

Exercising leadership

by Steve Bauld and Kevin McGuinness

Purchasing and procurement managers can develop leaders

WHAT IS THE ROLE of the purchasing manager in developing leadership within an organization? Management and leadership are not mutually exclusive. Management consists of a series of tasks, mostly related to the deployment of resources and monitoring their use. Leadership is a higher level skill, but it's an elusive concept.

Look up "leader" or "leadership" in the dictionary, and you will find definitions like: "A leader is one who leads", or "Leadership is the quality of being a leader." Our favourite definition of the term is "leadership is the process of convincing everyone that you're making progress, when you're going round in circles."

The reason that there's no clear definition of these terms is that people can mean radically different things when using them. For instance, leadership may be variously described as being: the ability to focus the progress of a group; a personality trait; influ-



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encing behaviour; specialized persuasion; a power relationship; an organizational instrument; a structural relationship; or some combination of the foregoing. Valid as these definitions are, they are not of much use to the average manager.

Most people would likely say that the ideal manager will be a leader. Few are. One reason is the difficulty in tying general leadership concepts to specific management tasks. Curiously, many people emerge as leaders who have little education or sophistication, and many people who never hold a managerial position demonstrate leadership on a daily basis – not necessarily by accomplishing great things, but commanding respect in the little things they do.

From a practical management perspective, leadership entails (i) getting subordinates to perform at a higher level than has previously been the case; (ii) focusing the work of the "team" so that it's more tactically effective – that is, so that it serves the overall strategic objectives of the organization. Critically, from the perspective of a public procurement professional, it also entails demonstrating, and developing a respect for, integrity and fair play. A leader plays to win, but he or she plays honestly. Thus, the study of leadership relates to identifying the skills that will make anyone better at their job. The goal of that study is to improve the performance of

all subordinates. Leaders must be assessed by reference to the question of how well they do their jobs given the resources at their disposal; and what they have been asked to do.

Leadership is far more common than people realize, but unfortunately, society has largely forgotten how to identify leadership and how to draw on it to maximize organizational efficiency. Leaders build winning teams by encouraging others within the organization to become leaders themselves. Instead of managing with a view to conformity, managers who are leaders use their authority to provide an environment in which people can excel. That old myth that "leaders are born not made" is bunk, and should not prevent managers from developing leaders within their staff.

When James Naismith, the inventor of basketball, told coach Phog Allen that the game could not be taught, Allen replied: "You can certainly teach free-throwing. And you can teach the boys to pass at angles and run in curves." Leadership training is built around this kind of incremental, task-specific type of training. Managers need to identify what they can teach and pass that along. Leadership is developed by training people to communicate more effectively and to think more strategically. They are positioned to lead, by being familiarized with the goals of the organization and its underlying values. And

all of this training can be related directly to what purchasing professionals are expected to do every day.

Many organizations under-utilize their workers. They do not challenge them, integrate them into planning and decision making, engage them, guide them, or draw on their skills or talents to the organization's own best advantage. We all know what happens when people feel under-utilized. They leave. Numerous problems result when they do so, such as a lack of continuity; loss of organizational memory; as well as increased recruiting and training costs. Worst of all, if an organization gets a bad record, good people will not even apply. Every purchasing manager should ask one question: am I providing an environment in which each of my buyers can perform to the best of his or her ability? If the answer is no, then change may be necessary.

Some of the most profitable leadership tools that may be employed in management draw upon techniques pioneered in sports coaching. It's fundamental to coaching to get people to perform at their best. When Pete Carroll became the coach of the USC Trojans, he took over a football program that had been dying for a decade. Since Carroll took charge, the team has amassed a record of 71-13, was twice the national championship team, and narrowly missed being a three-time champion. Average game attendance has jumped from 57,744 to over 91,000. Three of his players have won the Heisman trophy, as outstanding college player. While many people would say that anyone would do well with a team of such players, they are missing the point. No one had these athletes marked for greatness before Carroll arrived.

Successful coaching requires the sustained delivery of personal excellence. A manager can run any business at a certain level of success, but only a true leader can coach a winning team. The goal of coaching is a sustained process of self-development geared towards achieving team goals including:

- defining objectives and securing commitment to them;
- linking individual objectives to achieve the team objective;
- involving the whole team in drafting that work plan to improve team understanding of its objective;
- individual support to team members;
- reviewing performance, both regularly and after major milestones, in which ideas are freely exchanged (both up

and down the chain of command) concerning how well plans are working; and,

- encouraging all individuals to self-coach themselves: to assess their own performance critically, and to identify the areas where they need to develop additional skills (or strengths), or enhance the skills that they possess.

Manager-coaches act as observers who link each subordinate's performance, attitude and actions with the team objectives. If there are deviations, the manager leads stragglers back to the plan so that they also can attain their goals. The manager motivates and helps each individual by analyzing and explaining

the components of particular skills and techniques that each team member requires. Skill development is furthered through setting increasingly challenging targets for performance improvement. The coach moves this process along by spotting potential, advising on methods to build on strengths, and taking advantage of talent and opportunity.

Too often when one reads newspaper accounts of public procurement related problems, one hears the same litany of excuses from the manager responsible: the courts are against us; we're unionized; the politicians interfere; the suppliers have rigged their bids; I can't get good people; and so on. All people have to work under conditions of disad-

vantage from time to time. Leaders find ways to win. They train their staff to win. Losers just complain.

Much of the literature on coaching focuses on building the sales team, but the points made have relevance for purchasing as well.

The first is that clients buy the whole team. When a client deals with an organization, he or she expects the same standard of care from all its members. The client's perception of the entire organization is likely to be coloured by the client's perception of its weakest link.

Second, to enhance the quality of service delivery, staff must understand the client's actual preferences and requirements. Clients are not an amorphous mass. Each has unique attributes that can be identified. To reach that level of understanding, workers must assume nothing and ask everything.

Third, workers need to understand that client loyalty turns on doing what has been promised when it has been promised. Promises should never be made when they cannot be kept.

Ultimately, people – rather than plans, systems, structures or budgets – make the difference between success and failure. Every leader has a vested interest in getting the optimal performance from each member of

his or her team. The organization must allow talented people to bring forward good ideas, to prepare workable budgets and plans for implementing those ideas, and to devise systems to put them into production. Without good people, an organization will fail. With good people, many other shortcomings can be corrected.

To develop a team of purchasing leaders, the purchasing manager must develop project management skills and capacity in the buyers. Improved project management leads to better purchasing decisions, because such decisions are supported by sufficient information demonstrating that the purchases will meet a public need and serve public policy goals in a cost-effective manner. Stressing effective communication, strategic planning and tactical execution in the training program serves this goal.

One thought might be to adopt more of a needs and policy focus to tender documentation, rather than attempting to dictate solutions. Suppliers need to be engaged in the process of working out how to best serve the public need. Lack of communication, lack of clarity, lack of precision as to what is required, confusion over the meaning of tender documentation – call it what you will – all end up costing the public more. The conduct of a tender isn't a game, nor is it an exercise in wish fulfillment. The "game" approach to tendering has compromised value for money. Allocating risks to the supplier will increase costs. Limiting supply (or competition to supply) will increase costs. Too often these facts are ignored in procurement. Emphasis is placed on "bullet-proofing" tenders, rather than on trying to get the kind of goods and services that will improve government service delivery.

To address this problem, staff also need to become familiar with new purchasing and managerial methods, such as AFP/PFI (alternate financing or private financing initiatives) transactions and integrated organization-wide strategic planning. They need to be versed in how to address emerging areas of concern, such as environmental considerations. Buyer training should focus on giving buyers the tools they need to provide cutting edge service to their clients.

They also need to learn how to engage client departments so they are more open to innovations in technology. The public purchasing process ought to incorporate seeking out new opportunities: better ways of accomplishing tasks than the ways that have

been used in the past. One area in which purchasing can play an effective leadership role is in the dissemination of information within government regarding newly emerging cost-effective solutions to long standing problems. Another area is that of expectations management.

Buyers need to understand the importance of purchasing to the overall organization and its contributions to operations and program delivery, including emergency response, and they need to appreciate that it's a natural leadership position in any governmental organization or private sector firm. For example, its importance is underscored by the fact that many of the biggest failings with respect to Hurricane Katrina related to inadequacies of two critical functions of procurement: supply and logistics. Some of the most important improvements in industrial productivity over the past century have resulted from improved procurement methods, such as just-in-time inventory. Public purchasing professionals need to develop comparable methods of enhancing public service delivery. For instance, techniques need to be developed to encourage peak performance by government suppliers. Good performers need to be rewarded appropriately. Poor performers need to be penalized appropriately.

An "open" and "fair" procurement system isn't the end of public procurement. It's a means to the end. The end is cost effective delivery of public service to the citizen, on a basis that results in the best value for money.

Public purchasing/procurement departments need to be re-oriented away from the purchasing police mentality and towards a position where the department sees itself, and is seen to be, a leader in the effective and efficient process of government service delivery. When buyers focus primarily on whether an order is on the correct form, whether the correct sign-off has been obtained, whether the right budget code is used, they are not focusing on getting the best deal. Getting the best deal is the whole objective of procurement. Exercising and developing leadership improves the chances of getting the best deal. *mm*

Steve Bauld spent many years as purchasing manager at the City of Hamilton and is now vice president of the Ontario General Contractors Association. Kevin McGuinness is a lawyer with Ontario's Attorney General. Together they have collaborated on several books on public sector procurement and leadership.