlucci – 1981) formalized in PL 98-525 (1985)
- Dedicated career paths – incentives, motivation
- Military vs. civilian – operational experience vs. continuity

Proposition: Professional PMs contribute to improved acquisition outcomes.



DBB PM Task Group

21 April Draft Report

USD(AT&L) Charter:

- Bring best business practices from the private sector to improve the intake and development of military PMs
- Focus on the selection, training and development, management and performance measurement, and incentives/rewards for uniformed PMs
- Provide recommendations for improving the effectiveness of military PMs based on private sector best practices for major PM executives

Methodology – SME interviews

Pertinent observations:

- Military PMs tours shortened by promotion, deployments, transfers – leads to short-term decisions and risk avoidance, to the long-term detriments of the program
- Civilian PMs: more continuity and more business acumen (?)

Recommendation - Professionalize military acquisition corps **OR** put civilians in leadership PM roles with military in operational/field roles



GAO Report (Oct 2010) on the Acquisition Workforce

- GAO finding: “To provide appropriate oversight of the proficiency and capability of its acquisition workforce, DOD will need metrics to measure skills, knowledge, and abilities, and how certification training contributes to organizational performance results.”
- DoD response: “Workforce capability is a function of having the right number of people [size] in the right functional areas [composition] with the right education, training, and experience.”



“ROI” (Evaluation) Literature on Employee Development Programs

- Private sector:
 - Justifications for HR training budgets
 - Contributions to profitability
 - Employee development for retention purposes
 - Many barriers (e.g., isolating program effects); no silver bullet
- Public sector: Literature is sparse; few agencies systematically evaluate their HR function and its organizational impact
- Training and Development Process:
 - Planning/front-end analysis
 - Design/development
 - Implementation
 - Evaluation
- Five levels for evaluation: (increasing complexity/cost?)
 - I. Reaction – measure employee satisfaction with the program
 - II. Learning – measure changes in employee knowledge, skills, attitudes
 - III. Applications – measure changes in on-the-job behaviors
 - IV. Business results – measure changes in business-impact variables
 - V. ROI – compare benefits relative to costs



Research Hypotheses

Acquisition outcomes are better:

- In programs without waivers for PM education, training, experience
- In programs with greater PM stability (longer tours)
- In programs with civilian PMs
- In Air Force programs than in Army programs, and in Army programs than in Navy programs.
 - Average acquisition experience of major PMs (1990 House Report):
 - USAF – 97% with at least 8 years (average is 17 years)
 - USA – 81% with at least 8 years
 - USN – 71% with at least 8 years



Data

Defense Acquisition Management Information Retrieval (DAMIR) system – programmatic data, metrics

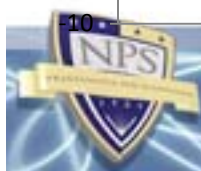
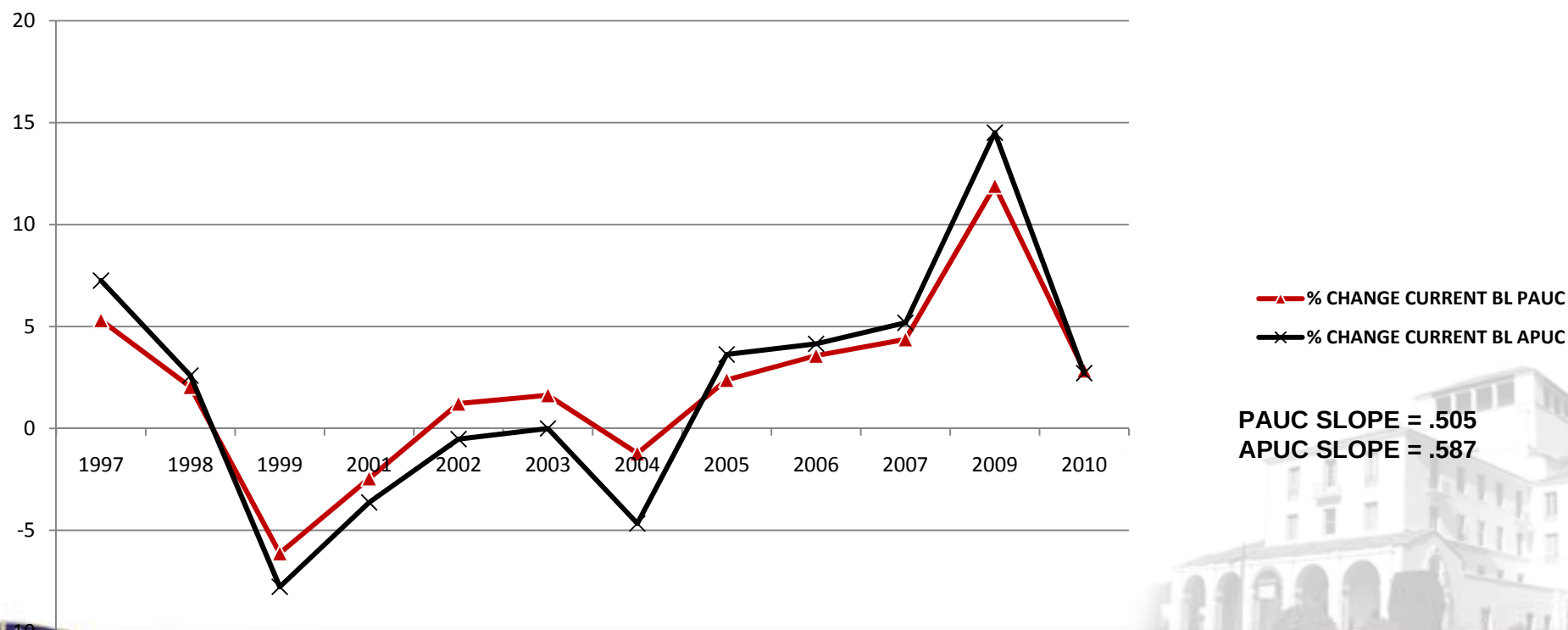
- CPI, SPI
- Annual percentage unit cost (program (PAUC), procurement (APUC)) change from baseline

AT&L Data Mart – workforce data



Annual percentage unit cost (PAUC, APUC) change from baseline

AIM -9X	1997	1998	1999	2001	2002	2003	2004	2005	2006	2007	2009	2010	SLOPE
% CHANGE CURRENT BL PAUC	5.31	2.04	-6.12	-2.45	1.22	1.63	-1.22	2.38	3.57	4.37	11.9	2.84	.505
% CHANGE CURRENT BL APUC	7.25	2.59	-7.77	-3.63	-0.52	0	-4.66	3.63	4.15	5.18	14.51	2.71	.587



Acquisition Research Program: Creating Synergy for Informed Change

Naval Postgraduate School
Monterey, CA

Program Factors

Component: Army, Navy, or Air Force

Waiver for PM requirements: yes or no

Civilian PM: yes or no

PM assignment duration: short (< 24 months) or long (> 36 months)

Any differences in program outcomes?

