Practical Leadership Skills for Procurement Professionals

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Download Today's Slides & Resources

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center4procurement.org/toal

Process vs. People

Although Procurement is primarily about processes and procedures…

… a majority of time is spent <u>interacting</u> with people!

Leadership Questions?

How can you easily change others?

How can you easily control others?

Q: "How do you get some one to do the job you thought they were hired to do?"

Ignaz Semmelweis

Know Yourself / Know Others

Leadership Realities

- **People don't always listen – even if your right & have data**

- **Everyone thinks they are doing the right thing**

- **You cannot easily control others**

- **You cannot easily change others**

Working with Internal User Groups

Terminology

- **Internal Team**
- **User Groups**
- **Business Units**
- **End Users**
- **Internal Clients**
- **Client Personnel**
- **And so on...**

The *NON-PROCUREMENT* Members of the Client / Buyer Organization's Project Team

Impacts of Client Personnel

1. Client has never been involved in a procurement
2. Client has limited experience with this type of project/service
3. Client isn't sure what exactly they want
4. Client wants to sole-source
5. Client wants to pick a supplier that they know
6. Client wants to pick a supplier that has worked for organization in the past

Level of Effort

Impacts of Client Personnel

1. **Client has never been involved in a procurement**
2. **Client has limited experience with this type of project/service**
3. **Client isn't sure what exactly they want**

Can Be Addressed Through Education & Toolkits

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Impacts of Client Personnel

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Resistive Behaviors That Will Require Greater Attention

Resistive Behaviors

- **Most people are __not__ intentionally trying to be difficult**

- **Many are resistive due to fear of change or fear that the outcome of the project/service will impact their work personally.**

Simplar's Organizational Change Database

Top 5 Resistance Behaviors

1. **Reversion**
2. **Reluctant Compliance**
3. **Arguing**
4. **Lack of Transparency**
5. **Delaying**
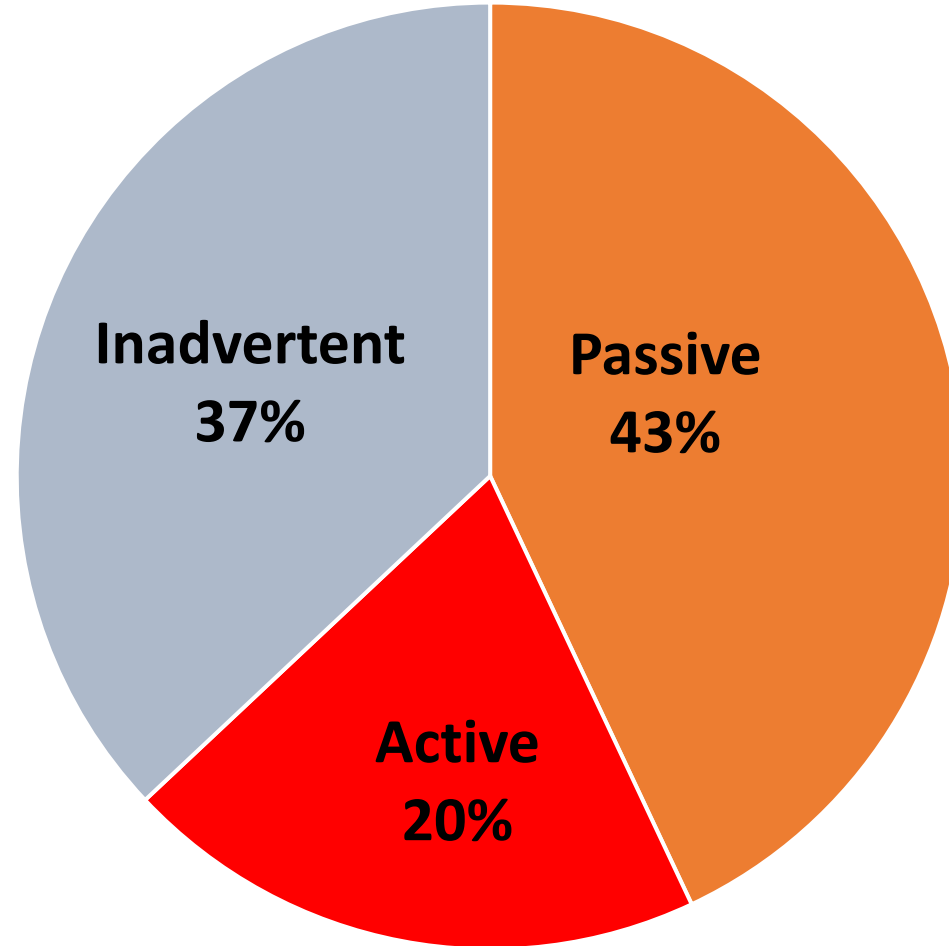
Ask Yourself...

...Is the Client looking to sole source or pick a supplier just because they want to <mark>increase the risk of a protest</mark>?

4. Client wants to sole-source

5. Client wants to pick a supplier that they know

6. Client wants to pick a supplier that has worked for organization in the past

Ask Yourself…

…Is the Client looking to sole source or pick a supplier just because they want to ==*make your life more difficult*==*?*

4. **Client wants to sole-source**

5. **Client wants to pick a supplier that they know**

6. **Client wants to pick a supplier that has worked for organization in the past**

Why Is The Client Asking For This?

Could it be because the Client *doesn't think they have time* *to run a full RFP?*

4. Client wants to sole-source

5. Client wants to pick a supplier that they know

6. Client wants to pick a supplier that has worked for organization in the past

Why Is The Client Asking For This?

Could it be because the Client <mark>personally had a bad experience</mark> with Suppliers in the past, and doesn't want to get stuck with a low performing Supplier again

4. Client wants to sole-source

5. Client wants to pick a supplier that they know

6. Client wants to pick a supplier that has worked for organization in the past

Why Is The Client Asking For This?

Could it be because the Client has <mark>personally invested a lot of time</mark> gathering information about products/suppliers and believes that they know what the best product/supplier is?

4. Client wants to sole-source
5. Client wants to pick a supplier that they know
6. Client wants to pick a supplier that has worked for organization in the past

Why Is The Client Asking For This?

There are many "valid" reasons why the Client believes that they know best...

4. Client wants to sole-source
5. Client wants to pick a supplier that they know
6. Client wants to pick a supplier that has worked for organization in the past

Why Is The Client Asking For This?

There are many "valid" reasons why the Client believes that they know best... but that is why the Purchasing Agent is so important to the Organization!

4. **Client wants to sole-source**

5. **Client wants to pick a supplier that they know**

6. **Client wants to pick a supplier that has worked for organization in the past**

# How Can Procurement Help?

Four Wisdoms

1. Understand potential perceptions

2. Listen to what your customers are saying

3. Emphasize the importance of the project outcome

4. Act as a facilitator

Wisdom 1) Understand Potential Perceptions

Research has shown:

- **40%** view procurement as "helpful"

- **60%** view procurement as "not helpful" or "obstacle"

- ■ Extremely Helpful
- ■ Somewhat Helpful
- ■ Not Helpful
- ■ Obstacle
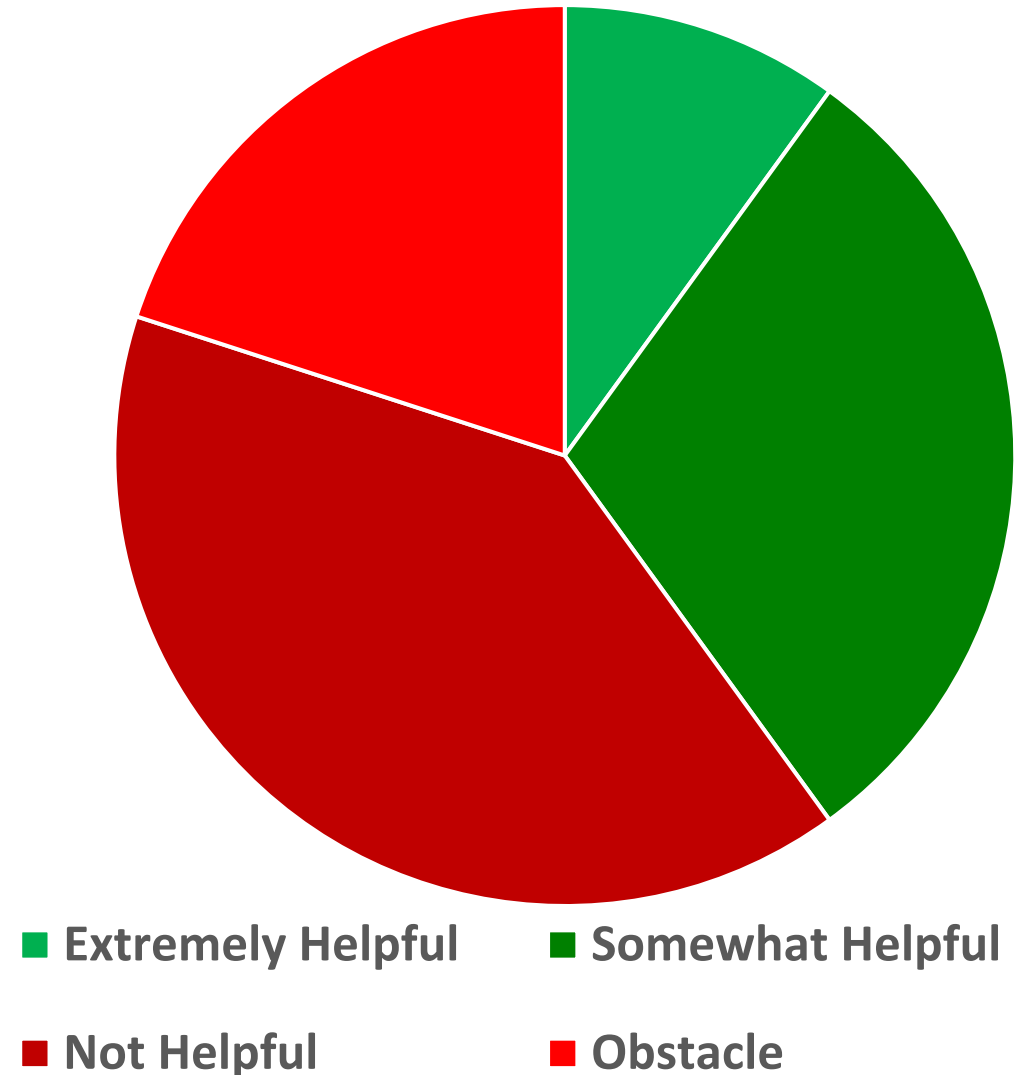
Why Do Some View "Procurement" As An Obstacle?

- Some think that procurement "**slows things down**"

- Some have had **bad procurement experiences** in the past.

- Most may **not understand the true value** that procurement can bring/add to <u>directly</u> improve their project results.

- Some view procurement as **bureaucracy** or a checkpoint they have to "**get through**" before they can "**get back to the project**"
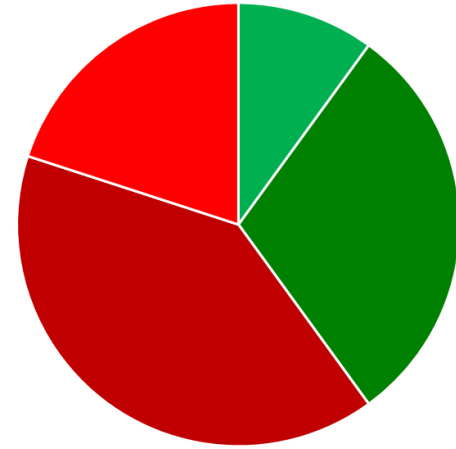
Wisdom 2) Listen To What They Are Saying

- **Let the client share their thoughts, concerns, and current project information.**

- **Don't feel forced to answer a question that you are not 100% confident about.**
  - It is OK to say:
  - "*Good question! Let me check with my team and get back to you soon*"

3) Emphasize the importance of the Project Outcome

- **Market Research**
- **Statement of Work**
- **Expert Vendor (Team)**
- **Opportunity for Innovation**
- **Price Competition**
- **Apples-to-Apples Comparisons**
- **Avoid Change Orders**
- **Etc.**

Wisdom 4) Act as a Facilitator

Procurement & Supply Chain

Business Partner / User

Guide & Assist their Business Partners!

Wisdom 4) Act as a Facilitator

- **Remember, for your Business Partners, the procurement process can be:**

  - **New**
  - **Unfamiliar**
  - **More complex than expected**
  - **Overwhelming**
  - **Disorienting**
  - **Etc.**

A simple 30-60 minute "step-by-step walk-through" can help them understand that you have a plan to address their major concerns

Wisdom 4) Act as a Facilitator

- **Help them lay out their strategic plan & tactical schedule**

- **Don't just tell them "no" or "we can't do that"….**

  … Even if they are asking for something that can't be done!

  - **Suggest alternatives that can meet their objectives**
    (*and meet procurement policies*)
  - **Remember, you are a problem solver!**

Reality of the Situation

- **Performance in facility management (construction, design, FM work) has been proven to NOT correlate to contract types, delivery methods, software, design quality, etc.**

- **Performance in facility management HAS BEEN PROVEN to highly correlate to the capability, skill, and experience of the people doing the work – the critical personnel on a project – FM, technicians, workspace designer, contractor PM, key personnel**

Importance of People

Only **PEOPLE** can deliver:

- **Innovation**

- **Risk Minimization**

- **Creativity**

- **Value Creation**

- **Cost Reduction**

Good Procurement Leadership Perspectives

Just because something is written in a contract does not make it so

Alignment

#1

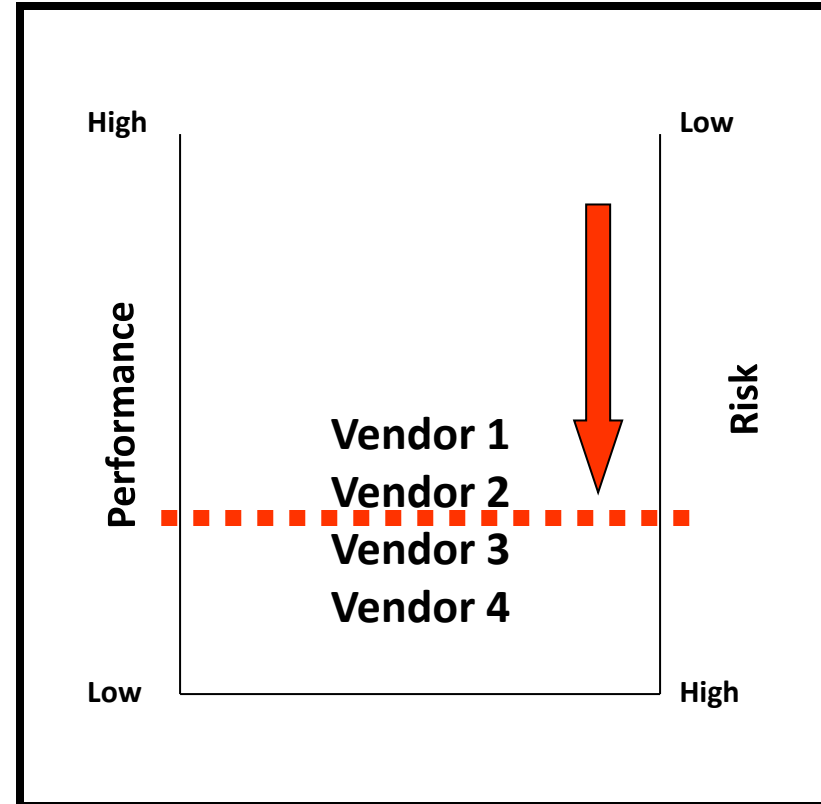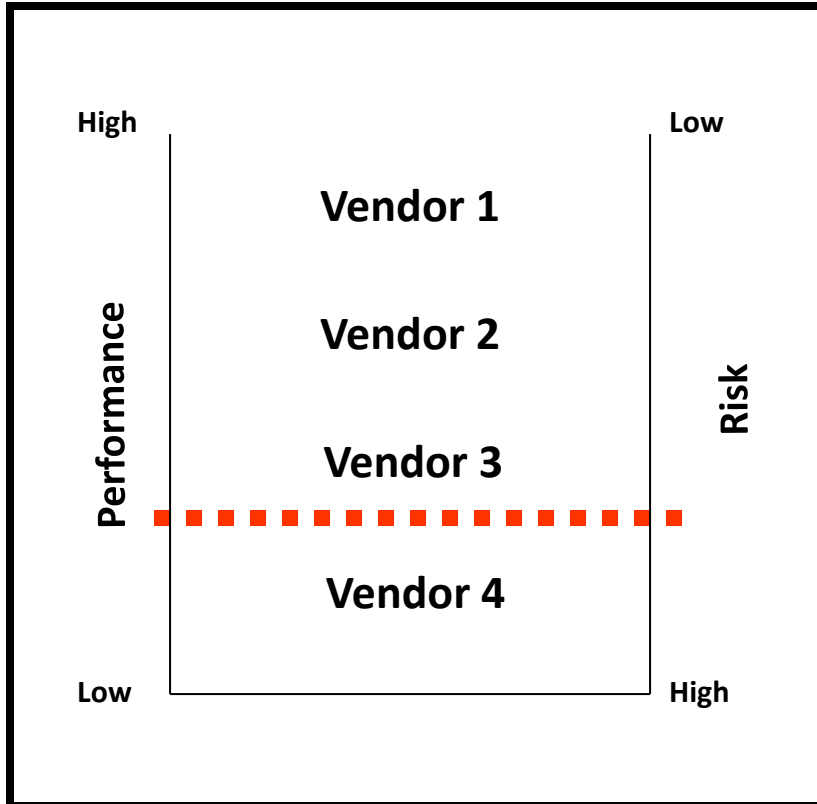**Do not assume the client can describe what they want or even knows what they really need**

Alignment

#2
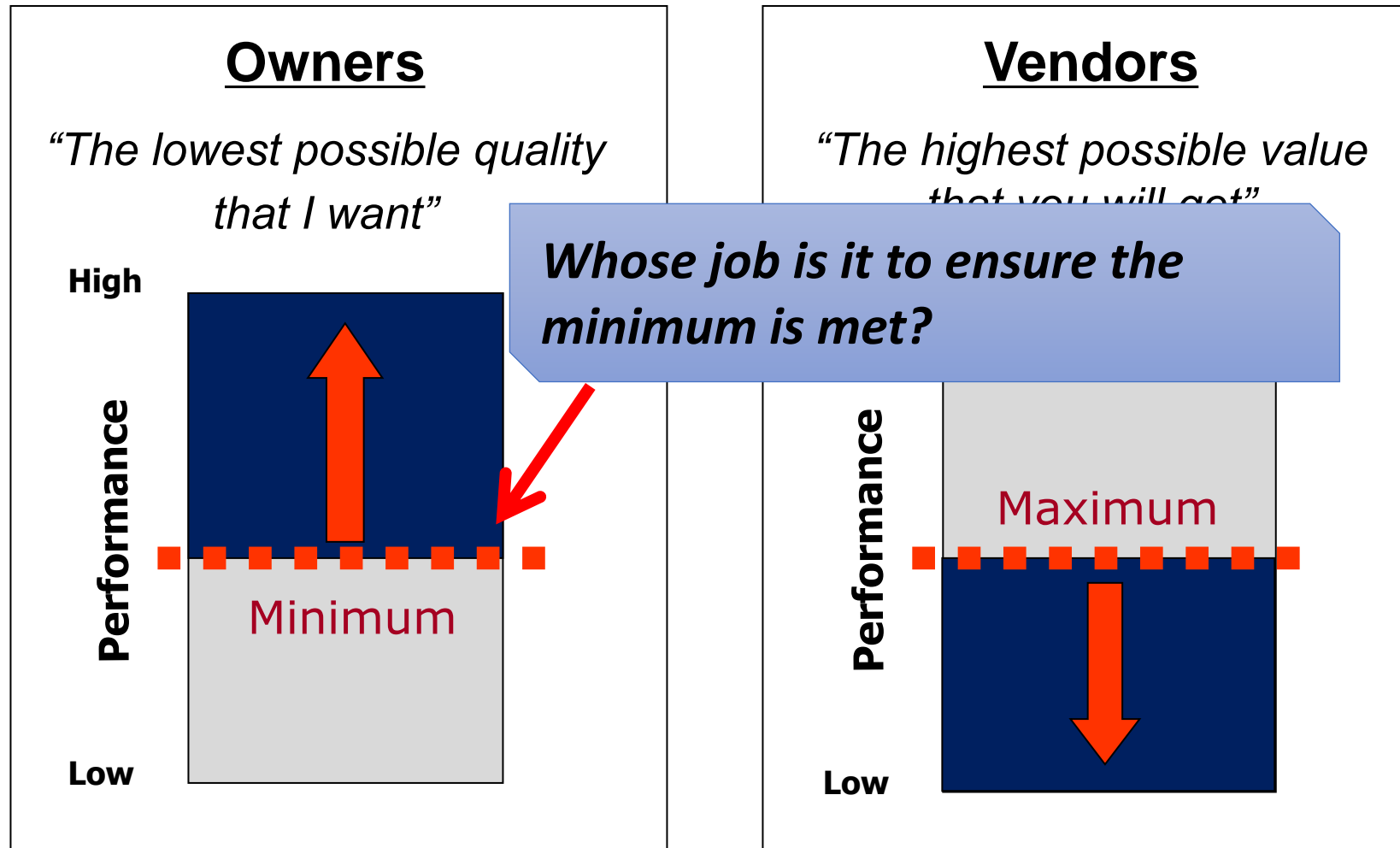
Understand what is the biggest risk on your projects

20-Years of Research Has Shown that the Greatest Source of Risk to any Project is...
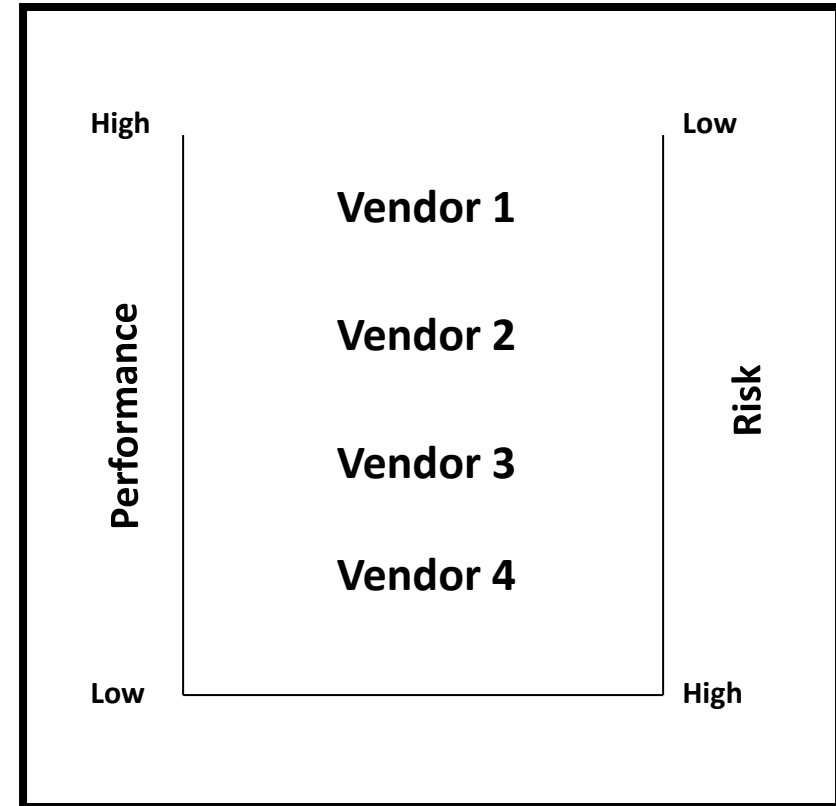
See: Impacts of Common Approaches
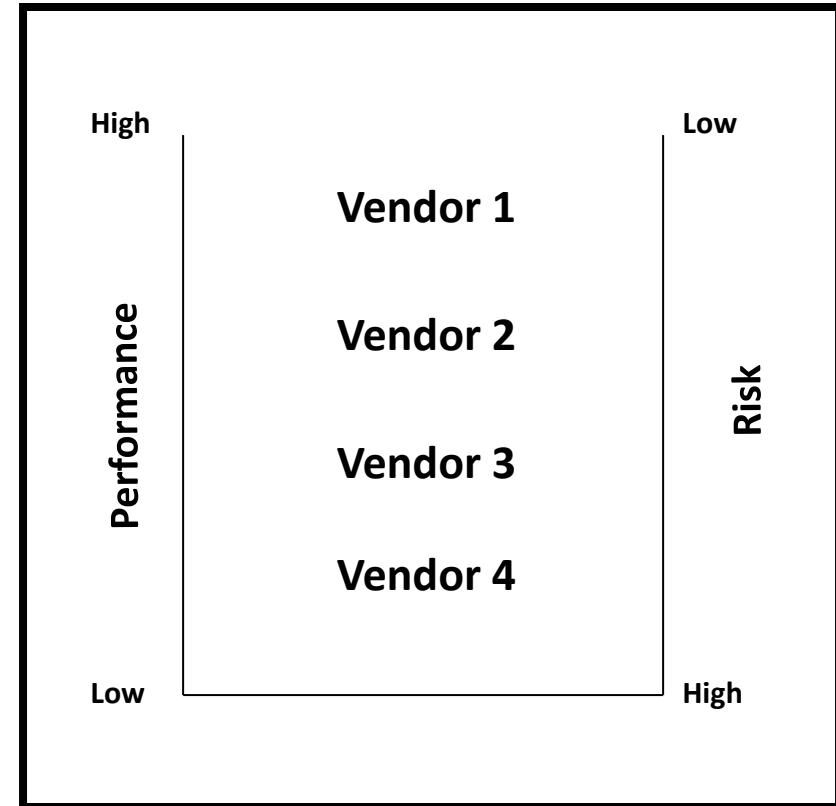
See: Problem with Traditional Approach

Which of these Proponents brings your organization the most risk?

High   Low

Vendor 1

Vendor 2

Performance   Risk

Vendor 3

Vendor 4

Low   High

Creating Value

- **Value can only be created through expertise**

- **Sourcing cannot create value, but can create an environment that:**
  - **Attracts Value Creators**
  - **Enable Value Creators to Differentiate Themselves**
  - **Leverages the Expertise of the Value Creators**
  - **Protects Value Creators**
    - **Good Cop / Bad Cop**

Leader or Manager?

Manager = someone you <u>have</u> to work for

Leader = someone you <u>want</u> to work for

Becoming a Client of Choice

Vendors want to send their best people to compete on your projects

Need to start with knowing yourself….

Introducing Human Dimensions

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Road to Today

- Over 35 Master Degrees and 7 PhD Dissertations
  - What Psychological Tools are Available
  - How to Assess People and Teams
  - How to Collect Data
  - What Data to Collect

- Top Tools Identified
  - Personality & Aptitudes
  - Emotional Intelligence
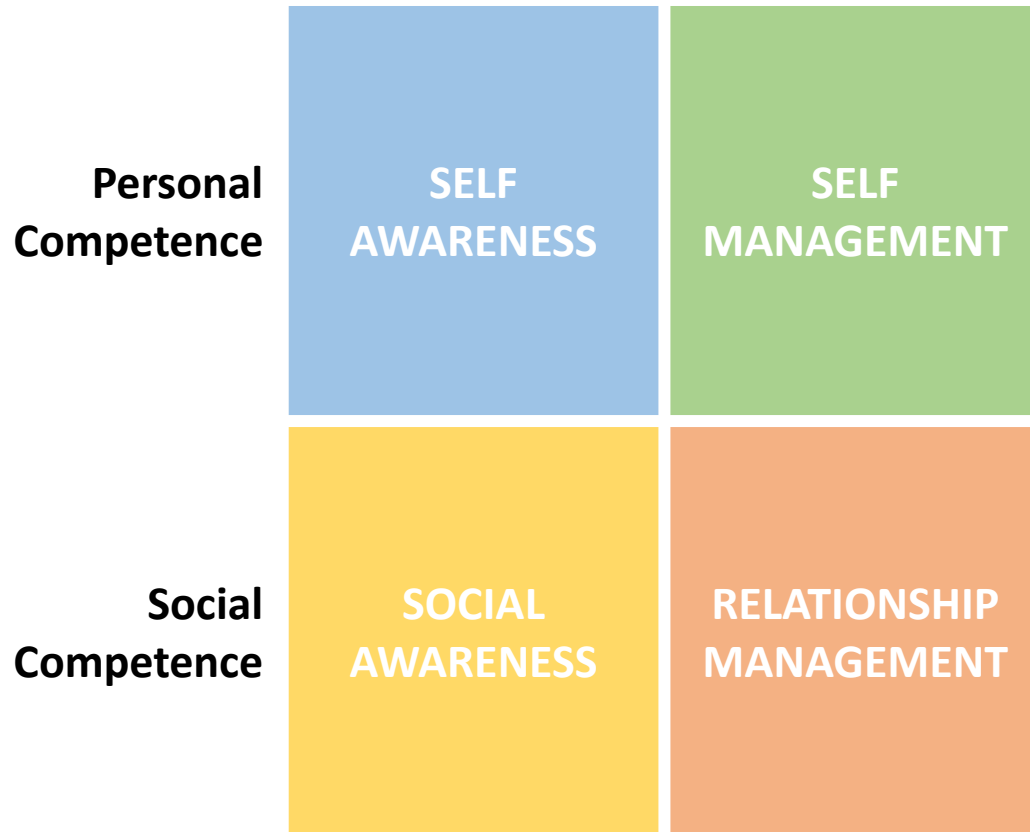 - Behavioral Diagnostic
  - ~~MB~~

HEXACO Personality Inventory

- Based on "Big Six" personality aptitudes and four sub facets each

- Each facet and sub facet is measured on a scale of 1 to 5

- Respondents indicate agreement or disagreement with various statements

- Developed by Ashton & Lee in the early 2000s

- Robust research background

- 60 questions

HONESTY-HUMILITY	EMOTIONALITY	EXTRAVERSION
Sincerity	Fearfulness	Social Self-Esteem
Fairness	Anxiety	Social Boldness
Greed Avoidance	Dependence	Sociability
Modesty	Sentimentality	Liveliness

AGREEABLENESS	CONSCIENTIOUSNESS	OPENNESS TO EXPERIENCE
Forgivingness	Organization	Aesthetic Appreciation
Gentleness	Diligence	Inquisitiveness
Flexibility	Perfectionism	Creativity
Patience	Prudence	Unconventionality

Emotional Intelligence

|	
Personal Competence	SELF AWARENESS
	SELF MANAGEMENT
Social Competence	SOCIAL AWARENESS
	RELATIONSHIP MANAGEMENT

- Four primary skills under two main competencies: *personal competence* and *social competence*
- Measured on a scale of 1-100
- Overall Emotional Intelligence score computed from the scores of the primary skills.
- 28 questions
- Respondents indicate how often they demonstrate a behavior (never to always)
- Developed by Bradberry & Greaves

Behavioral Tendencies

- Advanced version of the four-quadrant behavior diagnostic tool known commonly as DISC
- Provides insight into workplace priorities and preferences
- 48 questions
- People vs task orientation (-4 to 4)
- Reserved vs assertive communication (-4 to 4)
- Overall DISC (1 to 25)
- Respondents choose descriptions that are most/least like them :
  - Dominant
  - Cautious
  - Supportive
  - Inspiring
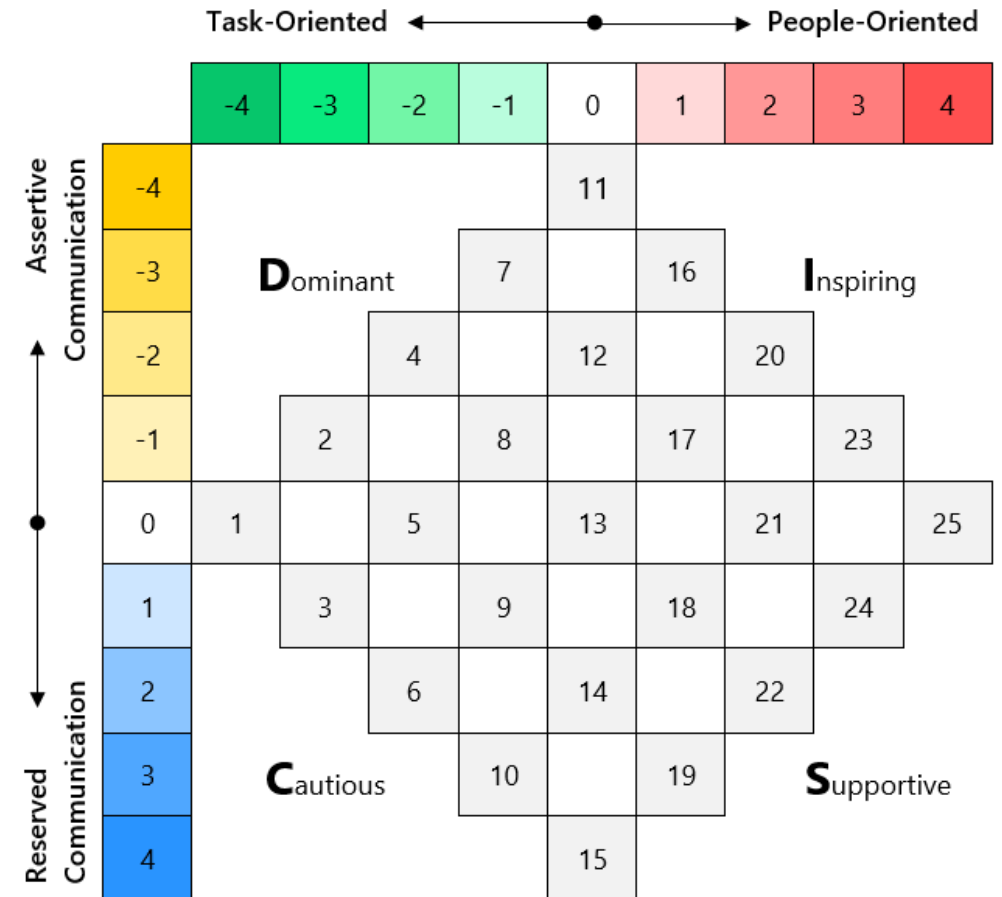
Individualized Reports

Human Dimensions

SIMPLAR

Organization:
Date: 8/29/2018

This report presents your personalized results for the following personality diagnostics: *HEXACO Personality Inventory, Emotional Intelligence, Myers-Briggs Type Indicator,* and *QDISC-101*. Each section contains your assessment score, and an explanation of the score. The appendix explains what is being measured in each assessment and the various possible outcomes.

A high score for a personality trait does not necessarily [...] personality type can be successful given the right [...] make you aware of your personality traits and ena[...] peers. This can be used to connect better with [...] from yours and can help guide your future decisio[...]

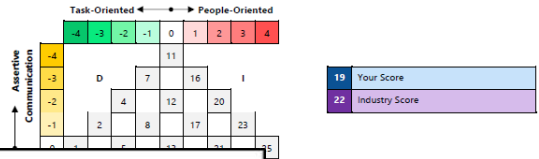### QDISC-101

The *QDISC-101* is an advanced version of the [...] commonly as DISC developed by Dr. Avi Wiezel. It [...] information about your workplace priorities and p[...] work orientation (task-oriented vs. people-oriente[...] into one of the four quadrants – Dominant, Inspir[...] display each of the four behaviors to some level, [...] four quadrants is available in the Appendix.

Your *QDISC-101* score is highlighted in the diagra[...]

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Task-Oriented ←→ People-Oriented

Assertive Communication

| -4 | -3 | -2 | -1 | 0 | 1 | 2 | 3 | 4 |

Dominant   **I**nspiring

Supportive

HEXACO Personality Inventory

The *HEXACO Personality Inventory - Revised* (HEXACO) is a six-dimensional model of human personality that assesses six factors: Honesty-Humility (H), Emotionality (E), Extraversion (X), Agreeableness (A), Conscientiousness (C), and Openness to Experience (O). Each factor is composed of traits with characteristics indicating high and low levels of the factor, and is measured from 1 to 5. A detailed explanation of the factors is available in the Appendix.

The following chart illustrates your scores on the HEXACO personality inventory.

Patterson Hannah
HEXACO SCORES

Honesty-humility	3.63
Emotionality	3.25
Extraversion	3.94
Agreeableness	2.31
Conscientiousness	3.56
Openness to Experience	3.44

WHAT DOES IT MEAN?

Your **Honesty/Humility** score is lower than average. It indicates that you tend to flatter others to get what you want, are inclined to break rules for personal profit, are motivated by material gain, and feel a strong sense of self-importance.

Your **Emotionality** score is higher than average. It indicates that you tend to experience fear of physical dangers, experience anxiety in response to life's stresses, feel a need for emotional support from others, and feel empathy and sentimental attachments with others.

Your **Extraversion** score is higher than average. It indicates that you tend to feel positively about yourself, feel confident when leading or addressing groups of people, enjoy social gatherings and interactions, and experience positive feelings of enthusiasm and energy.

Your **Agreeableness** score is lower than average. It indicates that you tend to hold grudges against those who have harmed you, are rather critical of others' shortcomings, are stubborn in defending your point of view, and feel anger readily in response to mistreatment.

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[...] ability of individuals to recognize their own emotions and [...] ferent feelings and label them appropriately, use emotional [...] behavior, and manage and/or adjust emotions to adapt to [...]. It encompasses self-awareness, self-management, social [...] and emotional intelligence overall.

[...] scores

INTELLIGENCE SCORES	Range	Interpretation
60.0	90-100	A strength to capitalize on
71.0	80-89	A strength to build on
70.0	70-79	With some improvement, this could be a strength
71.0	60-69	Something to work towards
68.0	59 or below	A goal to address

[...] to accurately perceive your emotions in the moment and [...] oss situations.
[...] y to use awareness of your emotions to stay flexible and direct [...]
[...] y to accurately pick up on emotions in other people and [...] on with them.
[...] A): ability to use awareness of your own emotions and those of [...] successfully.
[...] I (OV): ability to stay aware of your emotions, and to understand [...], and motives.

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COMPARISON TO THE INDUSTRY

The following figure illustrates the average *QDISC-101* score within the industry along with your score.
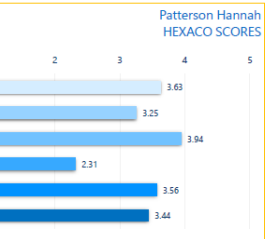
Task-Oriented ←→ People-Oriented

Assertive Communication

| -4 | -3 | -2 | -1 | 0 | 1 | 2 | 3 | 4 |

D   I

| 19 | Your Score |
| 22 | Industry Score |

[...] INDUSTRY

[...] scores for HEXACO alongside the average scores of other [...] on and the industry based on the completed surveys in the [...] easy comparison.

COMPARISON TO THE INDUSTRY FOR HEXACO

Your Score   Organization Score   Industry Score

[...] different your HEXACO scores are from the highest measured [...]. The scores have been normalized to highlight the differences [...] only make it easier to see differences and is not an absolute [...] from the highest performers' averages.

[...] M TOP PERFORMERS FOR HEXACO

	Range	Factor(s)
	Significantly above best in class	Openness to Experience
	Above best in class	
	Near best in class	Honesty-humility, Emotionality, Extraversion
	Below best in class	Conscientiousness
	Significantly below best in class	Agreeableness

Extraversion
Agreeableness
Conscientiousness
Openness to Experience

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Customized Individual Reports

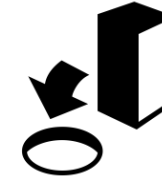Individualized reports created for every respondent

Report provides a detailed insight into an individual's personality type

Each assessment illustrates how the individual's personality compares with organization & overall industry.

Information about how the individual compares against the procurement leadership in the industry is provided

How are these used?

- **Hire/Assign the Right Talent**
  - Increased probability of finding employees who are the right "fit"

- **Identify Existing Talent**
  - Assess likelihood of success

- **Retain and Grow Talent**
  - Grow employees to achieve their maximum potential

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**Performance Ratings:
ID the Rockstars**

- Ranked the PMs via a weighted combination of:

Key Performance Areas
- Project
- Technical
- Leadership
- Other

How Many Are There?

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- **6% are PM Rockstars (Top Performers)**

- **51% are Good PM Performers**

- **43% are Below Average PM Performers**

- Considering:
  - Overall Quality of Work
  - Overall job knowledge
  - Ability to effectively lead and manage others
  - Ability to meet schedule deadlines in a timely manner
  - Overall leadership and communication skills
  - Ability to take initiative
  - Overall supervisor satisfaction rating of the employee

- GC + Electrical + Mechanical
  - *Mid-Career is highest performing (45ish)*

Biggest Differences

- #1 – Patience (17%) (calm vs anger)
- #2 – Forgiveness (high trust / after mistakes)
- #3 – Agreeableness (collaborative/cooperative)

- Other Significant Factors:
  - Higher Relationship Management Skills
  - Higher Greed Avoidance
  - Less Creative (Aesthetic)
  - Less Emotional (less stress)
  - Less Fearful
  - Less Openness to New Experiences

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Field Leaders Vs Project Managers

- Top Performing Field Leaders (Superintendents & Foremen)

- Significant Differences from PMs
  - Lower modesty (know they are the boss)
  - Lower forgiveness (long memories, not trusting)
  - Even Lower Creativity (tried and true)
  - MUCH Higher Fear (extreme risk avoidance)
  - Higher self-awareness (understand their emotions effect others' performance)

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Comparing Levels Org. Seniority

	Entry Level 1		**A few people working for them** Level 2		**PM; runs projects/systems** Level 3		**Oversee multiple PMs** Level 4
Honesty	3.71	Honesty	3.70	Honesty	3.73	Honesty	3.69
Emotionality	2.96	Emotionality	3.00	Emotionality	2.87	Emotionality	2.99
Extraversion	3.56	Extraversion	3.46	Extraversion	3.49	Extraversion	3.45
Agreeableness	3.06	Agreeableness	3.07	Agreeableness	2.84	Agreeableness	2.67
Conscientiousness	3.79	Conscientiousness	3.87	Conscientiousness	3.85	Conscientiousness	3.91
Openness	3.30	Openness	3.53	Openness	3.15	Openness	3.30
EQ	72.62	EQ	71.00	EQ	72.27	EQ	68.50
MBTI	ISTJ	MBTI	STJ	MBTI	ISTJ	MBTI	STJ
DISC	S	DISC	C	DISC	D	DISC	D
Performance	8.03	Performance	7.87	Performance	8.43		
Pot Exec	4.25	Pot Exec	3.83	Pot Exec	7.19		

Enhanced Decision Making – Promotions / Opportunities

HiPerf

Honesty	3.71
Emotionality	2.96
Extraversion	3.56
Agreeableness	3.06
Conscientiousness	3.79
Openness	3.30
EQ	72.62
MBTI	ISTJ
DISC	S
Performance	8.03
Pot Exec	4.25

"Susan"

Honesty	3.70
Emotionality	3.00
Extraversion	3.46
Agreeableness	3.07
Conscientiousness	3.87
Openness	3.53
EQ	71.00
MBTI	STJ
DISC	C
Performance	7.87
Pot Exec	3.83

"Larry"

Honesty	3.73
Emotionality	2.87
Extraversion	3.49
Agreeableness	2.84
Conscientiousness	3.85
Openness	3.15
EQ	72.27
MBTI	ISTJ
DISC	D
Performance	8.43
Pot Exec	7.19

"Bob"

Honesty	3.69
Emotionality	2.99
Extraversion	3.45
Agreeableness	2.67
Conscientiousness	3.91
Openness	3.30
EQ	68.50
MBTI	STJ
DISC	D

Aptitude Match

94%   85%   78%

Volunteer Procurement Professionals

- **309** procurement professionals

38 States from the U.S.

4 Provinces from Canada

1 Region from Australia

Major Differences from Procurement Leaders

- Procurement leaders tend to have **higher**:
  - Inquisitiveness (+16%)
  - Social Boldness (+13%)
  - Aesthetic Appreciation (+13%)
  - Openness to experience (+11%)

- Procurement leaders tend to have **lower**:
  - Anxiety (-14%)
  - Patience (-13%)
  - People oriented (-45%)
  - Reserved Communication (-50%)

Major Differences from Client's Reps

- Client's Reps tend to have **higher**:
  - Greed Avoidance (+15%)
  - Social Boldness (+18%)
  - Sociability (+17%)
  - Extraversion (+12%)
  - Unconventionality (+12%)

- Client's Reps tend to have lower:
  - Fearfulness (-23%)
  - Dependence (-29%)
  - Sentimentality(-25%)
  - Emotionality (-23%)
  - People Orientation (-44%)
  - Reserved Communication (-50%)

Invitation to Participate
FREE!!!

Interested in having your entire organization assessed? We are conducting research offering a complimentary assessment. Please let us know!
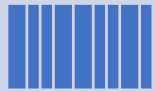
Are you an individual looking to to take the assessment? We kindly request you to scan the provided QR code.

Upon scanning, you'll be prompted to answer a brief set of questions. Following this, we will send you an email containing a link to access the full assessment.

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ASU Arizona State University

UNIVERSITY OF NORTH CAROLINA
CHARLOTTE

KU THE UNIVERSITY OF KANSAS

Reading List

- **John Maxwell – (has several) 21 Irrefutable Laws of Leadership, 5 Levels of Leadership**
- **Covey – Seven Habits of Highly Effective People**
- **Drucker – (has several) Effective Executive**
- **Carnegie – How to Win Friends and Influence People**
- **C. Terry Warner – Bonds that Make Us Free**
  - **Leadership & Self Deception (Arbinger Institute)**
- **Kahnman – Thinking Fast and Slow**
- **Rath/Conchie – Strengths Based Leadership**
- **Harvard Business Review (On Leadership)**
- **Gordon – Power of Positive Leadership**
- **Greene – Laws of Power**
- **Clear – Atomic Habits**
- **Goldratt – The Goal**
- **Blanchard – Servant Leadership (there are several – but he is my fav)**
- **Heath - Switch**

(Compiled list: https://www.amazon.com/hz/wishlist/ls/2U439J076CDS8/ref=nav_wishlist_lists_3)

Free Webinar Series

**3rd Thursdays every month
@ 12pm Central**

15-min Teaching Moment
(learn a new tip, trick, or tool)

30-min Virtual Peer Group
(network with professionals)

Office Hours
(open Q&A until the questions run out!)

FREE Online Course!

Better RFPs = Better Projects

- **Session #1 = Organizing a High-Performing RFP**
- **Session #2 = Effective Statements of Work (SOWs)**
- **Session #3 = Evaluation Best Practices & RFP Admin**
- **Session #4 = RFP Ethics & Vendor Debriefings**

Register via NASPO's Procurement U

- **Log on to the Procurement U Learning Management System (LMS) to register, access the course and materials.**
  - **www.naspo.org/procurement-u/**
- **Open to all (even non-members of NASPO)**
- **Limited to first 100 participants.**

Key Learning Points

- **Procurement Leaders are in the People Business**

- **RFP Success is dependent on Soft Skills (*Team Leadership*)**

- **Resistive Behavior is fairly common!**
  - Usually **IS NOT** because of *nefarious* or *adversarial* reasons
  - Usually **IS** due to a lack of *experience*, *time*, or *sense of value*

- **Procurement Agents who can navigate these realities are an important asset to the organization!!!**

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