



Insourcing is About Strategy, Not Numbers

Contractors help the government fill a critical gap, which must be the central focus of any debate on managing a blended workforce

By Jaime Gracia Jan 21, 2010

As the federal government continues to look for ways to move contracted work back into agencies, it must overcome some major obstacles. Here's one: It has significantly neglected the need for effective human capital planning.

As a result, the government's lack of in-house resources has increased its reliance on contractors to help it perform vital functions.

That issue has been acute with the federal acquisition workforce for some years now, though it has only recently gotten substantial attention. The Office of Management and Budget is incorporating human capital planning into its guidance for contract savings initiatives -- a good first step. However, the real challenge remains understanding the roles and responsibilities of contract activities and knowing how to manage a blended workforce so these combined forces can continue performing the acquisition mission.

Strategic human capital plans can only be effective and executed properly when leaders identify an organization's skills and capabilities and recognize how that skill set helps the organization achieve its mission. Contractors' visibility and transparency remain areas of concern for the government because of poor information management, lack of oversight and accountability, and, most importantly, poor leadership. A renewed focus by the government on contract management is critical to fixing those problems.

In short, the government must have a better grasp of who the contractors are and what activities they are performing.

The lack of contract oversight and administration means the government has incorrect or incomplete data. That creates a vicious cycle because inadequate staffing contributes to contract management problems, which in turn fuel reliance on contractors. The lack of staffing and bad practices have also led to poor quality assurance, making it difficult for the government to determine whether contractors are meeting their contract requirements.

Companies must provide agencies with information crucial to human capital planning so they, too, can be more effective. Contractors have more accurate data on their workers, if only because they need to maximize profitability. Obtaining such data from industry will help the government make better-informed decisions. Only through that partnership and trust can workforce plans be created that are of any value.

The government does not have the manpower to perform all necessary tasks, and contractors help fill a critical gap. However, this gap must be the central focus of any debate on insourcing and managing a blended workforce. The human capital quandaries must be solved to help shape the balanced workforce as contractors continue to perform such vital functions as the acquisition mission.

Solving those problems requires strong leadership and a commitment to accountability and transparency from both the government and the private sector. Only by working together can both sectors succeed and contribute the tools necessary for effective government management.



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