

Leadership and Procurement

by Stephen Bauld and Kevin McGuinness

WHAT IS THE PROPER leadership role of public servants, and to what extent (if any) should those who work in public procurement be expected to exhibit leadership? Is it even important that they do so?

In our view, the answers to these questions are self-evident. However, procurement scandals such as those associated with e-Health in Ontario, are the result of a pervasive failure of leadership at virtually every level of the organization concerned. To avoid problems, it is necessary to emphasize the important leadership role that purchasing professionals can and should play within the organization as a whole.

Many may overlook the importance of purchasing, but most great leaders of history have been quite sure that it is very important. In the military, “purchasing” is essentially logistics. “An army marches on its stomach,” Napoleon once declared. There is no doubt that he was right; if men and materiel are not there on time and in sufficient quantity, the army is not going anywhere. Training in procurement is a vital aspect of giving fighting forces the ability to perform effectively in the field. Purchasing is just as important in the civilian sector. For instance, many of the biggest failings with respect to Hurricane Katrina related to inadequacies of the two critical purchasing aspects of

procurement: supply and logistics. On a more positive note, to a large extent, the Japanese economic miracle was linked to innovations and improvements in the management of supply.

Leadership is important in the procurement context because, within an organization, procurement touches and concerns so many parts of the overall organizational operation. One can learn almost everything about an organization by watching what it needs, what it wants, what it buys, when it buys, how it buys and what it does with what it buys. Conversely, poor purchasing performance translates into poor performance by the organization overall. Money wasted on bad procurement decisions and process destroys organizational effectiveness. Thus, the importance of leadership and procurement is difficult to exaggerate.

What do we mean by leadership? Reading books on the subject, it becomes clear that the practical requirements of “leadership” are a matter of debate. Even the terms “leader” and “leadership” lack clear and precise definition. Leadership may be variously described as being: the ability to focus the progress of a group; a personality trait; the ability to influence the behaviour of others; a form of specialized persuasion; a power relationship; an instrument to assist an organization in

achieving its goals; a structural relationship within an organization; or some combination of the foregoing. Yet, curiously, we all seem to have an intuitive ability to identify weak or strong leadership. Very often, leadership is subtle. Most authorities on the subject agree that it is not something that comes with a particular job, like a bigger office or better perks; it is a quality of the person who has a job, and as such it is one that can be exhibited by a person regardless of their rank within the organization.

The leadership texts suggest that studying leadership is essentially about identifying the skills that will make anyone better at their job. For practical purposes, leadership may be equated with doing a job right. By doing a job right, we do not necessarily mean doing it well. Being a top purchasing performer from a technical perspective (working within applicable rules, applying them according to their spirit rather than the letter, delivering good quality work on time, helping others) are all part of doing the job right, but they are not the entirety. For this reason, leadership training begins with giving people the basic skills that they require to assume responsibility, and to discharge whatever managerial authority may be entrusted to them in a way that – if not spectacular – is at least not manifestly incompetent or catastrophically bad.





Leadership, however, goes beyond competence. It requires a purchasing professional to take on a personal responsibility for the organization's performance. This, in turn, requires vision; the capacity for strategic thought; a positive and proactive attitude; drive; tenacity; balanced enthusiasm; a willingness to take risks, but the sense to provide for the hazards that are likely to be encountered; an understanding of the importance of rules, but the flexibility to apply them in a sensible and balanced way.

Particularly, in the field of public administration, leadership requires generosity and compassion; foresight, knowledge and wisdom; strong decision making ability; and the ability to manage people effectively, as for instance by coaching peak performance and building a strong team. Of particular importance in the procurement context is a commitment to the prudent management of resources.

These are not talents easily developed. People are not born leaders, although some develop that skill far faster than others. Leadership skills are honed over time, through experience and training – and through reflection. Leaders appreciate the importance of their jobs to the greater public welfare.

We have left “charisma” off this list of leadership requirements intentionally. If there is one problem that besets modern society, it is too much focus on charisma. As a result, we have built a society governed by the catchy phrase (the “sound bite”), and preoccupied with spin. Form seems to be more important than substance. An excessive preoccupation with image detracts attention from courage; self-control; decisiveness; reason and understanding; the value of experience and wisdom, principle, honesty and integrity. As the Romans learned before us, and as we are learning painfully now,

leaders who possess resilience (the ability to make the most of a bad situation); a sense of destiny and a willingness to explain purpose; the ability to communicate to everyone the importance of the task on hand; and the devotion to duty required to carry that task out. These skills and qualities are not limited to being required of leaders of state, but are those that are demanded of any person who must assume a leadership role.

It requires no particular imagination to list the practical skills that leaders require within any organization to perform effectively.

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rhetoric mastery is no substitute for the ability to develop sound policy, nor is the power to whip up a crowd in a speech the same as the ability to convince the public to make hard choices.

Leadership is most important in times of difficulty, particularly in crisis. In such an environment, people need

These include effective communications, comprehensive strategic planning and the ability to translate such plans into effective tactical execution, effective negotiation skills, motivational ability, the ability to break down complex assignments into manageable tasks through simplification, prioritization, and proper

supervision, the ability to work effectively within the organizational structure, commitment to proper reporting, and working within governance constraints. Most importantly in the purchasing context, effective management means a genuine commitment (demonstrated by actual performance) to on time, on budget delivery of products that meets the client department need.

Few would argue that sufficient attention is given in modern public administration to fostering such an approach to on-the-job performance. Modern personnel practices often fail to seek out potential leaders, because other concerns are given priority. Even where possible leaders are hired, little support is given to the development of their leadership potential. Many government training budgets are being slashed in the face of declining revenue and the diversion of funds to more “critical” programs – as if saving money, or spending it in a prudent and effective fashion was some kind of optional extra rather than being fundamental to the success of programs. Canada needs to reinvigorate the leadership training process. One advantage of doing so in the procurement context

is that improved leadership will lead to almost immediate improvement in public financial performance.

A buyer who shows true leadership potential will be one who discharges their assigned responsibilities with prudence and probity. He/she will care about getting results for the client, but will do so in a manner consistent with applicable law and policy. Effective procurement is not just a job to such a person. It is a way in which to demonstrate care for the community being served. Public service is fundamentally about stewardship. For many public servants, it was the desire to do something for the betterment of society that led them into the public service in the first place. This kind of spirit needs to be encouraged if we are to restore public service to a position of pride and respect.

Public servants cannot do their job properly if done complacently, or by hiding in a corner so no one will see, or by looking to outside consultants to do it. No one can be expected to be right all the time, so a public servant must have the courage to stand up for what is right and to give honest advice. In any organization there is a decision-making

process, but sensible employers will agree that it is important to tell your boss what you think, and why. Leadership in the public service means taking on personal responsibility for the whole job. It means taking decisions that have to be made, even when they mean sticking your head above the parapet.

Leadership also entails respecting the role and the decisions of those in authority over you. The balance between these apparently inconsistent tasks is as follows: it is for senior managers and elected officials to make the key decisions. However, it is the responsibility of the entire public service to make sure that these decisions are made on an informed basis, with a full understanding of the implications of the decisions being made and the range of options that are open to them. 

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